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CTM filing firms**

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ITMA REVIEW

The journal of the Institute of Trade Mark Attorneys

Issue 401 **May 2013** itma.org.uk



NAVIGATING A NEW UNIVERSE

How is Adobe approaching the
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Welcome to the ITMA summer



I hope you all enjoyed the ITMA Spring Conference, which has just concluded as I write these lines – but if you missed it this time, I hope to see you next year. Some might be relieved that the list of Britain's top Community Trade Mark (CTM) filers (which actually I haven't yet seen myself) comes in this issue and not just before the conference!

With May being the INTA month, this is the best time to look at some of our specifically UK and European issues. Alongside the CTM figures, we have an interview with the IPO's Sean Dennehey. Taking on some technical issues are Michael Edenborough QC and his colleagues at Serle Court, tackling revocation dates, and Colin Hulme, who discusses UK and EU divergence on prior use defences. We also explore how software giant Adobe is navigating the challenges of the widening online universe with a perspective from inside the organisation.

See you at our Summer Reception on 9 July 2013, if not before, and happy bank holidays!

Yours

Catherine Wolfe

ITMA President

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ITMA business

Chief Executive's bulletin

Having seen off a busy first quarter of 2013, here are some snippets of news and activities that may be of interest to ITMA members



Protection of title

ITMA has been pressing for greater clarification in legislation so that the term Trade Mark Attorney is a protected title. There is already inherent protection through the Solicitors Act 1974, the Trade Marks Act 1994 and the Legal Services Act 2007, but the wording could be clearer and concentrated in a single clause in one single Act. ITMA made submissions to the IPO in light of the forthcoming "Growth Bill" (working title), but was advised that there will not be enough space within the Bill to enable appropriate amendment, so progress has been halted for the time being. ITMA will continue to consider its options.

World Trademark Review

ITMA is pleased to announce that, together with the IP Media Group, which publishes the *World Trademark Review* ("WTR"), it has put together an opportunity for ITMA members, whereby there will be a reduced rate for subscription to the WTR magazine. ITMA members will be entitled to 25 per cent off the subscription price of £795. Please go to worldtrademarkreview.com/account/subscribe for further details and enter the code "ITMA" to ensure you get the discount. Alternatively, sign up for a free trial at worldtrademarkreview.com.



Joint Examination Board results

With the recent publication of the 2012 exam results – the last set of trade mark examinations held under the old qualification system – there may be some questions from candidates about what their next options might be. To assist, the Education & Training Committee has put together information posted on the ITMA website. If you have any additional questions, please feel free to email the Committee via Gillian Rogers (gillian@itma.org.uk).

Trade Mark Handbook

ITMA is pleased to announce that, together with Thomson Reuters' Sweet & Maxwell, it has come to an agreement to publish the *Trade Mark Handbook* online through the Westlaw UK (westlaw.co.uk) platform. The full title will be the *ITMA & CIPA Trade Mark Handbook*. The *ITMA & CIPA Community Trade Mark Handbook* is also now available online. Loose-leaf versions will remain on sale and these can be found at sweetandmaxwell.co.uk.

Marshalling scheme

Several ITMA members have completed their shadowing of Colin Birss QC sitting as Patents County Court judge. In a future issue of *ITMA Review* we hope to include a short report sharing the experiences of those who participated in the scheme. ITMA will be looking at the possibility of extending the scheme in future so that more of its members can benefit.



This is an edited version of the bulletin sent to members on 28 February 2013.

Privilege is no problem

Why a recent case regarding the right to legal advice privilege for Trade Mark Attorney clients is no cause for concern

IP-sector attorneys are unlikely to place case law dealing with matters related to income tax very high on their reading list. However, the recent decision of the Supreme Court in *Prudential v Special Commissioner of Income Tax* has raised particular interest in IP circles, due to its focus on the right to legal advice privilege ("LAP") for clients of Patent and Trade Mark Attorneys.

The case arose as a result of Prudential's refusal to comply with a statutory notice from an inspector of taxes to produce tax-related documents on the basis that the documents were

protected by LAP.

This is despite the legal advice having been obtained from a firm of chartered accountants, and not a member of the legal profession. Prudential argued that LAP is a common-law principle that should be applied, or if necessary extended, to legal advice provided by qualified accountants, as this would accord with the principles that underlie and justify the right.

The Supreme Court rejected Prudential's arguments with reference to the Court's historic refusal to extend LAP to legal advice

provided by attorneys under common law. Reassuringly for those in the profession, the decision then proceeds to reaffirm the statutory right to LAP for clients of attorneys as a result of legislation by Parliament under the Trade Mark Act 1994 and the Copyright, Designs and Patent Act 1988. This is indeed stated as the strongest argument that, if LAP is to be extended further beyond barristers or solicitors, as previously understood under common law, it should be left to Parliament to legislate.

*Rachel Wilkinson-Duffy,
Baker & McKenzie*

Global gathering

ITMA hosted a meeting between ITMA, CIPA, IPReg and the IP Department of the Hong Kong Special Administrative Region Government on 1 February, at which the UK contingent shared their experience of regulating the

profession. Catherine Wolfe and Maggie Ramage of ITMA were among those who welcomed visitors Simpson Li, Chief IP Examiner, and Thomas Tsang, Assistant Director of IP (Registration).

An international meeting of top IP minds



Leading legal practices combine

International legal practice Norton Rose announced that it will combine with leading US law firm Fulbright & Jaworski LLP on 3 June 2013 to form Norton Rose Fulbright.

Norton Rose Fulbright will have 3,800 lawyers and

will be a top-10 global legal practice by gross revenue and by number of lawyers. The enlarged practice will have 55 offices internationally, including 11 offices and close to 800 lawyers in the US. Norton Rose Fulbright will also have

an office in Riyadh, and additional strength in London, Dubai, Beijing, Hong Kong and Munich.

The IP team will grow with depth across the US practice, where five IP teams will join the existing Norton Rose teams.

Member benefits



Charles Cameron – mortgage advice and assistance

The Government's Funding For Lending Scheme launched last summer has helped see mortgage rates fall to an all-time low. For expert advice and assistance, Charles Cameron & Associates will be delighted to help you find the most suitable solution to finance any new purchase whether in the UK or Overseas. They are completely independent and will work to find the best mortgage for you, as well as the best terms they can provide. They can also explore whether you may be able to save money by remortgaging on to a more competitive rate.*

Call 020 3145 3300 ensuring you quote IPB, or for more information, visit IP Benefits Plus at itma.org.uk

YOUR HOME MAY BE RE-POSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.

*Terms and conditions apply. See website for further details. As a concession to members, they are willing to waive their normal fee and accept commission only from the lender, although a fee option is also available (typically this could be 0.5% of the amount borrowed). IP Benefits Plus is managed on behalf of ITMA by Parliament Hill Limited of 3rd Floor, 127 Cheapside, London, EC2V 6BT. Neither are part of the same group as a provider.

Media Watch

Twists and turns

Recent headlines have given Ken Storey pause to reflect on past glories

Two stories featuring in the last edition of the *ITMA Review* have moved on apace since its issue. The conflict between BSKyB and Livescribe over the naming of a new pen as the Sky Wi-Fi Smartpen has ended with Livescribe rebranding the pen as the Livescribe



Wi-Fi Smartpen. Because of the dispute, Livescribe missed out on the lucrative Christmas market and had to delay the launch of the Smartpen until 1 March. This is such a shame, as it could so easily have been avoided, since BSKyB is renowned for being vigilant in protecting the SKY brand.

The second story that has progressed has left me a little perplexed. Last time I reported the wrath facing Gordon Ramsay when he applied to register THE SPOTTED PIG as a UK trade mark, when the culinary world is well aware of the New York gastropub operating under that name. It is now reported that Ramsay has handed over his newly acquired trade mark to the owners of the New York establishment, which raises the question as to why he applied to register it in the first place. If it was intended as an act of goodwill all along, it failed spectacularly, judging by the

opprobrium meted out by food luvvies worldwide on news of the application - or maybe their views forced his hand. Who knows?

More famous people in the news over the past few weeks include Lindsay Lohan and the Kardashian sisters. Lohan has a range of clothing marketed under the trade mark 6126, which is apparently a reference to the birth date of Marilyn Monroe - 1 June 1926. A clothing manufacturer, D.N.A.M., which had previously worked with Lohan, is being sued for \$1.1 million for using the 6126 trade mark and, whatever the outcome of the lawsuit, at least you now have a useful pearl



Fashion fuss: Lindsay Lohan's clothing line is a source of dispute

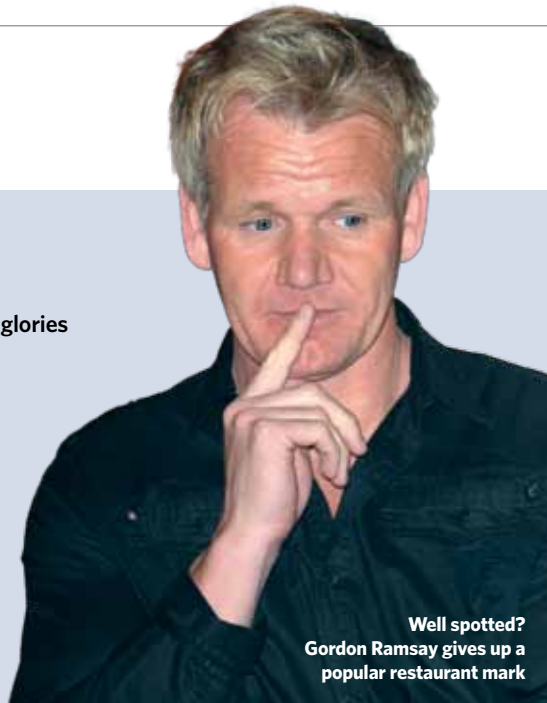
of wisdom to unveil at a future pub quiz!

The Kardashian sisters, who I am told rose to fame via a reality TV programme, are being sued by a former make-up artist, Lee Tillett, who registered the name KROMA for a cosmetics range founded in 2004. According to the *Mail on Sunday*, one of the sisters, Kim, came up with the name

KHROMA for a new range of make-up, but they have now received a cease-and-desist letter from Tillett's lawyers. As often seems to happen in the US, the Kardashian sisters have filed a countersuit claiming that the name KROMA is descriptive, being the Greek word for colour. The *Mail* reports that the Kardashians were in talks with Tillett's representatives back in 2010 over possible product placement of KROMA products, though no deal was completed. The (largely dismissive) comments on the *Mail* website show clearly what the general public think of the Kardashians using

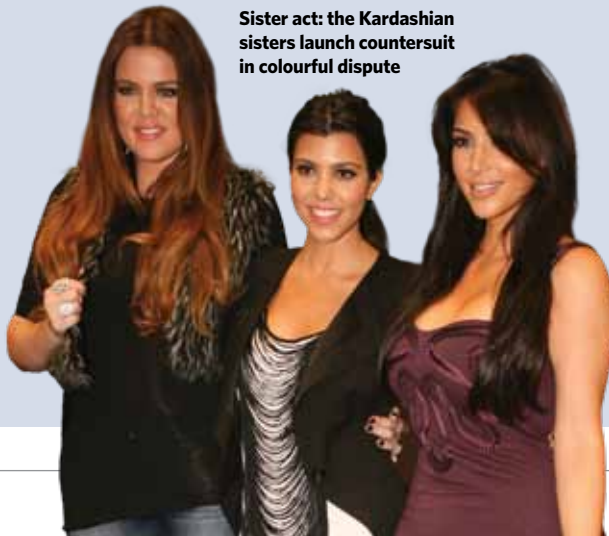
the name, but I doubt if that will worry the sisters, as the publicity generated has to be worth its weight in gold!

From make-up, we move on to accessories; or at least to one particular accessory - the engagement ring. News came over the Business Wire website on Valentine's Day that Tiffany & Co is taking action in the US District Court for the Southern District of New York against Costco Wholesale Corporation for trade mark infringement. Apparently Costco has for many years been selling different styles of rings identified as "Tiffany". It was only in November last year that a customer alerted



Well spotted? Gordon Ramsay gives up a popular restaurant mark

Sister act: the Kardashian sisters launch countersuit in colourful dispute





Tiffany & Co to the sale of “Tiffany” engagement rings, whereupon the company took action. Counsel for Tiffany & Co said: “We will get to the bottom of what Costco was up to and right a terrible wrong.” That could prove very costly for Costco.

If you are of a certain age, you may remember that Valentine’s Day and other celebrations were sometimes marked with a glass of Babycham. To us mere mortals, and particularly as callow youths, it was the poor man’s champagne! I must admit I thought it had long disappeared from supermarket shelves, so I was intrigued to see it feature in another *Mail on Sunday* story. The makers of Babycham are taking action against a British homeware company, Cath Kidston, claiming that the use of a baby deer with a ribbon on its neck infringes the drinks company’s rights. The High Court writ claims that the appearance of the aforementioned deer on Cath Kidston products aimed at under-18s associates Babycham “with a blatant disregard for industry codes of practice to protect children”. It is, of course, for the Courts to determine if there is any confusion, but I did like the description of the logos as both being of “hooved ruminants unaccustomed to wearing ribbons”. Sweet!

One case of confusion that has already been established

attracted much comment in national and specialist motoring press alike. It was widely reported that the Bridgestone Corporation has won a lawsuit against Chinese tyre makers Guangzhou Bolex Tyre Limited, which had manufactured tyres under the brand name GEMSTONE. The Bridgestone Corporation objected on the grounds of confusion with the BRIDGESTONE brand. Bridgestone won the case and production of GEMSTONE tyres has ceased, with damages being paid. I was a little surprised at the volume of press coverage of this case, but maybe the motoring world is far more popular than I thought. Anyone out there with stories of interest to petrol-heads take note – there is mileage in those tyres!

To end this column, and again with reference to my age, I picked up on another story from my youth. Chubby Checker is back in the news! The headline in the *Daily Mail* says it all: “Risqué app gets Chubby in a Twist”. The story



In a twist: Chubby Checker feels his name is tarnished

focuses on a new app that is supposed to let ladies know the full extent of what to expect from a new man based on the size of his feet. This is not a new fallacy (note the spelling!), but it has incurred the wrath of the old Twister, whose name is used for the app. He has filed a multimillion-dollar lawsuit in the US against Hewlett-Packard, through whose software the app is available. The suit says that the app has done “irreparable harm” by linking Checker to “sexual connotation”, and will blur and tarnish his name. However, if he gets another lease of life from it, I think he’s done pretty well.



Ken Storey
ken.storey@btinternet.com



Member moves

Robert Cumming (above) has joined Appleyard Lees’ Leeds office as a Trade Mark Attorney. Robert joins the firm from Walker Morris, where he was an Associate IP Solicitor. Contact Robert at robert.cumming@appleyardlees.com

Catherine Barbour has taken up a position as Trade Mark Attorney at Bristows, in the Brands Group. Contact Catherine at catherine.barbour@bristows.com or on +44 (0)20 7400 8000.

HGF and Grant Spencer merge

Harrison Goddard Foote (“HGF”) Patent and Trade Mark Attorneys has acquired Grant Spencer and will be merging the two firms under the lead HGF brand. David Potter, HGF’s Head of Trade Marks, added: “We have further strengthened HGF’s position as one of the top IP firms in the country across all business sectors. The HGF Trade Mark Group is already extremely successful nationally and internationally. We provide the highest-level commercial advice, and with Claire Hutchinson and her team, we can build further on this existing platform.”

ITMA Spring Conference 2013: a colourful and energised event

Eran Soroker of Soroker-Agmon offers his summary of this year's happenings

ITMA 2013 went well. It seems that the organisers did a great job in energising the meeting and giving it a fresh look – starting with the striking pink lanyard to hold our conference credentials.

Wednesday's drinks event led us off to an underground space – a brilliant location (see photos, top of page 11). The place was so crowded that mingling was unavoidable, although it was a bit loud as delegates expressed their views. Trade mark professionals tend to be articulate!

Thursday was a long and full day, led by a keynote speech from Judge Colin Birss QC. Of the morning sessions, there were several notable highlights. Steve Truick from the Medicines and Healthcare Products Regulatory Agency (MHRA) gave a brilliant presentation regarding the internet. He showed a few short video clips and also shared his anticipation of adding a new dog to his family. His ultimate message was nonetheless serious: stop the infringers by cutting their money. Michael Keogh, Counsel, Trade Marks & Copyright, BP plc, then gave us a brand-owner's

perspective on counterfeiting, showed all kinds of packages and gave us a good lesson in spelling (no double "l" in Castrol). Next, Sara Ashby of Redd gave a high-powered, two-part presentation on grey-market goods.

After lunch, and a well-deserved break, Richard Burton (D Young & Co) educated us with regard to genuine use. Surprisingly, it is still a case-by-case issue. Good for us.

The Specsavers case, freshly considered by the Court of Justice of the European Union, was the focal point of Katie Cameron's (from Jenkins) lucid presentation. Overlapping ovals were compared and composited. Guy Tritton from Hogarth Chambers closed the day with a barrister's presentation and did well in providing an insight as to the distinction between dilution, tarnishment and unfair advantage.

The Gala Dinner had three highlights. The "entrée" was the President's speech. Catherine Wolfe demonstrated her brilliant rhetorical skills and delivered a sharp and short address. The "main" was



the draw for an iPad mini. The holders of the first two numbers called were not present, so the third one took it. Lucky him! The "dessert" took place on the dance floor. Latin dancers were given a tough mission to make us move, and some of us did! I had a great time.

Friday morning sessions started with the UK IPO update from Allan James, and following the coffee break we heard a tasteful presentation by Amanda Michaels from Hogarth Chambers about bad faith. Lunch went well, more specifically the desserts. Only the brave stayed after lunch, but we were quite a few.

All in all, well done ITMA!

08



Albannach, Trafalgar Square, offered a warm welcome



Friday speaker Alexia Willetts (Brandilicious)



Guy Tritton (Hogarth Chambers)



ITMA
President
Catherine
Wolfe and
Steve Truick
(MHRA)



John Draper
(Kodak Ltd)



Katie
Cameron
(Jenkins)

View from the podium

Richard Burton, D Young & Co

I spoke at this year's conference on the subject of "Genuine use of a mark – and how to prove it" – the first time I have been a speaker at an ITMA event. I gained a great deal from the experience and would encourage others to speak at future events (and be, of course, delighted to return myself). The audience was very appreciative and the initial feedback following the session was positive, leading to some interesting discussions on the subject. It was a great networking opportunity, and I spoke to many delegates who had, in some cases, travelled from afar. The quality of the other speakers' sessions and the conference as a whole undoubtedly gave me a new insight into ITMA. I, for one, hope to be back again in 2014.



Richard
Burton
(D Young
& Co)

My highlights

John Draper, Kodak Ltd

Working on my own, the conference is a welcome opportunity for me to reconnect with my peers, especially those in industry.

The programme is usually topical, too, and gives me reassurance that I am paying attention to what matters and keeping up to date. For me, the highlights of 2013 were:

Steve Truick – What an enthusiast! What an expert! He gave us good advice on how to delve into the people behind the domain names and websites. The lesson: take nothing at face value, and do your homework. It's OK to spend an hour looking at a website and the available WHOIS information, and following the links (remember this as you bill your clients).

Michael Keogh – A sleeves-rolled-up, on-the-ground look at the nitty-gritty of anti-counterfeiting work. Unfortunately, there's no silver bullet – it's just constant hard work, vigilance and proactive case management. All this I have already

learned the hard way, but it's good to have it confirmed by an expert practitioner.

Sara Ashby – A terrific global view of how to conduct actions against parallel imports, both those brought in from outside the European Economic Area and those already circulating in the common market. Follow her advice and you won't go far wrong. And, just for once, the law is 100 per cent on the side of the brand owner.

Katie Cameron – A thought-provoking review of the issue of whether use of a composite mark can ensure to the benefit of one of its components. It looks like Specsavers' use of its famous word and device mark may well save the separate device-only mark. But is this right? In the old days, we were advised to register all variants of the core mark, in case you needed to rely on any of them as the core mark evolved over the years. You could not expect to rely on the mere use of an evolution to validate the original registration. On the other hand, this raised questions of unused marks, defensive registrations and dead wood on the register. Is this what the court is addressing?



Colin Birss QC



Allan James (IPO)



Amanda Michaels
(Hogarth
Chambers)

Overheard



"It's my favourite European conference. For an American, it's a good entry point to understanding European trade mark issues."

Christopher J Schulte, Merchant & Gould, US

"This is the first ITMA Spring Conference that I have attended, and I have thoroughly enjoyed it. I shall make sure that I attend every year from now on, and it has inspired me to take a more active role in ITMA events."

Carrie Bradley, Loven

"Today was fantastic – punchy, informative, and it kept us engaged."

Chinyere Okorochoa, Jackson, Etti & Edu, Nigeria



"I attend the Conference to learn something new, meet colleagues and to be visible."

Yvonne Onomor, Baker & McKenzie

"The topics are very interesting, particularly online infringement. Today's speaker has opened my mind on this subject and helped me get ahead of the game."

Gabriela Montserrat Puente Yugovich, Zacarias & Fernández, Paraguay



"As a first-time attendee of the Spring Conference, it was a great opportunity to hear some really interesting talks, meet new people and catch up with familiar faces."

Patricia Collis, Bristows

On the social side

Thursday's evening entertainment got started with a drinks reception at 8 Northumberland Avenue, which gave everyone the opportunity to mingle with new and familiar faces, share news and discuss the topics raised in the conference sessions so far. The party continued in the grand Victorian Ballroom, which had been majestically transformed from a businesslike conference area into a sophisticated venue for the fantastic Gala Dinner – now lit with overhead chandeliers and striking flourishes of pink lighting, which gave the event a warm and inviting ambience.

Many delegates expressed their appreciation of the elegant table dressings and stylish centrepieces with which each table had been adorned and so carefully set. And then we enjoyed the

complimentary wine and a thoroughly delicious three-course meal.

Perhaps with a nod to the question of "What is real?", a magician visited each table demonstrating an impressive range of card tricks and brandishing a disappearing handkerchief that turned into fire. We were all suitably wowed!

At the end of the meal, we were joined by a troupe of salsa dancers who actively encouraged audience participation – some delegates were more keen than others to join in!

The complimentary walking tour on Thursday offered an ideal opportunity to take in some of the key London attractions (for those who braved the bracing cold), including an alleged sighting of David Cameron emerging from 10 Downing Street!

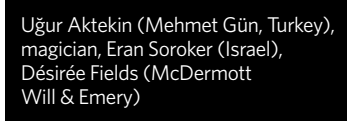
Carrie Bradley, Loven



Spencer Vold-Burgess (Eccora),
Hilde Vold-Burgess (Acapo, Norway),
Lynn Harris (Dummett Copp)



Nicola Amsel (Amsel & Co),
Maggie Ramage (Ramage Associates)



Uğur Aktekin (Mehmet Gün, Turkey),
magician, Eran Soroker (Israel),
Désirée Fields (McDermott
Will & Emery)





José Raúl Simões (SGCR, Portugal), Subhra Datta (S.S Datta Associates, India)



Sean Corbett (Formula One Management), Cliff Kennedy (Maclachlan & Donaldson, Dublin), Gemma Turner (Formula One Management), Christopher Shea (Civil Service)



Monika Dąbrowska and Dr Richard Brunner (Dennemeyer, Luxembourg), Cliff Kennedy (Maclachlan & Donaldson, Dublin)



Jill Matchett (Barker Brettell), Anthony Tong (Robin Bridge & John Liu, Hong Kong), Claudia Amorim (Raul César Ferreira, Portugal)



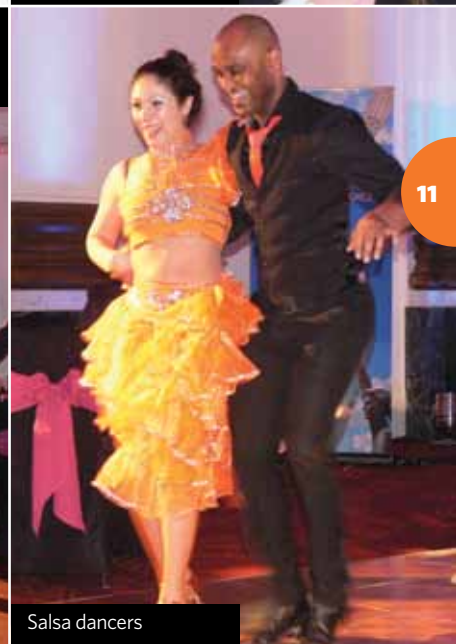
Eloise Preston, Victoria Holvik, Fiona Bell, Claire Hughes, Ian Wood, Catherine Richardson (all Charles Russell)



Sarjo Saine (Gambia), Jane Attreed (ITMA)



Amanda Michaels (5 New Square), Richard Roberts (Browne Jacobson), Guy Tritton (Hogarth Chambers), Nicola Amsel (Amsel & Co)



Salsa dancers



iPad draw winner Matthew Smith (Abel & Imray) with Stephen Stolfi (Wolters Kluwer Corsearch)



The Walking Tour learns about Boris Bikes



Is this David Cameron leaving Downing Street?

High filers

Who's been most active in the Community filings space? Mike Lynd considered the latest statistics from Corsearch to compile this overview

A total of 16,764 Community Trade Mark (CTM) applications were filed by British organisations in 2012, according to an analysis of the latest data available from Corsearch, based on entities filing more than 30 applications. This represents a modest rise of 4.3 per cent on the number of CTM filings reported in 2011 by the same organisations, and contrasts favourably with the overall increase in CTM filings of just 1 per cent over the same period. Of the British CTM filers, Marks & Clerk LLP remains comfortably at the head of the list, with 1,047 applications (although this figure does include 56 applications filed by the firm's Luxembourg office). Novagraaf is in second place with 950 CTM applications in 2012, and the law firms of Taylor Wessing and Hogan Lovells are in third and fourth places with 463 and 461 applications, respectively.

Firm profiles

Firms of Patent and/or Trade Mark Attorneys accounted for just over 70 per cent of those CTM filings, with firms of solicitors accounting for a further 27 per cent. Four British corporations were responsible for about 2 per cent of the total, with the drinks company Chivas filing the largest number at 92. Other notable filers were British American Tobacco with 81, Diageo filing 79, and Reckitt Benckiser filing 53 through the person of Claire Wood.

The largest percentage increase in filings from 2011 to 2012 was achieved by Trade Mark Direct, with no less than a 1,162 per cent increase, moving from eight filings in 2011 to 101 in 2012. (It must be noted that these figures reflect only trade marks filed in which Trade Mark Direct is listed as Address for Service.) The Chinese-originating C & H Int'l Consultant Limited also achieved a spectacular increase over the same period, of 571 per cent, although again the actual numbers involved are fairly modest, representing a move from 14 to 94 applications.

Seeing a downturn based on our sample for 2012 are solicitor firms, with Walker Morris, Freshfields Bruckhaus Deringer, Dechert LLP, SJ Berwin and Davenport Lyons trailing the field.

European scene

Setting these statistics in a wider context shows that filings by British practitioners made up around 35 per cent of filings by European firms – again considering those filing 30 CTMs or more – with total CTM filings by that group reaching 42,461 in 2012. This puts British filers in the lead, while German organisations filed about 16 per cent of the applications, the Spanish filed 12 per cent, the French filed 8 per cent, the Dutch filed 7 per cent, the Italians filed 7 per cent and the Swedes 3.5 per cent. See page 14 for details of the top ten European filers.

On page 14 we also offer a snapshot of the top UK firms filing UK trade marks.

UK FIRMS FILING > 30 CTMS

FIRM/COMPANY	2011 FILINGS	2012 FILINGS	% CHANGE
MARKS & CLERK LLP	919	1,047	13.9%
NOVAGRAAF	984	950	-3.5%
TAYLOR WESSING	329	463	40.7%
HOGAN LOVELLS	424	461	8.7%
BOULT WADE TENNANT	403	422	4.7%
D YOUNG & CO LLP	340	391	15%
HARRISON GODDARD FOOTE	374	376	0.5%
FRKELLY	363	363	0%
FORRESTERS	430	357	-17%
KILBURN & STRODE LLP	363	337	-7.2%
WITHERS & ROGERS LLP	272	322	18.4%
FIELD FISHER WATERHOUSE LLP	328	317	-3.4%
IPULSE (IP) LTD	326	313	-4%
JEFFREY PARKER AND COMPANY	333	293	-12%
MURGITROYD & COMPANY	343	268	-21.9%
MEWBURN ELLIS LLP	275	261	-5.1%
BAKER & MCKENZIE	270	251	-7%
RGC JENKINS & CO	253	239	-5.5%
KELTIE LLP	220	236	7.3%
BARKER BRETTELL LLP	204	235	15.2%
DEHNS	228	234	2.6%
GILL JENNINGS & EVERY LLP	293	234	-20.1%
PAGE WHITE AND FARRER	205	229	11.7%
URQUHART-DYKES & LORD LLP	311	227	-27%
BIRD & BIRD LLP	124	196	58.1%
JA KEMP	185	191	3.2%
SIMMONS & SIMMONS LLP	166	188	13.3%
LANE IP LTD	88	185	110.2%
CLEVELAND	141	179	27%
WILSON GUNN	177	178	0.6%
AA THORNTON & CO	207	173	-16.4%
HASELTINE LAKE LLP	233	173	-25.8%
LADAS & PARRY LLP	155	170	9.7%
POTTER CLARKSON LLP	156	169	8.3%
OLSWANG LLP	167	166	-0.6%
BECK GREENER	147	161	9.5%
WP THOMPSON	215	157	-27%
EDWARDS WILDMAN PALMER UK LLP	200	156	-22%

Note: where separate entries were present for entities clearly connected, if not identical, to each other, eg separate offices of the same firm, filing figures have been combined to create a single entry. Statistics supplied represent trade marks filed, where the company stated is listed as Address for Service.

FIRM/COMPANY	2011 FILINGS	2012 FILINGS	% CHANGE
LEWIS SILKIN LLP	113	151	33.6%
APPLEYARD LEES	151	149	-1.3%
GROOM WILKES & WRIGHT LLP	130	147	13.1%
WILDBORE & GIBBONS LLP	97	141	45.4%
STEVENS HEWLETT & PERKINS	117	138	17.9%
ROUSE & CO INTERNATIONAL LLP	135	137	1.5%
REDDIE & GROSE LLP	161	134	-16.8%
MATHYS & SQUIRE LLP	161	128	-20.5%
DLA PIPER UK LLP	85	126	48.2%
ALEXANDER RAMAGE ASSOCIATES LLP	86	116	34.9%
SILVERMAN SHERLIKER LLP SOLICITORS	98	113	15.3%
VENNER SHIPLEY LLP	96	109	13.5%
SAUNDERS & DOLLEYMORE LLP	101	107	5.9%
WYNNE-JONES, LAINÉ & JAMES LLP	93	102	9.7%
ALBRIGHT PATENTS LLP	112	102	-8.9%
TRADE MARK DIRECT	8	101	1,162.5%
SQUIRE SANDERS (UK) LLP	67	99	47.8%
BERWIN LEIGHTON PAISNER LLP	76	97	27.6%
ABEL & IMRAY	90	97	7.8%
RAY YOUNG (C & H INT'L CONSULTANT LTD)	14	94	571.4%
CHIVAS HOLDING (IP) LTD	76	92	21.1%
CARPMAELS & RANSFORD	119	92	-22.7%
OAKLEIGH IP SERVICES LTD	40	88	120%
ELKINGTON AND FIFE LLP	79	87	10.1%
PHILLIPS & LEIGH	74	82	10.8%
BATMARK LTD	42	81	92.9%
SWINDELL & PEARSON LTD	61	81	32.8%
SHERIDANS	39	80	105.1%
DIAGEO PLC	50	79	58%
SANDERSON & CO	69	79	14.5%
BAILEY WALSH & CO LLP	99	79	-20.2%
GRANT SPENCER LLP	113	79	-30.1%
JOSHI & WELCH LTD	72	76	5.6%
BROOKES BATCHELLOR LLP	78	75	-3.8%
WILLIAMS POWELL	75	72	-4%
KEMPNER & PARTNERS	57	70	22.8%

FIRM/COMPANY	2011 FILINGS	2012 FILINGS	% CHANGE
BRIFFA	61	70	14.8%
EVERSHEDS LLP	77	70	-9.1%
FISH & RICHARDSON PC	60	67	11.7%
SJ BERWIN LLP	115	67	-41.7%
AVIDITY IP LTD	63	66	4.8%
BRISTOWS	85	65	-23.5%
SCOTT & YORK INTELLECTUAL PROPERTY LAW	40	64	60%
HARRISON IP LTD	65	63	-3.1%
HANNA MOORE & CURLEY	28	62	121.4%
NIXON PEABODY INTERNATIONAL LLP	34	61	79.4%
LONDON VOSON INTELLECTUAL PROPERTY SERVICE LTD	60	61	1.7%
BRYAN CAVE LLP	30	60	100%
SIPARA LTD	52	59	13.5%
PITMANS SK SPORT AND ENTERTAINMENT LLP	18	58	222.2%
NABARRO LLP	70	58	-17.1%
TRADEMARKROOM LTD	16	57	256.3%
BERRY DAVIES LLP	46	57	23.9%
ARNOLD & PORTER UK LLP	57	56	-1.8%
MAGUIRE BOSS	64	56	-12.5%
WALKER MORRIS	82	55	-32.9%
UK SNDRE INTERNATIONAL	27	54	100%
CHAPMAN MOLONY	29	54	86.2%
REVOMARK	55	53	-3.6%
McDERMOTT WILL & EMERY UK LLP	58	53	-8.6%
CLAIRE ETAIN WOOD (RECKITT BENCKISER)	68	53	-22.1%
BOND PEARCE LLP	59	52	-11.9%
HALLMARK IP LTD	60	52	-13.3%
DUMMETT COPP LLP	59	50	-15.3%
CRUICKSHANK INTELLECTUAL PROPERTY ATTORNEYS	62	48	-22.6%
FRESHFIELDS BRUCKHAUS DERINGER LLP	74	48	-35.1%
DECHERT LLP	56	36	-35.7%
DAVENPORT LYONS	58	31	-46.6%
	16,073	16,764	4.3%

TOP TEN EUROPEAN FIRMS FILING > 30 CTMS

FIRM	2011 FILINGS	2012 FILINGS	% CHANGE
MARKS & CLERK LLP	919	1,047	13.9%
NOVAGRAAF	984	950	-3.5%
GEVERS	945	668	-29.3%
ZACCO	654	634	-3.1%
BOEHMERT & BOEHMERT	532	596	12%
CLARKE, MODET & CO, SL	541	549	1.5%
PONS PATENTES Y MARCAS INTERNACIONAL, SL	565	515	-8.8%
BUGNION SPA	512	486	-5.1%
MODIANO/MODIANO JOSIF PISANTY & STAUB LTD	496	477	-3.8%
TAYLOR WESSING	329	463	40.7%

UK FOCUS: TOP 50 UK TM FILERS (> 30)

British trade mark applications by entities that filed 30 or more UK applications in 2012.

Note: where separate entries were present for entities clearly connected, if not identical, to each other, eg separate offices of the same firm, filing figures have been combined to create a single entry. Statistics supplied represent trade marks filed, where the company stated is listed as Address for Service.

FIRM/COMPANY	2011 FILINGS	2012 FILINGS	% CHANGE	FIRM/COMPANY	2011 FILINGS	2012 FILINGS	% CHANGE
MARKS & CLERK LLP	713	735	3.1%	CLEVELAND	191	139	-27.2%
THE TRADEMARK HELPLINE/ THE TRADEMARK ASSOCIATION	39	441	1030.8%	STEVENS, HEWLETT & PERKINS	147	139	-5.4%
MURGITROYD & COMPANY	342	399	16.7%	BATMARK LIMITED	82	133	62.2%
URQUHART-DYKES & LORD LLP	412	356	-13.6%	ICI GROUP INTELLECTUAL PROPERTY	59	133	125.4%
HARRISON GODDARD FOOTE	307	311	1.3%	GLAXOSMITHKLINE SERVICES UNLIMITED	142	131	-7.7%
WILSON GUNN	312	311	-0.3%	SAUNDERS & DOLLEMORE LLP	90	128	42.2%
WITHERS & ROGERS LLP	284	302	6.3%	BAKER & MCKENZIE LLP	93	126	35.5%
APPLEYARD LEES	261	285	9.2%	HALLMARK IP LIMITED	152	126	-17.1%
BARKER BRETTELL LLP	291	282	-3.1%	GILL JENNINGS & EVERY LLP	135	124	-8.1%
GROOM WILKES & WRIGHT LLP	268	255	-4.9%	OLSWANG LLP	112	123	9.8%
DEHNS	188	247	31.4%	BAILEY WALSH & CO LLP	139	122	-12.2%
BOULT WADE TENNANT	285	221	-22.5%	CHANCERY TRADE MARKS	208	122	-41.3%
IPULSE (IP) LTD	284	213	-25.0%	BECK GREENER	101	121	19.8%
REVOMARK	241	212	-12.0%	WYNNE-JONES, LAINÉ & JAMES LLP	133	120	-9.8%
KELTIE LLP	205	203	-1.0%	AA THORNTON & CO	105	117	11.4%
D YOUNG & CO LLP	169	192	13.6%	REDDIE & GROSE LLP	116	116	0.0%
SWINDELL & PEARSON LTD	224	181	-19.2%	ALEXANDER RAMAGE ASSOC LLP	123	115	-6.5%
SILVERMAN SHERLIKER LLP	235	174	-26.0%	JA KEMP	88	115	30.7%
NOVAGRAAF UK	154	163	5.8%	BIRD & BIRD LLP	13	111	753.8%
WILDBORE & GIBBONS	183	156	-14.8%	WALKER MORRIS (A PARTNERSHIP)	91	107	17.6%
HARRISON IP LIMITED	131	154	17.6%	WP THOMPSON	224	107	-52.2%
KILBURN & STRODE LLP	155	152	-1.9%	RGC JENKINS & CO	61	104	70.5%
FORRESTERS	164	150	-8.5%	TAYLOR WESSING LLP	118	100	-15.3%
MATHYS & SQUIRE LLP	170	150	-11.8%	THE TRADE MARKS BUREAU	70	100	42.9%
ALBRIGHT PATENTS LLP	158	148	-6.3%	HASELTINE LAKE LLP	103	98	-4.9%



Client property issue prompts practice note

George Cameron provides the background to IPReg's recent professional guidance for IP attorneys

IPReg and the IPReg Joint Disciplinary Panel have released a practice note and guidance on rights asserted over client property ("the Guidance") following the Joint Disciplinary Panel's decision in the matter of *IPReg v Rickman*. The Guidance clarifies the rights that Patent Attorneys and Trade Mark Attorneys (together, "Regulated Persons") are able to exercise over the IP of their clients or former clients to secure payment of their fees and disbursements.

IPReg noted that this matter has highlighted uncertainty among Regulated Persons about permissible contractual terms to secure payment of fees and disbursements, and issued a Guidance note, summarised below.

Current code

The IPReg Rules of Conduct, which currently apply to the conduct of Regulated Persons, set out in Rule 13 that:

"Regulated persons may exercise a lien over client papers and other materials belonging to a client only when and to the extent that the lien is available in law or the lien is an express term of business to which the client has agreed."

All Regulated Persons must satisfy themselves that any claimed lien is permissible by law, but the Guidance nevertheless cautions that particular care should be taken when exercising this right as in most cases it will engage:

- Rule 5 (Integrity) – "Regulated persons shall at all times act with integrity putting their clients' interest foremost subject to the law and any overriding duty to any Court or Tribunal"; and
- Rule 7 (Conflicts) – "A regulated person must not act where his interests conflict with those of a client or of a former client, or where he knows or has reasonable grounds for suspecting that the interests of any partner or regulated person or staff of his firm, conflict with those of a former client."

IPReg considers that Regulated Persons are at significantly increased risk of breaching Rule 5 and/or 7 if they seek to retain a client's property to secure payment of fees and disbursements if there is no contractual right to claim a lien in the terms of business. The Guidance therefore urges all Regulated Persons intending to benefit from the right to claim a lien to:

- include in their terms of business clear contractual terms to that effect; and
- ensure that the terms of business are read and understood, and signed in acknowledgement of that fact.

In rare instances, Regulated Persons may seek to acquire rights over their client's property to secure payment of fees and disbursements. However, IPReg considers that in almost all cases a contractual lien will be sufficient to secure payment and a Regulated Person can expect to be scrutinised very closely if a complaint is made.

Prima facie breaches

To address the uncertainty about permissible contractual terms, the Guidance also identifies several specific contractual arrangements that would, in most cases, be treated as giving rise to *prima facie* breaches of Rules 5 and 7:

- 1) terms of business purporting to grant an enduring power of attorney allowing the Regulated Person to execute on behalf of the client the transfer of title in the client's property;
- 2) terms of business purporting to create a "deemed assignment" of title in the client's property to the Regulated Person, pending full payment of fees and disbursements; and
- 3) terms of business containing any claimed contractual right or entitlement allowing the Regulated Person to:
 - act unilaterally without notifying the client to transfer title in the client's property; or

- act unilaterally without notifying the client to deal irreversibly in his client's property or deal in a manner inconsistent with his client's rights and entitlements in that property, in order to secure payment of fees and disbursements claimed by the Regulated Person.

Review recommended

IPReg has recognised the problem of prompt and full payment of fees and the considerable financial burden of disbursements for many practices. However, primacy must be given to the regulatory objectives set out in section 1 of the Legal Services Act 2007. Regulated Persons should carefully review their terms of business and their business practices to ensure that they are compliant with the Guidance, as failure to comply, without good cause, is likely to weigh against such Regulated Persons if any complaint is made. ■

A full Statement of Facts and Undertakings on this subject can be found at ipreg.org.uk

ABOUT THE AUTHOR



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Calendar confusion

Our authors from Serle Court tackle the seemingly simple issue of relevant dates when pleading revocation for non-use

What could be simpler than alleging that a trade mark has not been put to genuine use for five years and so ought to be revoked pursuant to section 46 of the Trade Marks Act 1994? It's a commonplace activity for everyone involved in trade mark practice. Or is it? In fact, there is more to this apparently simple plea than meets the eye.

Section 46(1)(a) states that the registration of a trade mark may be revoked if: "within the period of five years following the date of completion of the registration procedure it has not been put to genuine use in the United Kingdom..." Within this statement, the critical word is "following". Once a mark is placed on the register, the registration procedure is completed on that day, so the five-year period begins the next day (*Valent Biosciences* [2007] RPC 34, Mr Bowen). So, if a mark had been registered on 18 March 2000, for example, the initial five-year period would have begun on 19 March 2000.

A year comprises (normally) 365 days. This means that one year on from 19 March 2000 is 18 March 2001 (19 March 2001 is actually one year and one day on from 19 March 2000).

Therefore, five years on from 19 March 2000 is 18 March 2005.

An application for revocation cannot be brought until the mark in question has not been used for at least five years. Therefore, to continue with our example, the first date upon which such an application may be brought is 19 March 2005, as only then has the mark been unused for five years (*Tribunal Practice Notice 1/2007*).

Fatal defect

If an application is made before the permissible date, then that is a fatal defect; either the application must fail, or the applicant must seek leave to amend (though if the mistake is considered trivial, it might be overlooked; see *BSA by R2 Trade Mark* [2008] RPC 22, Geoffrey Hobbs QC).

If an application is made on 19 March 2005, then revocation would be effective from that date, namely 19 March 2005, and the mark will cease to have effect "as from" that date onwards (section 46(6)(a)).

An application to revoke a mark that has been registered for more than five years can be made pursuant to section 46(1)(b). In such a case, the date of the

application will be the effective date "as from" which the mark will be revoked, so the five-year period ends the previous day. So, if the application was filed on 19 March 2013, the five-year period would run from 19 March 2008 to 18 March 2013, with an effective revocation date of 19 March 2013.

With this in mind, what is the earliest date an application may be brought? There can be no revocation where, even though the mark has not been put to genuine use in a five-year period, genuine use has begun or resumed before the application for revocation is made (section 46(3)); save that genuine use after the relevant five-year period, but in the three months before the application is made, will not prevent revocation, unless preparations for such genuine use were made before the proprietor became aware of the impending application.

In *Philosophy di Alberta Ferretti Trade Mark* [2003] RPC 15, the Court of Appeal held that the purpose of the three-month period in the proviso to section 46(3) was to enable a potential applicant for revocation to negotiate with the trade mark proprietor for three months without the risk that the proprietor would attempt to put





the mark into use to frustrate the application. As a consequence, the Court confirmed that a non-use revocation application in accordance with section 46(i)(a) may be made as soon as the five-year period is complete, so there was no need to wait for three months.

Intervening periods

Combining the two five-year periods mentioned so far (and assuming a revocation application date of 19 March 2013) – (a) 19 March 2000 to 18 March 2005 (section 46(i)(a)); and, (b) 19 March 2008 to 18 March 2013 – suggests an effective revocation date of 19 March 2013 (sections 46(i)(b) and (6)(a)). The date of the revocation application determines the section 46(6)(a) date, but might there be an earlier effective revocation date in this example? A mark may be revoked from an earlier date if the grounds for revocation existed at the earlier date (section 46(6)(b)).

In *Omega v Omega Engineering Inc* [2003] FSR 49, Jacob J stated that the date of the application for revocation was the default option for when the revocation would take effect. He continued: “If a party wants revocation to take effect from a date earlier than the date of application for revocation, in my judgment, it should set out what date it wants and explicitly allege that the grounds for revocation existed at an appropriate earlier date.”

Therefore, in the current example, one needs to plead expressly the earlier effective revocation date of

19 March 2005. This date of revocation is particularly important where an applicant seeks to revoke an earlier mark to prevent a challenge to a later mark.

In an application for revocation for non-use, the burden of proof is reversed and is placed upon the registered proprietor to prove its use (section 100). If the pleading is not clear as to which period of non-use is being alleged (as in the *Omega* case referred to earlier), then the registered proprietor does not have to prove use for those uncertain periods as it has not properly been put in issue, so revocation will be effective only from the date of the revocation application.

Sometimes, however, the registry takes the view that it was clear that an earlier effective revocation date was intended, even if no formal request for an earlier revocation date had been made (*WISI Trade Mark* [2006] RPC 22, Hobbs QC). Yet, in the absence of a specific request for an earlier revocation date, and where the parties had not joined issue on the basis of an earlier date, the Hearing Officer was “entitled, if not bound” to take the application date as the effective revocation date (*Datasphere Trade Mark* [2006] RPC 23, Hobbs QC), and this is particularly so if only one effective revocation date has been expressly pleaded and that is the application date (*Extreme Trade Mark* [2008] RPC 2, Richard Arnold QC).

Form TM26(N) now has a separate section inviting the applicant to insert the date or dates from which

revocation is sought, so future cases where the date of revocation sought remains unclear should, in theory, be minimal (but in practice still exist).

Paragraph 1.3 of Tribunal Practice Notice 1/2005 indicates that the registrar will allow up to three dates of revocation claimed in a single form TM26(N) and statement of grounds: (1) the earliest possible date under section 46(i)(a); (2) the date of the application of the revocation, under section 46(i)(b); and (3) a specified date somewhere in between those two dates, under section 46(i)(b). It is further indicated that “any other alleged period of non-use must be the subject of a separate application”.

In practice, though, one can plead any number of five-year periods in one TM26(N), as it has been held that the registry did not have the power to impose such an arbitrary limit (*Sabatier Trade Mark*, 31 January 2007, Mr Foley). The penalty for pleading irrelevant and/or abusive periods is an adverse costs order. ■

ABOUT THE AUTHORS

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THE IPO INSIDER: Sean Dennehey

Tania Clark conducted a quick Q&A in January with the UK IPO Deputy Chief Executive and Patents Director



You joined the office in 1978. What changes have you seen in its operation over your tenure?

When I joined the IPO in 1978 I was issued with a candle because industrial relations in the energy sector were not all that they might be. This was to ensure that I was able to keep working even when the lights were off!

Coming back to more modern times, IP is now a top-line discussion issue, whatever its form. The IPO is no longer something of a backwater and the UK is the only country to have an IP Minister. This reflects the rising profile of IP within the UK and means that IP gets much more ministerial attention than it otherwise would do. It strikes me that this is a good thing for everyone.

In 1978, the IPO had applicants and third parties, whereas now it has customers, and I'm sure they are much better treated. And, while when I joined I was issued with an official inkwell, we now work predominantly electronically within the IPO – but we have a long way to go in respect of our electronic services for customers.

The fact that we are in Wales and not London is also worth mentioning. People may have thought the IPO may have disappeared having moved to Wales. Needless to say, this has not been the case and the IPO continues to grow.

Looking to Europe, both the European Patent Office and OHIM are now very well established. Of course, OHIM was hardly in view when I joined the IPO. On a wider international level, there is certainly much more cooperation, especially at a practical level, on benchmarking and so on.

How have the challenges of the IP environment changed, and therefore the aims of the office had to develop?

Thinking about the challenges that face us now, restoring the UK economy to strong, sustainable and balanced growth is a top priority for the Government. This includes making the UK the best place to start and grow business in Europe, and the IP environment is

important in achieving this. This places IP at the centre of our economy, which is a big change. For example, 5 per cent of all global trade is in IP licences, worth about £600bn – a huge amount. Every business needs to commercialise

'Every business needs to commercialise its good ideas, and exploiting trade mark, patent and design protection can be crucial to that'

its good ideas, and exploiting trade mark, patent and design protection can be crucial to that. Copyright protection is also very important, especially for the creative industries. So providing a strong IP framework geared to the modern age is a key challenge.

Education and awareness are also important. Many businesses aren't aware they have IP at all, let alone what rights they could acquire to help them flourish, and the IPO really needs to help them. Action against counterfeiting and piracy is also important so that IP owners and consumers are not ripped off.

What are the most crucial targets for the near and long term?

Each year we construct a corporate plan that focuses on the next year, but tries to look further forward over five years. Our latest plan is likely to have five strategic goals. Two of these will be concerned with improving the skill and capabilities of our people, and how we can increase the efficiency of the IPO and deliver better value for money for our customers. There will also be three key outward-looking goals, and we'll be taking a number of actions under each. A few examples of what might be included are:

- **Promoting UK growth through IP policy**
We'd like to take forward work with stakeholders, such as ITMA and the British Brands Group, to develop better understanding of the role of brands within the economy. This could enable us to take further steps to increase the growth in the economy that is

delivered by brands. We are expecting the Unified Patent and Patent Court Agreement to be signed in the first quarter of this year. This will create a single patent that will cover most of the territory of the EU and a court

in which it can be litigated. Putting in place the practical arrangements to make this work will be a big endeavour for us.

- **Providing high-quality rights**
We need to discuss with customers how to modernise the current system in order to provide better customer service. We must provide more services electronically in a way that works for attorneys and end-users. This will enable people to manage applications electronically and this must be key for us. It is our goal to provide low-cost interactions with attorneys and customers.
- **Meeting customer needs through our products and services**
We need to help UK companies trade better internationally and in emerging markets, such as Brazil, China and India. We are building an IP attaches network to help in these areas. Looking closer to home, we really need to do much more to get the IP message across to SMEs, and that will be a big drive.

Is there enough emphasis on IP education in our schools and universities? What more could be done to prepare developing businesspeople for the challenges of the IP environment?

The National Union of Students recently published research jointly with the IPO and IP Awareness Network which suggests that 80 per cent of students believe that knowledge of IP is important to



Bio in brief: Sean Dennehey

Sean Dennehey's responsibilities include the delivery of high-quality and timely UK national patents, the IPO's patents tribunal, and the development of patent policy. He is alternate head of the UK delegation to the Administrative Council of the European Patent Organisation (EPO), and Chairman of the EPO Committee on Patent Law.

As a member of the IPO's executive board, he contributes to the organisation's corporate leadership, governance and strategic thinking. Sean joined the IPO as a patent examiner after reading natural sciences at Cambridge University, and has held several operational, policy and Hearing Officer roles.

their career, but only 40 per cent consider their current understanding of IP to be sufficient. This is encouraging, but we are currently working with organisations to develop university curriculums to include IP in a wider range of courses. The Engineering Council and Law Society have worked with us to embed IP into their course accreditation.

We do engage with universities, but our resources are limited. We are keen to work with other people with the right knowledge and credentials to go to universities and speak about IP. In another initiative, called Fast Forward, which encourages universities and public sector research establishments to collaborate, we provide funding in

prizes and have so far given £1.25m. We are trying to do as much as we can with as many partners as possible.

How important is it now for the IPO to cooperate with other international offices?

Increasingly more so. IP is a now global business, albeit that many rights are granted for national territories. We are very keen to work with any other IP offices or governments to make the international IP framework better for customers. For example, we are trying to develop arrangements that mean offices can work together to speed up processing by reducing patent backlogs. We work closely with the IP offices in US, Canada, Australia, Japan, Germany and quite a few others to develop arrangements that reduce duplication in patent prosecution globally. The exchange of examiners between offices and benchmarking our work are also really constructive. Our trade mark examiner secondments to OHIM are a really good example.

How can IP professionals assist the UK IPO in providing the most useful or successful service?

I remember very clearly attending a meeting that the IP Minister had with, among others, the President of ITMA, Catherine Wolfe. In a very theatrical and effective move, she produced a page from the IPO website at the time and commented that this indicated there had been less collaboration with ITMA and CIPA than there might have been. This was a good point, and very well made.

We have been keen to work with IP professionals and continue to adopt this policy. Our Innovation Director, Rosa Wilkinson, spoke at a joint CIPA/ITMA seminar in the autumn of 2012 about reaching out to businesses. The more that the IPO can work in collaboration with ITMA and CIPA to provide events and act in a complementary fashion the better.

How important are your public consultations? What is the most useful thing you learned,

for example, from the recent consultation on mediation services?

Absolutely essential. The IPO must become even more customer focused and you can't be serving customers effectively if you do not find out what they want and think. We have a number of different ways of doing this. For example, we have items on our website and formal consultations run over three-month periods.

The call for evidence on IPO mediation services was an instance where we wanted opinions on proposals that do not require statutory change.

We wanted to discover what IP rights-holders and others thought of the mediation service and to ascertain why it was not being used more often. We had 22 responses to our questions, which help us understand the mediation landscape a bit better and allow us to update the service that we provide. I hope as a result we can provide a mediation service that better meets the needs of those in IP disputes with the newly relaunched service. ■

ABOUT THE AUTHOR



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Tania has been a Trade Mark Attorney for the past 15 years and has previously worked in the IP departments of firms of solicitors and in-house for a subsidiary of Total. Tania is ITMA Treasurer and chair of the ITMA Review Editorial Committee.

Scotch whisky makes its mark

A collective trade mark proved its value when the Chinese courts considered a recent case, reports Oliver Tidman

Representing the first criminal conviction under the SCOTCH WHISKY collective trade mark, a woman in China has been jailed for four years and fined £50,000 for selling fake Scotch whisky. According to press reports, Chinese authorities prosecuted Li Cuihong, a wholesaler selling a range of fake alcoholic drinks in Ürümqi, in the west of the country, for selling un-aged Chinese spirits containing artificial flavouring, which had been labelled as Scotch whisky.

Protection

In 2008, after much campaigning, primarily by the Scotch Whisky Association (SWA), the Chinese authorities granted the registration of a collective trade mark for SCOTCH WHISKY, together with its Chinese equivalent.

Collective trade marks are used to identify the goods or services of the members of a trade association, such as the SWA. The collective mark belongs not to the trader who uses it but to the association, whose members use it to declare their membership of the association and therefore their adherence to certain standards.

The SWA has since secured further protection in East Asia, with collective marks for SCOTCH WHISKY in Malaysia and Thailand. In 2010, it also secured a Protected Geographical Indication for the term in China. The latter IP Right protects geographical names used as signs to identify goods originating in a specific territory, such as Scotland, where a given quality, reputation or other characteristic of the goods is essentially attributable to their geographical origin.

Infringement of either collective trade marks or protected geographical

indications occurs where there is commercial use of the name for products that are not authentic, use of an imitation of the name, or other false or misleading indications as to the provenance or nature of the products.

Fast-growing sales

It has recently been reported that the production of Scotch whisky is worth more than £4 billion per annum to the Scottish economy, generating more productivity than the City of London. China is one of the fastest-growing markets for Scotch whisky, with direct and indirect exports reaching an estimated £100 million in Customs value alone in 2012. As a result, the Chinese market is now among the industry's top 10 worldwide, according to the SWA, and remains one of the most lucrative for Scotland's national drink.

Despite the increase in popularity of the “water of life” in China, there has been growing concern about the treatment of UK exports. Locally produced spirits falsely labelled and sold as SCOTCH WHISKY have cashed in on this success, which has become a major issue for both the reputation of the industry and Chinese consumers.

Enforcement

Although the bottles sold by Li Cuihong bore the words SCOTCH WHISKY, it was argued in defence that they did not resemble any international brands on the market. However, the Chinese judge rejected this argument and made it clear that misuse of the words SCOTCH WHISKY alone constituted a serious criminal offence.

For their part, lawyers representing the interests of SCOTCH WHISKY told the judge that the sale of the fake

spirits would “cause enormous damage to the trade mark owners and consumers”, according to the SWA, and also drew the judge's attention to the fact that the Defendant had previously been imprisoned for selling illegal spirits.

Having recently celebrated its centenary, the SWA, together with the industry and Chinese whisky enthusiasts, will likely be raising a glass or two to welcome the criminal sanctions taken by the Chinese authorities. Such enforcement action, said an SWA spokesperson, “should be an example to others involved in this dangerous business, which is damaging for both consumers and the legitimate drinks industry. It is further evidence of the successful work being done in co-operation with the Chinese authorities.”

Certainly, it sends out a clear message that counterfeits will not be tolerated, thus protecting the unparalleled reputation of Scotch whisky. ■



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Timing tensions

The divergence between Europe and the UK on prior use defences prompts questions from Colin Hulme

A series of recent cases concerning the conflict between the use of unregistered marks and subsequent registered trade marks has highlighted the tension in the coexistence of these rights. This article visits the background law under the Trade Marks Act 1994 before considering in more detail the difficulty the law experiences in striking a fair balance between these competing interests.

We all know section 11(3) of the 1994 Act well. It provides:

“(3) A registered trade mark is not infringed

by the use in the course of trade in a particular locality of an earlier right which applies only in that locality. For this purpose an ‘earlier right’ means an unregistered trade mark or other sign continuously used in relation to goods or services by a person or a predecessor in title of his from a date prior to whichever is the earlier of:

- (a) the use of the first-mentioned trade mark in relation to those goods or services by the proprietor or a predecessor in title of his, or
- (b) the registration of the first-mentioned trade mark in respect of those goods or services in the name of the proprietor or a predecessor in title of his; and an earlier right shall be regarded as applying in a locality if, or to the extent that, its use in that locality is protected by virtue of any rule of law (in particular, the law of passing off).”

So why do we need a “prior use defence”? The rationale behind section 11(3) is obvious. While informed readers of this article will no doubt support the view that you should always look to register your trading name, in many

circumstances that is not considered appropriate or a justifiable cost for a small business intending to trade only as a local business. So, should Party A have been using an unregistered mark in a particular locality prior to Party B registering that mark, it is only fair that Party A be allowed to continue to do what it has been doing, given that it has built up goodwill and a reputation in the mark in that area.

An interesting claim that Burness, Paull & Williamsons handled recently was when it acted for the user of an unregistered mark (Party A) in resisting a claim of trade mark infringement made by Party B, whose unregistered use of a similar mark pre-dated Party A’s unregistered use, albeit in a different locality.

The situation was as follows:

- Party B began using the (unregistered) mark in 2008 in the south of England.
- Party A began using the (also unregistered) mark in 2009 in a particular locality within Scotland. Its services were identical.
- In 2009, Party B did not trade outside England and Party A did not trade outside its particular locality in Scotland.
- In 2010, Party B had the mark registered.
- In 2012, Party B planned to expand into Scotland. Upon learning of Party A’s use of the mark it intimated a claim of trade mark infringement.

The key question therefore was: did the section 11(3)(a) reference to “the use of the first mentioned trade mark” refer to the date Party B first used its mark, or the date Party B registered its mark? Unfortunately, there is room for uncertainty.

Passing off

Unsurprisingly, our interpretation of the 1994 Act was that section 11(3) referred to Party B’s registration of the mark, not its first use of the mark. The rationale for this analysis was based on a straightforward view of the law of passing off.

When Party A began using the mark in 2009, it would not have been liable to Party B under the law of passing off. That is because, at that time, Party A and Party B were trading in separate and distinct localities within the UK, and neither knew of the other’s existence. Their respective customers were based at opposite ends of the country and there was next to no chance of any confusion. If Party A had discovered Party B’s unregistered use of the mark in 2009 and sought Burness Paull’s advice it would have advised that neither were infringing each other’s rights.

Burness Paull’s argument was that Party B’s registration of the mark in 2010 (which was the first time Party A could reasonably have discovered Party B’s mark), ought not allow Party A to





‘While informed readers will no doubt support the view that you should always register your trading name, in many circumstances that is not justifiable for a small business’

backdate its registered rights under the 1994 Act to the establishment of its unregistered rights in 2008. To do so would be entirely illogical. Of course, the “own name defence” set out in section 11(2)(a) of the 1994 Act could have been another possible defence open to Party A, had Party A been trading under its own name.

Does Europe help us?

To appreciate the scope of the defence as provided by section 11(3) of the 1994 Act, it is necessary to consider the corresponding article of the Trade Mark Directive (2008/95/EC) (“the Directive”), from which it derives.

Article 6(2) of the Directive provides: “The trade mark shall not entitle the proprietor to prohibit a third party from using, in the course of trade, an earlier right which only applies in a particular locality if that right is recognised by the laws of the Member State in question and within the limits of the territory in which it is recognised.”

National courts are obliged under the *Marleasing* (C-106/89, *Marleasing SA v La Comercial Internacional de Alimentacion SA* [1990]) doctrine to

seek to interpret provisions of national law, if possible, in conformity with relevant directives.

The first point that is evident from Article 6(2) of the Directive is that the defence is available only if (to continue with the example above) Party A is able to establish an earlier right in a particular locality. This is a broad defence when considered in the UK context of protectable goodwill, and is not expressed to be contingent on the use by a third party in another locality. The focus of the defence in the Directive is on the rights that exist in a particular locality.

Further, recital 5 of the Directive states: “This Directive should not deprive the Member States of the right to continue to protect trade marks acquired through use but should take them into account only in regard to the relationship between them and trade marks acquired by registration.”

Finally, the Directive does not define “earlier right” in Article 6(2) or stipulate that Party A’s use must have started before that of Party B. Therefore, as long as Party A had acquired a protectable unregistered right in a particular locality before the application

for registration (rather than first use) by Party B, the defence applies.

Where does this take us?

The UK courts require us to interpret section 11(3) of the 1994 Act in a way that is consistent with the approach set out in the Directive.

Use in the south of England by Party B of the mark would therefore not prevent a prior use defence. That use would be in a different and distinct locality, for the purposes of protectable goodwill. Should Party B have begun trading in Party A’s locality, Party A would have been able to rely on the law of passing off to stop Party B’s use of the mark in Party A’s locality.

If the UK courts did not adopt that interpretation, and construed reference to “use” in section 11(3)(a) of the 1994 Act as meaning any use by Party B of the mark in any part of the UK, then Party A would be denied a defence that is envisaged by the Directive. Such an interpretation would be contrary to *Marleasing* and would be both unfair and irrational. However, it seems we are in something of an impasse at present, with a tension between the 1994 Act and the Directive. Common sense (and European law) dictates that the 1994 Act must be construed as being compliant with the Directive. How that will manifest itself in terms of judicial interpretation remains to be seen. ■

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Adobe



Navigating a new universe

Dan Poliak, Associate General Counsel, Adobe, considers the challenges of trade mark enforcement in the new media world

Founded in December 1982 and headquartered in San Jose, California, Adobe is one of the largest software companies in the world, with revenue of US\$4.4 billion in 2012, and is the global leader in digital marketing and digital media solutions. Adobe's tools and services enable its customers to create groundbreaking digital content, deploy it across media and devices, and measure and optimise it over time. Content built with Adobe products is everywhere – from websites, video games and smartphones to televisions, tablets and beyond.

Five years ago, monitoring cyberspace meant only searching and combating trade mark infringement on the world wide web; that universe now includes the mobile and apps market, as well as all forms of social media. Adobe operates in all of these spaces, which means that the potential for infringement has increased exponentially. With Adobe's strong presence in this ever-expanding digital, multi-screen world, one of the biggest challenges it now faces is how to effectively combat trade mark infringement without alienating partners and customers.

Yet, despite these fundamental changes in the market, Adobe's approach has not changed all that significantly. Its enforcement strategy in the new media environment is much like the strategy

that it has deployed throughout its history: watch for infringement in the most cost-effective, business-savvy manner possible.

New tools, old rules

When cybersquatting first became an issue in the early days of the web, many companies took a scorched-earth approach to online enforcement. They hired law firms to draft letters to any third party who had registered a domain that included a variation of a company trade mark, regardless of whether that domain was active or posed a business, legal or competitive threat. At several thousand dollars per letter, the costs of monitoring the web in this manner rapidly accumulated and law departments were spending significant funds on chasing online infringers, often with little tangible result. Luckily, however, most companies realised quickly that enforcement in this new space required a more strategic, efficient method of monitoring, and opted for more targeted, resource-friendly strategies.

Similarly, the explosion of mobile devices and new worlds for infringing activity does not mean that Adobe has been forced to expand its resources to meet the new challenges. In fact, Adobe's enforcement strategy continues to rely on a few fundamental, common-sense rules that have guided its trade mark monitoring approach for many years:

Does or will the allegedly infringing activity have a negative business or legal impact on the company or its customers?

This is essentially Adobe's gating question. The allegedly infringing activity must have an impact on its business or its customers (or be deemed to have the potential in the future to do so) for Adobe to expend resources challenging it. In addition, the company sometimes needs to address certain activities that may not affect the business as much, but could pose a legal threat to its IP Rights (for example, the use of a mark in a generic manner).

Is the alleged infringer a partner, customer or a potential customer?

Adobe's products and solutions are incredibly popular among creative professionals, designers and developers. Yet infringement of Adobe's marks sometimes happens in this community, and 90 per cent of the time that infringement is unintentional. The last thing Adobe wants to do in these cases is to alienate its customers by taking a heavy-handed approach to enforcement; there are many soft-touch means of addressing infringing actions that can remedy the legal problem without irritating the customer or partner.



Is there a business solution to the problem?

While the easiest way to deal with an infringement issue may be to fire off a sharply worded cease-and-desist letter, Adobe finds that a pro-business solution can often and should be employed. For example, is there someone in the company who has a relationship with the alleged infringer such that they use this personal contact to resolve the dispute, thus avoiding a legal approach? Many companies automatically go into a defensive mode when they receive a cease-and-desist letter, whereas a friendly phone call can, more often than not, produce the desired results in a fraction of the time and at a fraction of the cost.

Not so new world order

Despite dire warnings in the legal press about legal risks in the new media frontier, the enforcement issues Adobe encounters are not all that different from the ones it has dealt with in the past. A typical social media example might be

'Is there someone in the company who has a relationship with the alleged infringer such that they use this personal contact to resolve the dispute? A friendly phone call can, more often than not, produce the desired results in a fraction of the time and at a fraction of the cost'

a fan who creates a Facebook fan page for one of Adobe's products or has registered one of Adobe's product names as a Twitter handle. This, again, is really not all that different from a fan creating any other type of fan page on the web or someone using one of Adobe's trade marks in a domain name. In these kinds of cases, Adobe still has to apply the rules outlined earlier to determine what, if any, action is necessitated by

the arguably infringing conduct. In most cases, Adobe will work to resolve the situation amicably, again either through business channels or through friendly contact with the alleged infringer. The bottom line is that while the places where the alleged infringements now take place have changed, the kinds of infringements Adobe is seeing really have not.

The great unknown: gTLDs

The proposed roll-out by the International Corporation for Assigned Names and Numbers (ICANN) of hundreds of new generic top-level domains (gTLDs) this year may, however, create an exception to Adobe's general enforcement rules in the new media world. At this point, it is unclear what guidelines and brand protection mechanisms will be available to trade mark owners in the new gTLD space.

Having said that, Adobe has been working actively to promote the broadest and most cost-effective

protections possible. For example, Adobe is in support of a system that would allow trade mark and brand owners the ability to protect their marks across all of the new domains for a single fee and through an uncomplicated process. In addition, Adobe is advocating for rigorous and cost-effective dispute resolution mechanisms that similarly would not vary from domain to domain.

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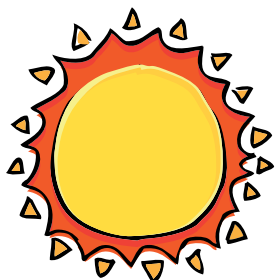
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Based in Seattle, Washington, Dan is responsible for managing the trade mark group at Adobe, which includes supervision of the registration, protection and enforcement of all Adobe trade marks and domain names, as well as the management of Adobe's copyright programme. Before joining Adobe in 2000, he worked at the Seattle law firm of Preston Gates & Ellis (now K & L Gates) and McCutchen Doyle (now Bingham McCutchen) in San Francisco.

It is unclear whether this, or some of the other proposals Adobe and other brand owners have put forward, will be implemented by ICANN and the new domain holders and managers. No matter what happens with institutional IP mechanisms, the bottom line is that with more than 500 new top-level domains likely to be coming into existence this year, Adobe and other companies are going to be spending an exponentially increased amount of time monitoring their marks online. The question is: what will be the most effective strategy for doing so?

Until Adobe knows what IP mechanisms will be implemented by ICANN, it is difficult to formulate a strategy. The sheer volume of new places where infringement may occur, and the likelihood that Adobe will not be able to obtain significant additional enforcement resources (either financial or human), is going to force the company to make some tough choices. What those choices will be remains to be seen; at a minimum, its normal business-friendly rules will apply. ■

Case in point: O/014/13, MINIFRAME (Opposition), UK IPO, Appeal to Appointed Person Professor Ruth Annand, 11 January 2013



Good news on good will

Kristina Passmore reviews a decision that will provide reassurance to companies relying on authorised dealers

In this appeal to the Appointed Person from the Registrar's decision to reject an opposition against the trade mark application for MINIFRAME, the Applicant was an Israeli company that produced MiniFrame software packages and distributed its product through authorised dealers, including UK authorised dealer Kira Supplies Limited ("Kira"). Clause 7 of the 2007 authorised dealer agreement between the parties included an acknowledgement that all goodwill and IP Rights were retained by and accrued to the Applicant.

A second addendum to the 2007 agreement recorded Kira's desire to establish a distribution company and a request to use the name "MiniFrame UK". It stated that should the Applicant agree to this a separate agreement would be entered into between the parties.

Although no such agreement was entered into, a new distribution company – MiniFrame UK Limited (the Opponent) – was incorporated. The 2007 agreement was never assigned to the Opponent and at no point did the Opponent enter into a separate agreement with the Applicant. The Applicant terminated its agreement with Kira in 2010.

The Opponent filed its opposition on grounds that under sections 5(4)(a) of the UK Trade Marks Act 1994 use of MINIFRAME was liable to be prevented by the law of passing off, protecting the Opponent's earlier right in the name and unregistered trade mark MINIFRAME, and that the mark was applied for in bad faith (section 3(6)).

The Appointed Person noted that the Hearing Officer's finding that the Opponent had not shown goodwill raised two key questions. First, did any goodwill exist in the MINIFRAME product in the UK when the Application was filed? Second, if so, who owned that goodwill?

Addressing the first question, the Appointed Person cited a passage from *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217, which indicated that goodwill

is usually established by showing the existence of customers in the UK for the product offered and supplied under and by reference to the mark in suit.

While the Hearing Officer rightly remarked that the Opponent had not provided "any evidence of sales, such as turnover figures, market share or independent evidence", the Appointed Person listed various evidence of goodwill, including:

- the Opponent exhibited MiniFrame products at national and local exhibitions bearing the name MINIFRAME;
- the MINIFRAME products won several awards in the UK;
- several "success stories" on the Applicant's website contained endorsements for MiniFrame products from representatives of UK undertakings; and
- licences for MINIFRAME were distributed and sold to UK end-users by Kira.

The Appointed Person decided that, overall, the evidence was sufficient to establish UK goodwill in the MINIFRAME product.

However, the real issue in this case concerned those who owned the UK goodwill in the MINIFRAME mark when the Application was made. The Opponent claimed to have spent £200,000 promoting the MINIFRAME products. The Applicant did not seek to contradict these figures, but directed the tribunal to the 2007 agreement, under which such promotional expenses were to be borne by the distributor, and also to clause 7.

However, the Opponent contended that it was separate from Kira and not a subsidiary and that no new agreement was entered into with the Opponent. Further, it stated that Kira transferred the goodwill generated to the Opponent upon its incorporation and that the Opponent was entitled to the UK goodwill by virtue of the Opponent's promotional spend.

The Appointed Person decided that the goodwill in MINIFRAME belonged to the Applicant, and noted that:

- it was clearly the intent of the parties under the 2007 agreement that any goodwill in MINIFRAME would accrue and be owned by the Applicant;
- any consent by the Applicant to the use of "MiniFrame UK" was a temporary measure subject to Board approval, which was not forthcoming and which did not amount to evidence of a consented departure from clause 7 of the 2007 agreement;
- part of the promotional expenditure claimed by the Opponent was incurred by Kira; and
- as the UK public were clear that the products and services sold by the Opponent were developed by the Applicant, there was no confusion about the origin of the product and no misrepresentation.

Since the Applicant was the owner of any relevant goodwill in MINIFRAME there was no finding of bad faith.

This is a reassuring decision for companies that distribute their branded products through authorised dealers. This decision shows that so long as the contractual provisions are in place, an authorised dealer cannot simply incorporate a new independent company and transfer to it goodwill in the respective product or brand that rightly belongs to the company producing the products and owning the brand. ■

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Case in point: O/009/13 (ROYAL SHAKESPEARE) (Revocation), In the matter of International Registration No 787794 in the name of Jackson International Trading Company Kurt D Bruhl Gesellschaft mbH & Co KG, 8 January 2013, and In the matter of Application No 16141 for Revocation thereof by the Royal Shakespeare Company, Registered Proprietor's Appeal to an Appointed Person from the decision of Oliver Morris dated 26 October 2011, Appointed Person Anna Carboni, decision date 31 December 2012 (redacted version)

Bad day for bard brew

What's in a name? Potentially a barrel full of bother, as Charlotte Blakey reports



This report concerns an appeal brought under section 76 of the Trade Marks Act 1994 ("the Act") by the registered proprietor ("Jackson") of International Registration 787794 ROYAL SHAKESPEARE ("the Mark") against the decision issued at BL O-369-11, dated 26 October 2011. This decision stated that the Mark's protection in the UK should be revoked on the grounds of non-use under section 46(1)(a) and/or 46(1)(b) of the Act. The Hearing Officer held that there had been no genuine use of the Mark during the relevant periods, nor had there been proper reasons for such non-use.

The Mark covered "beers, including low-alcohol and non-alcoholic beers; fruit drinks, fruit juices and isotonic drinks" in class 32. However, this was later reduced to "beer" on the appeal hearing. The grounds of appeal were as follows:

- 1) in finding non-use, the Hearing Officer wrongly held that certain letters exhibited in Jackson's evidence did not constitute "advertisements" and/or did not highlight the availability of the relevant product to the trade (Exhibits 2, 3 and 4 of the Witness Statement); and
- 2) if the Hearing Officer was correct in his finding of non-use, he had wrongly failed to give proper consideration to the unique nature of the industry concerned and to the logistical difficulties experienced by Jackson when seeking a business partner or licensee, which together were sufficient to amount to proper reasons for non-use.

Ground 1

Exhibits 2, 3 and 4 are the subject of an order for confidentiality and their specific description has been redacted from the public versions of both the first-instance decision and the appeal decision. However, the summary from the witness statement is:

- "6) The Company has been actively engaged in the attempt to use and keep available for use its ROYAL SHAKESPEARE mark in the UK since at least as early as 1997, as evidenced at least by the Coexistence Agreement between the Company and Forte Limited and Forte (UK) Limited, which is attached as Exhibit 1.
- 7) Exhibit 2 consists of a letter to Mr Clarke of The Hook Norton Brewery Co Ltd, requesting assistance with the brewing and distribution of the ROYAL SHAKESPEARE product under licence in the UK. This letter constitutes an example of genuine use of the mark in the context of use on a business paper, which is trade mark use by extension of section 10(4)(d) of the Trade Marks Act 1994.
- 8) Exhibit 3 consists of letters to Mr Riddiford of Brewer Design Consultants and Mr Shah of Exposure requesting assistance with the design of the intended label for the ROYAL SHAKESPEARE product, an example of which is attached to the letters. It can be seen from the further letter to Mr Riddiford that a response was received.
- 9) Exhibit 4 consists of correspondence with Mr Fraser of Fraser Management Ltd following an approach from the Company very similar to the letter to

Mr Clarke of The Hook Norton Brewery Co Ltd (Exhibit 2). From this subsequent correspondence it can be perceived that:

- a) The Company already has a complete conceptualisation of the ROYAL SHAKESPEARE product and all that is required is a UK brewer and distributor; and
 - b) The difficulty in obtaining a brewing and distribution contact under licence is the small number of available brewers which can carry out the specialised work over and above their own commitments. Indeed, the third party specialist in the industry, Fraser Management, was only able to suggest one contact, which turned out to be unsuitable for the Company.
- 10) Due to the nature and set-up of the Company, it is based in Austria and has

a broad spectrum of business areas, the only effective method of conducting a successful business in the UK market for the ROYAL SHAKESPEARE product is by a third-party brewing and distribution licence agreement. This is considered commonplace in the brewing industry, particularly for companies based overseas.”

The Hearing Officer found that the evidence provided did not demonstrate sale of any product under the Mark, nor had there been any published advertisements, in the “traditional sense”, for any goods to be sold under the Mark.

While advertising may constitute genuine use¹, and the end-user, in this case the beer-consuming public, does not necessarily need to have encountered the Mark in the marketplace, the Hearing Officer considered the letters provided to merely highlight the availability of a trade mark that may be licensed, rather than the availability of any actual product. An idea or concept is not enough to constitute genuine use².

Further, it was argued by the Royal Shakespeare Company (“RSC”) that simply because a form of use may not be a sham or token, this does not mean that it qualifies as genuine use.

At the Appeal, Jackson argued that the Hearing Officer had taken too

‘The Hearing Officer found that the evidence provided did not demonstrate sale of any product under the Mark, nor had there been any published advertisements, in the “traditional sense”, for any goods to be sold under the Mark’

narrow a view of what constitutes “advertising”, arguing that it should include the promotion and marketing of the availability or potential availability of a product. However, the Appointed Person agreed with the Hearing Officer that the letters were “pre-preparatory” steps exploring the possibility of creating a beer to which the Mark could be applied.

Ground 2

The Hearing Officer set out various authorities relevant to the interpretation of “proper reasons for non-use”, such as the judgment of the Court of Justice of the European Union in *Haupt v Lidl, Stiftung & Co KG, C-246/05* at para 54:

“It follows that only obstacles having a sufficiently direct relationship with a trade mark making its use impossible or unreasonable, and which arise independently of the will of the proprietor of that mark, may be described as ‘proper reasons for non-use’ of that mark.”

He also made reference to *Il Ponte Finanziaria SpA v OHIM, C-243/06P*, [2008] ETMR 13 at para 102:

“... the concept of ‘proper reasons’... refers essentially to circumstances unconnected with the proprietor of the trade mark which prevent him from using the mark...”

The key element here being that the circumstances relating to non-use were entirely out of the control of the proprietor of the trade mark.

In this case, not finding an appropriate brewing partner did not constitute a proper reason for non-use of the Mark. It was Jackson’s own fault that it decided to apply for trade mark protection in the

UK without a licensing arrangement to produce beer in place.

Jackson argued that there had been difficulty in finding a licensee, as its desire to ensure that the beer had an “English” quality meant there was only one brewer available to it in the UK. This brewer was not deemed appropriate, although the reasons for this were not provided. Also, the requirement of this “English”

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quality represents another decision made by Jackson and not one out of its control. Therefore, Jackson’s offer to limit the specification to “English beer” or “beer brewed within the UK” was of no benefit. The Hearing Officer’s finding that there were no reasons for non-use was upheld by the Appointed Person.

The Appointed Person found that there was no genuine use of the Mark during either of the two five-year periods relied on by the RSC and no proper reasons for non-use. Protection of the Mark in the UK was revoked with effect from 15 September 2008. Jackson was also ordered to pay a contribution to the RSC’s first-instance costs, as well as the costs of the appeal.

Reasons required

This appeal highlights the importance of demonstrating “genuine use” or “proper reasons for non-use”. Genuine use must be actual use of the mark for the goods and services covered, and if advertisements are relied upon they must relate to an available product. Further, proper reasons for non-use must clearly be out of the control of the proprietor. The fact that a proprietor seeks to use a mark in a difficult business area is the choice of the proprietor and not an extenuating circumstance. ■

1. *Ansul BV v Ajax Brandbeveiliging BV, C-40/01, [2003] ETMR 85 (ECJ)*.

2. *The Court of Justice of the European Union has given guidance as to the correct interpretation of aspects of section 46, and in particular the meaning of “genuine use”, in Ansul BV v Ajax Brandbeveiliging BV, C-40/01, [2003] ETMR 85 (ECJ), La Mer Technology Inc v Laboratoires Goemar SA, C259/02, [2004] FSR 38 (ECJ), and Silberquelle GmbH v Maselli-Strickmode GmbH, C-495/07, [2009] ETMR 28.*

Case in point: O/021/13, Yelp! Inc v Yell Limited, Appeal to Appointed Person Amanda Michaels, UK IPO, 11 January 2013

Yell silenced on appeal

Rosalyn Newsome sets out why 11 grounds weren't sufficient for success



Yelp! Inc ("the Applicant") applied on 17 December 2008 to register UK Trade Mark 2505006, YELP & Device (series of four, "the Mark"). The Application was for a wide range of services in classes 35, 38, 41, 42 and 45.

The Mark was opposed by Yell Limited on the basis of section 5(2)(b) under Opposition 99222. Seventeen earlier trade marks were relied upon, with the strongest rights held to be Community Trade Mark Application 2172682, YELL & Device, and UK Registration 2451074, YELL.COM. The Hearing Officer, Oliver Morris, in his decision of 16 June 2011, determined that he would consider the merits of the Opposition for those two earlier Marks, because if the Opponent were unsuccessful for these marks the Opposition would fail for the remaining marks. Similarly, he restricted his examination to certain services in class 35, which were deemed identical.

Proof of use was not required for either of the earlier marks, but lengthy evidence, as well as written submissions, was filed by the Opponent. Nonetheless, the Hearing Officer did not find the marks sufficiently similar for a likelihood of confusion and the Opposition was unsuccessful. Yell Limited filed an appeal against the decision relating to this assessment and also sought permission to adduce new evidence.

It is worth listing the numerous grounds for the appeal (all of which failed):

- 1) The Hearing Officer over-analysed the marks.
- 2) & 3) He did not find enough degree of conceptual similarity.
- 4) He misapplied the law concerning distinctive/dominant components when considering visual similarity.
- 5) This affected the decision on aural similarity.
- 6) Too high a level of attention was allocated to the appropriate consumer.
- 7) The above points vindicated the assessment of a likelihood of confusion.
- 8) The Hearing Officer failed to consider how confusion might have arisen.
- 9) The Opponent sought to adduce fresh evidence.
- 10) The Hearing Officer gave insufficient weight to the reputation of the earlier Marks.
- 11) The Hearing Officer wrongly took comfort in the lack of evidence of actual confusion.

An appeal is not a re-hearing of the facts, but should question a decision based on an error in the application of the law or a clear material error.

On the first ground of appeal – that the Hearing Officer had over-analysed the marks following the classic analysis on a visual, phonetic and conceptual

basis – in particular, objection was raised regarding the Hearing Officer's reference to the General Court's comments in *Inter Ikea Systems BV v OHIM*. In that case, it was stated: "As regards the visual comparison between the verbal element of the contested Mark and the earlier word Mark, the Applicant claims that the only difference between them is the presence of the letter "d" in the contested Mark and the letter "k" in the earlier word Mark. However, the Court has already held in T-185/02 *Ruiz-Picasso* and others v *OHIM* that, in the case of word Marks that are relatively short, even if two Marks differ by no more than a single consonant, it cannot be found that there is a high degree of visual similarity between them. Accordingly, the degree of visual similarity of the earlier word Marks and the verbal element of the contested Mark must be described as 'low'."

The Opponent submitted that the conclusion of the Court in *Ruiz-Picasso* was wrong. The Appointed Person agreed and had previously commented so in her decision BLO/387/11 *Boo Boo Trade Mark*. Therefore, while the Appointed Person had some sympathy with the Opponent, in her view, it was clear from reading the Hearing Officer's decision that he only took guidance from the General Court and, in his

‘The fact that the request to submit the evidence was made in a written submission, rather than via a fresh witness statement that explained why the evidence had only just come to light and the significance of the evidence, was also criticised’

own terms, concluded that: “In short words, differences in the letters, even if at the end of short words, are likely to stand out more. The difference is less likely to be overlooked.” The Appointed Person agreed that this was a reasonable conclusion based on the marks in question and that it did not reflect the earlier mistake of the General Court. Therefore, the citation of an earlier authority that is deemed questionable does not automatically result in an error of principle. It depends on the application of the prior decision in the current decision. Similarly, no error of principle was found in connection with the assessment of aural or conceptual similarity.

Evidence request

The other interesting aspect of this case was the Opponent’s request to adduce fresh evidence at appeal. The original hearing took place on 18 March 2011 and the Opponent sought to submit an article from the *Independent* newspaper dated 21 April 2011. The decision was not issued until 16 June 2011. The Opponent argued that a journalist had become confused into thinking

that the Yelp website was in some way connected with *Yellow Pages*. The request was refused outright, because it became clear that the article was flagged to the Opponent soon after the initial hearing.

While it is possible to seek permission to adduce new evidence on appeal (the foundations of which are well established in the *Du Pont Trade Mark* [2004] FSR 15), the Opponent did not follow the correct procedural steps. The Appointed Person was critical of the delay in presenting this additional evidence, given that it became available shortly after the hearing and well before he had handed down his decision. The Appointed Person questioned why the Opponent did not request that the Hearing Officer consider the evidence if it deemed it so helpful to its case. She continued that the Opponent should have invited the Hearing Officer to take the evidence into account, if necessary giving the Applicant an opportunity to comment upon it. The fact that the request to submit the evidence was made in a written submission, rather than via a fresh witness statement that explained

why the evidence had only just come to light and the significance of the evidence, was also criticised. This is in accordance with the principles set out in *Ladd v Marshall* [1954] 1 WLR 1498. The second instance in which new evidence is admissible on appeal is when it is deemed to have an important influence on the result of the case, and again it was felt that this requirement was not met.

All of the remaining grounds of the appeal were also duly dismissed. More than anything else, this decision provides useful guidance on the acceptable levels of analysis of short marks and confirms the correct procedure for the late submission of evidence on appeal. ■

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Rosalyn specialises in all aspects of trade mark law across a range of industry sectors, in particular fast-moving consumer goods, toys and online dating.

Contested marks

UK Trade Mark 2505006

CTM Application 2172682

yelp.

YELL™

Case in point: [2013] EWPC 2, Kohler Mira Limited v Bristan Group Limited, Patents County Court, HHJ Colin Birss QC, 28 January 2013

Shower showdown

Christopher Freeth provides the details of this design-led dispute



In this Patents County Court decision, HHJ Birss QC handed down judgment in a dispute between Kohler Mira and Bristan Group concerning the design of an electric shower range. Kohler Mira asserted infringement of two of its Community-registered designs and also its UK unregistered design right (“UDR”).

The Court held that while Kohler Mira’s registered designs were valid, they had not been infringed. The Court’s interpretation of the dotted lines in each of the Community registrations was a key factor. However, this decision appears to have created greater uncertainty as to how dotted lines will be interpreted in future.

The UDR claim was successful against all three of Bristan’s products. Even though the Bristan products created a

different overall impression, the innovative design aspects of the Kohler Mira designs had been taken. Unusually, the designer for Bristan was held not to have copied, but indirect copying was held to have occurred – apparently through the instructions given to him by others.

Minimalist designs

Kohler Mira designs and manufactures showers, shower trays and enclosures. In 2006, it introduced a range of showers based on an innovative minimalist design, which included a rectangular flat front plate with two centrally aligned control knobs and a collared power button. The lead product in this new range was the Mira Azora (shown below).

Bristan Group had not produced an electric shower before its Glee, Joy and Smile range, which came onto the

market in 2010. The Glee and Joy looked alike. The Smile was similar, but did not feature a power button.

Bristan challenged the validity of both designs for lack of individual character. Under Council Regulation Number 6/2002/EC, the relevant test is that a design shall be considered to have individual character if the overall impression it produces on the informed user differs from the overall impression produced on such a user by any design that has been made available to the public.

The 0002 design

The Judge first looked at the 000578463-0002 (“0002”) design, shown below. He decided that construction of the design should be approached by considering the registration itself, and

Competing products

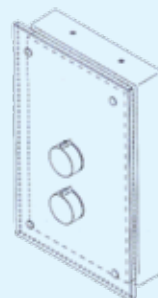
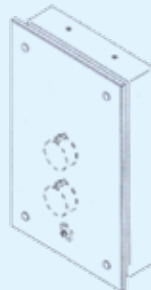


Bristan Glee



Mira Azora

The Community-registered designs (first images only)



000578463-0001 (“0001”) and 000578463-0002 (“0002”)



that one should not look to the product for guidance as that might prejudice one's view. The Judge considered the Examination Guidelines for Community Designs adopted by OHIM, which state that dotted lines can indicate elements for which no protection is sought, or elements that are not visible in a particular view. However, he considered that these were not the only possible interpretations. In so far as the 0002 design was concerned, he held that the dotted lines had a completely different meaning: they indicated that the front plate must be translucent or transparent.

The 0002 design was therefore held to produce a different overall impression to the prior art available, which largely consisted of more conventional looking "white box"-style shower controls. However, because the Bristan products did not have a transparent front panel and there were other differences, Bristan's products were held not to infringe.

The 0001 design

Next, HHJ Birss QC considered the 000578463-0001 ("0001") design. The registration used dotted lines to delineate the control knobs and the power button. The Judge held, in line with the OHIM guidelines, that these lines indicated elements for which no protection was sought because that is how an informed user would have understood them. Therefore, the control knobs and power button were not within the scope of protection of the 0001 registration.

Despite this, the 0001 design was still held to possess individual character. However, Bristan's products were held not to infringe – the key differences being a lack of pips on the surface, use of a thin front plate with curved corners, and the lack of any recess behind the front plate.

UK UDR

The Court then examined the case on UK UDR, and Bristan was found to have infringed. The judgment illustrates the importance of management's instructions to designers, which can (as here) result in a finding of copying. Also of note are the inferences that may be drawn from a lack of evidence from key players in the design process.

Kohler Mira relied on the following aspects of shape or configuration, both individually and in any combination:

- a) the whole of the shower unit;
- b) the rectangular "tombstone" appearance of the unit when viewed from the front;

- c) the two vertically aligned circular control knobs, one located at the centre of the front face and the other below it; and
- d) the circular power switch and associated collar, which is vertically aligned with and located below the two circular control knobs.

Counter claim

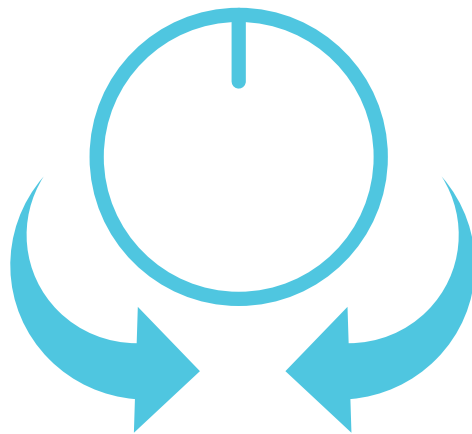
Bristan counterclaimed that Kohler Mira's designs were commonplace and submitted a great deal of prior art in support, including information on showers dating back as far as 1988.

The Court rejected these and noted that if the only place a supposedly common feature could be found by a defendant is in an old and obscure product, that will often imply that the feature is not as common as the defendant suggests. UDR was found to subsist in aspects (a) and (b) individually, and the combinations of (b) plus (c), and (b) plus (c) plus (d).

Copying

The Court then considered whether it could draw an inference of copying.

The Judge found striking similarities between the flat front face and the combination and arrangement of the control knobs and power button on the Mira Azora and the Bristan products. Bearing in mind the "significant impact" the Azora had on the market, and that it represented a "very significant departure in the field of electric showers", the Judge held that there was a strong inference of copying. He said it was hard to believe that the similarities that



existed between the Glee and the Azora could be a coincidence.

At Bristan, the initial design for the products had been developed by a design placement student, Mr Churm. Mr Helme, another design placement student who took over from Mr Churm, then produced design concepts, and the shower team at Bristan picked its favourites. Finally, an internal Bristan focus group was set up and it decided to develop two of the designs further. There was also a design brief, which had been approved by four Bristan staff, including product manager Ms Jonas and design engineer Mr Smith.

Helme denied any copying and the Judge accepted his evidence. However, he had not been the only person involved in the design process.

liked them, and he expected they liked them because – whether they recognised it consciously or not – they were features of the Azora. The Judge said: “Bristan were well aware of the Azora and I am sure its staff understood the significance of what they were encouraging Mr Helme to do.”

The Judge found that Bristan’s Glee and Joy products infringed Kohler Mira’s UK UDR in aspects (a), (b), (b) plus (c), and (b) plus (c) plus (d). He found that the Bristan Smile (the design without the power button) infringed aspects (a), (b), and (b) plus (c).

Following this judgment, it appears that transparency or translucency is another possible interpretation of dotted lines. The proper construction of such designs

to give evidence. If a decision is taken not to supply evidence from key members of the design team, there is a risk that adverse inferences may be drawn – especially when no explanation is provided for an absence of their input. In this case, evidence from the designer of the product alone was not sufficient to rebut the inference of copying when others in the company were involved in the design process.

Design management teams must also be careful to ensure that they do not, even subconsciously, direct their teams towards reproducing existing designs or taking distinctive features from them. Indirect copying can, and does, occur. ■

‘The interpretation of dotted lines is left entirely open. Clearly they merit careful consideration when selecting or creating design drawings for registration, as they may be interpreted in a way that was not intended’

Bristan had not produced any evidence from Churm, Jonas or any other staff at Bristan. The Judge noted the lack of evidence from these key players in the design process, and that no explanation had been given for it. He found that: “the staff at Bristan who were overseeing the project must have been well aware of the Mira Azora product.”

The Judge held that the staff at Bristan had an important role to play in the overall process in selecting and modifying features proposed by Helme. He believed Bristan staff selected features from Helme’s proposals because they

must be decided by considering the design registration itself and on a case-by-case basis.

This leaves the interpretation of dotted lines entirely open. Clearly they merit careful consideration when selecting or creating design drawings for registration, as they may be interpreted in a way that was not intended.

Design teams

In a case in which the designer was guided by others, careful consideration should be given to the selection of appropriate people

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Christopher assisted Partner Gordon Harris and Director Claire O’Brien who advised Kohler Mira in its design dispute with Bristan Group.

Case in point: [2013] EWHC 70 (Ch), Hotel Cipriani SRL and others v Fred 250 Limited and others, High Court, 29 January 2013

A famous name faces off again

The own-name defence is once more brought into court in Cipriani case, says Katy Cullen

In a further episode of the long-running dispute between Hotel Cipriani SRL (“HC”), the owner of Hotel Cipriani, and the Cipriani family, the founders of Harry’s Bar, Arnold J was again asked to consider the own-name defence by Giuseppe Cipriani (“GC”). Arnold J maintained that the own-name defence did not apply and that GC’s use of his name, albeit in the context of a non-Cipriani-branded restaurant, would still function as an indication of origin and thus infringe HC’s rights.

To recap, in 2008, the High Court held that the use by, *inter alia*, GC of Cipriani in relation to a restaurant called Cipriani London infringed HC’s Community Trade Mark (CTM) number 115824 (“the first-instance judgment”).

GC sought to rely on an own-name defence. However, this was rejected on grounds that GC was not trading or making the use complained of. The restaurant was operated by Cipriani (Grosvenor Street) Limited, which could also not avail itself of the own-name defence as Cipriani was not its actual corporate name.

As a consequence, Arnold J made an order (“the Order”) prohibiting GC from, *inter alia*, infringing HC’s CTM.

Cipriani London was renamed C London and, in theory, the dispute was resolved. However, following several complaints by HC that the Order was not being complied with, HC sought clarification that use of “by G. Cipriani” on the windows and menus of C London and a sister restaurant – Downtown Mayfair – breached the Order.

GC then applied for a declaration that his future use of a logo incorporating “Managed by Giuseppe Cipriani” (shown above right) on the window, menus and websites of C London, and a similar version for Downtown Mayfair, would not breach the Order.



GC submitted that “by G. Cipriani” and “Managed by Giuseppe Cipriani” did not distinguish the origin of the services and so did not fall under Article 9(i)(b) of Council Regulation 207/2009/EC (“the Regulation”) as no confusion would arise.

However, Arnold J held that the average consumer would consider that the statements indicated the person responsible for the restaurant, such as the chef, proprietor or manager. This was illustrated by reference to other restaurants that make similar use to illustrate origin, such as Gordon Ramsay at Claridge’s.

GC submitted that he was well known as a manager and proprietor of restaurants, so the signs were merely truthful statements describing his role. However, this was rejected as GC had failed to provide evidence of reputation in the UK.

Point of impact

Given the low distinctiveness of the C London and Downtown Mayfair restaurant names, it was held that use of “G Cipriani” and “Giuseppe Cipriani” had greater impact, such that Cipriani may become a de facto part of the restaurant names. This was supported

by evidence of restaurant reviews that referred to Downtown Mayfair as “Downtown Mayfair by Cipriani” and “Downtown Cipriani London”.

GC submitted that even if his use was caught by Article 9(i)(b), it was not an infringement by virtue of Article 12 (a) or (b) of the Regulation.

Arnold J reiterated the conclusion of the first-instance judgment whereby GC could not rely on Article 12(a) because he was not trading under his own name.

As to GC’s submissions that “by G. Cipriani” and “Managed by Giuseppe Cipriani” were indications concerning the quality of or other characteristics of the services, Arnold J also rejected this argument and considered that the average consumer would perceive the statements merely as an indication of origin. The position may have been different if GC had a reputation for a particular management style, but there was no evidence that this was the case.

Furthermore, GC’s use did not accord with honest practices; uses on windows and menus constituted part of the restaurant’s branding and were not merely factual statements by GC in, for example, legal or accounting documents.

The case is a clear indicator that use of one’s own name must acknowledge how the average consumer will perceive that name. In this instance, use of G. Cipriani led to restaurants that did not officially carry the Cipriani name being branded as such, and thus risked origin confusion and encroached on HC’s rights. ■

Walker Morris acted for Hotel Cipriani. The decision was not appealed.

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Case in point: [2013] EWHC 109 (Ch), A & E Television Networks LLC and another v Discovery Communications Europe Ltd, High Court, 1 February 2013

A&E complaint is history

Trying to limit use of a descriptive term turned out to be a hopeless cause. Giles Parsons explains why

The Claimants, AETN, run the “History” television channel, previously known as “The History Channel”. The Defendant runs the “Discovery Channel” in the UK, as well as several other channels. When, in 2010, the Defendant renamed its “Discovery Knowledge” channel “Discovery History”, the Claimants objected and ultimately sued for trade mark infringement and passing off. The Claimants asserted three marks: a UK word mark for THE HISTORY CHANNEL in classes 38 and 41, a Community Trade Mark (CTM) for THE HISTORY CHANNEL in classes 9, 16, 38 and 41, and a CTM for a device including the word HISTORY (shown opposite), again in classes 9, 16, 38 and 41.

The case was heard by Peter Smith J, a military history enthusiast whose

judgment indicates that he came to the case with some knowledge of the services involved.

History is descriptive

The case both in trade mark infringement and in passing off was decided on the basis that the word “history” is descriptive, and, in any event, there was no likelihood of confusion. The key elements of the law relevant to the decision are set out in:

- The decision on *Office Cleaning Services v Westminster Window and General Cleaners* (1946) 63 RPC 39, which states in relation to passing off that “where a trader adopts words in common use for his trade name, some risk of confusion is inevitable. But that risk must be run unless the first user is allowed to monopolise the words.”

- Section 11(2) of the Trade Mark Act 1994: “A registered trade mark is not infringed by... (b) the use of indications concerning the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services... provided the use is in accordance with honest practices in industrial or commercial matters.”

From the start, the judge’s view was that: “it is difficult to see that the word ‘HISTORY’ on its own is doing anything other than identify the nature of the operation, that is to say delivery of history-related programmes...”

He did not find that the evidence showed any likelihood of confusion, and found support for this primary conclusion in the Claimants’ lack of



action against the BBC when it broadcast the channels UK HISTORY and UKTV HISTORY. While, on the facts, this may have shown that the Claimants knew they had no case, it would be worrying if a rights-holder's failure to pursue every infringement was taken to be a sign that it did not believe in its brand. It also became apparent at trial that the member of the UK Claimant's board representing BSKyB (a 50 per cent shareholder in the UK Claimant) did not consider that the Claimants' case had merit.

With nothing to dissuade him from his original view, the judge found that: "the use of the word 'HISTORY' does not infringe the registered marks... as the word HISTORY in my view in the context of the channel identifies the characteristics of the goods, namely a channel which provides history programmes."

It is interesting to contrast the judge's approach to a section 11(2) defence with that of Arnold J, who often focuses on whether or not use is in accordance with honest practices. In *Samuel Smith Old Brewery (Tadcaster) v Lee* [2011] EWHC 1879 (Ch), Arnold J set out ten factors he believed were relevant when assessing whether use is in accordance with honest practices, and he has applied these in subsequent decisions, including *Starbucks (HK) Ltd v British Sky Broadcasting Group plc* [2012] EWHC 3074 (Ch). That case, like this one, involved a device incorporating a common word – in Starbucks' case, the word "Now". Arnold J held that this device mark was invalid, and that, had it been valid, it would have had only "needlepoint" or "eggshell" distinctive character, so there was no likelihood of confusion. However, if there had been *prima facie* infringement, Arnold J said the Defendants could not use a section 11(2) defence because their use did not accord with honest practices: Sky knew of the Starbucks CTM before launching its service, the use was trade mark use (and, in contrast, not descriptive), and Sky's use interfered with the Claimant's ability to exploit its mark.

In contrast, here Peter Smith J did not consider whether the marks had only limited distinctive character, and mentioned the words "honest practices" only when quoting from statute. Instead, he took the view that the Claimants had not met their obligation to show that the use of the word "history" was not merely descriptive. But while the routes



taken are quite different, one is left with the impression both judges would have arrived at the same outcome.

Criticism of evidence

The judge was very critical of the Claimants' witness evidence, which was heard in July 2012, before the Court of Appeal's landmark judgment concerning questionnaire evidence in *Marks & Spencer plc v Interflora Inc* and another [2012] EWCA Civ 1501. As the evidence had been given, he considered it, but he was clear that: "had the Marks & Spencer case been available to me at the trial I would have not allowed any of the evidence to be introduced because it is plainly of no probative value when analysed."

The Claimants had conducted a questionnaire and analysed the results, subsequently contacting some participants. Ultimately, the Claimants produced witnesses for cross-examination, witness statements (unsigned and signed) from witnesses not made available for cross-examination, and completed questionnaires and attendance notes from four other respondents.

The judge was unimpressed: witnesses should not have statements taken if they are unaware that they could be used in evidence; witnesses should be allowed to object to their evidence being entered; and "too often witness statements are drafted by solicitors who put words in their mouth to achieve a better result". This was particularly the case with the evidence untested under cross-examination, of which the judge said that "there are so many questions over the evidence that I can attach no weight to them".

He elucidated on this further in his costs judgment, saying: "The purpose of my criticism is to put down a marker for all of the legal profession to take on board, that witness statements are supposed to be live evidence of witnesses. Drafting long witness statements with craggy submissions and masses of documents and then, in effect,

throwing those witnesses to the wolves without preparing them is one of the many failings of the use of witness statements... hopefully these kind of exercises will in the future be confined to the bin, marked 'Irrelevant and not to be used under any circumstances'."

The only evidence the judge really considered was the evidence given live at court, and this did not show that viewers were confused into believing "Discovery History" was in some way associated with "History".

Indemnity costs

Early in the proceedings the Defendant made a "drop hands" offer, which was rejected. The parties combined spent £3 million taking the matter to trial. In light of the offer and the weakness of the case ("it was hopeless to expect any court would stop the use of the word 'History'"), the judge awarded the Defendant costs on an indemnity basis from the point that the drop hands offer expired.

This decision shows how much *Marks & Spencer v Interflora* has changed how judges approach evidence, and claimants in trade mark cases will need to find new ways to show a likelihood of confusion between trade marks. The problems of large evidence-gathering exercises will be compounded by the new cost rules. The case is also a reminder that descriptive marks only grant a limited monopoly. ■

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Last orders for Bud battle?



Katie Goulding opens up the latest, and possibly last, chapter in what has been a heroic fight of beer brands

More than a decade has passed since Czech brewer Budějovický Budvar (“Budvar”) filed oppositions against four Community Trade Mark (CTM) applications of brewing giant Anheuser-Busch (“AB InBev”), for the word mark BUD and BUD (figurative) in classes 16, 21, 25, 32, 33, 35, 38, 41 and 42, collectively. However, on 22 January 2013, the General Court (“GC”) delivered a judgment that may just be the call for last orders on this long legal battle.

Basis of opposition

The original grounds raised by Budvar were: (i) Article 8(1)(b) of Council Regulation (EC) 207/2009 (then 40/94) (“CTMR”) relying on international registration 361566 for BUD (figurative) covering “all types of light and dark beer”, designating Austria, Benelux and Italy; and (ii) Article 8(4) CTMR relying on appellation of origin BUD for beer in France, Italy, Portugal (pursuant to the Lisbon Agreement) and Austria (pursuant to a bilateral

convention). This comment focuses on the second basis of opposition; the Second Board of Appeal of OHIM having concluded that Article 8(1)(b) was no longer being referred to by Budvar in the course of proceedings.

Opposition Division

The opposition filed against one of the applications was partly successful in respect of “restaurant, bar and pub services” in class 42, which the Opposition Division considered confusingly similar to “beers” (see further Decision 2326/2004). However, while it was satisfied that Budvar had a right to the appellation of BUD under the Lisbon Agreement, it concluded that Budvar had failed to show the scope of protection afforded to it under the national laws of Italy and Portugal. In respect of France, the extent of protection had been developed in more detail. Nevertheless, Budvar failed to demonstrate that use of the mark applied for on dissimilar services would “alienate or weaken the notoriety of its

appellation of origin” as required by Article L.115-5(4) of the French Consumer Code.

Decisions 4474/2004, 4475/2004 and 117/2005 were dismissed. Applying by analogy the provisions relating to “genuine use” of an earlier trade mark when such proof is requested in opposition proceedings (Article 43(2) and (3) CTMR, now Article 42), the Opposition Division was not satisfied that Budvar had established that the appellation of origin BUD was a sign that had been used in the course of trade of more than mere local significance.

Second Board of Appeal

Budvar appealed the decisions of the other three oppositions; these were dismissed on the following grounds: i) given that BUD is neither the name of a place in the Czech Republic nor an abbreviation of the city České Budějovice, it was difficult to see how BUD could be considered an appellation of origin or even an indirect indication of geographical origin;

- ii) in agreement with the Opposition Division, Budvar had failed to provide evidence of use; and finally
- iii) Budvar had failed to establish that the appellation or origin entitled it to prevent use of the mark applied for in Austria or France.

AB InBev appealed the partially successful opposition in respect of the above-mentioned services in class 42, which was upheld by the Board of Appeal (“BoA”). A further appeal by Budvar ensued.

General Court (CFI) (First Chamber)

Budvar submitted a single plea in law claiming infringement of Article 8(4). It focused on two points thereunder, namely the validity of the appellation of origin BUD and the requirements laid down in Article 8(4). The GC held that the BoA erred in law as follows:

- BUD was effective as an appellation of origin and the BoA did not have the jurisdiction to question the validity of that right. It was erroneous to consider the rights under the Lisbon Agreement and bilateral convention as being of “secondary importance”. Given that ongoing proceedings in France and Austria on the validity of these rights had led neither to a definitive finding of invalidity nor to a final denouncing of the convention, the national law should have been applied.
- It was erroneous to apply the threshold of “genuine use” by analogy to Article 8(4). Evidence of use in a commercial activity with a view to economic advantage would suffice – a threshold Budvar had met. It was enough to show use before publication and not necessarily before the date of the contested applications.
- In carrying out examinations of the use in each of the individual territories, the BoA failed to recognise that protection can be enjoyed in one territory, even where it is only used in another.
- It misinterpreted the condition of “significance”. According to the GC, “significance” referred to the significance of the sign concerned, which covered the geographical extent of the sign’s protection, rather than the significance of its use. In as much as the protection of the appellation of origin under the Lisbon Agreement and bilateral convention extends beyond their territory of origin, the Court was

‘The fact that a sign’s protection extends beyond the territory of origin does not, as a matter of course, establish that the sign is of more than mere local significance’

satisfied that the rights had a more than local significance.

The decision was appealed by AB InBev to the Court of Justice of the European Union (CJEU). Partially setting aside the GC’s judgment, the CJEU held that:

- Article 8(4), specifically the formula “used in the course of trade”, does not refer to “genuine use” in the sense of the meaning attributed under Article 43. As correctly identified by the GC, there must be use of the earlier right in a commercial activity with a view to economic advantage and not as a private matter (para 142).
- The fact that a sign’s protection extends beyond the territory of origin does not, as a matter of course, establish that the sign is of more than mere local significance. There must be a real presence in the relevant market (para 157). This goes to the core of the essential function of the sign, which is in the present case to enable the public to identify the geographical origin of the goods and more generally to protect the legislative aim of Article 8(4) (to prevent an earlier right that is not significant from preventing registration of a new CTM). Accordingly, not only must the sign be used in a significant manner in the course of trade, it must also be used in a substantial part of the territory in which it is protected.

Next, the CJEU considered that the GC had erred in law in reasoning that use in a territory other than that in which the appellation of origin was protected would suffice. In fact, exclusive rights are conferred upon the sign only in respect of the territory in which it is protected (para 162). As such, a separate assessment must be carried out for each territory.

Moreover, to discourage the artificial use of a sign between the filing date and the date of publication of the CTM in order to create a claim that would not otherwise have existed, the evidence must establish use of the sign before the filing date and not the later date of publication.

Case returned

The case was returned to the GC (Second Chamber) for assessment of

the factual merits of Budvar’s plea in respect of Article 8(4), following which the GC dismissed the actions brought by Budvar as it had failed to provide sufficient evidence of the sign in the course of trade of more than mere local significance, more specifically:

- No evidence of use in Portugal was submitted; only one invoice – for the sale of 22.7 litres of beer – was produced as evidence of use in Italy.
- Only four invoices – attesting to the sale of 160 litres of BUD SUPER STRONG over the course of four years – were provided in respect of France, some of which were disregarded as being subsequent to the date of the filing of the application and limited to deliveries to only three towns in France.
- In respect of Austria, the evidence comprised a mixture of invoices, employee and third-party affidavits, web extracts and articles covering the launch of a beer called BUD SUPER STRONG. The combination of non-independent affidavits enjoying low probative value and a sales volume of approximately 3,500 litres of BUD SUPER STRONG over a period of five years was insufficient to prove use, particularly in a market where the average annual beer consumption between 1980 and 1999 was nine million hectolitres.

Each party was ordered to bear its own costs. Budvar was given until 22 March 2013 to file an appeal to the CJEU. With no filing at the time of writing, it seems final orders may now have been called. ■

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A new wrinkle?

The dictionary played a definitive part in the Steam Glide decision, writes Philippa Caddick

In 2006, Salton Europe Limited filed a Community Trade Mark (CTM) application for the mark STEAM GLIDE for a range of goods in class 9, including “electric irons”. Salton Europe subsequently became Russell Hobbs Limited, which later transferred the disputed CTM to the Applicant, Spectrum Brands. Registration was subsequently granted for all goods and Philips Electronics NV, the Intervener, filed an application for invalidity on the grounds that the trade mark was non-distinctive and descriptive, in breach of Articles 7(i)(b) and (c) of the CTM Regulation (“CTMR”).

The Cancellation Division of OHIM rejected that application and the Intervener appealed to the First Board of Appeal. That appeal was successful on the ground that the mark “steam glide” was descriptive, being made up of two English words, both of which refer directly to the nature and purpose of the goods in question. The Board of Appeal ruled that, taken as a whole, the mark “constitutes an immediate, direct and easily understandable indication” that the goods, being irons, emit steam and are intended to move smoothly across clothes.

General Court action

The Applicant filed an action for the annulment of the Board of Appeal’s decision, claiming infringement of Articles 7(i)(b) and (c):

Infringement of Article 7(1)(c)

The Court, in dismissing the action, agreed with the Board of Appeal, relying on the well-established line of jurisprudence which states that a mark that consists of words, each of which is descriptive, is itself descriptive unless there is a perceptible difference

between the word(s) and the mere sum of its parts.

In reaching that decision, the Court relied on the definition provided by the Oxford English Dictionary of the words “steam” and “glide”. The Applicant put forward rather fanciful arguments stating that in relation to the goods in question, “glide” is evocative and creates an image of an iron “hovering over the fabric, without touching it”. This argument was rejected by the Court, relying on one of the multiple definitions provided for “glide” and concluding that “the smooth movement of an iron across clothes, which results from the steam”, corresponded directly to what the average consumer would expect from the goods in question.

Accordingly, the two words on their own were descriptive and, when viewed as a whole, there was nothing unusual in the combination of the words. Overall, there was nothing to prevent the expression from being understood clearly and directly by the average consumer, and as such the mark was descriptive under Article 7(i)(c).

Public interest

In response to the Applicant’s plea that the Board of Appeal had not expressly referred to the reasons supporting its

assessment of the general interest underlying Article 7(i)(c), the Court stated that while that article pursued an aim in the public interest – to keep descriptive signs free for all to use – it was not necessary to assess, by analysing the product market in question, whether other traders might have an interest in using the sign at issue in the future. In this regard, it was necessary only to consider whether there was a direct and specific relationship between the sign and the goods.

Infringement of Article 7(1)(b)

The Court reaffirmed that to be in breach of Article 7(i) it is sufficient that only one of the grounds applies, and where this is the case it is not necessary to assess whether a mark does or does not infringe any of the other grounds within the article. In this instance, the mark STEAM GLIDE was held to be descriptive under Article 7(i)(c) and therefore also non-distinctive under Article 7(i)(b).

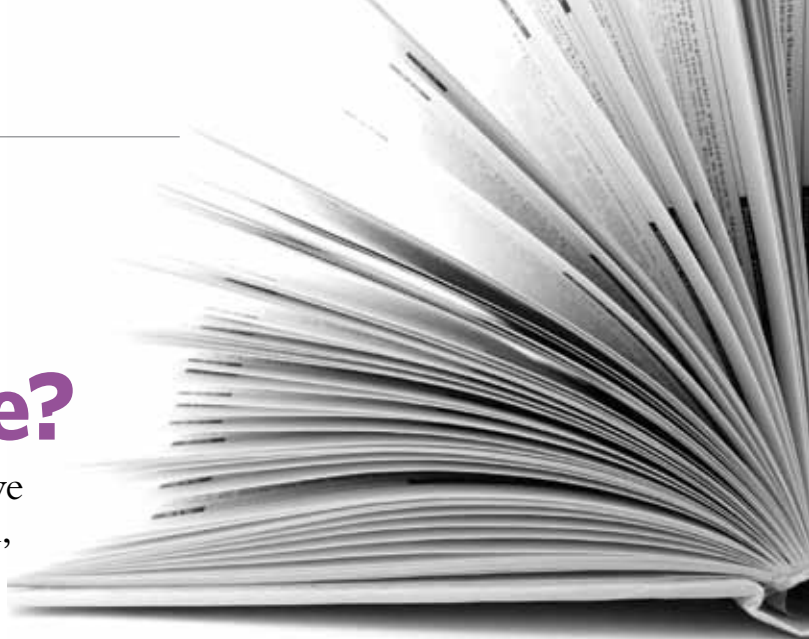
This case is a fairly straightforward, but no less noteworthy, example of a trade mark that falls on the wrong side of descriptiveness. It is also interesting due to the reliance placed by the Court on the dictionary definitions provided by both OHIM and the Intervener. ■

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Philippa is a qualified Trade Mark Attorney. Her practice focuses on national and international trade mark law, including oppositions, revocations and invalidity actions, negotiation of settlements, brand clearance, registrations and prosecutions of trade mark portfolios.



Case in point: T-54/12, K2 Sports Europe GmbH v OHIM and Karhu Sport Iberica, SL, General Court, 31 January 2013

K2 Sports faces uphill struggle

The sport brand's fight against a figurative element was ultimately a failure, reports Mark Caddle

On 23 December 2008, Karhu Sport Ibérica, SL ("Karhu Sport") applied to register the mark shown below in classes 18, 25 and 28 as a European Community Trade Mark ("the Application"). K2 Sports Europe GmbH ("the Opponent") opposed the Application on the basis of its German and international trade mark registrations for the word mark K2 SPORTS in classes 18, 25 and 28 ("the Opponent's Marks"). The Opponent's international registration has effect in Denmark, Spain, France, Ireland, Italy, the Czech Republic, Greece, Austria, Poland, Portugal, Finland, Sweden and the UK.

The Opposition Division of OHIM rejected the opposition on the basis that there was no likelihood of confusion in respect of the marks at hand. The Opponent lodged an appeal against this decision. The Board of Appeal also rejected the opposition on the basis that, despite the fact that the goods covered by the marks were similar or identical, there was no likelihood of

The Karhu Sport mark



confusion between them. Furthermore, the signs were deemed to be dissimilar as the only common element was the word SPORT, which was held to be descriptive of the goods at issue. The Board also noted that the distinctive elements of the marks – K2 and the figurative element that appeared in the Applicant's mark, respectively – had no common characteristics.

General Court

The Opponent filed an appeal to the General Court, criticising the Board of Appeal on the following grounds:

- 1) It did not take into account that the identical nature of the goods reduces the differences between the marks.



- 2) It misinterpreted how the figurative element of the Application would be perceived by the public.
- 3) It did not carry out a global assessment of the signs.
- 4) It broke down the marks in an artificial manner in so far as it compared K2 with the figurative element of the mark applied for, without reference to the term SPORT. The Opponent submitted that the figurative element would be perceived by the public as being a graphical representation of the letter K and, therefore, consumers may believe this to be a sub-brand belonging to the Opponent.

The General Court dismissed the appeal. In agreeing with the decision of the Board of Appeal, it noted that the element SPORT is descriptive of the goods claimed in class 25 because it brings to mind clothes for sporting activities or clothes in a sporting style. Its descriptiveness also applies to some of the goods in class 18 and sporting articles in class 28. On this basis, SPORT could not be considered to be a dominant element of the marks and was deemed to be irrelevant when considering the public's perception of the marks.

The crux of the decision focused on the manner in which the Court would assess the alleged similarity between the figurative element and the K2 element. The Court held that the Board of Appeal correctly assessed these and stated that the figurative element in the Karhu Sport mark looks more like "two dynamic, curved brush strokes" than a letter of

the alphabet. Therefore, consumers will not directly associate that element with K2. Furthermore, the General Court stated that the figurative element is an abstract device that confers dynamism; it does not suggest an additional letter.

In carrying out a global assessment, the General Court drew these conclusions:

- 1) Visually, the signs are different as the figurative and "K" elements dominate the marks. The term SPORT will not influence the perception of consumers as it is not a decisive element and appears at the end of the marks.
- 2) Phonetically, although the identical element SPORT will be pronounced the same, the alphanumeric combination K2, at the start of the Opponent's marks, will create the impression of K2 SPORTS. On the other hand, the figurative element of the Application will not be pronounced, and this results in the Application being pronounced merely as SPORT.
- 3) Conceptually, the figurative element of Karhu Sport's mark cannot be deemed to be conceptually similar to K2 as it does not resemble a letter K. SPORT was said to be of weak distinctive character and did not have a bearing on the conceptual similarity of the marks.

The Opponent's appeal was unsuccessful and the General Court ordered it to bear the costs in this matter. ■

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ITMA events

More details can be found at itma.org.uk



Glasgow is hosting the Design and Copyright Law update

Date	Event	Location	CPD hrs
4-8 May	INTA Annual Meeting	Dallas, Texas, US	
21 May	ITMA London Evening Meeting*	Royal College of Surgeons, London	1
6 June	ITMA Glasgow Talk Design and Copyright Law update	Murgitroyd & Company, Glasgow	1
19-22 June	ECTA Annual Conference	Bucharest, Romania	
25 June	ITMA London Evening Meeting* Abuse of process in trade mark litigation Michael Edenborough QC, Serle Court	Royal College of Surgeons, London	1
2 July	ITMA Webinar Commissioners for Oaths Ella Imison, Scrivener Notary, Imison & Co		1
9 July	ITMA Summer Reception**	Stationer's Hall, London	
23 July	ITMA London Evening Meeting*	Royal College of Surgeons, London	1
12 September	ITMA Edinburgh Talk Certification marks - a case study on Harris Tweed	Burness Paull & Williamsons, Edinburgh	1
24 September	ITMA London Evening Meeting*	Royal College of Surgeons, London	1
10 October	ITMA Autumn Seminar*	ICC Birmingham	tbc
29 October	ITMA London Evening Meeting*	Royal College of Surgeons, London	1
7 November	ITMA Glasgow Talk Brand protection for Glasgow Commonwealth Games 2014 and IP considerations in the Scottish independence debate	Brodies, Glasgow	1
12 November	ITMA Webinar		1
26 November	ITMA London Evening Meeting*	Royal College of Surgeons, London	1
10 December	ITMA Christmas Lunch**	InterContinental, London	

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