

CITMA REVIEW

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Address:

85-The Mall Road, Lahore 54000 Pakistan
(Adjacent Rado Kronos/Hang Ten Mall Plaza Bldg.)

Tel: +92-42-36285588-90, +92-42-36285581-84

Fax: +92-42-36285585, 36285586, 36285587

Email: unitedtrademark@unitedtm.com

utmps@unitedtm.com

REGISTRATIONS IN SOUTH & EAST ASIA, GULF, MIDDLE EAST, AND AFRICA



ARIPO

Tel : +255-222862900
Email: Tanzania@UnitedTm.com



OAPI

Tel : +971-4-3437 544
Email: Dubai@UnitedTm.com



SHARJAH

Suite 203, Al Buhairah Building
Buhairah Corniche,
Sharjah, UAE
Tel : +971-6-5722742
Email: UAE@unitedtm.com



EGYPT

Abou El Fedaa Building
3 Abou El Fedaa Street, Zamalek,
Cairo-Egypt
Tel : +20-0227367393
Email: Egypt@unitedtm.com



OMAN

Suite No. 702, 7th Floor, Oman
Commercial Centre, Ruwi,
Muscat
Tel: +968-24-787555, 704788
Email: Oman@unitedtm.com



SRI LANKA

105, Hunupitiya Lake Road
Colombo 02,
Sri Lanka
Tel: +94-11-4322790-1
Email: SriLanka@unitedtm.com



JORDAN

Suite 7, 2nd Floor, Chicago
Building, Al Abdali,
Jordan
Tel : +962-6-5683088
Email: Jordan@unitedtm.com



PAKISTAN

85-The Mall Road,
Mall Plaza Building,
Lahore-54000 Pakistan
Tel : +92-42-36285581-4
Unitedtrademark@UnitedTm.com



SUDAN

Flat No.1, 3rd F, Al Hurriya St.
Shaik Al Deen Bro. Bldg.
Sudan
Tel: +249-183-740634
Email: Sudan@unitedtm.com



LEBANON

6th Floor, Burj Al-Ghazal Bldg.
Tabaris, Beirut,
Lebanon
Tel : +961-1-21 5373
Email: Lebanon@unitedtm.com



QATAR

Villa # 40, Al Amir Street
Al Mirgap Area, Doha,
Qatar
Tel : +974-44443083, 44443093
Email: Qatar@unitedtm.com



TANZANIA

Shauri Moyo Area,
Pugu Road Dar-Es-Salaam,
Tanzania
Tel : +255-222862900
Email: Tanzania@unitedtm.com



MOROCCO

58, Rue Ibn Batouta,
PPT, No. 4, 1 er Estage,
Casablanca, Morocco
Tel : +212-522206096
Email: Morocco@unitedtm.com



SAUDI ARABIA

30th Street-Olaya,
Riyadh 11444
Saudi Arabia
Tel : +966 -11- 4616157
Email: SaudiArabia@unitedtm.com



YEMEN

6th Floor, Ideal Clinic Building
Hadda Street, Sana'a,
Yemen
Tel: +967-1819642
Email: Yemen@unitedtm.com

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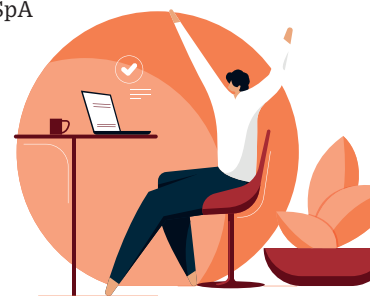
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- **WhatsApp LLC v Stanislav Tkachenko**
- **eBay Inc v Beata Dyraga**



CITMA CONTACTS

General enquiries
The Chartered Institute of Trade Mark Attorneys
Thanet House, 231-232 Strand, London WC2R 1DA
tm@citma.org.uk Tel: 020 7101 6090

COMMITTEE CHAIRS

CITMA Paralegal
Dan Hardman-Smart
daniel.smart@iamstobbs.com
Education, Qualification & Standards
Kelly Saliger
kelly.saliger@cms-cmno.com
Executive
Tania Clark
tclark@withersrogers.com

Events

Sarah Vaughan
sarah@citma.org.uk
Law & Practice
Rachel Wilkinson-Duffy
rachel.wilkinson-duffy@bakermckenzie.com
Publications & Communications
Richard Hayward
richard@citma.org.uk

CITMA

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Think Media Group,
20 Mortimer Street,
London W1T 3JW
Tel: 020 3771 7200
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Editor

Caitlin Mackesy Davies
Managing Editor
Mike Hine
Designer Grant Pearce
Advertising Tony Hopkins
tony.hopkins@thinkpublishing.co.uk

Client Engagement Director

Kieran Paul
Executive Director
Jackie Scully

CITMA REVIEW

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PRESIDENT'S WELCOME MY SIGHTS ARE SET ON FOUR GOALS

There are four key areas that I plan to focus on during my term as President. First, rights of representation before the UK IPO was identified by the membership as being the most important live issue for CITMA's focus. We have done a lot of the groundwork in formulating our campaign and we will be working towards a positive change for you and all users of the UK IP system.

CITMA will continue to support the IPO in the delivery of the One IPO transformation project, working with it to ensure the best outcome is achieved. This scheme aims to make the IPO's services significantly more technologically advanced and user friendly, which will benefit both the owners of IP rights and trade mark practitioners.

The next generation of Chartered Trade Mark Attorneys will see significant benefits in taking advantage of their full advocacy and litigation rights. I will work to further empower newly qualified practitioners in making use of these rights.

Finally, I want our profession to continue to grow its international focus. Strengthening ties with WIPO, EUIPO and registries and professional bodies across the globe will be vital to helping our profession to continue to thrive in a global IP system.

I look forward to working with all of you on these ambitions and continuing the work of advocating for the trade mark profession.

Rachel Wilkinson-Duffy,
CITMA President



Council representatives have been chosen

During a contested election in March, 12 of our members were elected to sit on our Council for a term of two years, joining eight other members elected in 2021.

The 12 members who received the most votes, and are therefore elected for the 2022–2024 period, are:

- Ese Akpogheneta, BATMark
- Oscar Benito, BioNTech
- Tania Clark, Withers & Rogers
- Daniel Hardman-Smart, Stobbs IP
- Sanjay Kapur, Potter Clarkson
- Chris McLeod, Elkington + Fife
- Kate O'Rourke, Mewburn Ellis
- Maggie Ramage, Edwin Coe
- Kelly Saliger, CMS
- Ervina Vasiljevic, Reckitt Benckiser
- Rachel Wilkinson-Duffy, Baker McKenzie
- Catherine Wiseman, Barker Brettell

The 20-strong Council operates as our governing body and oversees the business of CITMA. It also admits new members, makes the final decision on policy and sets our strategic direction. For full details go to citma.org.uk/election



Providing the student perspective

Gail Nicol of Cameron Intellectual Property has been selected as the new Student Representative. Gail is currently training to become a Trade Mark Attorney at Queen Mary University of London.

SUMMER STARTS HERE

See citma.org.uk/events for details of our Summer Reception in London.



CITMA AIMS HIGH

Our Events Manager, Sarah Vaughan, has raised hundreds of pounds for the London Legal Support Trust by abseiling from the ArcelorMittal Orbit in Stratford, London. The Trust supports legal access in London and the South-East. Learn more at citma.org.uk/svabseil



**IN MEMORIAM:
DAVID LUTKIN**

We were saddened to hear of the death of David Lutkin on 14th March 2022. David was the President of CITMA from 1987 to 1989 and had been a member of CITMA since the late 1960s. Read more at citma.org.uk/dlutkin



LET'S LUNCH AGAIN

Following a two-year pause, our Christmas Lunch will return on 2nd December 2022 at the refurbished Royal Lancaster, London. Find out more at citma.org.uk/xmas2022

“WE CANNOT DO THIS ALONE”

Tim Moss tells us why collaboration is key in the IPO’s new counter-infringement strategy

The power of brands in adding value to our economy is beyond doubt. But the infringement of IP rights is a significant threat to this value.

IP crime and infringement undermine the confidence IP rights give to businesses and investors, damage the economy and can have grave consequences for consumer safety. In February, we published our ambitious new counter-infringement strategy. This sets out how we will work in partnership to deal with these threats and represents a step-change in our ambition to protect IP rights.

The strategy recognises that increased public awareness and both criminal and civil enforcement are complementary elements in addressing the harms IP infringement causes. Many of you will have been integral in shaping this strategy, and your engagement has been invaluable to us. As we continue to build strong and effective partnerships across Government and with industry, our approach will be intelligence-led, harm-focused and continuously improved.

CHALLENGING CONTEXT

The context in which we tackle new and emerging issues has of course become more challenging. The international landscape has changed since Brexit – trade deals beyond Europe present opportunities to seek tailored improvements in partner markets, and we have more freedom to build on existing relationships through multilateral and bilateral relationships too. We recognise the

shared challenges and opportunities this brings.

The pandemic has altered things too – it has added to the complexities for enforcement agencies working on the ground as they manage new and competing priorities alongside accelerated changes in consumer behaviour.

New and evolving technology has also changed the way both legitimate and illegitimate goods are accessed – we need to be able to react as quickly as possible, because criminals can act at speed too.

Our strategy looks at the processes and structures, instead of a list of specific issues. This is because it is designed to put what we need in place to remain flexible, so we can tackle current and emerging issues over the next five years and beyond.

ROBUST PICTURE

Our new framework will help us develop a more robust intelligence picture, allowing us to tackle IP crime and infringement at both operational and strategic levels. Our newly reformed IP Crime Group, consisting of Government, enforcement agencies and industry, will work to address issues faced by industry, innovators and creators on the ground, providing opportunities for more public-private

partnerships. To address emerging issues at a strategic level, we have committed to developing a forum to gather evidence, provide policy direction and help coordinate enforcement efforts.

CROSS-SECTOR COLLABORATION

We will also establish a cross-sectoral IP Counter-Infringement Strategy Evaluation Panel, creating robust, measurable data to better quantify the impacts of the strategy’s commitments and prioritise further actions.

The new strategy lays the groundwork to tackle IP crime and infringement in all areas, now and in the future. But we cannot do this alone. We need the involvement and expertise of rights holders and their representatives to collaborate on a shared approach to awareness-raising and long-term consumer behaviour-change campaigns.

So, I ask for your continued support and engagement as we work to deliver the strategy’s ambitious commitments, working toward a society in which IP infringement and crime are unacceptable to all. ●



Tim Moss

is Chief Executive of the UK IPO

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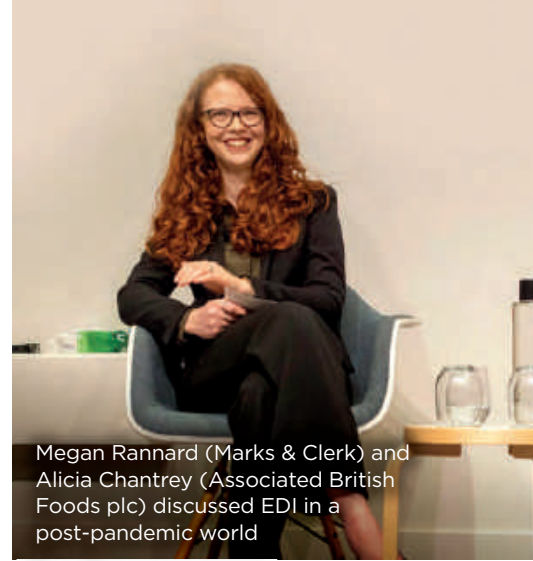
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Megan Rannard (Marks & Clerk) and Alicia Chantrey (Associated British Foods plc) discussed EDI in a post-pandemic world

IT'S GREAT TO RE:CONNECT



Being able to meet in person brought a real buzz to our latest gathering

The enlivening buzz of activity and conversations, not seen for more than two years at a CITMA event, returned with our in-person Spring Conference, which put the emphasis on Re:connecting.

Our drinks reception at The Refinery thronged with excited delegates who were meeting connections they had not seen for a long time and making new connections in a relaxed environment.

Earlier in the day some 30 delegates took part in our corporate social responsibility sessions – either volunteering at Vauxhall City Farm to help create a community garden (read more about this on page 11) or providing pro bono advice to small businesses on their trade marks.

The full second day of the conference saw more than 180 people come together at IET London: Savoy Place in central London for a day of learning and networking. From dealing with troublesome opponents to drafting coexistence

agreements, our experienced speakers helped delegates to find practical solutions to stay at the top of their game.

London was bathed in sunshine for the occasion, and delegates made the most of the weather on the balcony overlooking the Thames and the famous London skyline. Attendees were joined by nine exhibitors, including sponsor Corsearch and sector support charities LawCare and Jonathan's Voice.

CONFERENCE KEYNOTES

In her keynote address, Emma Himsworth QC set out the close relationship between strong mentoring and networking opportunities and the preservation of the diversity of the trade mark and IP community. Himsworth, who works at One Essex Court and is an Appointed Person and Chair of the IP Bar Association, touched on

four main areas: observation, networking, mentoring and the acknowledgement of issues related to EDI (equality, diversity and inclusion).

As a result of the pandemic, she said, almost all UK IPO hearings – which are open to the public – take place over Microsoft Teams. For early-career practitioners and students the benefits of this are significant. For many practitioners, observing more experienced industry colleagues in the courtroom is an invaluable method of learning and its benefits stretch far beyond qualification. In the past, Himsworth explained, court observation has historically required the financial and time commitment of travelling to the courtroom, often for a very short hearing. Therefore, the shift to online hearings allows a far more diverse audience to access the development opportunities that are on offer.



Emma Himsworth QC gave the conference's opening keynote



However, fruitful networking requires access to people at different stages of their career. With this in mind, Himsworth drew attention to the importance of senior practitioners volunteering their time for events, such as those run by IP Futures and CITMA, and INTA student meetings. Sharing expertise in these environments allows less experienced colleagues to develop and feel confident in a wider variety of settings. This, in turn, supports people to both stay in and climb within the IP industry. For those who are new to the industry, arranged networking opportunities are key, reducing the reliance on chance encounters. This is even more pronounced during an era when most people are working at least partially from outside the office.

Yet, mentor/mentee relationships and networking aren't the only ways in which more experienced trade mark professionals can support current students and career beginners, Himsworth said. The visibility of underrepresented groups in senior positions is beneficial in itself. For many, seeing a woman successfully climb through the ranks sends a powerful message. However, while presence and visibility are important, they are not a substitute for action. As Himsworth summarised: "I've come to realise that if we are to achieve a better future in IP, it is important in particular for senior practitioners from whatever part of the IP profession actually to do something to make a difference."

OUR VITAL ROLE

The work our members do is more important than ever as the UK

Himsworth also emphasised the mutual benefits of mentoring relationships between early-career practitioners and students, and their more experienced colleagues. If the trade mark profession is to retain the best talent possible, especially those from underrepresented backgrounds, mentoring relationships are key. These relationships have the obvious benefit of offering newer participants a sense of community within the industry and a friendly ally who can offer support in the earlier stages of their career.

However, the benefits are not one-sided. Himsworth explained how her mentorships have allowed her to appreciate the ways in

which the industry is continuing to change, both in response to the pandemic and more generally. Having mentees who can share their experiences and hopes allows later-career practitioners to maintain an accurate and holistic impression of the directions in which the industry is moving, and to adjust their perceptions and expectations accordingly.

Long-term mentoring relationships are not the only source of valuable input. Access to networking opportunities – such as those available at in-person CITMA events – frequently provides experiences and ideas that would otherwise have remained out of reach.



continues to boost innovation, Minister for Intellectual Property George Freeman MP told delegates as he gave our Spring Conference closing address.

“As we seek to harness the lessons of the pandemic and continue that pace of innovation across all sectors of our economy, it’s going to make the work that you are doing even more important,” Freeman told delegates.

He went on to announce that the UK IPO is extending its IP Access scheme, making £2.5m in grants available to SMEs. “That’s a tangible opportunity to support more than 500 SMEs to access advice from IP professionals, enabling their businesses to grow and thrive,” he said.

He added: “I deeply believe that IP should be more accessible and that open data is one of the most important ways we can drive innovation. This allows more of the data that we have on Government and arm’s-length bodies to be made available to help drive the innovation landscape.

“The work the IPO is currently doing to transform its services and the UK IP framework is hugely important, and I think everyone involved for it.”

Freeman took the opportunity to reflect on the work of CITMA, remarking that: “I have seen just how important the work that CITMA does is, not just for its members but for the IP landscape as a whole ... I know how

constructively you have engaged with my officials across a wide range of trade mark policy law and operational practice at the IPO.”

He concluded by saying: “I hope you have had a chance to acknowledge and celebrate the great work that you are doing.”

CHINA BRAND PROTECTION

Despite difficulties for many brands over the years protecting and enforcing rights, recently amended trade mark legislation in China is helping to combat issues such as bad faith applications, Jamie Rowlands (Gowlings WLG) told delegates in one of the conference sessions. “China developed quite quickly” after it joined the World Trade

Organization in 2001, “and has put in place legislation, both primary and secondary, that does make the system workable,” he said.

Rowlands added that, despite this, the system in China can be bumpy, so “local advice and early registration are vital for working in an environment which is just so different”.

He went on to explain that there have been some big shifts in recent years, with the trade mark law in China having been amended in 2019, the fourth amendment to the legislation. In particular, there have been updates to the rules around intention to use, a requirement for agencies to act with integrity and honesty, and increases in damages. In addition,





“ *The best protection is to register trade marks as early as possible* ”

new China National Intellectual Property Administration (CNIPA) guidelines came into effect at the start of 2022 to make the process clearer and more consistent. This may account for a “staggering” number of trade mark applications, remarked Rowlands, with more than nine million applications made in China in 2020 alone.

He then described the two main types of bad faith application in China – squatting and hoarding. “Hoarding is a real problem in China; you have filers who have absolutely no intention of using the marks filing thousands of applications in one go, just waiting to try and profit from that,” Rowlands said.

Article 4 of the new 2019 trade mark law aims to help fight bad faith trade mark applications on intention to use. It allows CNIPA to unilaterally reject bad faith applications for hoarding at the examination stage as an absolute right of refusal. And it is having an impact. Rowlands said: “The team I work with in China has seen a dramatic drop in hoarding over the past couple of years as a result.”

He admitted that because of the sheer number of trade marks being

filed, examiners are not going to pick up everything, which makes it important that the process through which third parties apply for invalidity for non-use is straightforward. Rowlands suggested that the success rate for invalidity proceedings for bad faith is now well above 50%, moving up from around 20% a decade ago.

“The best protection is to register trade marks as early as possible. The second thing to consider is filing as broadly as possible,” Rowlands advised delegates. This is the case also if you are manufacturing in China for export. If a third party, for example the manufacturer or agent, registers that trade mark in the relevant goods and services, it can then record the trade mark at customs. The goods could then be held at customs while a dispute is ongoing. This is particularly dangerous if the parties have fallen out. “It could take two years and it can be costly,” remarked Rowlands.

On litigating registered trade marks in China, he said: “My experience of litigating in China is that with early strategic planning and a firm idea of where you want to end up, the court system in China is workable.” ●



MEMBERS MUCK IN

Conference delegates and members of the CITMA team gave their time to preparing the community garden at Vauxhall City Farm ahead of landscaping work. The garden has been in development since May 2020, supported by a grant from Lambeth Council. In response to significantly above-average levels of childhood obesity in Lambeth, and a lack of access to garden space, the farm hopes to offer children knowledge and confidence in small-scale agriculture and nutrition.

James Yow and Peter Byrd, both from Charles Russell Speechlys, said: “It was a great opportunity to connect and reconnect with contacts in an informal way. It is so important to give something back and support these organisations that do so much good for their communities.”

In addition to supporting healthier nutrition and democratising access to garden space, the project will contribute to the area’s biodiversity: volunteers and families will learn to grow vegetables, flowers and herbs.



ANYONE FOR ENE?

Denise McFarland explains why it is time to give a lesser-known form of dispute resolution its due

It's crucial that practitioners remain abreast of their duties and obligations to the court, as well as to their clients and other parties. They must be alert to the need to further the overriding objective, and to engage in active case management and dispute resolution, exploring how to make the most informed decisions on behalf of clients. In particular, the Practice Direction on Pre-Action Conduct and Protocols provides that "Parties may negotiate to settle a dispute or may use a form of ADR", including early neutral evaluation (ENE).

However, until recently, ENE would be routinely considered

as part of the case management conference (CMC) considerations only if there was general agreement and consensus from all of the parties. Lack of consent was considered a bar to seeking an order or direction for ENE. This changed in August 2019 with the decision of the Court of Appeal (CoA) in the case of *Lomax v Lomax*,¹ in which the question of required consent was clarified and, in essence, set aside.

In *Lomax v Lomax*, the CoA reversed a High Court decision holding that the courts lacked the power to compel parties to engage in ENE. In doing so, the CoA had to decide the effect of

Rule 3.1 of the Civil Procedure Rules (CPR), which contains the court's "general powers of management". Included in a "list of powers", in subparagraph (2) at (m), is the statement that the court may: "... take any other step or make any other order for the purpose of managing the case and furthering the overriding objective, including hearing an Early Neutral Evaluation, with the aim of helping the parties settle the case ..."

CRUCIAL QUESTION

The crucial question for the CoA was essentially one of interpretation. First, does

“ It is difficult to see any downside to raising ENE at an early stage with an opponent party

Rule 3.1(2)(m) provide that the court can only order that ENE take place if all the parties are agreed? Or could it go further and, irrespective of the parties’ wishes, order that ENE take place if justified?

Although the Lomax case related to an Inheritance Act 1975 claim and would not usually attract the interest of IP professionals, it is worth reading. Lord Justice Moylan (giving the lead judgment on behalf of the CoA) analysed Rule 3.1(2)(m) and found that it did not contain an express requirement for the parties to consent before an ENE hearing could be ordered. Moylan LJ also made express reference to the overriding objective and stated that a judge’s power to order an ENE hearing was entirely consistent with the overriding objective.

As of the end of February 2022, under Rule 1.4(2)(e) CPR, there is a new reference made to an innovative scheme proposed by His Honour Judge Stephen Davies sitting in the Technology and Construction Court (TCC). He sets out an ADR scheme for claims, in which he concludes as follows: “If the parties are not willing to mediate and the judge does not consider it appropriate to order mediation, then there should be an order for compulsory early neutral evaluation before another TCC Judge.”²

A PROMINENT POSITION

These cases have brought ENE into a more prominent position, making it something that should now be given proper consideration. Indeed, it is difficult to see any downside to raising it at an early stage with an opponent party. Not least, it can provide a genuine costs protection and a tangible means of showing active application of the CPR.

Clients should also be advised that judiciary or tribunal members have the ability to encourage or even make orders for ENE even if a party (or parties) doesn’t consent. Having said that, there are overriding considerations of fairness and justice. In particular, it is doubtful that any judicial authority would impose such an order against the wishes of a party or the parties if to do so would create unfairness, prejudice or could not reasonably be said to be likely to further the overriding objective.

EARLY ENDORSEMENT

The concept of providing a means for early assessments and evaluations is not new. At the IPEC (then the Patents County Court) His Honour Judge Birss QC (as he then was) was particularly instrumental in encouraging parties’ access to “non-binding Judicial opinions”. For example, in *Weight Watchers (UK) Ltd and Others v Love Bites Ltd and Others*,³ he gave a non-binding opinion of the trade mark infringement case brought by *Weight Watchers* against *Love Bites*, where the dispute involved the mark *WAIST WATCHERS*.

At the CMC the Judge asked if the parties wanted an opinion as to the merits of the case, albeit not binding on the parties or the Court, and only if both parties agreed to it. In his Opinion, he expressed his initial view that there was a “strong case” that the Defendants would be found to be infringing the Claimant’s registered marks and that the

Defendants’ registered trade mark would likely be invalid.

Similarly, in *Fayus Inc and Another v Flying Trade Group plc*,⁴ both parties consented to ENE after the CMC, and the Judge’s Opinion followed. He believed that there was a “strong case that the Defendant’s use of the Ola-Ola mark amounts to passing off” and that as a consequence there was a “strong case that the defendant’s UK registered mark is invalid”.

These early evaluative processes may seem novel to English practitioners but are common in other jurisdictions – for example, in the Netherlands. And while not appropriate for every case, this exercise of the court’s CMC powers should be welcomed as a tool to promote early settlement and save costs and court resources. With this in mind, the lack of general uptake is perhaps surprising – but may be attributable to novelty or “fear” of early scrutiny.

Of course, timing is important. For example, if merits turn on factual assessments and it’s clear that crucial issues will only be determined after a full review of the facts and evidence at trial, any pronouncement made via ENE would be likely to be so hedged in by assumptions and hypotheses as to be virtually useless. On the other hand, waiting to raise the issue of ENE can also diminish its potential utility and the benefits of potential costs savings and streamlining. Nonetheless, ENE is important as a tool that can encourage a dose of realism on the respective merits of a case, particularly one ripe for early resolution. ●

1. [2019] EWHC 1467

2. See *The Sky’s the Limit Transformations Ltd v Mirza* [2022] EWHC 29 TCC

3. [2012] EWPCC 11

4. [2012] EWPCC 43



Denise McFarland

is a Barrister and Mediator at Three New Square IP Chambers

mcfarland@3newsquare.co.uk

A hand holding a pen is positioned over a city skyline, with a bar chart overlay. The background is a cityscape at sunset or sunrise, with a bar chart overlay. The hand is holding a pen, and the bar chart is composed of vertical bars of varying heights. The overall image has a professional, business-oriented feel.

UKTMs MOVING BEYOND BREXIT

Robert Reading has dissected last year's UK filing numbers and delivers his trend highlights



Last year began with a bang. On New Year's Eve 2020, the UK IPO managed a trade mark register with just under 746,000 active records. The next day – 1st January 2021 – and exactly 145 years since first accepting trade mark applications, the UK IPO added more than 1.5 million new trade mark records to its register (see Figure 1). These related to 1.3 million cloned EU trade mark (EUTM) registrations and 220,000 cloned EU designations from International Registrations (IRs). Lying behind this phenomenal rise in registered marks was, of course, Brexit – a slow-motion process that took a number of years to reach its conclusion, removing the UK from the EU.

As Brexit – and a nine-month transition period ending on 31st December 2020 – drew closer, the UK IPO became the fastest-growing major trade mark register in the world. This was driven by brand owners who modified their filing strategy to ensure that they obtained protection in the UK in parallel with the EU. In 2020 and again in 2021 (excluding cloned rights)

the UK IPO saw filing growth exceed 30% year on year (see Figure 2).

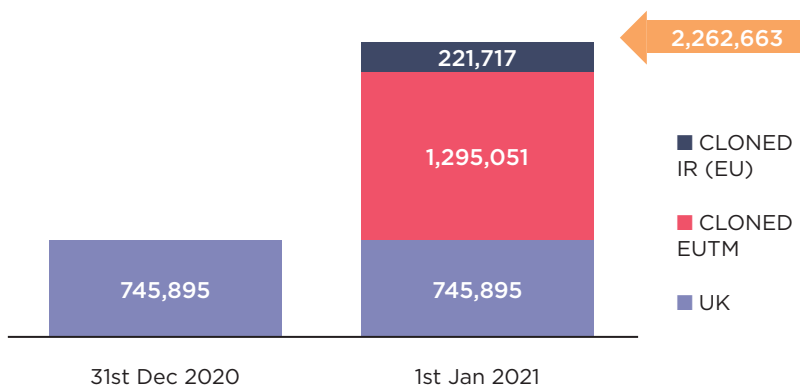
From just over 61,000 applications in 2016, the UK trade mark (UKTM) register grew to nearly 164,000 applications in 2021 – a remarkable average 22% annual growth for five years and an additional 100,000 applications a year compared to the volume that the UK IPO was processing before the Brexit referendum.

BUMPER YEAR

Even with the transition period concluding at the end of 2020, one Brexit-related process continued to contribute to 2021 being a record year for trade mark filing volume at the UK IPO. While all registered EUTM and IR (EU) records as of 31st December

“ As Brexit drew closer, the UK IPO became the fastest-growing major trade mark register in the world

Figure 1: UK IPO – Number of active trade mark records



Note: Unless otherwise stated, all figures refer to national UK trade mark applications filed at the UK IPO.



2020 were automatically cloned as corresponding UKTM records, the owners of all pending EUTM applications on that date were entitled to refile at the UK IPO and keep their EUTM filing date, with a final deadline for refiling of 30th September 2021. Approximately 70,000 pending EUTM applications were eligible.

The owners of a majority of these 70,000 eligible pending EUTM applications did not exercise that right to refile. Perhaps they were only interested in EU countries, the timing/cost was not advantageous or they already had UK protection in place. However, some 15,000 more applications claiming priority from an EUTM record were filed in the first nine months of 2021 than would otherwise be expected – this is around 10% of all the applications filed in 2021 and one-third of the growth in filing volume seen in 2021 compared with 2020.

So, of the 45,000 additional trade mark applications filed at the UK IPO in 2021 compared with 2020, around 15,000 were “one off” refilings of eligible EUTM records that were pending when the Brexit transition period ended. That leaves 30,000

“ A single address at Kemp House in London was used by 33 different representatives

additional applications in 2021 – where did they come from?

The largest source of UKTM applications is, not surprisingly, UK-based applicants. In 2021, UK applicants filed 97,148 UKTM applications – around 59% of all applications received by the UK IPO. But, as impressive as it seems, this volume was only 5% higher than the corresponding volume in 2020 (92,277 applications). In 2021, China-based applicants filed 28,393 UKTM applications (17,000 more than in 2020); EU applicants filed 14,394 (11,000 more than in 2020); and US applicants filed 12,690 (6,500 more than in 2020). All other countries between them account for less than 8% of UK applications, but together they filed 5,000 more national UKTM applications than in 2020.

CHINA GROWTH

The greatest growth came from China (an additional 16,816 applications compared with 2020, a 145% annual growth). The EU was the source of an additional 11,553 applications (342% growth, largely from refiled pending EUTM records) and the US and the rest of the world filed an additional 12,000 applications (100% growth).

With China showing signs of declining foreign trade mark filing activity at the end of 2021, and EU applicants more likely to choose the WIPO IR route (designating the UK) rather than filing nationally and unable to repeat the refiling exercise seen in 2021, it is not likely that 2022 will be a similar record year at the UK IPO.

Indeed, Brexit has driven a strong increase in designations of the UK in an IR under WIPO’s Madrid system. Growth in UK designations has been high each year since the 2016 referendum as applicants changed strategy and added the UK as well as the EU to ensure that both markets are covered. The Madrid system appears to be the preferred strategy for EU-based applicants in particular, in preference to filing a national UK application via a UK attorney or firm.

Figure 2: UK trade mark applications - % annual growth

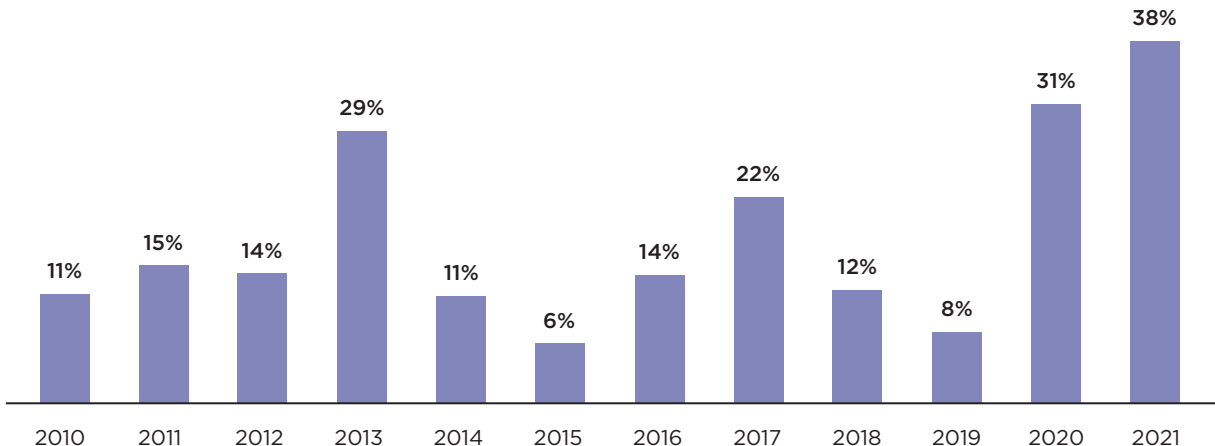
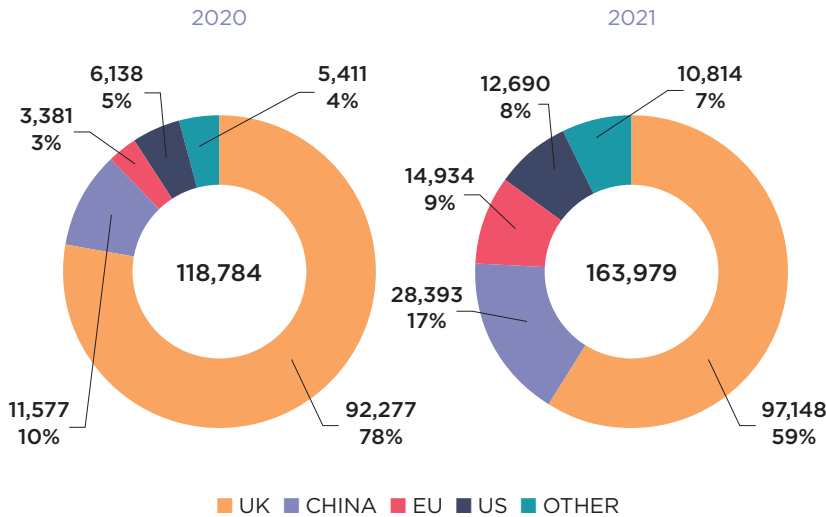


Figure 3: UK trade mark applications by applicant nationality 2020/21



NEW RULES

New rules for representation also came into force on 1st January 2021, making an address for service in the UK, Gibraltar or Channel Islands a UK IPO requirement for new applications and new contentious proceedings such as oppositions, invalidations or revocations. Cloned records have a three-year transition period before the new address for service rules come into effect (1st January 2024). A European Economic Area address can be used for applications that were filed before 1st January 2021 and for proceedings that started before that date.

While the new address for service requirement was no doubt partly intended to create a level playing field with the EU, the UK representation rules still fall short of those put in place by EUIPO. They are also significantly less stringent than the rules in place at the USPTO. Unlike the EU and US, the UK IPO rules allow a representative to use a PO box or mail-forwarding service. This has resulted in a large number of

UKTM applications being filed in 2021 via foreign attorneys and law firms, particularly by applicants from China.

In 2021, four of the top 10 representatives for new UKTM applications – and 36 of the top 100 – represented mostly China-based applicants (see Figure 5). There were six Chinese law firms/attorneys in the top 100 UK representatives, plus one each

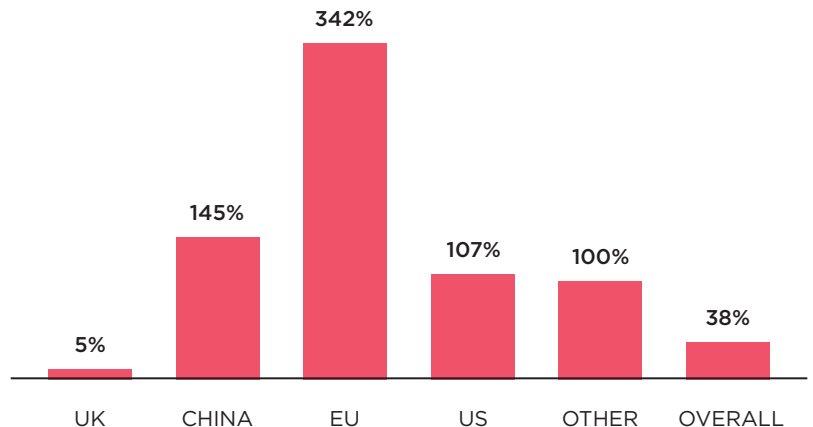
from Cyprus, France, Hungary, Ireland, the Philippines, Slovenia and the US – 13 non-UK-based representatives in total. Shared addresses – likely either a virtual office or a mail-forwarding service – were also common. For example, a single address at Kemp House in London was used by 33 different representatives.

There was also a significant amount of “churn” related to portfolios from China, with at least three representatives in the top 100 only active for part of the year before the work was passed on to another representative.

Only one representative in the top 100 saw a decline in filing volume in 2021 – KY Accountancy Services, which represented mostly Chinese clients. KY passed its work to Haiwai Consulting in March 2021 and the work was then transferred again in July 2021 from Haiwai to CEJR, an accounting and business advisory practice based in London but with a focus on China. Between them these three representatives handled 3,510 UKTM applications in 2021.

The leading “traditional” UK practice in 2021 by trade mark filing volume at the UK IPO was Stobbs, followed by the recently combined Murgitroyd/Urquhart-Dykes & Lord ▶

Figure 4: UK trade mark applications 2021 - % growth by nationality v 2020





and HGF. Most of the leading practices saw filing volume at least double compared with 2020 – mainly due to the high growth levels of applications from foreign applicants. Stevens Hewlett & Perkins saw spectacular growth (508%) mostly through arrangements with EU-based firms; among the top 50, Forresters (254%), Page, White & Farrer (231%) and AA Thornton (366%) also filed significantly more UKTM applications than in 2020.

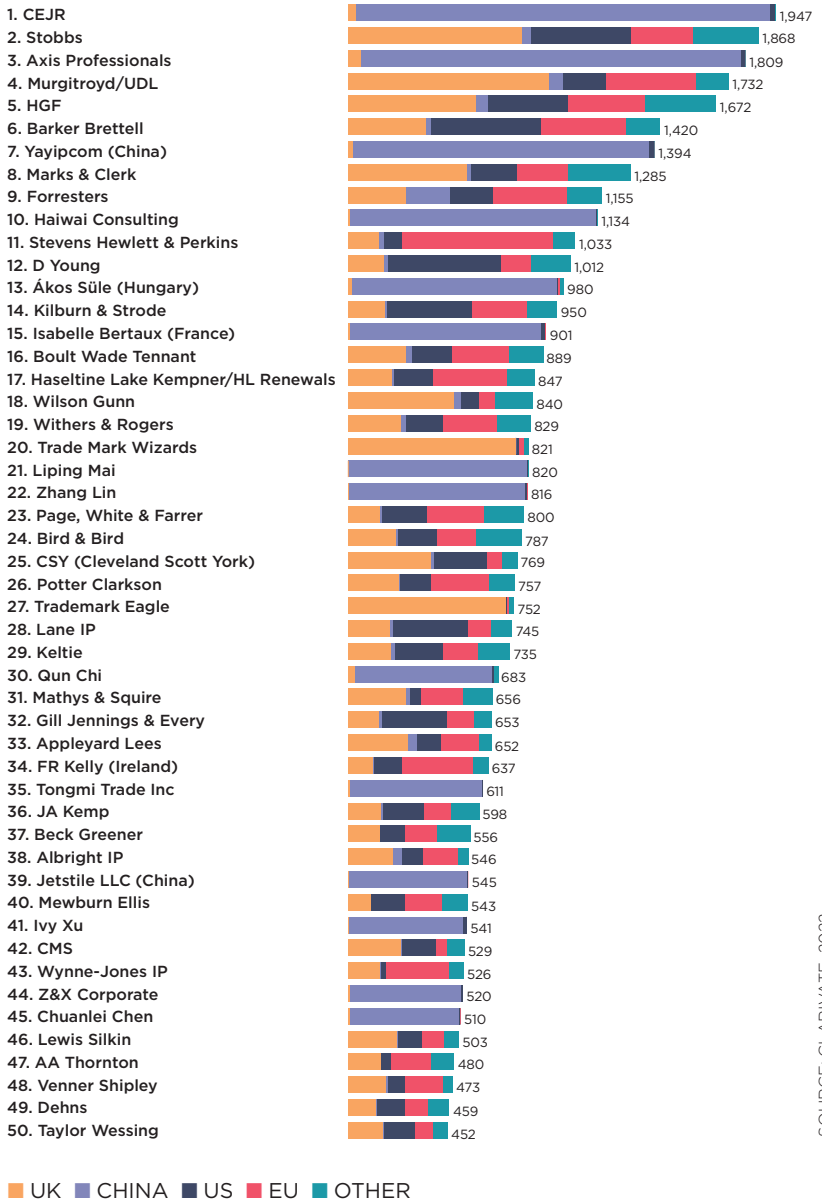
“ Most of the leading UK practices saw filing volume at least double compared with 2020

INCOMING OPPORTUNITIES

While 2021 was a record-breaking year for UKTM activity and UK representatives, it was also a unique one. This year is unlikely to see filing activity reach the same levels, but with a large number of cloned registrations still using a non-UK address for service and a trade mark register that is more crowded than ever, there are still opportunities for UK attorneys to grow their client base. A further tightening of address for service rules – for example, in relation to renewals – would also create opportunities.

And there is another potentially large disruptor on the horizon – the metaverse. If every major brand soon needs to file a new application to cover virtual goods/services then the numbers involved could be huge. While the numbers are low at the time of writing, there were more applications in the first six weeks of 2022 at the UK IPO for virtual goods/services than in the whole of 2021. ●

Figure 5: UK trade marks – 50 leading representatives by number of filings 2021, plus applicant nationality



SOURCE: CLARIVATE, 2022



Robert Reading

is Head of Content Strategy in the IP group at Clarivate
 robert.reading@clarivate.com



SIX WAYS TO PROSPECT EFFECTIVELY WHILE WFH

Bernard Savage shows us how to keep visibility high in hybrid times

There has always been more to business development (BD) than canapés and lukewarm wine, but how can you do BD productively from home and within a “hybrid” working environment? Here are some practical suggestions to help you stay visible to your clients, business partners and other professional contacts.

Don't push in-person meetings

Be aware that peoples' personal circumstances are different. Some of your contacts may have health issues that you are unaware of or have family members they need to protect. So, give people options to meet and don't assume that everyone wants to meet in person. If you do meet in person, let the other person go first when it comes to physical greetings. You can then respond accordingly in a way that helps your contact feel comfortable.

Lean in to creativity

You actually have more options to engage with your clients and co-market with business partners now, so think creatively and don't limit your BD to doing what you've always done. The past 18 months have seen an explosion in new approaches to

communication, from infographics, talking-head videos, podcasts, WhatsApp groups and direct messages through to networking outdoors (“net-walking”).

Take care with your tech

If you haven't already, now's the time to invest in broadband bandwidth, desk lighting and quality audio. The more adventurous might also consider a stand-up desk – this is both better for presentations and your posture – and a green screen to improve the picture quality on Zoom calls and enable you to have your logo as a backdrop.

Get it right outside the room

Success in hybrid meetings comes down to three things: preparation before the event; having someone in the room who knows how to use the technology; and the meeting facilitator actively encouraging those dialing in to participate in the discussion. And remember those

who are not in the room by getting the setup right in advance. Too many hybrid events are spoiled by not enough consideration being given to those joining remotely.

Use titles that entice

When running virtual events, you will need to work harder and smarter to get people to sign up. You will get a better uptake if more consideration is given to how events are titled. Titles should grab your target's attention and highlight the benefits of attending.

Never forget to follow up

Following up is easier than ever. Record all of your online events and share these along with personal messages to continue the dialogue with clients, business partners and targets. BD done properly is a process. All activity – whether in person or virtual – should be considered as a series of nudges, not a one-off event. ●



Bernard Savage

is a Director at Size 10 1/2 Boots

bernard@tenandahalf.co.uk

TOKEN EFFORTS



NFTs are the talk of the town. But how do they intersect with IP strategy? Our authors explain



Despite being in circulation since 2014, non-fungible tokens (NFTs) experienced a meteoric

rise in popularity in 2021. On 10th June 2021, prestigious auction house Sotheby's sold the *Quantum* NFT by the artist Kevin McCoy for just over \$1.4m. *Quantum* was first "minted" (created) on the NameCoin blockchain in May 2014 and is widely agreed to be the first-ever NFT. The process of minting an NFT involves a marketplace such as OpenSea, Nifty Gateway or Rarible publishing an NFT on a blockchain for sale. A few NFTs have made headlines around the world for selling for millions, such as *The Merge* by the artist Pak, which having gathered more than \$91m in sales became the world's most valuable NFT on 2nd December 2021.

The NFT landscape involves a myriad of sectors such as art and fashion, but also music and sport. For example, the American rock band Kings of Leon released its eighth studio album *When You See Yourself* as an NFT. Meanwhile, a lucrative partnership between NBA Properties, Inc and Dapper Labs, Inc to create "NBA Top Shot" launched in October 2020. NBA Top Shot is an NFT marketplace for selling or trading "NBA moments", which are digital collectibles of memorable highlight clips. A clip of LeBron James emulating a dunk performed by the late Kobe Bryant sold for \$387,600.

However, NFTs can also be the subject of litigation for trade mark and copyright infringement. One of the most notable NFT disputes involves



a trade mark infringement action brought by the luxury fashion house Hermès against Mason Rothschild, creator of a collection of NFTs he coined "MetaBirkins". Rothschild's 100 MetaBirkins NFTs are associated with an underlying artwork incorporating the iconic Hermès Birkin bag.

So, aside from the potential commercial opportunities, NFTs raise complex and interesting questions from a legal and regulatory standpoint. IP practitioners will be concerned with the issues of ownership, commercialisation and enforcement in this intersection

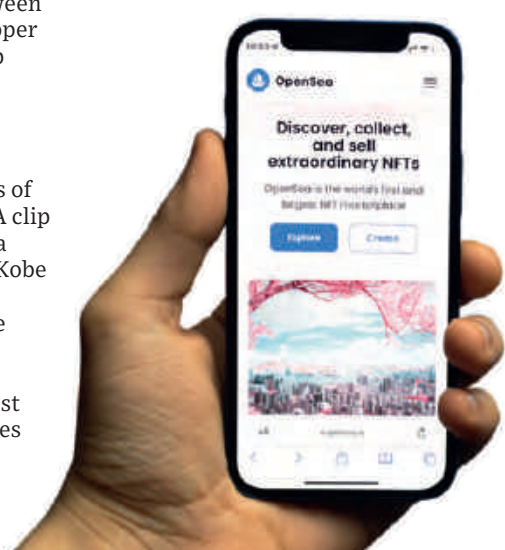
NBA Top Shot sells digital collectibles of basketball highlights

of digital assets and IP rights, specifically in relation to trade marks and copyright.

WHAT CAN BE AN NFT?

Simply put, an NFT is a digital "token" associated with an underlying physical or digital asset. In theory, anything can be tokenised. For example, global sportswear brand Nike recently acquired the virtual shoe company RTFKT, which sells digitised versions of shoes. However, the most common asset underlying an NFT is digital artwork. An example that made the press recently was an NFT associated with a work from the artist Mike Winkelmann, better known as Beeple, called *Everydays: The First 5000 Days*, which was sold by auction house Christie's for \$69.3m in March 2021.

Understanding NFTs requires detaching the token from the underlying work, though the two are intrinsically linked. Just like any other digital collectible, buyers hope the value of the underlying work or product attached to the NFT will increase in value and generate profit



NBATOPSHOT.COM; FELLOWNEKO/SHUTTERSTOCK



when sold on. One of the unique selling points of an NFT is exactly that: its uniqueness, which is perplexing given one work of art can be made into copies, and each copy could be tokenised with an individual NFT. The key point is that no two NFTs are the same. For example, two £1 coins are equal, exchangeable and divisible; however, it is impossible for NFTs to have these properties because each holds a unique identifier, hence they are “non-fungible”, ie non-interchangeable, which also distinguishes NFTs from cryptocurrencies such as bitcoin.

An NFT is minted by way of a “smart contract” published on the blockchain, which contains essential data relating to the NFT – typically its TokenID code, smart contract address, transaction history and a link to the underlying digital work, if applicable. The smart contract will also reference the NFT’s “metadata”, which is an unalterable record describing the work or product that the NFT represents. Sophisticated smart contracts specify certain terms and conditions in relation to the sale of the NFT. The other key selling point of NFTs is their ability to authenticate

ownership by virtue of blockchain technology. The fact that the provenance and ownership of an NFT are tracked on an encrypted blockchain such as Ethereum is another justification for their popularity.

THE IP ISSUES AT PLAY

The realm of NFTs gives rise to legal uncertainty because there is yet to be a UK court judgment that specifically deals with them in the context of IP. There are various NFT marketplaces with platform-specific takedown measures that may well resolve an issue for many rights holders, such as the unauthorised sale of an underlying work as an NFT, but where they do not, litigation may be the only recourse. In the absence of an NFT court precedent, the basic principles of UK trade mark, passing off (ie unregistered trade mark

Hermès has taken action against Mason Rothschild for his NFTs, while Monster has proactively filed applications covering NFTs

rights) and copyright law must be applied. However, there are characteristics specific to the NFT space that may pose obstacles to the success of a claim under trade mark or copyright infringement, or passing off.

TRADE MARK INFRINGEMENT

Sections 9 and 10 of the UK Trade Marks Act 1994 (TMA) outline the basic requirements of a successful trade mark infringement action based on double identity or likelihood of confusion in relation to the contested marks. Broadly speaking, these are: use of an identical or similar mark in relation to identical or similar services in the course of trade in the UK (among other things). Trade mark owners may find that some but not all of the infringement prerequisites are met when it comes to NFTs.

Consider: “The proprietor of a registered trade mark has exclusive rights in the trade mark

Nike is moving into the virtual shoe business



“ *In the absence of an NFT court precedent, the basic principles of UK trade mark, passing off and copyright law must be applied*



“ There are characteristics specific to the NFT space that may pose obstacles to the success of a claim under trade mark or copyright infringement, or passing off

which are infringed by use of the trade mark in the United Kingdom without his consent.” As with any suspected online infringement, it must be established that UK consumers are “targeted”. This principle was borne out in the High Court judgment in *Argos Limited v Argos Systems Inc*,¹ in which the court looked for specific instances of targeting, such as prices in a particular currency. Targeting may be challenging for brand owners to establish because both NFTs and the digital currency with which they are bought transcend borders; they are not specific to a particular jurisdiction. However, targeting may be made out where the NFT listing is on a UK-specific NFT platform, for example.

As regards the provision “A person infringes a registered trade mark if he uses in the course of trade...”, the NFT listing may incorporate an identical or similar sign to a registered trade mark, such as in the title of the listing or affixed to the underlying asset. Nike, for example, has brought a trade mark infringement claim in the US against the online clothing marketplace StockX for selling NFTs associated with unauthorised images and physical items of Nike footwear.

Arguably, an NFT listing constitutes “offering or placing on the market”, which is an infringing act explicitly listed under s10(3B)(a) TMA, and is therefore likely to meet the criterion of use in the course of trade.

Finally, for infringement purposes, the use made of the

allegedly infringing sign must be in relation to identical or similar goods or services to those covered by the registered trade mark. A number of brands, including Nike and Monster Energy, have filed trade mark applications in multiple jurisdictions covering NFTs and various virtual goods. Brand owners faced with a problematic NFT listing, who do not have registered rights covering NFTs or the underlying virtual goods, may encounter difficulties establishing that their rights in physical goods are similar to the virtual versions. Reputation arguments are likely to assist in these instances, if applicable.

PASSING OFF

Where brand owners deem an NFT listing misrepresents the origin of the underlying product, there may be a cause of action available under passing off (or “unfair competition” in other jurisdictions), provided the brand owner has accrued protectable goodwill and damage would be caused to the protected brand as a consequence of the misrepresentation.

COPYRIGHT INFRINGEMENT

It is a common misconception that the buyer of an NFT automatically transfers rights in the underlying work. In reality, the buyer acquires rights in the metadata of the NFT, which

describes the work, and not in the work itself. NFTs themselves are unlikely to be considered protectable works since they are essentially a string of numbers representing data on the blockchain. However, the act of reproducing and distributing the underlying original work that NFTs are attached to may give rise to a cause of action under copyright infringement.

The NFT marketplace is rife with NFTs associated with works deemed to be unauthorised copies of the original. Copyright infringement may occur in circumstances where the NFT seller, without permission from the copyright owner, communicates the work to the public via an NFT marketplace such

as LooksRare, which sells MetaBirkins. A major drawback of NFTs is that it can be difficult for prospective purchasers, investors or speculators to understand the rights that they will be acquiring vis-à-vis the underlying work that the NFT is based on. However, it is possible for assignment agreements (which transfer IP rights such as copyright and trade marks) and IP licence agreements to be executed and stored in smart contracts, which may help resolve these entitlement problems. For example, Dapper Labs created a blockchain application called

DEFINITION
An NFT is a digital “token” associated with an underlying physical or digital asset



“ Brand owners would be wise to consider extending their existing trade mark protection



Selfridges is now selling NFTs in its Oxford Street store

“CryptoKitties” that enables users to “own, transfer, and breed genetically unique digital cats” by way of smart contracts. Owners of a CryptoKitty are granted a limited, non-exclusive licence to commercialise the art, design and drawings of a CryptoKitty in relation to merchandise provided that such use does not generate revenue exceeding \$100,000.

LOOKING AHEAD

Only time will tell if the NFT phenomenon lives up to the hype and the digital asset class will continue to ascend new heights until the ceiling for the value of NFTs is ultimately reached, or collapses. Arguably, the commercial appeal of NFTs lies in the ability to assert that you are the owner of a unique digital asset, such as the NFT for Twitter

co-founder Jack Dorsey’s first tweet (“just setting up my twttr”), which was sold for \$2.9m in March 2021. Even though the same underlying work can be tokenised as separate NFTs, in the same way a Monet painting is sold as posters and wall art prints, there is only one owner of the unique NFT, just as there is only one owner of the original Monet painting. On the other hand, the increasing number of questions being raised about the carbon impact of the vast server farms needed to host blockchains, including NFTs, may challenge future valuations.

In the meantime, the NFT sphere continues to evolve, which presents both challenges and opportunities for rights holders, particularly in view of the increasing popularity of the metaverse. Brands such as Gucci, Coca-Cola, Louis Vuitton, Selfridges, Pokémon and many others are already embracing this new virtual landscape. As with well-known social media and marketplace platforms, takedown

measures are likely to be the first port of call for brand owners who fall victim to the perils of the NFT world. Takedown procedures will vary according to the NFT platform in question, and their efficacy is uncertain, given the novelty of NFTs. As the legal world plays catch-up with the technology, brand owners obliged to enforce their rights in court may find they are faced with NFT-specific challenges to overcome.

Looking ahead, brand owners would be wise to consider extending their existing trade mark protection to virtual versions of their products and to discuss the internet monitoring capabilities of their current watch service provider to ensure that NFT retail platforms are covered. Here, IP practitioners are uniquely positioned to assist brand owners to strategically leverage their IP portfolio but, at the same time, mitigate the risks of IP infringement. Watch this (virtual) space. ●



1. [2017] EWHC 231 (Ch)

Jack Dorsey’s first tweet sold for \$2.9m

LAND J PHOTOGRAPHY; ANDERSPHOTO; FREDERIC LEGRAND - COMEO/SHUTTERSTOCK



Pollyanna Sava

is a Chartered Trade Mark Attorney and Associate at Mewburn Ellis LLP

Hilda-Georgina Kwafo-Akoto, Associate and Solicitor at Mewburn Ellis LLP, co-authored.

A young boy with brown hair and a white shirt is looking up at a red apple balanced on a branch. An arrow with blue and red fletching is stuck through the apple. The background is a lush green forest with sunlight filtering through the leaves.

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Intimate details

Theresa Castle lays bare the facts in a dispute between two healthcare marks

Combe International LLC (Combe) has succeeded in its claim that the use of the sign VAGISAN for female intimate healthcare products infringes its UK registered trade mark for VAGISIL. In coming to this conclusion, the Court was persuaded by significant evidence of actual confusion and evidence of acquired distinctiveness of VAGISIL. The Court also disagreed that the prefix VAGI or VAGIS was descriptive of female healthcare products. The filing of an application to invalidate the later-filed trade mark was also sufficient to counter any defence that Combe had acquiesced in the infringing use.

BACKGROUND

Since 1984, Combe has sold non-prescription female intimate healthcare products in the UK under the VAGISIL mark. Dr August Wolff (Wolff) is a German pharmaceutical company, which expanded its offering in the 2000s to include VAGISAN Moist Cream, said to relieve “the symptoms of vaginal dryness”.

By 2012, Wolff had applied for an International Registration (IR), designating the EU and the US for the mark VAGISAN covering goods in classes 3 and 5. Combe owns various registrations dating back to 1975 for the VAGISIL mark and opposed the US designation of the IR, which prompted settlement discussions between

the parties from 2014 to 2016. As a result of the breakdown of the discussions, the Claimants filed proceedings against VAGISAN in Australia, New Zealand, Singapore and the EU.

In December 2016, Wolff sought to increase its sales of VAGISAN in the UK by initiating a major television advertising campaign and significantly increasing its offering in major pharmaceutical retail stores. Sales of VAGISAN increased for a period of time as a result of these efforts, as did sales of VAGISIL.

In order to monitor the effect of its advertising spend, Wolff commissioned various market research reports and Combe relied on the results of these reports to demonstrate instances of actual confusion between the VAGISAN and VAGISIL brands. In December 2017, Combe filed invalidity proceedings against Wolff’s EU designation (which is under appeal by Wolff to the General Court of the CJEU at the time of writing).

By 2018, sales of VAGISAN continued to disappoint Wolff, so it commissioned a report from a German media auditor. The report’s findings prompted Wolff to pivot its marketing approach and hire a British comedian as its brand ambassador for the VAGISAN product line. Wolff commissioned further research in 2019, which ultimately resulted in Wolff commencing with rebranding its VAGISAN products in the UK as DR WOLFF’S VAGISAN in 2020, work that is currently ongoing.

Combe’s success in the invalidity proceedings in the EU saw it then commence proceedings in the UK, claiming infringement under s10(2)(b) of the Trade Marks Act 1994 (TMA). In its defence, Wolff argued that Combe had acquiesced in the use of VAGISAN for a period of five years, starting from 2014. Wolff also counterclaimed that its rebranded sign DR WOLFF’S VAGISAN does not infringe Combe’s registrations for VAGISIL.

INFRINGEMENT ASSESSED

In assessing infringement under s10(2)(b), Justice Adam Johnson considered whether there was a likelihood





“ Combe submitted evidence of actual confusion between VAGISIL and VAGISAN as mentioned in social media and the various media reports commissioned by Wolff

of confusion between the marks on the part of the average consumer. In this respect, the Judge found that VAGISIL and VAGISAN are visually and aurally “very, very similar”, which was accepted by Wolff. Furthermore, the Judge noted the marketed VAGISAN goods were identical to those for which the VAGISIL marks are registered.

Though there was some disagreement between the parties as to the average consumer, the Judge considered that it is a young female who will likely feel some embarrassment and will have conducted some prior internet research, but because of the nature of the products and their

price point (between £5 and £15), will be in a rush to purchase the product(s) and will therefore have a low degree of attention.

Turning to the distinctiveness of the VAGISIL mark, Combe claimed that the meaning of either VAGI or VAGIS is descriptive as an indicator of the purpose of the products in question or has a signposting function. The Judge accepted that VAGI or VAGIS is suggestive, but the average consumer did not see VAGI or VAGIS as a signposting term. In any event, it was VAGISIL that had to be assessed and this was not descriptive of the intended purpose or characteristics of the goods. By 2013 (the primary date for assessment) the VAGISIL mark had acquired enhanced distinctiveness given its use and position in the UK market. Finally, with respect to risk of confusion, Combe submitted evidence of actual confusion between VAGISIL and VAGISAN as mentioned in social media and the various media reports commissioned by Wolff. In particular, these showed that:

- when VAGISAN was advertised, there was a peak in VAGISIL sales (described as the “halo effect”);
- Combe’s media consultants thought there was brand confusion between VAGISIL and VAGISAN; and
- there was TV and social media commentary referencing VAGISIL, rather than VAGISAN.

On this basis, the Judge held that this evidence reinforced that there was (and is) a likelihood of confusion between the marks within the meaning of s10(2)(b).

ACQUIESCENCE

Wolff claimed it had a defence of acquiescence under s48(1) TMA, arguing that Combe was aware of its use of VAGISAN in the UK market by early 2014, at the latest. Combe contended that it had not been made aware that Wolff was still selling VAGISAN in the UK, as during most of 2015 and 2016 VAGISAN appeared to have been withdrawn from the market. Indeed, Combe received reports of all sales through tills at major multiples, supermarkets or monitored

KEY POINTS

- When adopting a brand, consider whether the brand will be understood in the relative sector as an indicator of authenticity, rather than as an indicator of trade origin
- If launching a new brand, don’t fail to acknowledge clear signals of a likelihood of confusion
- A claimant does not necessarily need to bring administrative or judicial proceedings in order to defend a claim of acquiescence
- Brand owners should regularly monitor the market for competitor products, as this type of evidence will assist in defending any claim of acquiescence

“ Don’t adopt a ‘blinkerred unwillingness’, as the Judge described the Defendants’ conduct, to acknowledge clear signals of a likelihood of confusion

pharmacies and VAGISAN was not listed in these.

In any event, the Judge held that the acquiescence limitation period was interrupted when Combe filed the EU invalidity action in December 2017. The Judge considered it clear that a trade mark owner seeking to invalidate the registration of a mark cannot be said to be acquiescing in the use of the registered mark because the owner is saying there is no valid registration.

Furthermore, back in 2015, Combe opposed Wolff’s applications in Australia and New Zealand, sent various letters and had numerous settlement discussions with Wolff’s attorneys, stating that it would not tolerate the use of VAGISAN in the UK. This context paints a clear picture that Combe had taken steps that interrupted the period of limitation under s48 TMA.

The Judge also did not consider that Wolff’s use of VAGISAN in the UK was honest. On the contrary, Wolff persisted with advertising in 2017 and 2018 of its VAGISAN products and continually ignored the growing evidence of both the risk of confusion and actual confusion. In addition, Wolff failed to demonstrate that VAGISAN and VAGISIL had peacefully coexisted for any meaningful period of time, as sales since 2015 were *de minimis*.

COUNTERCLAIM

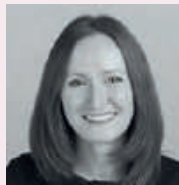
Wolff also sought a declaration of non-infringement for its rebranded sign DR WOLFF’S VAGISAN. The Judge held that because VAGISAN still had its own independent, distinctive role within the sign, a risk of likelihood of confusion remained. He therefore refused Wolff’s request. In terms of the distinctiveness of the element DR WOLFF’S, the Judge held that with reference to pharmaceutical/cosmetic brands, “Dr” will be perceived to establish the creditability of the product – namely, that a doctor has approved it. On this basis, this will not give the product a trade origin, but acts rather as an indicator of its authenticity or effectiveness.

LAUNCH LESSONS

The case suggests that brand owners should consider, when adopting a brand, whether the brand will be understood in the relative sector as an indicator of authenticity rather than as an indicator of trade origin. It also warns that, when launching a new brand, overlooking the importance of media reports may have long-lasting implications. Don’t adopt a “blinkerred unwillingness”, as the Judge described the Defendants’ conduct, to acknowledge clear signals of a likelihood of confusion.

Filing an administrative action to invalidate the mark or infringement action within the prescribed period by the rights holder will interrupt the five-year acquiescence period. However, this case is a good reminder that a claimant does not necessarily need to bring administrative or judicial proceedings in order to defend a claim of acquiescence. Pre-action correspondence may be sufficient to demonstrate that the claimant commenced proceedings of some kind.

Finally, while the burden of proof to demonstrate that a claimant has acquiesced for a period of five years of continuous use lies with a defendant, brand owners should regularly monitor the market for competitor products, as this type of evidence will assist in defending any claim of acquiescence.



Theresa Castle

is a Chartered Trade Mark Attorney
at Allen & Overy LLP

theresa.castle@allenoverly.com

Case for caution

Post-Brexit complexity means continuing to tread carefully, suggests Tania Clark

In this case, the IPEC addressed inconsistencies in Brexit statute and guidance notes and clarified whether UK courts have preserved the right to issue a pan-EU injunction in EU trade mark (EUTM) infringement proceedings that were pending on 31st December 2020.

The Claimant, EasyGroup Ltd, brought trade mark infringement proceedings against Beauty Perfectionists Ltd, Beauty International Austria Ltd and Julie Ann Khamo in March 2020 on the ground that their use of “easyCOSMETICS” in connection with online sales of beauty products infringed Easygroup’s EUTM registration.

The proceedings were pending on 31st December 2020 and in July 2021 the Defendants subsequently sought to strike out those parts of the claim that sought an injunction and other remedies outside of the UK. They argued that the IPEC no longer had jurisdiction to grant a pan-EU injunction or other remedies in respect of alleged infringement of EUTM registrations. The case was heard by Sir Julian Flaux, Chancellor of the High Court.

can designate national courts which shall act as an “EU Trade Mark Court” and perform the functions assigned to them by the EU Regulation;

- Article 124 provides that EU Trade Mark Courts will have exclusive jurisdiction for all infringement actions relating to EUTM registrations; and
- Article 130 provides that EU Trade Mark Courts can issue an order to prohibit a defendant from proceeding with the infringing acts.

The High Court, along with county courts, was designated as an EU Trade Mark Court by Regulation 12 of the Community Trade Mark Regulations 2006 (which was later amended by the European Union Trade Mark Regulations 2016).

BREXIT LAWS

The Trade Marks (Amendment etc.) (EU Exit) Regulations 2019 (the 2019 Regulations) provided for amendments to the Trade Marks Act 1994 (TMA). Schedule 1 of the 2019 Regulations stipulated that Schedule 2A would be inserted

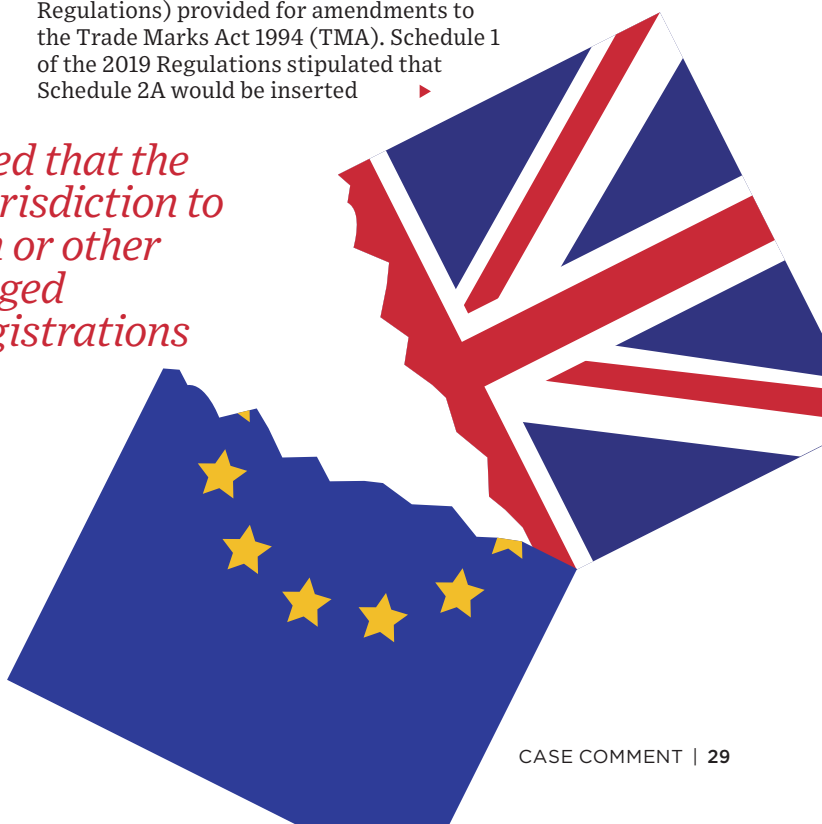
“ *The Defendants argued that the IPEC no longer had jurisdiction to grant a pan-EU injunction or other remedies in respect of alleged infringement of EUTM registrations* ”

THE PRE-BREXIT POSITION

Of course, it is not in doubt whether the IPEC had jurisdiction to grant pan-EU injunctions before 31st December 2020. A brief recap of the relevant laws that granted that power is as follows.

Chapter 10 of Regulation (EU) 2017/1001 (the EU Regulation) is titled “Jurisdiction and Procedure in Legal Actions Relating to EU Trade Marks” and includes the following provisions:

- Article 123 provides that Member States



KEY POINTS

* UK courts have preserved the right to issue a pan-EU injunction in EU trade mark infringement proceedings pending on 31st December 2020

* Guidance issued by the UK IPO to assist in the interpretation of Brexit laws was deemed as “simply wrong”

into the TMA, which included a provision for a UK clone of EUTM registrations that were granted on 31st December 2020 to be automatically created.

Paragraph 20 of Schedule 2A sets out the laws relating to EUTM proceedings that were pending before an EU Trade Mark Court on 31st December 2020 and includes the following subparagraphs:

- 20(2) – subject to subparagraphs (3) and (4), Chapter 10 of the EU Regulation (with some exceptions to specific articles which required reciprocity with EUIPO) continues to apply to the pending proceedings as if the UK were still a Member State; and
- 20(3) – where the proceedings involve an infringement claim of an EU registration, without prejudice to any other relief by way of damages, accounts or otherwise available to the proprietor of the existing EUTM, the EU Trade Mark Court may grant an injunction against the use of the UK clone.

The UK IPO issued an Explanatory Memorandum to the 2019 Regulations as an aid of construction. Paragraph 7.15 is

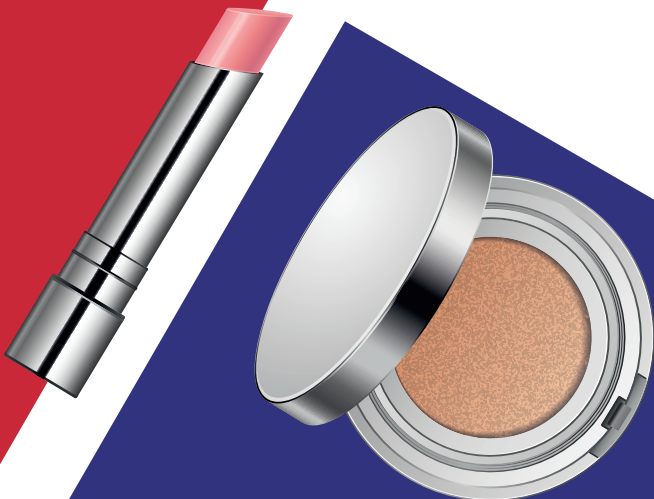
“ Referring to the Defendants’ reliance on the Explanatory Memorandum to the 2019 Regulations, Sir Julian held that ‘it is simply wrong and should be disregarded’

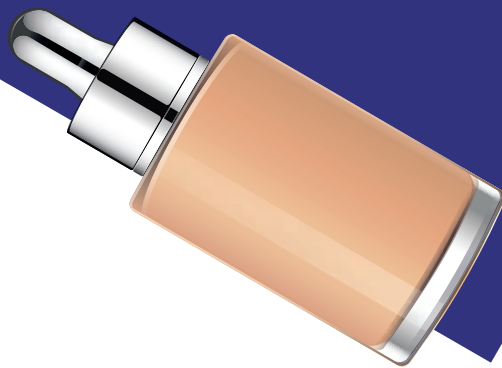
titled “Jurisdictional Arrangements” and reads as follows:

“UK courts can act as EU Courts in trade mark infringement actions relating to EUTMs. At exit there will be EUTM cases ongoing before these Courts. The SI ensures that these cases continue to be heard, as if the UK were still a Member State with effect from exit day, *but also confirms that actions and remedies taken or granted by the Court are applicable to the comparable UK right only* [emphasis added].”

THE DEFENDANTS’ ARGUMENTS

The Defendants argued that because the 2019 Regulations were created in February 2019 when a “no deal” Brexit was a real possibility, paragraph 20 of Schedule 2A must be construed as allowing EU Trade Mark Courts to grant an injunction against





the UK clone only, and not the corresponding EU registration. The rationale behind this line of argument was that it would have been extraordinary had the EU Trade Mark Courts been able to grant a pan-EU injunction in the event that the UK left the EU without a deal.

Further, they submitted that the wording of paragraph 7.15 of the Explanatory Memorandum to the 2019 Regulations was unambiguous and clearly stated that any injunction that may be issued can only relate to the UK clone. They claimed support from the fact that the Intellectual Property (Amendment etc.) (EU Exit) Regulations 2020, which made amendments to the 2019 Regulations, made no substantive amendments to paragraph 20 of Schedule 2A and that the UK IPO had not at the time made any amendments to the guidance it provided in the Explanatory Memorandum to the 2019 Regulations.

THE DECISION

Sir Julian acknowledged that paragraph 20 of Schedule 2A of the 2019 Regulations was not clearly drafted. However, he held that paragraph 20(3) does not limit the jurisdiction which is retained in pending proceedings under paragraph 20(2). In particular, he noted that the words “without prejudice to any other relief by way of damages, accounts or otherwise available to the proprietor of the existing EUTM” clearly illustrate that the new power granted in relation to the newly created UK clone does not affect or limit

the existing remedies that are available to the proprietor of an EU registration. As the existing remedies include a pan-EU injunction, he found that the IPEC retained jurisdiction to grant pan-EU injunctions and consequently dismissed the Defendants’ application to strike out parts of the claim.

Had paragraph 20(3) been intended to limit the jurisdiction of the EU Trade Mark Courts that was preserved by paragraph 20(2), Sir Julian stated that clearer words would have been used and, at the very least, the text would have stated that the court “may only grant” an injunction against the use of the UK clone.

Referring to the Defendants’ reliance on the Explanatory Memorandum to the 2019 Regulations, Sir Julian held that “it is simply wrong and should be disregarded” as it fails to take account of the important legislative changes that followed after it had been drafted.

IMPLICATIONS

This case illustrates the complexity of the interwoven Brexit statutes and, for now, clarifies an area of uncertainty. However, the Defendants were granted permission to appeal. At the time of writing, the Explanatory Memorandum still contains the incorrect guidance. Parties should therefore treat this and any other constructive aid provided by the UK IPO with caution.



Tania Clark

is a Chartered Trade Mark Attorney at Withers & Rogers
tclark@withersrogers.com

Anne Long, Chartered Trade Mark Attorney and Associate at Withers & Rogers, co-authored.

A tangy tangle

Charlotte Duly dissects a decision that involved a range of legal issues

China Tang is a Cantonese restaurant run by the Second Claimant, China Tang London, at luxury hotel The Dorchester on London's Park Lane. It opened in 2005 and aims to serve authentic Cantonese dishes surrounded by art deco elegance, redolent of inter-war Shanghai. The First Claimant owns trade mark No. 2415093 (the Trade Mark) with a priority date of August 2005 covering, *inter alia*, "restaurant services" in class 43 for the China Tang logo shown on page 33 as a series of two.

The Defendant, Mr Gu, runs a Chinese takeaway in Barrow-in-Furness, Cumbria, through the First Defendant, West Lake East. The takeaway started trading in 2009 under the name "China Tang", with customers living within a two-to-three-mile radius.

The Claimants alleged trade mark infringement under s10(2) and s10(3) of the Trade Marks Act 1994, along with passing off. The Defendants claimed

require the customer to collect the food for eating off-premises, was discussed. Despite the different modes of delivery and the fact the specification of the Trade Mark did not overlap exactly with the services of the Defendant, takeaway services were found to be very similar to the remaining services of the Trade Mark. Many restaurants offer takeaway services, and this increased significantly during COVID-19 lockdowns. The Claimant also offers a form of takeaway, delivering chilled food to customers of private jet companies for reheating and consumption on the plane – admittedly, a particularly high-end form of food delivery.

Despite elements of stylisation, the word elements of the marks used by both parties were identical, namely "China Tang". Yet the Defendants ran interesting arguments: that "China Tang" had a low level of distinctiveness because it was descriptive of Chinese food; that "Tang" is a common Chinese surname; that "Tang" is descriptive of tangy foods; and that a restaurant in Torquay, unconnected to either party, trades under the "China Tang" name (although this use seems to have commenced relatively recently). Further, there have been no instances of confusion during the 12 years of concurrent use.

Nonetheless, the Defendants' arguments were ultimately unsuccessful. While "China" alluded to a type of food, there was no evidence that "Tang" was understood in the UK as a common Chinese name, and the decision added that: "the submission that the average consumer would take 'Tang' to mean that the food is tangy has an air of desperation. I doubt that it would be so interpreted."

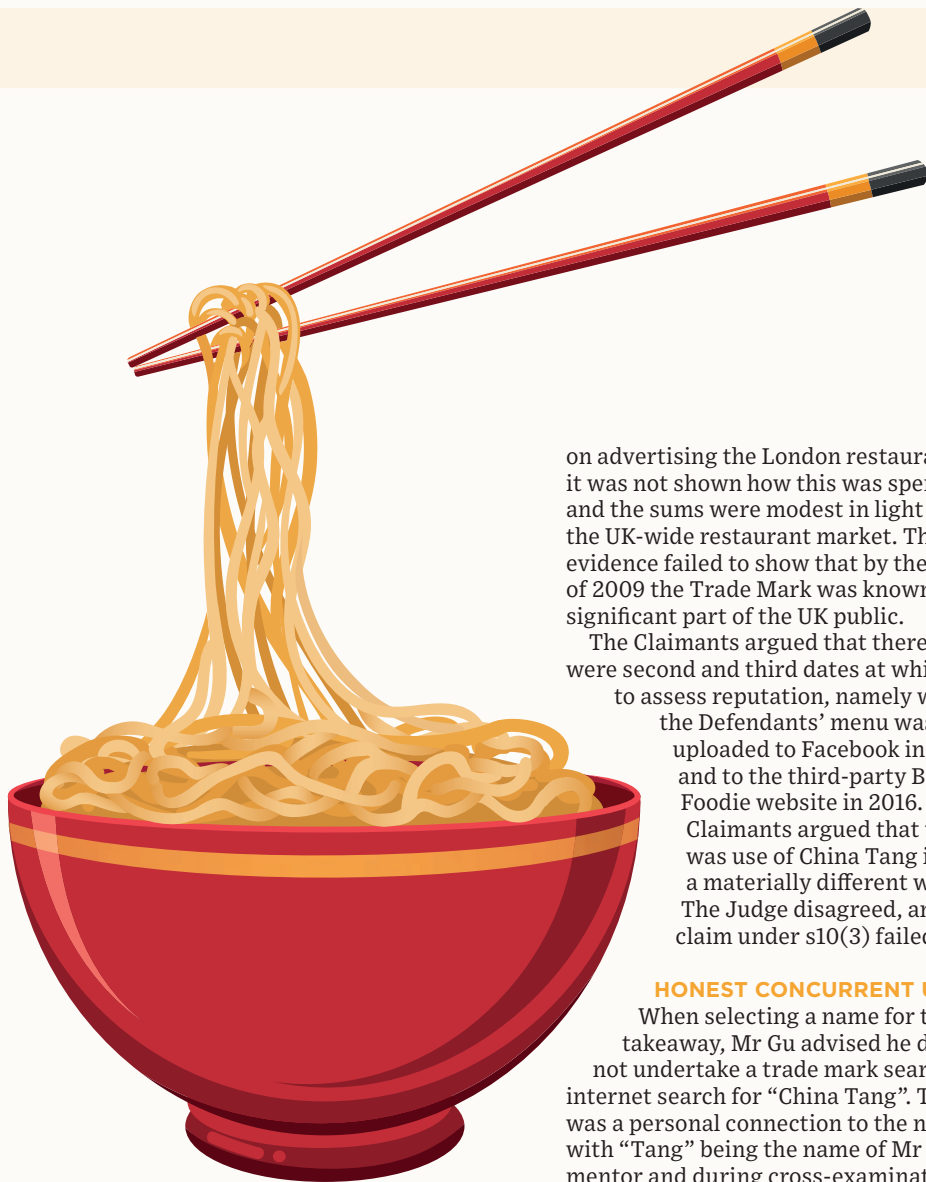
In relation to the restaurant in Torquay, the fact that another party may be infringing the Trade Mark had no relevance to the present case. "China Tang" was found to be distinctive for the services at issue.

“ While ‘China’ alluded to a type of food, there was no evidence that ‘Tang’ was understood in the UK as a common Chinese name

a defence of honest concurrent use along with a counterclaim for partial revocation of the Trade Mark due to non-use for "cafes; cafeterias; and self-service restaurants". This was essentially not resisted and left the core restaurant services intact.

LIKELIHOOD OF CONFUSION

The average consumer to consider was essentially everybody in the UK, all being users or potential users of restaurant or catering services. The distinction between restaurants/cafés where customers visit the premises, catering services that involve catering staff going to the customer, and takeaways that



In terms of the lack of evidence of confusion, the differences in geographical location and trading style may have mitigated confusion in the real world. There was speculation about whether the customers of the respective businesses would be aware of the other. In the end, that did not matter. Applying the provisions of s10(2), considering the aural identity and visual similarity of the marks and the close similarity of the services offered, led to a finding of a likelihood of confusion.

REPUTATION LOST

The Claimants' reputation was to be assessed at the time the Defendants started trading at the end of 2009. The Claimants' business traded as a single London restaurant for around four years before that date. While money was spent

on advertising the London restaurant, it was not shown how this was spent and the sums were modest in light of the UK-wide restaurant market. The evidence failed to show that by the end of 2009 the Trade Mark was known by a significant part of the UK public.

The Claimants argued that there were second and third dates at which to assess reputation, namely when the Defendants' menu was uploaded to Facebook in 2015 and to the third-party Big Foodie website in 2016. The Claimants argued that this was use of China Tang in a materially different way. The Judge disagreed, and the claim under s10(3) failed.

HONEST CONCURRENT USE

When selecting a name for the takeaway, Mr Gu advised he did not undertake a trade mark search or internet search for "China Tang". There was a personal connection to the name, with "Tang" being the name of Mr Gu's mentor and during cross-examination he appeared to be wedded to the name.

For there to be honest concurrent use, the use by the Defendants ought not to have, or be liable to have, an adverse effect on the origin function of the trade mark. During the hearing there was discussion of the decision in *Victoria Plum Ltd v Victorian Plumbing Ltd*,¹ reminding us that the Defendant has a duty to act fairly in relation to the interests of the trade mark proprietor.

The decision considered whether the failure to carry out a trade mark or internet search is sufficient to deprive a Defendant of an honest concurrent use defence. For a large enterprise or a regular trade mark filer, the failure to conduct a trade mark search would likely be viewed as not in accordance with honest practices (even where the failure to search was negligent rather than deliberate). However,

KEY POINTS

- ✦ It is easy to see how personal attachment to a trade mark can arise, but where an earlier right is later discovered, a controlled rebrand can be less costly than a dispute
- ✦ Honest concurrent use is a difficult defence to put forward
- ✦ When considering whether to rely on infringement, passing off, or both, it is important to consider the different requirements for success

MARK

NO. 2415093



even a small business must take due consideration of its trading name. Instances of true honest concurrent use are rare, and where a party discovers it is infringing it can rebrand, which may be undesirable but is often not onerous or unreasonable. Indeed, a rebrand can be used in a positive way to refresh and advertise a business.

Had the Defendants conducted a basic internet search for “China Tang”, they would have become aware of the London restaurant and in accordance with honest practices should then have obtained legal advice. His Honour Judge Hacon expands further, stating that: “In the modern climate of easy trade mark and internet searches, I think that if a party starts to use a trading name without appropriate advice and simple searches, such use will not have been honest concurrent use without some reason why it should be taken to have been so. There was no such reason in

“ *I sensed Hacon J’s desire to make sure the IPEC was used correctly, for the right subject matter*”

the present case.” The defence of honest concurrent use therefore failed.

PASSING OFF

This decision reminds us that the law of passing off is closely tied to the real world, and the actual use by the Claimant, including manner and place of trade, is relevant.

The Claimants had goodwill, stretching beyond London, but misrepresentation turned on whether a significant proportion of the relevant public who knew of the Claimants’ business and who also became aware of the Defendants’ business would perceive a connection. There was no evidence that over the 12 years of concurrent trade there was any such connection presumed. Passing off failed.

JOINT LIABILITY

Joint liability of directors is an interesting issue. The Claimants pleaded that Mr Gu was jointly liable with the company because he was the sole director and shareholder and, with his wife, is the owner of the freehold of the business premises. In cross-examination

Mr Gu said it was his business and that he selected the name China Tang, and he portrayed it very much as his venture. In essence, the acts of the company were initiated and controlled by Mr Gu. He was therefore found to be jointly liable with the company. This is an important finding to prevent Mr Gu opening up a restaurant with an identical or similar name through a different company.

OPPORTUNITY TO OBSERVE

As a participant in CITMA’s Marshalling Scheme, I was fortunate to sit behind the bench with Hacon J during the trial that decided this case. This meant I had the chance to see behind the scenes of the Court and discuss the case with the Judge, which was not only a privilege but allowed for a much more informed overview of the decision.

For example, I sensed Hacon J’s desire to make sure the IPEC was used correctly, for the right subject matter, and the genuine efforts to make IP litigation accessible. It may not be easy or cheap to litigate, but the IPEC provides a much-needed forum to ensure justice

reaches as many parties as possible. I was left with the impression that judges often have an idea of what the outcome of a case will be before trial, particularly before the IPEC, where the time afforded for cross-examination and submissions is tightly controlled. Where a defendant is using a sign that is almost identical to that of the claimant for closely similar services, such as in the present case, there seems to be merit in reaching settlement long before trial and having control over the timing of any rebrand. Of course, that can be difficult to swallow where there is a personal connection to a name.

1. [2016] EWHC 2911 (Ch); [2017] FSR 17



Charlotte Duly

is a Chartered Trade Mark Attorney and Head of Brand Protection at Charles Russell Speechlys LLP

charlotte.duly@crsblaw.com

Unkindest cut

Charlie Bond reports on why a mark didn't sufficiently stand out

In this case, Husqvarna Aktiebolag (the Applicant) requested a hearing regarding the UK IPO's rejection of the application for a 3D trade mark of a robotic lawnmower in relation to "Lawnmowers [machines]; Robotic lawnmowers" (both in class 7).

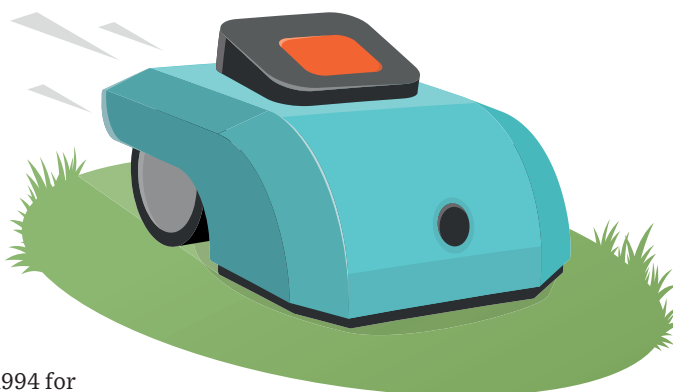
Upon review, the decision was upheld and the shape mark application was refused under s3(1)(b) of the Trade Marks Act 1994 for being devoid of distinctive character. Although all marks are subject to the same basic registration test, this case highlights that there are additional difficulties when applying for 3D shape marks when compared to marks that are more traditional.

The Applicant sought to register a robotic lawnmower broadly in the shape and style of a car, but with a "twin body design" that had a front and back section connected by a narrower bridge in between, as shown right.

At the hearing, the Applicant provided evidence that its "twin body design" lawnmower significantly departed from the norms of the robotic lawnmower sector and argued that the cost of the lawnmower (£3,000 to £4,000) meant that the average consumer paid a high level of attention when purchasing the item.

In considering the Applicant's submissions, the Hearing Officer (HO) applied the three criteria from the London Taxi case to conclude that:

1. the sector comprised lawnmowers at large (and not just robotic lawnmowers), as this is what was covered in the application specification;
2. the twin-body design was a somewhat notable difference from the norm, as both robotic and non-robotic lawnmowers otherwise had rugged wheels and appeared "car-like", with bumpers, lights and slopes like a car bonnet; and
3. applying the dictionary definition of "significantly" ("a sufficiently great



or important way as to be worthy of attention") meant that it was likely that the average consumer would consider the twin-body design to be a "mere variation" of the lawnmower which provided a technical function.

Therefore, while the shape stood out, it was not considered to be distinctive enough to attract trade mark protection because it did not indicate the trade origin of the goods. Notably, the HO confirmed that when paying £4,000 for a lawnmower, the average consumer would be more concerned with the product's ability to cut grass than its aesthetic appeal.

This decision highlights the need for inherent distinctiveness when applying to register a trade mark; simply being visually distinctive in the sense that something stands out is not enough. To achieve this, applicants should consider whether combining a word mark with the shape would bolster the registrability of the trade mark, as it is possible that the creation of a product line may be enough to overcome the obstacles associated with registering 3D trade marks.

KEY POINTS

- It is important that the shape mark offers more than "aesthetic appeal" to be distinctive
- Consider whether the shape mark is inherently distinctive across all of the goods that the trade mark is being applied for
- Take care to ensure that the trade mark is immediately noticeable to the average consumer

MARKS

The Applicant's mark (selected examples)



Charlie Bond

is a Senior Associate at Gowling WLG
charlie.bond@gowlingwlg.com

Dina Mullings, Trainee Solicitor at Gowling WLG,
co-authored.

S'no go

Tecnica couldn't find firm ground, writes Milena Velikova

This case deals with the trade mark protection of “The Moon Boot” – a snow boot designed by Giancarlo Zanatta in the 1970s, which was intended to be used as after-ski (or après-ski) footwear and is manufactured by Tecnica Group (the Applicant). The Moon Boot has recently gained traction with celebrities including Dua Lipa, Hailey Bieber and Iris Apatow, which brings a current context to an interesting case that discusses reputation, distinctiveness and imitation.

Tecnica Group filed an application for registration of an EU trade mark (EUTM) in relation to a 3D sign (shown on page 38) on 2nd August 2011. The goods for which registration was sought were goods in classes 18, 20 and 25, such as leather goods, animal skins, bags, furniture, and clothing, footwear and headgear.

On 28th July 2014, Zeitneu GmbH (the Intervener) brought an action against the Applicant before the District Court, Venice, in its capacity as an EU Trade Mark Court, in order to obtain a declaration of non-infringement. On 22nd November 2016, the District Court dismissed this action and held that there was a likelihood of confusion between the contested mark and the footwear collections manufactured by the Intervener.

Further, the Intervener filed a cancellation action with EUIPO in order to obtain a declaration of invalidity of the Moon Boot sign. This was only partially upheld, with EUIPO declaring the sign invalid in respect of “footwear; footwear soles; insoles; heelpieces for footwear; footwear uppers” in class 25. This decision was confirmed by the Board of Appeal (BoA), which in essence outlined that for the relevant public – which was the public in all EU Member States and who displayed an average level of attention since footwear is a common type of goods – the 3D sign did not depart very significantly from the mass of after-ski boots. The BoA concluded that the contested mark was devoid of any distinctive character. Tecnica's appeal before the General Court (GC) is the focus of this case discussion.

KEY POINTS

✦ The threshold for distinctiveness of 3D marks is high, and it is not necessarily influenced by the reputation that the proprietor may have in a mark

✦ Brands should enforce their IP rights in order to prevent a mark, such as a shape, becoming genericised over time



THE DECISION

A large part of the case deals with procedural aspects, such as infringement of the principles of *res judicata*, legality, equal treatment, sound administration and the protection of legitimate expectations. One of the central arguments, a procedural issue, was that a counterclaim seeking to dispute the validity of the contested mark was not brought before the District Court and Court of Appeal in Venice. Instead, only an application for a declaration of non-infringement was advanced and the validity of an EUTM cannot be put in issue in an action for a declaration of non-infringement, since that mark enjoys a presumption of validity.

The assessments of the Courts were made in the context of the analysis of the likelihood of confusion between the contested mark and the product that was the subject of the application for a declaration of non-infringement. These assessments are therefore part of an examination that is different from that regarding the validity of the sign in question, and so reputation must be distinguished from distinctive character acquired through use.



The GC dismissed all procedural pleas and turned to the assessment of the distinctiveness of the sign in question for the goods in class 25. The Applicant argued in essence that:

- The relevant public's level of attention is high and not average due to the fact that the relevant public includes consumers who regularly ski and hike and who focus more on the technical qualities of the goods.
- The relevant evidence was not properly taken into account by the BoA, ie the evidence that referred to the time of registration of the sign when there were no other models that included all the distinctive features displayed by it.
- The BoA erred in basing the finding of the lack of distinctive character on the fact that the Applicant had failed to act against all the infringements that had taken place on the market.
- The evidence submitted by the Intervener did not prove that consumers had become used to the shape in question, in particular that the Intervener has not succeeded in proving that the circulation of models displaying all of the features displayed by the sign was significant.

“ The criteria for assessing the distinctive character of 3D trade marks consisting of the appearance of the product itself are no different from those applicable to other categories of trade marks

The GC responded that even though case law suggests that the degree of distinctiveness required for a registration to be obtained by “conventional” and “less conventional” signs does not differ, the criteria for assessing the distinctive character of 3D trade marks consisting of the appearance of the product itself are no different from those applicable to other categories of trade marks. Nevertheless, account must be taken of the fact that the average consumer's perception is not necessarily the same in the case of a 3D mark (which consists of the appearance of the product itself) as it is in the case of a word or figurative mark that consists of a sign unrelated to the appearance of the goods it ▶

denotes. This means that average consumers are not in the habit of making assumptions about the origin of goods on the basis of their shape or the shape of their packaging in the absence of any graphic or word element. As a result, it could prove more difficult to establish distinctive character in relation to such a 3D mark than in relation to a word or figurative mark.

NATURAL CONCLUSION

The above argument leads to the natural conclusion that only a 3D mark consisting of the appearance of the product itself, and which departs significantly from the norm or customs of the sector and thereby fulfils its essential function of indicating origin, is not devoid of any distinctive character for the purposes of Article 7(1)(b) of Council Regulation (EC) No 207/2009.

“ *The threshold for distinctiveness of 3D marks is high, and it is not necessarily influenced by the reputation that the proprietor may have in a mark*

The goods covered are in fact general winter footwear/winter boots, rather than solely ski boots, as the Applicant submits. As already pointed out by the BoA, these goods encompass after-ski/après-ski footwear, which is common and which does not command an extremely high price. The GC therefore confirmed that the relevant public was the general public in all EU Member States, who had an average level of attention.

NORMS AND CUSTOMS

In working through the assessment of distinctiveness of the sign in question, the GC had to determine not whether there are other goods on the market that reproduce all the features of the sign, but whether the overall impression conveyed by the sign departs significantly from the norms or customs of the sector. The sector in this case was determined to be the after-ski footwear sector.

In this regard and on the basis of the links provided by the Applicant and evidence and examples provided by the Intervener, the BoA found that a number of products

existed on the market that were similar and even identical to the sign but had a different commercial origin. Examples of these included boots manufactured by Diadora and La Mondiale.

The GC agreed with the BoA, which reproduced 15 or so boots, the general shapes of which – in particular the thickness of the shaft, the external lacing system or the thickness of the sole – are similar to that of the sign. In addition, it was agreed that the general shape of after-ski boots consists of a high shaft, often in a light synthetic material, with soles and laces. The various features of the product, discussed above and considered by Tecnica as unique features to the Moon Boot, were said to be decorative or technical details that had no bearing on the overall appearance of the product and were simply variants of the appearance of an after-ski boot.

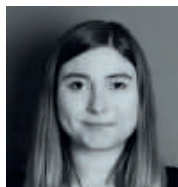
Finally, the Applicant attempted to argue that the BoA based its findings relating to the lack of inherent distinctive character on the fact that the Applicant had failed to act against all the infringements taking place on the market. This was rejected and it was held that the presence on the market of shapes which are potential counterfeit copies is irrelevant to the assessment of the inherent distinctiveness of the contested mark with regard to its perception by the relevant public.

The GC concluded that the sign lacked distinctive character, at least insofar as class 25 goods.

The current decision is a reminder that the threshold for distinctiveness of 3D marks is high, and it is not necessarily influenced by the reputation that the proprietor may have in a mark. It also proves the importance of enforcing your IP rights, and sometimes enforcing more than one, in order to prevent a mark, in this case a shape, becoming genericised over time. To place this case in context, Tecnica successfully claimed copyright in the Moon Boot against a third-party manufacturer of après-ski boots in Italy. The Italian court found that the Moon Boot had not fallen into the public domain due to Tecnica's efforts to prevent its copying.

MARK

The Tecnica 3D sign



Milena Velikova

is a Chartered Trade Mark Attorney at Bird & Bird

milena.velikova@twobirds.com

Playing along with precedent

This decision didn't wander from an established path, explains Julia King

On 9th October 2018, Stanislav Tkachenko (the Applicant) applied to register the word mark WHATSABANK at EUIPO in respect of the administration of loyalty programmes in class 35 and various electronic payment card services in class 36.

WhatsApp LLC (WhatsApp) opposed the application on 16th January 2021, based on its UK and EU registrations for WHATS and WHATSAPP in a wide variety of classes, including classes 35 and 36. WhatsApp based its opposition on Article 8(1)(b) of the EU Trade Mark Regulation (EUTMR), alleging a likelihood of confusion with its prior rights, and on Article 8(5) EUTMR, claiming a reputation in the WHATSAPP brand and a risk of unfair advantage to the Applicant and detriment to the reputation and distinctive character of WHATSAPP.

SUBMISSIONS AND DECISION

In its submissions, WhatsApp contended that WHATS is the dominant and distinctive element of the Applicant's mark, given that consumers would understand ABANK to be descriptive and non-distinctive in respect of loyalty and payment card services.

WhatsApp also argued that its earlier marks WHATS and WHATSAPP are highly visually, aurally and conceptually similar to the Applicant's mark, submitting that the word "Whats" would be read, heard and understood in both marks in identical ways. It also argued that the word "Whats" plays an independent distinctive role in both marks that the average consumer would focus on.

WhatsApp also submitted various arguments on the identity and the high degree of similarity between the services at issue and contended that the average consumer of those services is based in the EU at large, with an average degree of attention. The Applicant did not file any observations in reply.

EUIPO took its decision based solely on the Opponent's registration of WHATSAPP in the EU, under Article 8(1)(b) EUTMR, for reasons of procedural economy. In reaching its decision



on the similarity of the signs, EUIPO held that the Applicant's mark was only visually and aurally similar to the WhatsApp marks to an average degree, noting that while the word BANK is non-distinctive in respect of the opposed services it cannot be disregarded in the comparison of the signs. Furthermore, given that the word WHATSAPP has no perceivable meaning, it could not be held to be conceptually similar to the Applicant's mark, even to a low degree.

EUIPO concurred with WhatsApp on the identity of the services at issue but held that the average consumer is one who pays a high degree of attention to the offering of loyalty schemes and financial services.

In spite of the conceptual dissimilarity between the signs and the degree of attention paid by the average consumer, EUIPO decided that there was a likelihood of confusion between WHATSAPP and WHATSABANK.

COMPOSITION CAUTION

This case serves as a useful reminder of the weight that EUIPO places on the composition of a trade mark in assessing likelihood of confusion. Where the mark shares a reasonable number of letters with the earlier mark, a likelihood of confusion is usually found – even where there is conceptual dissimilarity between the marks and a highly attentive average consumer.

KEY POINTS

- ✦ The trade marks at issue were considered visually and aurally similar to an average degree because they replicated the same six letters in their entirety and in the same order
- ✦ EUIPO based its decision on the average Polish consumer with a high degree of attention, for whom neither trade mark would have a meaning
- ✦ This case highlights the difficulty in defending an application from opposition even where there are conceptual differences between the marks and a highly attentive relevant consumer



Julia King

is a Chartered Trade Mark Attorney and Associate at Taylor Wessing LLP

j.king@taylorwessing.com

eBay is hard to beat

A big reputation paid off, says Gavin Stenton

EUIPO has upheld an opposition by eBay Inc (eBay) against Beata Dyraga's (the Applicant's) application for the WELLBAY mark on the basis of eBay's reputation in its senior EU trade mark registrations for online trading services in class 35. Although eBay invoked both Articles 8(1)(b) and 8(5) of the EU Trade Mark Regulation (EUTMR), the decision was rendered exclusively under Article 8(5).

While assessing eBay's considerable evidence of reputation, EUIPO noted that certain materials pertained exclusively to the UK. Because Article 8(5) is worded in the present tense, such evidence was no longer relevant post-Brexit. Notwithstanding this, a "high degree of recognition among the EU public" and an "extensive reputation" were established in respect of eBay's "on-line trading services", corroborating previous EUIPO decisions referenced by eBay.

In response to certain statements made by the Applicant contesting eBay's reputation in Poland, eBay provided additional evidence outside the time limit initially set by the Office. This was admitted by the Office, even if it was ultimately deemed to have no material bearing on the finding of a reputation.

MARKS COMPARED

In its comparison of the marks, the Office considered EBAY and the WELLBAY mark to have an average degree of aural and conceptual similarity, and a low degree of visual similarity. When assessing the requisite mental "link" between the marks, having regard to eBay's reputed online trading services, the Office concluded that there was a "clear and direct connection" with the Applicant's class 35 services (covering retail and wholesale services) due to their coincidental nature and overall purpose, and same or proximate distribution channel.

A "well-established connection" was also found in respect of the Applicant's class 9



(mobile) software applications, given that eBay's services are provided through mobile applications or computer software. Perhaps more surprising though was the Office's conclusion that such a link could not be excluded in respect of the Applicant's class 41 educational and publishing services (deemed to have a focus on wellness). The Office determined that the prefix "well" may be construed as merely having positive/laudatory connotations and that due to the strength of eBay's reputation and "despite the great difference between the usual commercial origins of the services ... there exist[ed], *prima facie*, at least a possibility that the contested sign [would] remind the relevant consumers of the earlier mark".

With a link established, the Office did not hesitate to find a risk of free-riding, holding that: "[T]he applicant may benefit from the attractiveness and the established guarantee and advertising functions of the earlier marks and exploit the marketing effort expended by the opponent in order to develop its brand, in this way building up an image of excellence and reliability of transactions in the sphere of e-commerce for which it did not pay any financial compensation."

KEY POINTS

- ✦ Evidence of a reputation in the UK is no longer relevant in EUIPO opposition proceedings
- ✦ Precedent EUIPO decisions acknowledging a mark's reputation are not binding but may be of some persuasive value
- ✦ Late evidence may be admitted where "it does not introduce new elements of evidence but merely enhances the conclusiveness of the evidence submitted within the time limit"
- ✦ Generally speaking, the more reputed a brand, the broader the scope of protection it will be afforded

MARKS

The Applicant's mark

eBay word mark

EBAY

eBay figurative mark



Gavin Stenton

is a Chartered Trade Mark Attorney, Solicitor and Partner at Penningtons Manches Cooper LLP
gavin.stenton@penningtonslaw.com

Louisa Blair, an Associate at Penningtons Manches Cooper LLP, co-authored.



Summer Reception returns! Find out more at citma.org.uk/events

Calendar

Our upcoming events for members

DATE	EVENT	LOCATION	CPD HOURS
10th May	CITMA and UK IPO roadshow	Baker McKenzie, London	2
12th May	CITMA Webinar Understanding and managing stress at work	Online	1
25th May	CITMA Webinar Introduction to US design law	Online	1
21st June	CITMA Webinar Non-fungible tokens (NFTs) - The new digital gold rush?	Online	1
5th July	Sheila Lesley Lecture followed by Summer Reception and presidential welcome drinks	Inner Temple, London	1
14th July	CITMA Paralegal Webinar Update on Chinese trade mark filings	Online	1
21st July	CITMA and UK IPO roadshow	Burness Paull, Glasgow	2
28th September	CITMA and UK IPO roadshow	Womble Bond Dickinson, Leeds	2
29th September	CITMA and UK IPO roadshow	Brabners, Manchester	2
17th November	CITMA and UK IPO roadshow	Foot Anstey, Bristol	2
23rd November	CITMA Paralegal Webinar Non-use requirements	Online	1
2nd December	Christmas Lunch	Royal Lancaster, London	

THE TRADE MARK 20

Q&A



Ece Sarica

is a believer in balance

I work as... Legal Counsel, Trademarks for Europe Operating Unit at the Coca-Cola Company.

Before this role... I was Operations Counsel for the Turkey region at the Coca-Cola Company.

My current state of mind is... focused on being a strategic business partner and adding value.

I became interested in IP... when I had my first summer internship at one of the best IP law firms in Turkey.

I am most inspired by... our company culture, which requires us to do the right thing while keeping up with the fast pace of business. It fuels our ambition for excellence.

In my role, I most enjoy... applying a multicultural approach to form tailor-made IP strategies for the relevant region.

In my role, I most dislike... complicated requests that come at the eleventh hour!

In front of me right now is... the healthy, organic menu from the café around the corner.

My favourite mug says... "As lawyers we do not complain, but we do wine."

My favourite place to visit on business... was Madrid when we had



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Life is too short to care too much and too long not to care at all

the company's EMEA counsel meeting there in 2019. The opportunity to meet colleagues in person is something we all appreciate even more since the COVID-19 outbreak.

If I were a brand, I would be... Coca-Cola. It has always been the life and soul of the party, and has been able to stay original and distinctive throughout its long history.

The biggest challenge for IP is... striking a balance between the fast

pace of business and laying foundations for building up intangible assets, especially on digital platforms.

The talent I wish I had is... teleporting myself. Copying myself would also be great.

I can't live without... my friends, whom I discuss everything with.

My ideal work day would include... starting early, getting big-bucket matters done efficiently and quickly and then socialising with colleagues or friends at a nice venue.

In my pocket is... a mask that I wore earlier today.

The best piece of advice I've been given is... that life is too short to care too much and too long not to care at all. Having a balance in everything we do is crucial.

When I want to relax I... practise yoga (I am a qualified instructor), meditate, go for a run or have a few drinks with friends.

In the next five years I hope to... achieve further progress in my career at the company and to increase and diversify the work streams that I lead.

The best thing about being a member of CITMA is... the amazing network and resources that it offers.

www.ip-support.co.uk
020 7776 8966
info@ip-support.co.uk

A large, stylized graphic of the letters 'IP' in a serif font, centered within a white speech bubble shape. The background is a light blue-grey gradient.

IP

Our current vacancies include:

Senior Trade Mark Attorney – London
Trade Mark Attorney – London
Trainee Trade Mark Attorney – London
Trade Mark Paralegal – Remote

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IP ADMINISTRATOR NORTH WEST

Candidates should ideally have experience within an intellectual property firm or some experience in a legal environment. A commitment to excellence and a confidence communicating both verbally and in writing will set you apart from the crowd!

 ip@dawnellmore.co.uk

 020 7405 5039

 www.dawnellmore.co.uk

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