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ITMA REVIEW

The journal of the Institute of Trade Mark Attorneys



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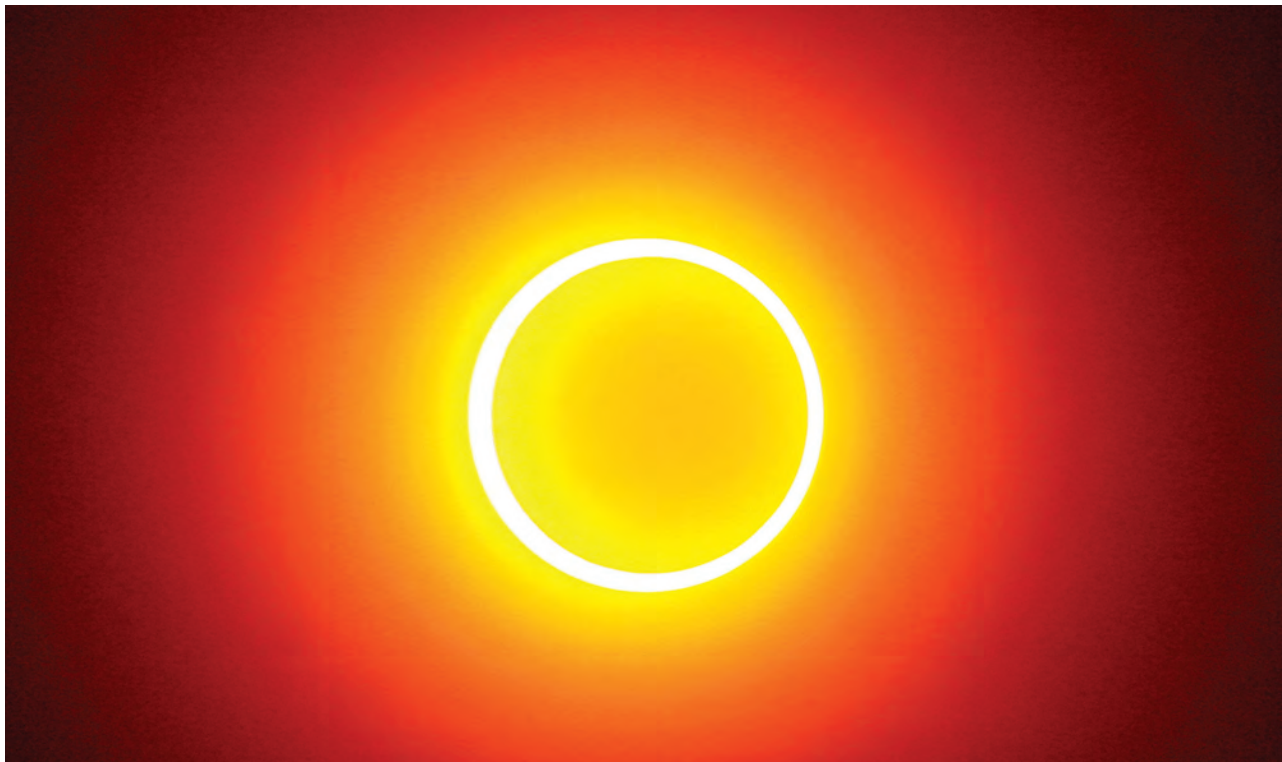
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It's set to be an amazing year



Last year was an amazing year for the UK; this year will be an amazing year for ITMA. It will be the first full year of the ITMA-CIPA non-core programme, which is helping members to learn a range of commercial skills specifically tailored to IP professionals, and runs alongside all the law-focused lectures, webinars and seminars that are organised every year to keep members up to date in their trade mark practice. Also, for members' continuing professional development, information and social news, there is always the *ITMA Review* itself.

This issue features some of ITMA's most popular activities, with photographs of the recent Christmas events and a preview of the upcoming Spring Conference. In addition, Nicholas Fox of IPReg has kindly written an article about litigation rights and the changes that took place as of New Year's Eve. I hope you enjoy reading this issue and I look forward to seeing you in London on 20-22 March at our Spring Conference.

Yours

Catherine Wolfe
ITMA President

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ITMA Review

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

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

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ITMA business

Chief Executive's Bulletin

As we all begin to become accustomed to writing the year as 2013, here is some information on developments at HQ and what is in store for this year



Change to litigator rules

ITMA is delighted to advise that IPReg, following an open consultation, has had an application for rule change granted by the Legal Services Board. The application, "Alterations to the Rights to Conduct Litigation and Rights of Audience and Other Reserved Legal Activities Certification Rules 2012", sought to bring in a single regulatory regime for Patent and Trade Mark Attorneys. ITMA supported this and requested harmonisation of litigation rights so that they would apply to all IP attorneys. Members can see ITMA's response to the consultation at itma.org.uk. The new regime will offer three levels of qualification, which will be common to both professions, and give "rights of conduct" (the right to manage litigation for a client, taking certain procedural steps and fulfilling particular roles in the handling of a case) and "rights of audience" (the right to address a court) in IP matters to Patent and Trade Mark Attorneys who hold litigation and advocacy certificates.

See a full article detailing these changes on page 14.



IPReg Chair re-appointed

You may have seen from the ITMA press release that Michael Heap has been re-appointed as Chair of IPReg, for a second term. As per the current delegation agreement, the re-appointment of the

Chair can only be carried out once and for a maximum period of up to three years, so his appointment will expire in June 2016.

Do you know who the professional members of the IPReg board are? Following the relatively recent appointment of the third professional member, ITMA thought it would be useful to remind you. They are:

- David Musker – RGC Jenkins & Co
- Linda Harland – Reddie & Grose LLP
- Jonathan Clegg – Cleveland

Further information about the IPReg board and lay members can be found at ipreg.org.uk.

ITMA membership subscriptions

ITMA sent out its membership renewal reminders on 22 November 2012. I hope that you have all received your letter and invoice. I'd like to take

the opportunity to thank everyone for their continued support of the profession and the work that ITMA undertakes in representing all of your interests. ITMA has already received several subscription payments and is very grateful for these. Please remember that subscriptions for 2013 should be paid no later than 30 March 2013 to avoid a late payment penalty.

Membership survey

I'm not about to ask you to complete a survey ("phew", I hear you cry!), but I wanted to give you notice that ITMA is planning to survey the membership during 2013. ITMA conducted a full survey in the summer of 2010 to which just over 30 per cent of the membership responded – an excellent return. Ever conscious of survey overload, ITMA has tried to keep requests for information to a



Media Watch

Big names continue to make big news

Ken Storey provides his latest insights into the IP news that's in the headlines

The story that most news outlets covered recently centred on Beyoncé and Jay-Z's application to register the trade mark BLUE IVY, which is the name they gave to their daughter when she was born in January 2012. The US Patent and Trademark Office's decision not to allow the application supported prior-use claims made by a wedding planner, who had been using the name BLUE IVY for events since 2009. It was reported that Beyoncé

and Jay-Z had hoped to use their baby's name on a range of baby products, but the cynic in me wonders whether their choice of name was actually driven by commercial considerations; why else would they lumber a child with a name like that?

Also making big news was Arnold J's decision that BSKyB was not infringing the trade mark rights of Hong Kong-based telecoms giant PCCW

by introducing its new internet TV service under the name of NOW TV. According to the *Guardian*, Arnold J's ruling was based on

his conclusion that consumers would not confuse BSKyB's use of the name with the PCCW service operating in Hong Kong, and that there had been no confusion to date.

Perhaps not such big news globally, but certainly a major story in Sunderland was the dispute between Sunderland AFC and the landlord of a local pub called The Fort, who had displayed official club flags in the pub's windows. I have to declare a personal interest in this story as I have supported Sunderland since my college days living a few streets from the Roker Park ground that was home to the Black Cats before they moved to the Stadium of Light. The pub landlord, Alan Wallace, had bought the flags from the official club shop, but the club had asked him to remove them as there was no official affiliation between the parties. I first came across the story in the *Sunderland Echo*, but it quickly went national, with the *Independent* taking up the cudgels on behalf of Wallace. Perhaps realising the heavy-handedness of its approach, Sunderland AFC reached an amicable agreement with Wallace, allowing him to keep the flags flying on the understanding

that he would offer season ticket holders a 20 per cent discount on drinks. Eventually, everyone was a winner, but this story reveals how quickly a local story can take on national proportions. I am also including it because the last time I wrote about a football club it was Arsenal, who were languishing in the lower regions of the Premiership when I penned the column, but who has recovered to a prominent placing by the time the *ITMA Review* landed on desks. I am hoping the same happens with Sunderland!

Warner bothers

As we all know, disputes are not always reconciled so

'The cynic in me wonders whether Beyoncé and Jay-Z's choice of name for their daughter was driven by commercial considerations; why else would they call her Blue Ivy?'

Beyoncé and Jay-Z were refused registration for their baby daughter's name



Member Benefits



Energy price comparison

ITMA members have access to Member Energy's free, 100 per cent impartial energy price comparison service. This can help you or your business find the cheapest gas and electricity suppliers in your area. Now is the ideal time to compare what you're paying for your energy tariff. What's more, if you register for the ongoing monitoring programme, Member Energy will contact you when prices change to ensure you benefit from cheaper prices in the long term.

Call 0800 410 1249, ensuring you quote IPB, or for more information, visit IP Benefits Plus via itma.org.uk

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Member moves

Much young blood having been successfully recruited to secure the future of the firm, **Brian Dunlop** (below right) has now retired from the partnership of Wynne-Jones IP and will principally be pursuing his work as an Anglican vicar. His email address for future contact will be brian@dunlopost.co.uk

Simon Spink (below left) has taken up a position as Senior Associate at CMS Cameron McKenna.



Happy 78th birthday ITMA

On 24 November 2012 ITMA reached its 78th birthday. Another year older, but still full of youth and vibrancy! Happy birthday to us!

manageable level. However, it is probably overdue and certainly time to issue a new survey to obtain useful information to enable ITMA to plan for the future and ensure that it is responding to the needs of its members. I will keep you updated with plans for the survey, but I am going to stick my neck out and predict a response rate in excess of 50 per cent this time!

Spring Conference

I hope you have seen and will be taking action to book a place at the 2013 ITMA Spring Conference. ITMA will, for a second year, be taking up residence at 8 Northumberland Avenue, a hotel right in the heart of London, situated close to Trafalgar Square, on 20-22 March. For a preview of the conference, turn to page 10, and details and booking information can be found at itma.org.uk.

A day in the life of a Trade Mark Attorney

It has been traditional for the UK IPO to attend various ITMA events to update the profession on changes to practice or developments at the Trade Marks Registry. ITMA is very pleased that it has developed (with the IPO) an opportunity for members of the profession to talk to the IPO and share with examiners a little of the role of the modern-day registered Trade Mark Attorney. ITMA is in the process of finalising the format of the event with the IPO, but hopes that a small group of officers and council members across a representative spread of employers will attend to explain what the role entails and how that might relate to the work undertaken at the IPO. The current plan is for the visit to the IPO in Newport, South Wales, to go ahead this year, and ITMA hopes that a fair proportion of the Trade Marks Directorate from the IPO will attend. ITMA will update you with developments and report back on how the event goes.

Sponsorship for 2013

I am really pleased to announce that Corsearch – a Wolters Kluwer business – has kindly agreed to continue its sponsorship of some of ITMA's

major events planned for 2013. Corsearch has once again agreed to sponsor the nine London Evening Meeting lectures and drinks receptions, the International Spring Conference and the Autumn Seminar.

There are other sponsorship opportunities available for 2013, so if you are an IP service provider (for example investigators, IP recruitment specialists, brand valuation services, searchers, watchers etc) and you are interested in sponsoring an ITMA event, please email keven@itma.org.uk to talk through the available possibilities.

Annual Report

ITMA will shortly publish an Annual Report for 2012, as is traditional. The report will take on a new look and feel. ITMA plans to provide more information about its achievements throughout 2012 and highlight the various strands of work that it undertakes to promote, inform, educate and support the profession. Further details will be sent to you when the report is published.

Keven Bader
Chief Executive

This is an edited version of the Bulletin sent to members on 10 December 2012.



amicably. *The Daily Mail* loves stories of underdogs who are forced to bow to major companies in disputes, so it really went to town when a chip shop had to change its name. The shop, in Brightlingsea, Essex, had been trading as Scooby Snax for more than eight years. When it applied to register

by Peter Jackson and called *The Hobbit: An Unexpected Journey*. The Asylum argued that its film is not based on the well-known JRR Tolkien creations, but that it is about: "The real-life human sub-species, *Homo floresiensis*, discovered in 2003 in Indonesia, which have been uniformly referred to as 'Hobbits' in

The Hobbit has featured in several previous columns, and now another story reported here many times before has resurfaced. According to the *Chelmsford Weekly News*, the Bishop of Chelmsford, the Right Reverend Stephen Cottrell, spoke out after the Meaningful Chocolate Company was forced to redesign its faith-based Christmas tree chocolates from advent purple to warm red to avoid infringing Cadbury's trade mark. He was pictured in his purple vestments and argued against a generic protection of the colour purple, but seemed to miss the point that Cadbury only sought trade mark protection for the colour purple in respect of chocolate. No wonder he wasn't in the running for Archbishop of Canterbury!

The previous *ITMA Review* highlighted some of the successes of ITMA's PR activities, and there have been more significant achievements since. The *Financial Times (FT)* Business Briefing on 13 October pointed readers to the free advice clinics that ITMA runs on Tuesday evenings. This was a major coup in that it virtually amounts to free advertising in the *FT*. There was also coverage of Global Entrepreneurship Week and ITMA rightly highlighted its presence at the British Library London Business Village event in November. ITMA was also active in drawing media attention to the IP Awareness Network/National Union of Students/IPO report, which concluded that students

need better education about IP, something we might all be aware of, but which is reinforced when backed up by proper research. There was also a good result in that the website aimed at business start-ups included a link to the ITMA website and urged its readers to ensure they use a properly recognised Trade Mark Attorney by consulting the listings available there.

Finally, it was impressive of ITMA to offer up its Vice President, Chris McLeod, as well as Council members Mike Lynd and Imogen Wiseman, to advise on the rights of trade mark owners to control and censor films and TV shows that include branded products. This offer immediately followed press coverage of Anheuser-Busch's concerns over the use of Budweiser in the film *Flight*, in which drunken pilot Denzel Washington quaffs the beer before crashing his plane. This shows how quickly ITMA is able to respond to breaking news stories, although it's strange how keen we are when the story concerns alcohol. Cheers!

Ken Storey
ken.storey@btinternet.com



'The Meaningful Chocolate Company had to redesign its faith-based Christmas tree chocolates from advent purple to warm red to avoid infringing Cadbury's trade mark'

SCOOBY SNAX as a trade mark, however, Warner Brothers objected and, although the chip shop owners were advised that they had a good case to defend, they decided the costs involved were too much and that it would be in their best interests to change the name. Of course, the paper's sympathies lay with the chip shop owners, but I sometimes wonder if the writers ever stop to consider what their paymasters would do if a local rag tried to start a paper using *The Mail's* name and graphics.

Warner Brothers was also involved in another dispute reported on the BBC and other news outlets, concerning our old friend *The Hobbit*, which is the subject of a "mockbuster" film entitled *Age of the Hobbits* that is being produced by a low-budget production company called The Asylum. The Asylum planned a DVD-only release on 11 December, three days ahead of the official cinema release of the long-awaited film directed

the scientific community." According to BBC News, other Asylum mockbusters include *Transmorphers* and *The Da Vinci Treasure*. A temporary restraining order against The Asylum was issued on 10 December, with an order to issue a preliminary injunction a possibility just before this issue reaches you.



Christmas cheer

Festive spirit reigned supreme at our Manchester and London holiday parties

Two new venues hosted two very different events that rang in the festive season. In Manchester, ITMA members met at the lively Grill on the Alley, where, undaunted by an unexpected piano accompaniment, ITMA President Catherine Wolfe spoke briefly and wished everyone a happy Christmas.

In London, ITMA members lunched at the elegant InterContinental Park Lane. Presentations were made to those who had earned awards in their studies, and Catherine Wolfe led the crowd in an ovation recognising past ITMA presidents in attendance.

Thanks to all who attended; we hope to see you next year!





08



10



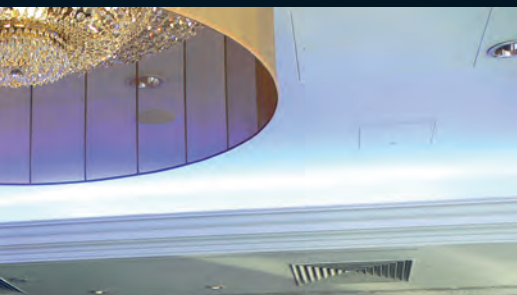
09



11



13



12



14



Northern Christmas dinner, 6 December

1. Mark Goodwin, Anne Lacaze, James Robey, Dot Thompson, Graham Johnson, Patricia Jones, Natalie Brindle
2. Michael Green, Tom Lambert, Jorandi Daneel, Dick Waddington
3. Jeevan Retnam, Bev Appleby, Sarah Atkinson, David Sheppard, Rob Davey, Ilse van Haaren

London Christmas lunch, 11 December

4. Janet Cox, John Caisley, Margaret Grogan
5. Reuben Jacob, Katie Cameron, Spencer Vold-Burgess, Gavin Hyde-Blake
6. Claire Hughes, Fiona Ball, Catherine Richardson

7. Inside the InterContinental Park Lane
8. Thomson CompuMark table
9. Rita Sunny-Yangs, Gunnar Sigurgeirsson
10. Bobby Mukherjee, Keven Bader, Chunyan Zhou
11. Catherine Wolfe and Kay Jenkinson (Saunders & Dolleymore), winner of Nick Wilson Memorial Award
12. Catherine Wolfe and Imogen Wiseman (Cleveland), winner of Hogarth Prize
13. Catherine Wolfe and Kirsty Brummell (Reckitt Benckiser Group Plc), winner of Adrian Spencer Memorial Award
14. Catherine Wolfe and Dr Alicia Instone (Scott & York), winner of Payne/Bennett Memorial Award



'Fake' is conference focus

Back in the luxurious surroundings of 8 Northumberland Avenue, our packed Spring Conference programme will look at the subjects of origin and use, and what it means to be genuine or fake. Register now for this important annual event

The concept of “fake” is usually used in the trade mark world in the context of counterfeits, but what else could this mean in the IP industry? In a highlight of the 2013 Spring Conference programme, ITMA looks forward to hearing from the OHIM Observatory, with news of progress on its studies into the extent and nature of counterfeiting in the EU and beyond, reflecting on changes in the economic and social landscape.

The concept of what is “genuine” is equally understood in respect of counterfeiting. However, the term also has a wider meaning in the trade mark community. Not only is ITMA concerned with whether use of a trade mark is genuine, but also whether the

users of those trade marks are. The 2013 conference will consider these concepts, and also look far beyond them to consider how genuine use (or its opposite) can affect infringement and opposition proceedings.

In addition to the learning that you'll take away from ITMA's conference speakers, the event will attract CPD: 9 IPReg hours; 8 Law Society hours (course code WP/ITMA); 8 Bar Standards Board hours (tbc).

ITMA conference HQ

8 Northumberland Avenue is a stunning conference venue that recently underwent a multimillion-pound renovation; it is now one of London's top corporate destinations.

Formerly the Grand Hotel, this venue, which is “70 steps” from Trafalgar Square, the heart of London, is truly a magnificent building. ITMA is lucky to have secured this highly sought-after venue, once again, on an exclusive basis, for our 2013 Spring Conference – three days of conference in one unique setting.

8 Northumberland Avenue is situated on the road of the same name. Less than one minute from Charing Cross Tube station (Bakerloo and Northern lines), it is also within walking distance of many of London's central attractions, including the West End, Buckingham Palace and Downing Street. See the visitors' guide on page 13 for some suggestions of places of interest within easy walking distance.

PROGRAMME
(subject to change – see itma.org.uk)

Wednesday 20 March

18.30	Welcome Drinks Reception at Albannach, Trafalgar Square
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Thursday 21 March

9.15-9.30	Introduction and welcome
9.30-9.40	Keynote speech
9.40-10.20	OHIM Observatory
10.20-11.00	Dealing with online infringements
11.00-11.40	Tea and coffee
11.40-12.20	Working with customs on pharmaceutical trade mark infringement
12.20-13.00	The grey market and parallel imports
13.00-14.20	Lunch
14.20-15.00	Genuine Use of a mark – and how to prove it
15.00-15.40	Use of composite marks to maintain word marks
15.40-16.10	Tea and coffee
16.10-16.50	Use of a well-known mark
16.50	Closing words
Evening Drinks Reception and Gala Dinner, The Ballroom, 8 Northumberland Avenue	

Friday 22 March

10.00-10.10	Introduction
10.10-10.50	UK IPO update
10.50-11.20	Tea and coffee
11.20-12.00	Bad Faith filings
12.00-12.40	Comparative advertising
12.40-14.00	Lunch
14.00-14.40	Working with Trading Standards
14.40-15.20	Maintaining brand integrity
15.20-15.30	Closing words

The social side

Wednesday Welcome Drinks

Once again, this year ITMA has included a Welcome Drinks reception to kick-start the event. What better way to begin a London-based conference than drinks at one of the most famous hostelrys on Trafalgar Square – Albannach. Members will meet in the striking vaulted cocktail bar for a fun drinks reception. Come along and meet your colleagues in a relaxed environment prior to the conference.

Non-delegates/guests are welcome to attend this key social event at the following rates: £40 (+£8 VAT); non-members £55 (+£11 VAT).

Evening Drinks Reception and Gala Dinner

A highlight of the conference will be an elegant occasion held in the Victorian Ballroom of 8 Northumberland Avenue, transformed from conference headquarters into a fantastic evening venue. You'll have the opportunity to mingle with new and old friends at an evening drinks reception earlier.

Non-delegates/guests are welcome to attend the Gala Dinner at a cost of £158 (+£31.60 VAT); non-members £170 (+£34 VAT).

Complimentary Walking Tour

Following the Thursday sessions, ITMA is delighted to offer an optional Complimentary Walking Tour of the heart of London – a great way to see the capital with a knowledgeable and informative guide. Places are limited, so please sign up for this at your earliest opportunity.

Accompanying guests are welcome to join the evening functions and walking tour if space is available.

ACCOMMODATION OPTIONS

ITMA is pleased to be able to offer these great options for those looking for local Spring Conference quarters



5* Corinthia Hotel

Standard room from £295
(+ breakfast and VAT)

The elegant yet state-of-the-art Corinthia Hotel is situated adjacent to our conference venue at 8 Northumberland Avenue and could be the perfect place to stay to enjoy the event, explore the city and relax in sumptuous surroundings.



5* Royal Horseguards Hotel

Standard room from £185
(+ breakfast and VAT)

This majestic five-star hotel presides over the River Thames. From glittering chandeliers to contemporary design, this central hotel near the London Eye reflects a proud heritage. Located only five minutes' walk from ITMA's conference venue.



4* Club Quarters

Standard room from £160
(+ breakfast and VAT)

Club Quarters are full-service hotels designed for business travellers, offering a full range of simple accommodation in a club-like atmosphere. Situated inside 8 Northumberland Avenue for convenient access to all of ITMA's events.

ALL RATES PER NIGHT. ROOMS CAN BE BOOKED DIRECTLY WITH THE PREFERRED HOTEL VIA THE DETAILS ON THE ITMA WEBSITE. WE RECOMMEND YOU BOOK EARLY TO TAKE ADVANTAGE OF THE ITMA CONFERENCE RATES.

REGISTRATION AND EVENT FEES

(prices correct at time of press)

ITMA members will pay £696 (+£139.20 VAT) if they register for the conference on or before 17 February. After that date, the fee is £809 (+£161.80 VAT). Non-members pay £825.00 (+£165 VAT) on or after 17 February, or £938 (+£187.60 VAT) thereafter.

The conference registration fee includes:

- Attendance at all conference sessions
- All conference documentation
- Coffee and tea breaks as shown in programme
- Welcome Drinks Reception and Canapés on Wednesday 20 March
- Conference Lunches on Thursday 21 and Friday 22 March
- Drinks Reception and Gala Dinner in the Victorian Ballroom at 8 Northumberland on Thursday 21 March
- USB containing all speaker presentations.

ARE YOU READY TO REGISTER?

SIMPLY GO ONLINE TO
ITMA.ORG.UK
AND FOLLOW THE
INSTRUCTIONS THERE

OR TELEPHONE ITMA AT
+44 (0)20 7101 6090

REGISTRATION CLOSSES AT 5PM ON 8 MARCH 2013

Out and about

A selection of the area's notable restaurants, bars and attractions



Eat

■ **Al Duca**, 4/5 Duke of York Street. Feedback is fabulous on this reasonably priced Italian eatery. (alduca-restaurant.co.uk)

■ **Portrait Restaurant**, The National Portrait Gallery, St Martin's Place. This roof-top restaurant boasts spectacular views over London, and some special food, too, at one of the capital's best galleries. (npg.org.uk)

■ **J. Sheekey**, 28-32 St Martin's Court. A Theatreland institution for seafood aficionados. Try the Oyster Bar next door for a more relaxed experience. (j-sheekey.co.uk)

■ **Green Man & French Horn**, 54 St Martins Lane. A new venue from the team behind Terroirs. (greenmanfrenchhorn.co)

Drink

■ **Gordon's Wine Bar**, 47 Villiers Street. Cosy subterranean venue and one of London's oldest wine bars. (gordonswinebar.com)

■ **Lamb & Flag**, 33 Rose Street. Charles Dickens was a frequent visitor to this historic pub, once known as 'The Bucket of Blood'. (lambandflagcoventgarden.co.uk)

■ **Savoy, American Bar**, The Strand. High prices but also high glamour at this legendary hotel bar that brings to mind Hollywood's heyday. (fairmont.com/savoy-london)

■ **Upstairs at Rules**, 35 Maiden Lane, London. Classic cocktails served above London's oldest restaurant. (rules.co.uk)

Visit

■ **The Courtauld Gallery**, The Strand. Stately Somerset House hosts this intimate but breathtaking gallery. (courtauld.ac.uk)

■ **Institute of Contemporary Arts**, The Mall. Visit this cutting-edge venue celebrating the best of modern art output. (ica.org.uk)

■ **Southbank Centre**, Belvedere Road. Head just across the river to the home of the Royal Festival Hall, Hayward Gallery and more. (southbankcentre.co.uk)

■ **St Martin in the Fields**, Trafalgar Square. The Gallery in the Crypt of this 18th-century church is home to the Andrew McCannach exhibition throughout March. (stmartin-in-the-fields.org)

Buy

■ **Covent Garden Piazza**, off Henrietta Street. This covered market boasts the best in retail therapy. (coventgardenlondonuk.com)

■ **Fortnum & Mason**, 181 Piccadilly. Since 1707 serving the most discerning customers with the finest produce and provisions. Now with beauty rooms. (fortnumandmason.com)

■ **Burlington Arcade**, 51 Piccadilly. Arguably London's most stately arcade, with shops to match. No whistling allowed! (burlington-arcade.co.uk)

■ **Paxton & Whitfield**, 93 Jermyn Street. Cheese mecca patronised by Winston Churchill, among other notables, during its 200-plus years of trading. (paxtonandwhitfield.co.uk)



**IMPROVED
LITIGATION**

Power

**Now with added
advocacy**

NEW RIGHTS, ADDED MIGHT

Nicholas Fox outlines the regulation changes that relax restrictions and increase the power of IP-sector attorneys

On 6 November 2012, the Legal Services Board approved IPReg's application to revise and update the rules for Patent and Trade Mark Attorneys conducting litigation, appearing before the courts, and taking part in and handling other reserved legal activities. This put IPReg in a position to bring these new regulations into effect. As a result, as of 31 December 2012, attorneys were provided with expanded rights.

The new regulation

The new regulation significantly expands the litigation rights of registered Patent Attorneys and registered Trade Mark Attorneys. Previously, registered Trade Mark Attorneys had no rights to conduct litigation or rights of audience by virtue of their qualification as registered Trade Mark Attorneys. Registered Patent Attorneys had limited statutory rights to appear before the High Court on appeal from the Comptroller, but only in relation to decisions under the Patents Act 1977 (the 1977 Act), and the right to litigate and appear before the Patents County Court (PCC) in the Court's "special jurisdiction", which is to say only in patent and design matters.¹

All Patent Attorneys and all Trade Mark Attorneys currently on the register will now have the right to conduct litigation and appear before the PCC in all matters, not just matters in the special jurisdiction.² This extension is important in practice as less than a quarter of cases heard by the PCC are patent or design matters. Rather, the majority of cases before the PCC, to date, have arisen from claims

relating to copyright, trade marks, passing off or a combination of these. In addition to their rights before the PCC, all attorneys will also have the right to conduct litigation, although not a right of audience, before any other county court hearing matters where Part 63 of the Civil Procedure Rules (CPR) apply (ie any matters concerning IP).³

The new regulation also relaxes the subject matter restrictions on appeals that can be handled by registered Patent Attorneys and provides equivalent rights for registered Trade Mark Attorneys. All registered Patent Attorneys and registered Trade Mark Attorneys will now have a right to conduct appeals and/or apply for judicial review in the High Court of decisions of: the Comptroller General of Patents; an Appointed Person under the Trade Marks Act 1994; and any other body or tribunal in England and Wales making decisions relating to the subsistence, scope, grant, enforcement, exploitation or ownership of IP Rights, such as may be constituted from time to time.⁴ This includes a right of audience before the High Court in such appeal proceedings, but not in applications for judicial review.⁵

The change will be particularly important for attorneys dealing with supplementary protection certificates

as rights to conduct appeals in such matters are now clearly within the scope of the new regulation, since the right to conduct appeals is no longer limited to decisions taken under the 1977 Act. The expansion of rights to include petitions for judicial review also means that applications to the Court can be made from UKIPO decisions, even where there is no explicit route of appeal, such as in the case of decisions of an Appointed Person or certain decisions in patent matters relating to the Patent Cooperation Treaty.⁶ The regulation also clearly extends to all attorneys the right to conduct appeals from decisions of the High Court and the PCC to the Court of Appeal and the Supreme Court.⁷

All these rights will automatically be granted to Patent Attorneys and Trade Mark Attorneys who are on the register on the date when the new system comes into force. All attorneys who qualify after that date will be obliged to attend a basic litigation course either before or within three years of qualifying in order to obtain the new rights. IPReg is currently in discussion with CIPA and Nottingham Law School regarding those courses, and approval of suitable courses should occur early this year. ►

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Litigators' rights

With one notable exception of a change relating to the manner in which rights are defined, the rights of existing Patent Attorney litigators, and trade mark and design litigators with rights of audience in interim matters before the High Court⁸, are little affected by the new regulation. These attorneys are granted rights essentially identical to the rights that they previously enjoyed under the CIPA Higher Courts Qualification Regulations 2007 and the ITMA Trade Mark Litigator and Trade Mark Advocate Certificate Regulations 2009.

Under the new regulations, Patent Attorney litigators, and Trade Mark and Design Advocates, are given all the rights enjoyed by registered Patent and Trade Mark Attorneys. Additionally, they will be given the right to conduct litigation and appear in case management conferences and in interim proceedings before the Patents Court and the High Court (which in practice will normally mean the Chancery Division) when the Court is hearing a matter where Part 63 of the CPR applies,⁹ as well as a right to appear before any county court hearing IP matters.¹⁰

The new regulation is drafted to maximise certainty regarding an attorney's rights and to minimise the possibility of challenges to those rights, such as arose in *Atrium Medical Corp and another v DSB Invest Holding SA* [2011] EWHC 74 (Pat) under the narrower definitions that appeared in the old regulations. Under the new regulations, attorneys have a clear safe

harbour to conduct litigation in the Patents Court. It is also believed that by referring directly to the content of the CPR there will be fewer fuzzy edges to the range of proceedings at which attorneys are permitted to appear.

Changes to CPD

The new regulations will result in all Patent Attorneys and all Trade Mark Attorneys currently on the register holding at least some form of litigation certificate. As a result, IPReg is amending the CPD Regulations to remove the requirement that attorneys with litigation certificates must undertake additional litigation-specific CPD. Rather, from this year onwards, all attorneys must undertake 16 hours of CPD relevant to their practice without the requirement to allocate a specific number of hours to particular subjects.

The sole exception to this will be any attorneys who acquire Higher Courts Advocacy Certificates (discussed at the end of this article). Attorneys acquiring Higher Courts Advocacy Certificates giving them full rights of audience in the Higher Courts in IP matters will be required to include five hours of CPD relating to High Court advocacy in their annual CPD in each of the first five years following the date when they first obtained a right of audience in the Higher Courts.¹¹

What you need to do now

For most attorneys, no action is required as the new regulation contains

passport provisions¹² that automatically provide attorneys on the register, when the regulation comes into force, with appropriate rights under the new regime. However, attorneys who were in the process of qualifying under the old systems will need to take action to obtain Higher Courts Litigation Certificates. For some attorneys this will simply mean informing IPReg that they have completed the relevant courses at Nottingham Law School. For others, full qualification will depend on completion of an extended weekend advocacy course.

The attorneys who need to inform IPReg that they have completed the relevant Nottingham Law School courses will be any Patent Attorneys who completed the Nottingham Litigation Course but who did not apply for and do not hold a CIPA litigator's certificate, and any Trade Mark Attorneys who completed both the trade mark litigation and advocacy courses but who did not apply for and do not hold ITMA trade mark advocacy certificates. It is, however, important to note that as the new regime no longer divides the right to litigate and the right to appear in interim hearings and case management conferences, as was the case under the old ITMA system, both the litigation and advocacy portions of the Trade Mark Attorney courses will now have to be completed for an attorney to obtain a Higher Courts Litigation Certificate. Broadly, this will include

1. Section 102A, Patents Act 1977 (the 1977 Act) and section 292, Copyright, Designs and Patents Act 1988. Both sections have been repealed by the Legal Services Act 2007, with the rights being preserved until the end of a transitional period by schedule 5, paragraph 15(1).

2. IPReg Rights to Conduct Litigation and Rights of Audience and Other Reserved Legal Activities Certification Rules 2012, rule 2.2(a)(ii)(a) and (iii)(a).

3. *Ibid.* Rule 2.2(a)(ii)(b). The only county courts where claims relating to Part 63 can be started are the county courts that have a Chancery District Registry (CPR 63.13). Further,

the jurisdiction of such courts in IP matters is limited. In particular, they do not have jurisdiction in respect of patents or designs (including Community Designs), and they are not designated as Community Trade Mark (CTM) courts and hence cannot hear matters concerning CTMs.

4. *Ibid.* Rule 2.2 (a)(i).

5. *Ibid.* Rule 2.2(a)(iii)(b), thus preserving the rights previously awarded under section 102A of the 1977 Act.

6. Such as was the case in *R v The Comptroller General of Patents ex parte Celltech Limited* [1991] RPC 475.

7. IPReg Rights to Conduct Litigation and Rights of Audience

and Other Reserved Legal Activities Certification Rules 2012, rule 2.2(a)(iv). Rule 2.2(a)(i)(c) additionally provides for a general right to conduct appeals to the High Court from "any body or tribunal in England and Wales making decisions relating to the subsistence, scope, grant, enforcement, exploitation or ownership of intellectual property rights such as may be constituted from time to time". This presumably includes a right to conduct appeals from interim orders of circuit judges or recorders in county courts, including the Patents County Court (PCC); in such cases the route of appeal is not to the Court of Appeal, but rather to the Chancery

all attorneys who were completing the “flying hours” requirement under the old systems. As the new system no longer requires a period of certified litigation experience, these attorneys are now all eligible to apply to IPReg for Higher Courts Litigation Certificates. The attorneys in question merely need to contact IPReg and provide evidence that they completed the relevant courses to be awarded Higher Courts Litigation Certificates.

The attorneys who fall into the second category are typically those who were part-way through the qualification system when the new regulation came into effect. This will include any Trade Mark Attorneys who did not take the advocacy module of the previous ITMA litigation course. This is regardless of whether or not such attorneys applied for or obtained an ITMA trade marks litigation certificate under the old regime in effect since 2010.

This group also includes Patent Attorneys who attended the Nottingham Law School LLM course and completed the examination leading to a certificate in IP law, but who did not obtain an LLM because they did not submit an LLM thesis.¹³ Such attorneys can complete their qualification under the new system by attending and completing the advocacy module of the current Nottingham Law School course.

Advocacy certificate

One final group of attorneys who will need to take action to maximise their

rights under the new litigation regime are Patent Attorney litigators and Trade Mark Attorney litigators who may be eligible for a Higher Courts Advocacy Certificate. This is a new qualification that grants a right of audience before the High Court, the Court of Appeal and the Supreme Court in any proceedings that may be conducted by an attorney holding a Higher Courts Litigation Certificate.¹⁴

To be eligible for a Higher Courts Advocacy Certificate, attorneys must either already hold a Higher Courts Litigation Certificate and provide IPReg with evidence that they have passed an approved advocacy assessment,¹⁵ or provide evidence that they already have the qualifications required by another authorised body to conduct civil litigation and have a right of audience in the Higher Courts.¹⁶ Essentially, this means that any attorneys who hold Higher Courts Litigation Certificates can obtain a Higher Courts Advocacy Certificate by providing evidence that they have completed and passed a Solicitors Regulation Authority-approved higher rights advocacy assessment or a Bar Standards Board-approved advocacy assessment as part of the Bar Vocational Course or the Bar Professional Practice Course, or, alternatively, are qualified as a solicitor-advocate or a barrister with a right to conduct civil litigation. Any eligible attorneys should apply with evidence of such qualifications to IPReg, which will then issue the appropriate certificate. ■

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Division of the High Court by virtue of paragraphs 3 and 4(b) of the Access to Justice Act 1999 (Destination of Appeals) Order 2000 (SI 2000/1071).

8. This includes i) all Patent Attorney litigators, ii) all Trade Mark Attorney litigators who qualified prior to 2010, and iii) any Trade Mark Attorney litigators who qualified since 2010 who completed and passed the advocacy module of the Nottingham Litigation Course. The position of Trade Mark Attorney litigators who qualified since 2010 but who did not complete the advocacy module is discussed later in the article.

9. IPReg Rights to Conduct Litigation and Rights of Audience and Other Reserved Legal Activities Certification Rules 2012, rule 2.2(b)(iii).

10. *Ibid.* Rule 2.2(b)(ii). See also note 3 *supra* regarding the competence of county courts in IP matters.

11. IPReg Continuing Professional Development Regulations, Regulation 3.2 as amended.

12. IPReg Rights to Conduct Litigation and Rights of Audience and Other Reserved Legal Activities Certification Rules 2012, rules 3.1 and 3.2.

13. See the transitional provisions set out in the decision of the

CIPA Litigators Accrediting Board of 4 August 2011 set out on the IPReg website at ipreg.org.uk/document_file/file/Nottingham_Law_School.pdf

14. IPReg Rights to Conduct Litigation and Rights of Audience and Other Reserved Legal Activities Certification Rules 2012, rule 2.2(c).

15. *Ibid.* Rule 4.4(a). The regulation also provides for the possibility of passing an IPReg-approved higher courts advocacy course. However, no such course has yet been established.

16. *Ibid.* Rule 4.4(c).

Scotland gets up to speed

Big changes to the Court of Session IP rules now mean better – and faster – brand protection in Scotland, according to Robert Buchan

In a move that is sure to please Scotland's IP judges and practitioners, and which reflects the changing environment for dispute resolution and litigation available to IP owners (and indeed alleged infringers) in the UK and further afield, substantial revisions to the Scottish Court of Session IP rules are set to enhance Scotland as a forum for resolving IP disputes.

The new rules are the most significant changes since the inception of Chapter 55 of the Rules of the Court of Session dealing with IP actions. This article highlights the most important changes that have come into effect and assesses how they are likely to improve the brand protection offering in Scotland.

The new rules came into force on 19 November 2012 and are contained in the Act of Sederunt (Rules of the Court of Session Amendment No 5) (Miscellaneous) 2012 – admittedly, not a snappy title!

In summary, they offer much earlier hands-on judge management of cases and much more flexibility in the whole court procedure, all with the aim of achieving the most efficient possible resolution.

Faster hearings

Where the previous rules did allow significant IP judge-led case

management, it did not always come early enough. In many cases the first formal case management hearing – known as the procedural hearing – took place after the pleadings had closed, which on average was approximately three months from the commencement of the action. This meant that it could, in some cases, take a long time to focus on the key issues that needed to be addressed to reach a just conclusion to the overall dispute.

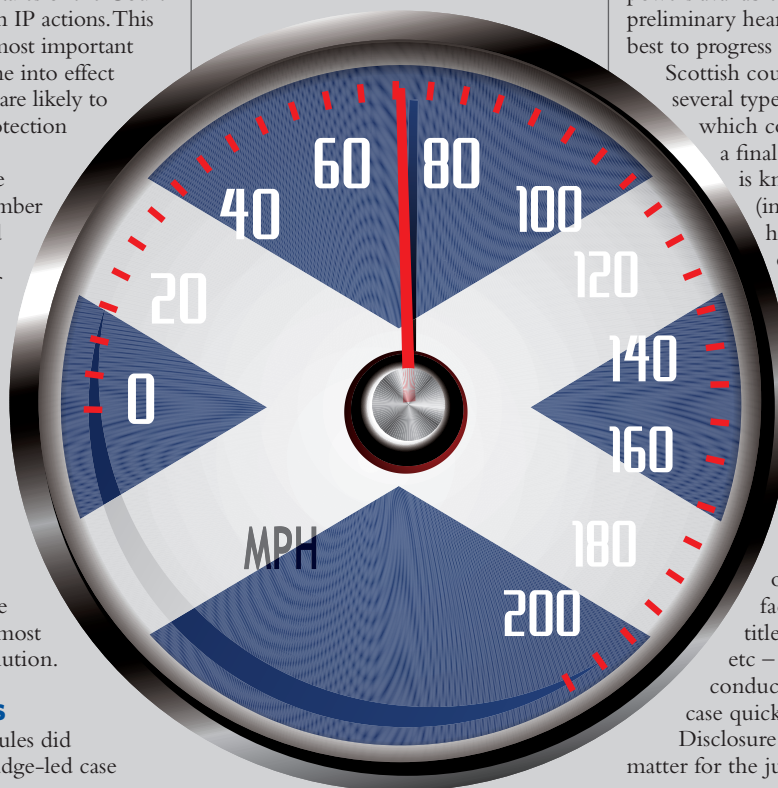
The new rules provide for a mandatory case management hearing (a “preliminary hearing”) more quickly, just two weeks after the first defences have been filed. The earlier involvement of the IP judge means that the real issues can be identified and focused on as soon as possible to carve out the best procedure to facilitate resolution.

Wider powers

New Rule 55.2 E sets out the wide powers available to the judge at the preliminary hearing to decide how best to progress matters.

Scottish court actions can involve several types of hearing, any of which could turn out to be a final hearing. One of these is known as a debate (in essence, a strike-out hearing), at which a case can often be resolved in the light of a preliminary legal issue, such as relevancy or competency of the claim, without the need for any witness evidence or proof (the Scottish term for a trial). The judge can also order a proof on limited preliminary factual issues, such as title to the IP, time bar, etc – which, again, can be conducive to resolving the case quickly and economically.

Disclosure or discovery is also a matter for the judge at that preliminary



hearing, offering the opportunity, at an early stage, to order production of the evidence relevant to the key issues in dispute, which may well lead to swifter resolution.

At the preliminary hearing the judge could decide the whole case timetable and order that the case should go straight to a final hearing without any further preliminary hearings. This strategy could be employed in cases that are relatively straightforward, such as clear trade mark infringement or passing-off cases, or where there is a clear need to achieve a swift conclusion to matters in the commercial interests of the parties or the wider industry.

If the judge does not choose to go straight to a final hearing from the preliminary one, which is likely where the issues in dispute are more complex, there will be at least one further case management hearing (a procedural hearing). The date for such a hearing will often be fixed at the first case management hearing, setting a timetable at an early stage of the action.

Shorter trials

Another potentially significant benefit of these new rules is a reduction of the time required at trial. The judge can make an order to dispense with oral witness evidence and can rely entirely on the use of formal witness statements. Short of that, the judge can direct that no evidence in chief is needed and focus solely on cross-examination. This is a great improvement on the old system, which often required witnesses to be examined in chief, as well as in cross, and could add

considerably to the time required in court at trial.

There is, in addition, a helpful power to fix a specific limited time for examination and cross-examination of witnesses.

Expert evidence

As regards use of experts, specific orders can be made to restrict the number or disciplines of expert witnesses instructed, and/or to direct them to meet to discuss or identify areas of agreement or disagreement, and to produce a joint note following such discussions. This should greatly assist and avoid expert overkill, which can slow things down substantially.

Flexible pleadings

There is to be a more flexible approach to the format and content of the pleadings, which, while having to cover certain mandatory key issues, can be in summary form and do not need to follow the particularly rigid style that has tended to predominate in IP disputes.

Sharper teeth

Beware! These new rules are clearly intended to have real teeth. Strict powers have been given to the judge for punishing non-compliance with the rules or an order of court. The judge can dismiss the case, grant judgment and/or make awards of costs in such cases. Thus, there will be no escape for those who try to dodge around the rules, delay progress or ignore any orders made under them. Under the present system

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such activities would also be censorable, but it is notable that these powers have been specifically inserted as a real reminder of the adverse consequences of flouting orders or procedures, and of employing delaying tactics.

Greater impact?

To draw a parallel close to home, the new system might be viewed as encapsulating a combination of the English procedures under the IP Court and the High Court. The new rules are flexible to deal with both the more complex and the simpler types of soft IP disputes.

It's my feeling that this is excellent news for IP and brand owners with rights and interests in Scotland, as well as Scottish businesses generally. While the proof of the pudding will be in the eating, these powers should considerably limit the court time required overall and for trials, which should decrease costs and lead to faster resolutions for all concerned. ■

Could OEM catch you out?

It's not always plain sailing for IP rights-holders who send manufacturing overseas, explains Shelly Xiong



Original equipment manufacturing (OEM), particularly cross-border OEM, is perhaps the most common business model in the contemporary manufacturing world. It's now routine for Western companies to provide design and technology know-how in-house, then to outsource production to China and other Asian countries where the labour needed to manufacture a product is comparatively inexpensive.

The trade marks of Western companies are then affixed to the manufactured good and the final result is shipped back to Western shops. As a result, consumers living in the West can buy iPhones, Levi's jeans, Clarks shoes, and so on, at a lower cost than might be the case had the product been made by domestic manufacturers. And everybody involved is happy: consumers because they get cheaper goods, producers in the Eastern countries because OEM provides job opportunities, and brand owners, too, because profits can be higher thanks to reduced manufacturing costs.

However, there are historical issues that raise concerns for those enjoying the benefits of OEM, and that may – ultimately – take the shine off this seemingly golden solution.

Background

Under the Ordinance on Customs Protection of IP Rights, Customs officials in China are empowered to confiscate goods at the border that possibly infringe IP Rights – including registered trade marks – that are protected under a so-called Customs Recording System. Under this system, the trade mark owner files information on the trade mark and its legitimate users with Customs (China-registered trade marks only). Any identical or similar goods bearing a similar or identical trade mark, when going through customs examinations in imports and exports, will be seized if

either the buyer or the seller are not in the list of legitimate users of the recorded trade mark (even though in almost all OEM-related cases the foreign buyers are legitimate owners or licensees of a registered trade mark in their own jurisdictions).

Salient cases

In 2000, a Spanish company, Cidesport, a legitimate licensee of a Nike trade mark registered in Spain, outsourced the production of clothes to a manufacturer in Jiaying city, Zhejiang province, China. The goods were seized by Customs in Shenzhen during a routine export examination due to suspicion of infringement of the registered trade mark “Nike” held by the American company of that name. The case then moved to Shenzhen Intermedium Court, which concluded in 2002 that the Defendants, Jiaying Clothing Manufacturer and Cidesports, had jointly infringed the Nike mark by giving the instruction to produce goods of the same class and apply the identical trade mark on the goods – despite the fact that the Spanish company has a legitimate right to use the disputed trade mark in Spain.

In 2005, American Consumption Products Co outsourced the production of an air cleaner that bore the American registered trade mark DE LA RITZ to Yiwu Jubao Chemicals. Ritz Charles is the owner of the registered trade mark RITZ on the same class of goods in China. Yiwu Jubao Chemicals sold some “extra” products bearing the mark DE LA RITZ to the local market in China. Ultimately, the Yiwu Court concluded that the sales of such goods that are similar and that also bear a similar trade mark constitutes infringement of a registered trade mark. However, this was relevant only to the sales, and not to the production; production alone does not constitute infringement. Because the goods

produced were exported to America, and would not enter the local market in China, there could be no confusion among the relevant public in China, so there was no infringement of the registered trade mark in China for the OEM production alone.

Finally, in 2009, Shanghai High Court concluded that Jiu LiDe did not infringe the registered trade mark JOLIDA AND DEVICE of Shanghai Shenda Hi-fi Electronic Limited (“Shenda”), simply by producing products via OEM for American company Jolida, which was the owner of JOLIDA AND DEVICE on goods of class 9 in America. Over the years, Jolida in turn set up Shenda and Jiu LiDe in China, with Shenda registering JOLIDA AND

‘Unauthorised use of a mark similar or identical to a Chinese-related trade mark on similar or identical goods will constitute infringement of the Chinese-registered trade mark’

DEVICE on the same class of goods and owning the trade mark in China. Jolida later sold Shenda, but Shenda retained the JOLIDA AND DEVICE trade mark in China. In 2009, Jolida outsourced the production of the same goods bearing an identical trade mark to Jiu LiDe, another of its subsidiaries, and the goods were seized by Customs in Shanghai.

After going to appeal, the courts held that no infringement took place, on the ground that the fundamental function of a trade mark is to distinguish the source of the goods or services. If the goods are exported and won’t enter the local market, there will be no confusion among the relevant public in China. Therefore, in this case, there was no infringement of the trade mark in China.

For and against

Does OEM leave the window open for accusations of infringement? Those

who say yes believe that, first, trade mark protection has a geographic limitation; each jurisdiction can provide protection only on the trade marks that are registered in it. Unauthorised use of a mark similar or identical to a Chinese-registered trade mark on similar or identical goods will constitute infringement of the Chinese-registered trade mark, even though, in the case of OEM, the foreign OEM instructors are legitimate users of their own trade marks in their own jurisdiction.’ Second, as long as a trader’s action falls into subarticle 1 of Article 52 of the Trademark Law in China, which says “Without the authorisation of the registered trade mark holder, the

use of the identical or similar trade mark on the same or similar goods constitutes infringement of the trade mark”, it should be considered that an infringement is constituted and there is no need to visit the principal of likelihood of confusion among the relevant public. They believe that, in fact, likelihood of confusion is not an indispensable condition for establishing an infringement under Article 52(1); it is only a condition for deciding if the goods or services are similar.

The “no infringement” supporters believe that the fundamental function of a trade mark is to help consumers to identify the relationship between goods and their providers. When the goods are exported to another market, the use of a similar or identical trade mark during production will not cause confusion among the relevant public in China, because consumers in

China won't have an opportunity to see the goods. Such use of a similar or identical trade mark during the production will not cause any damage to the owner of the registered trade mark in China, either.³

The main difference between these contrary opinions seems to be whether likelihood of confusion is the precondition for constituting infringement. So, does the law provide answers to this question?

Supreme Court interpretation

In fact, Chinese Trademark Law and its Implementation Rules are silent on whether likelihood is a precondition in establishing infringement.

The first Supreme Court Interpretation⁴ that touches on the principal of likelihood was issued in October 2002 ("Supreme Court Interpretation 2002"), in which Article 11 provides that: "Similar Goods refer to goods [that] have the same function, usage, production, sales channel and consumer, or [because of which the] relevant public will generally believe there are special relationships between two similar goods, hence confusion is caused among relevant public." In the

same article, the definition of "Similar Service" encompasses confusion among the relevant public as a precondition to decide if the services are similar.

On whether likelihood of confusion is the precondition for constituting infringement, the Supreme Court was silent until 21 April 2009 when it issued an Opinion on Several Issues relating to the Trial of IP cases under the Current Circumstance ("Supreme Court Opinion 2009"). Here Article 6 states: "...without the authorisation of the rights-holder of a registered trade mark, the use of the identical trade mark on

Organization's Agreement on Trade-Related Aspects of IP Rights, stating that: "The owners of a registered trade mark shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs for goods or services which are identical or similar to those in respect of which the trade mark is registered where such use would result in a likelihood of confusion. In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed."

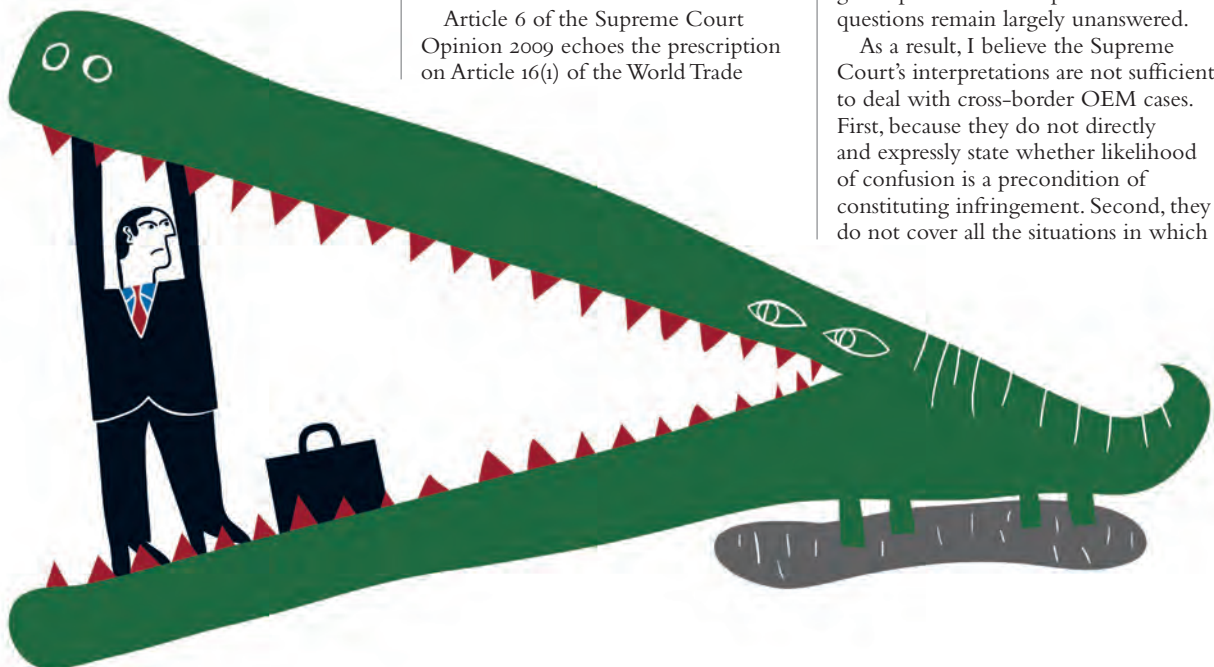
'In its 2009 Opinion, the Supreme Court excludes likelihood of confusion from being an element constituting infringement where the disputed goods and trade marks are identical'

identical goods, *unless the use is proper and reasonable*, shall be considered as infringement, without a need to consider likelihood of confusion as an element." (Emphasis added.) In this Opinion, the Supreme Court excludes likelihood of confusion from being an element constituting infringement where the disputed goods and trade marks are identical.

Article 6 of the Supreme Court Opinion 2009 echoes the prescription on Article 16(1) of the World Trade

However, Article 6 of Supreme Court Opinion 2009 does not specifically address OEM production. So to what does the phrase "use is proper and reasonable" refer? Does it include cross-border OEM production where the foreign brand owners are legitimate users of the trade marks in their own jurisdiction and where all goods produced are exported? These questions remain largely unanswered.

As a result, I believe the Supreme Court's interpretations are not sufficient to deal with cross-border OEM cases. First, because they do not directly and expressly state whether likelihood of confusion is a precondition of constituting infringement. Second, they do not cover all the situations in which



identical or similar trade marks in disputes are applied to similar or identical goods or services. Finally, where a similar trade mark is used on identical goods, the Supreme Court is completely silent.

The only situation in which the law is quite clear is when a similar or identical trade mark is used on similar goods or services. In this situation, Supreme Court Interpretation 2002 requires a visit of the principle of likelihood of confusion in deciding if the goods or services are similar and likely, the conclusion will be that goods or services are not similar, and there is no confusion since the sales channel and consumers will be completely different. If goods or services bearing identical or similar trade marks are not similar, then no infringement will be constituted according to Article 52(1) of the Trademark Law.

However, just as this article was finalised, the Supreme Court issued a quite contradictory decision on the use of trade marks in OEM production. In *Ryohin Keikaku Co Limited v Trademark Appeal Board case [2012] Xing Ti zi No 2*,⁵ the Administrative Trial Department of the Supreme Court (not the IP Trial Department) ruled that the use of a trade mark during OEM production shall not be considered as the use of trade mark under the Trademark Law as the goods are 100 per cent exported and will not enter the Chinese market – and therefore the previous use in the OEM alone cannot challenge a third party registering the identical trade mark on identical goods. In that case, Ryohin lost its case against the Appeal Board, despite being the legitimate owner of Muji's trade mark worldwide and its use of the mark in China during many years of OEM production, prior to the application of the trade mark registration.

So, if the use of trade mark during OEM production is not considered as use of the trade mark under the Trademark Law, can we conclude, with certainty, that the use would not infringe registered trade marks? Although the decision is a boon for foreign brand owners, the Supreme Court's position in the use of trade marks in cross-border OEM production, on the whole, badly needs clarification.

Our advice

Where OEM production has been deemed to infringe a registered trade mark, the damage awarded to registered trade mark holders is usually relatively low. Also, in only a few cases the foreign brand owners were ruled to jointly infringe the trade mark. However, the greatest potential loss for the foreign companies facing this matter is sustained in the loss of goods produced by the Chinese manufacturer, the loss of a supplier and the loss of future use of the disputed trade mark in China. Prevention, therefore, should be

'The Supreme Court's position in the use of trade marks in cross-border OEM production, on the whole, badly needs clarification'

considered before an OEM instruction is given and when an OEM contract is being drafted, including:

- Undertake a registered trade mark search. If no similar or identical trade mark applied on similar or identical goods is registered in China, consider registering it.
- If the search result shows that previous registrations are similar or identical, search further to see if the trade mark is in active use. If a trade mark is not used for three consecutive years, a request can be made for cancellation.
- If an active similar or identical trade mark is found, undertake a Custom Filing Search. Companies whose goods are only sold in the local market will not usually file, and it can be easy to negotiate with these companies, if required.
- If an active similar or identical trade mark is filed with Customs, and the trade mark holder is active in import

1. "Trademark Infringement Research on OEM production", Zhejiang High Court Research Group on Law Application, Journal No 4 2008.

2. "Liabilities in Trademark Infringement in Cross-border OEM production", Jin Chun Yang, on website of Intellectual Property Centre, Ministry of Industry and Information Technology, www.infoip.org/Info.aspx?id=24861&cid=110

3. *Ibid.*

4. Although China does not have a common-law system where a precedent can become law, its Supreme Court often issues interpretations on areas where the law is blank, grey or vigorous, as guidance to local courts in case trials.

5. Rouse IP China, "Supreme Court Provides Guidance On OEM Manufacture And Trade Mark 'Use'", Legal Studio 19 November 2012.

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and export, do not conduct OEM in China, or do not affix the trade mark on the goods produced in China. Negotiation with a company that is active in import and export, and is expanding its market worldwide, is almost impossible.

- If the evidence suggests the trade mark holder is only interested in the local market, proactive negotiation may be necessary. The purpose of negotiation is to have a mutual understanding and agreement that the use of the similar or identical marks in different markets will not damage and shall not damage either party's interest in its own market. OEM in China, therefore, can be a golden plan; it just requires a bit of extra work to make it shine. ■

Where LinkedIn® fits in

Bernard Savage recommends that social media and new online platforms should find a place in your personal marketing plan. Here's why

Marketing used to be easy. Firms sent out brochures and attorneys attended International Trademark Association events. It's a little more complicated today. The market is becoming increasingly competitive and clients are more demanding. So what does that mean for how you promote yourself and your firm? Is LinkedIn a must-have? Let's look at what it can offer.

> Staying visible

Many attorneys find it a challenge to stay visible and front-of-mind to contacts spread across the globe; it is both impractical and expensive to rely on face-to-face contact. Here, LinkedIn provides a way to stay connected in an unobtrusive way. If you have just met someone at an event, LinkedIn offers a simple way to stay in touch.

> Self-starter

Getting set up and started on LinkedIn is as easy as ABC. The LinkedIn website guides you through the different stages of building a personal profile. Even a technophobe can master the system in minutes.

> Low spend

LinkedIn requires a very small investment of time and money, while many traditional marketing approaches are criticised for being expensive and time-consuming. You can get value from using LinkedIn by investing as little as 10 minutes a week.

> Added leverage

LinkedIn can leverage other marketing strategies. For example, if you have an article published in a target publication or win an industry award, LinkedIn enables you to amplify your message to your entire network.

> Preparation platform

The best way to sell is to demonstrate that you really understand the person you are trying to influence. Due diligence that only focuses on corporate websites and financial reports is limited. What is required is a more complete picture that helps you to

understand the personal profile of key contacts. LinkedIn can be an effective tool here, as information is more personal. For example, you might find out a person's educational background, personal interests, career history and details of their own network.

> New connections

A big challenge for attorneys is how to grow their professional network. LinkedIn makes it possible to, at the click of a button, access hard-to-reach contacts that are connected to people you do know and from whom you feel comfortable asking for an introduction.

> Expert positioning

In an increasingly commercial environment, buyers of IP are looking for specialists. LinkedIn enables you to position yourself as an expert by promoting case studies, white papers and research reports, for example. The 'Group' facility makes this easier still, helping you to find your target audience and communicate with it directly.

> LinkedIn limits

While online tools can be very useful, one important thing has not changed – the need for face-to-face contact. The way to view social media apps and LinkedIn is as ways to supplement face-to-face contact and traditional marketing strategies. LinkedIn does not replace a meeting over coffee; it's just a way of staying in touch in between.

This list is not exhaustive, but it should give you a feel for the possibilities. You may still be nervous about sharing information in cyberspace about who your contacts are. Don't worry, you can hide your connections if you choose to, and people who view your list of connections don't necessarily have to become one.

What do you do next?

That's simple. Go to linkedin.com and follow the prompts to set up a personal profile. Make sure you upload

a professional business photograph – not one of you on your summer holiday holding a bottle of beer – and invite people you know (and only people you know) to connect with you. Next, identify groups on LinkedIn of which your target audiences (for example clients, referrers and agents) are members. You can find out which these are by asking them. Posting helpful practical advice or simply sharing market intelligence will grow your profile and better position your services. However, be careful not to overtly sell. The best salespeople don't sell, they stay visible.

So don't be a Luddite – get connected on LinkedIn. I will be happy to connect with you, but only if I can meet you for coffee first! ■

Bernard has been delivering a series of talks to support ITMA members in developing commercial skills. Find out more about this initiative and events on offer at itma.org.uk

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Case in point: [2012] EWHC 2637 (Ch), Société des Produits Nestlé SA v Cadbury UK Limited, High Court, HHJ Birss QC, 1 October 2012

Colour mark principles confirmed



In this long-running case of the famous chocolate-maker, the court has solidified its stance on colour registration, says Alex Watt

Colour and its use as a trade mark is a topic that enjoyed particular attention in 2012 because of the high-profile US decision regarding the validity of Christian Louboutin's red-heel mark. In this case, a UK court had a similar decision to make, which concerned a 2004 application by Cadbury to register a shade of purple as a trade mark for chocolate. The case came before the High Court on appeal by Nestlé against a decision by the Registrar of Trade Marks, in December 2011, to allow the registration, despite Nestlé's opposition.

Initial refusal

Initially, the application for the purple colour mark had been refused by the Examiner for lack of distinctiveness. However, Cadbury was able to show that this shade of purple, Pantone 2685C, had been used on chocolate bars since 1914 and had therefore acquired distinctiveness through use. The Hearing Officer (HO) had accepted this evidence, but on advertisement of the mark, Nestlé opposed its registration.

Both parties made submissions regarding registration and specification of goods. The HO concluded that the mark should be registered, but that the specification should be amended so that it was limited to: "Chocolate in bar and tablet form; chocolate for eating; drinking chocolate; preparations for making drinking chocolate."

The specification for both "confectionary" and "chocolate assortments" was removed on the grounds that several colours were used by Cadbury in relation to those specifications and that Pantone 2685C was not synonymous with them in the

same way as it was with bars of milk chocolate. The amended specification took this into consideration, and instead has "chocolate for eating" added to it.

In the appeal before HHJ Birss QC, Nestlé did not challenge the HO's key conclusions or argue that the mark was not distinctive. Instead, Nestlé argued the principle that it was impossible to conceive the trade mark as a sign capable of being represented graphically, and that, as such, it was not capable of being registered as a trade mark.

HHJ Birss QC found four European Court of Justice (CJEU) decisions with a bearing on applications for trade marks other than more traditional signs:

- **C-104/01**, *Libertel Groep BV v Benelux-Merkenbureau* ("Libertel"), which stated that to operate as a trade mark, a sign such as a colour had to be a sign capable of graphical representation and capable of distinguishing the relevant goods or services;
- **C-273/00**, *Sieckmann v Deutsches Patent und Markenamt*, in which, in very limited circumstances, it was held that a smell could be a sign, if it could be precisely identified;
- **C-49/02**, *Heidelberger Bauchemie GmbH*, which stated that a registration for two or more colours would have to be used in a clearly defined way; and
- **C-321/03** *Dyson v Registrar of Trade Marks*, which reaffirmed the decision in *Libertel*.

HHJ Birss QC found that the main thrust of Nestlé's arguments could be disposed of simply by reference to *Libertel*. He stated succinctly: "In my judgment *Libertel* is almost but not quite a complete answer to [Nestlé's] primary point and to [its] arguments (i), (ii) and (iii). If the mark in this case

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is indeed a mark of the kind considered in *Libertel* then it seems to me that the point has been firmly decided by the CJEU. Pure colour marks are capable of being registered."

All that was required in the present case was to consider the particular mark being applied for. In doing this, HHJ Birss QC dealt with three points raised by Nestlé regarding use within the specifications of the word "predominantly", which Nestlé claimed meant that the mark: (i) allowed Cadbury to use alternative colours; (ii) was "indeterminate"; or (iii) was capable of subjective interpretation. HHJ Birss QC disagreed, stating: "In my judgment the word predominant used in this way in this mark does not introduce any more vagueness or uncertainty than is already present and acceptable in a trade mark registration of this kind."

However, while maintaining that the HO had behaved unimpeachably, HHJ Birss QC considered that the specification might still be too broad. Therefore, the High Court upheld the Trade Mark Registry's decision to allow registration of the mark, but on the basis that the specification was further limited, so that it referred only to milk chocolate.

This judgment confirms that the principles set out in *Libertel* in relation to colour marks still apply, but it is a useful reminder of the narrow limitations in which they must exist. ■



Drinks differ says court



Tequila and beer are not similar for trade mark purposes, decided the CJEU, in this pragmatic decision reported by Samantha Bristow

In what you might call a “bullish” decision, the General Court of the Court of Justice of the EU has ruled that the registration of a figurative mark TEQUILA MATADOR HECHO EN MEXICO did not infringe the existing German word mark MATADOR, which covered beer and non-alcoholic drinks.

Early actions

The drinks manufacturer Tequila Cuervo La Rojena SA De CV applied for a Community Trade Mark (CTM) in respect of the figurative mark noted above for goods in class 33, being: “Alcoholic beverages, premixed alcoholic cocktails, tequila originating in Mexico and tequila liqueurs.” The application was successfully opposed by the proprietor of the earlier German word mark MATADOR, which covered “beers, mineral and aerated waters, and other non-alcoholic beverages...” on the basis that it was likely to cause confusion under Article 8(1)(b) of the CTM Regulation. That decision was overturned by the Board of Appeal.

The Opponent therefore appealed, arguing again that there was a likelihood of confusion between the marks in issue. By this time the Applicant had withdrawn the application in respect of “alcoholic beverages”.

Court considerations

Having reminded itself of the need to undertake a global assessment of the likelihood of confusion, the General Court considered whether the goods in question (beer and tequila) were used together, whether they were complementary and whether they were competing goods.

As regards the use of the two beverages, the Court decided that,

notwithstanding the existence of alcoholic cocktails in which beer and tequila are mixed, there were fundamental differences between the two (the Court referred to T-296/02 Lidl Stiftung v OHIM, which concerned a similar argument relating to rum and cola). Indeed, while it was true that those goods may be consumed in the same places and on the same occasions and satisfy the same need, the fact remained that they did not belong to the same family of alcoholic beverages and that consumers perceived them as two distinct products.

On the question of whether the goods were complementary, the Court referred to the principle in T-169/03 Sergio Rossi v OHIM, which stated that complementary goods are those that are “closely connected in the sense that one is indispensable or important for the use of the other”. This was not the case at hand and there was nothing “to support the conclusion that a purchaser of one of those products would be led to purchase the other”.

The Court considered its previous decision in T-175/06 Coca-Cola v OHIM (better known as MEZZOPANE) in which it held that wines and beers were not similar. In that case the Court had found that, while not similar, wine and beer are, to a certain extent, in competition with each other as they are “capable of meeting identical needs”. In that case, the Court drew a distinction between wine that can be substituted for beer (ie the lightest and least expensive varieties of wine), and the alcoholic beverages covered by the mark applied for, which were, in general, significantly stronger and considerably more expensive. In this case a similar distinction could be drawn, with tequila being, in general,

considerably stronger and more expensive than beer.

The Court noted that although the respective goods fell within the same general category of drinks, they differed in ingredients, production method, colour, smell, taste, location in supermarkets and shops, and purpose – beer deemed to be thirst-quenching and tequila not so. The average consumer would therefore not perceive them as similar, or even complementary. As such, the appeal was dismissed.

Common sense conclusion

The decision of the Court appears to follow common sense when one considers the fundamental differences between tequila and beer. Of particular note is the comment of the Court that “dissimilar elements of the goods at issue far outweigh the similar elements” and the approach taken to MEZZOPANE, which is evidence of a pragmatic approach. ■

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Case in point: T-204/10, Lancôme parfums et beauté & Cie v OHIM and Focus Magazin Verlag GmbH (COLOUR FOCUS), CJEU, General Court, 5 October 2012

Case seems to give carte blanche

In a registration's first five years, a broad specification is no indicator of bad faith, says OHIM here, as Mark Bhandal explains

Focus Magazin Verlag GmbH ("FMV") filed a Community Trade Mark (CTM) application for the mark FOCUS in 22 classes on 17 January 1997. The Application was opposed by no fewer than nine opponents, but eventually registered on 26 August 2008 in relation to, *inter alia*, "Make-up, cosmetics" in class 3.

Lancôme parfums et beauté & Cie ("Lancôme") filed a CTM application for the mark COLOUR FOCUS in relation to "Cosmetic and make-up preparations" in class 3 on 30 September 1999. The application was registered on 30 June 2004.

FMV filed an application for invalidity on 25 August 2004 pursuant to Article 53(i)(a) of the CTM Regulation 207/2009 ("CTMR") on the basis that there was a likelihood of confusion with its application for FOCUS.

The Cancellation Division found that there was a likelihood of confusion. Lancôme appealed. The Second Board of Appeal upheld the decision. Lancôme then appealed to the General Court.

Additional plea

In addition to trying to argue no likelihood of confusion, Lancôme's second plea was in relation to an alleged error of law in the assessment of the abusive nature of the application for a declaration of invalidity.

Lancôme claimed that FMV had filed numerous CTM and national trade mark applications for FOCUS, or containing FOCUS, for a wide range of goods and services without ever using them – or having the intention to use them.

Lancôme further claimed that FMV's declaration of invalidity should be dismissed to the extent that it relied on such registrations during their first five years without having the intention of using the mark, arguing that such a position goes against the CTM regime



and prevents the mark from fulfilling its main function. However, a CTM is not subject to any proof-of-use conditions if it has been registered for fewer than five years or if it is still an application.

Case law reference

The General Court referenced C-255/02 Halifax and others [2006] ECR I-1609 as settled case law describing when CTM law may not be relied on for abusive or fraudulent ends. The General Court reported that evidence of abusive practice requires:

- objective circumstances in which, despite formal observance of the conditions laid down by the Community rules, the purpose of those rules has not been achieved; and
- a subjective element consisting of the intention to obtain an advantage from the Community rules by creating artificially the conditions laid down for obtaining it.

As Lancôme had merely claimed that the declaration of invalidity was an abuse of right, without producing any evidence of fraudulent intent of not using the mark for the goods, but using it to block third-party registrations for the same, Lancôme had not proved the subjective element.

Moreover, the Court held that it cannot be disputed that Article 57(2) of the CTMR only applies to the proprietors of earlier marks that are

more than five years old by the date of the application for invalidation. FMV's application was not even registered by the relevant date, so FMV did not need to prove use. Consequently, the second plea was also dismissed.

The UK position

In the UK, unlike at OHIM, a trade mark applicant is required to sign a statement of intention to use. This requirement is not found in the CTMR or the Directive. There is a line of thought that overly broad specifications are revocable for bad faith, because the declaration made on the application form is false.

The General Court's decision does not support this line of argument. As such, it goes some way to negating a line of commentary in the UK that a broad specification can be challenged in the first five years for bad faith. To the contrary, it appears to give *carte blanche* to trade mark applicants and trade mark registrants in the first five years to enforce the full specification. ■

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Well 'plaid', Judge Birss

Nick Phillips applauds the subjective yet practical approach taken by the Judge in this fabric fracas

In this case, the Patents County Court grappled with several fundamental copyright issues including questions of original creation, the interplay between copyright and design right, and the existence of literary and artistic copyright in the same article.

Abraham Moon & Sons Limited (the Claimant) operated a successful woollen mill that manufactured fabrics at the top end of the market. Its customer base included Ralph Lauren, Dolce & Gabbana and Burberry. In 2004, the Claimant designed a woollen plaid fabric called "Skye Sage", which became one of its best-selling fabrics.

In 2010, the Claimant discovered that Art of the Loom, a fabric wholesaler, was selling a fabric called "Spring Meadow", which the Claimant alleged infringed its copyright. Proceedings for copyright infringement ensued against Art of the Loom, its four partners and NB Fabric Limited, which had woven the fabric (together, the Defendants).

Copyright concerns

The Defendants challenged the originality of the Skye Sage design, contending that it was a copy of an earlier design, the Armstrong tartan. HHJ Birss QC held that the Skye Sage fabric was designed with considerable artistic skill, labour and judgement, and concluded that it was not created by copying, but was an original work.

When considering the origin of the Spring Meadow design, the Judge rejected the Defendants' argument that Spring Meadow was produced

independently and that any similarity in pattern was down to design constraints. He found that the pattern of lines and blocks in Spring Meadow was "virtually identical" to the Skye Sage pattern, and while the colours used were not identical, they were "very similar".

The Judge also found that since the Defendants operated in the same market as the Claimant and were aware of the success of Skye Sage as a furnishing and upholstery fabric, there was a strong motive to copy. The Judge concluded that the similarities between the fabrics, coupled with the overall circumstances, raised a strong inference of copying.

On infringement

After finding that Spring Meadow was a copy of Skye Sage, the Judge went on to consider the extent to which any relevant copyright subsisted in works relied on by the Claimant and whether any act of copyright infringement had taken place.

The Court heard that when creating a design fabric, the combination of threads and numbers of threads for each colour is recorded on a "ticket" or "ticket stamp". This is basically a list of instructions that tell the weaver how to set up the loom to produce the required design.

The Judge found that the Skye Sage Ticket Stamp, which was used to create the Claimant's fabric, was an original literary work and that the Spring Meadow Ticket Stamp reproduced or adapted a substantial part of it, even

though the two did not look similar, because the key information on the Spring Meadow Ticket Stamp had been derived from the Skye Sage Ticket Stamp in a way analogous with the translation of text from one language to another. Accordingly, it was held that the Spring Meadow Ticket Stamp was an infringing copy of the Claimant's literary copyright in the Skye Sage Ticket Stamp. The Judge was not, however, prepared to hold that the Spring Meadow fabric was an infringement of this literary copyright in the same way as the Spring Meadow Ticket Stamp because it could not be said to be a copy of the instructions set out on the Skye Sage Ticket Stamp.

The Judge also found that the Skye Sage Ticket Stamp was an artistic work and, specifically, that it was a graphic work. He explained that a ticket was not just a set of instructions that could be carried out on a loom, but that it was also a record of an image. This was because the evidence showed that, to an experienced fabric designer, the ticket was of real visual significance and would enable such a person to visualise the appearance of the fabric. It did not matter that this visual significance was only apparent to some people. Since the appearance of the Spring Meadow fabric reproduced the appearance of the Skye Sage fabric, the Judge found that the artistic work embodied in the Skye Sage Ticket Stamp had been infringed.

Having come to this conclusion, the Judge did not go on to consider whether the Skye Sage fabric itself was a copyright work.

Section 51 defence

The Defendants argued that the Skye Sage Ticket Stamp was a design document within the meaning of section 51 of the Copyright, Designs and Patents Act (CDPA) 1988, so there was no copyright infringement by the making of the Spring Meadow fabric to the design recorded in the Skye Sage Ticket Stamp.

'This decision is particularly important in illustrating how copyright can exist in the manufacture of fabric designs'

The Judge did not accept that the Skye Sage Ticket Stamp was a design document. He held that the design of Skye Sage was a "surface decoration" and was therefore excluded from the operation of section 51 of the CDPA 1988 by the definition of "design" in section 51(3). In reaching this decision he applied Jacob LJ's approach to surface decoration in *Lambretta Clothing Company Limited v Teddy Smith (UK) Limited* and another [2004] EWCA Civ 886. He considered that the fact that the colours ran all the way through the fabric was irrelevant because they arose from the colours of dyed yarn.

Art of the Loom was found liable for copyright infringement under section 18(1) of the CDPA 1988 for issuing to the public copies of the Claimant's original work. HHJ Birss QC also found Art of the Loom jointly liable with NB Fabrics Limited for the primary act of infringement committed by NB Fabrics in making the Spring Meadow fabric, since the creation of Spring Meadow arose out of the copying of Skye Sage.

Based on these findings, it was also held that the sales of Spring Meadow by Art of The Loom were acts of secondary infringement. The Judge considered that Art of the Loom must have known, or had reason to believe, that Spring Meadow was an infringing copy of the Claimant's original design and dismissed the Defendants' defence to damages for copyright infringement under section 97

of the CDPA 1988. He explained that the Defendants had every reason to suppose that, in copying the Skye Sage fabric, they were copying a work in which copyright subsisted and that it was irrelevant whether or not they knew about the existence of the Skye Sage Ticket Stamp. He commented that while it would not be impossible for a copyist to make out a defence under section 97 of the CDPA 1988, it would require a very special set of facts to do so.

Discussion

The case is an excellent example of how the courts approach some of the issues that are commonly found in copyright infringement cases. This decision is, however, particularly important in illustrating how copyright can exist in the manufacture of fabric designs. The Judge's finding that the ticket stamp was protected by literary copyright and artistic copyright is perhaps superficially quite surprising as it involves considering some exhibits from the viewpoint of an expert, in this case an experienced fabric

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Selina Clifford, a second-year Trainee Solicitor at Barlow Robbins LLP, assisted with this article.

designer, rather than a layperson. This slightly subjective approach may be criticised in the abstract, but against a background of the facts does seem to be the correct one. ■

Tasty term lacks Spanish stature

A public unfamiliar with doughnuts may be misled by a competing mark, as Sharon Daboul reports

In 2006, a Community Trade Mark (CTM) application for BIMBO DOUGHNUTS was filed, for “pastry and bakery products, specially doughnuts”, by the Spanish subsidiary of one of the world’s largest baking companies. An opposition was filed by Panrico SA (the Intervener), citing Articles 8(i)(b) and 8(5) – Council Regulation (EC) 207/2009 – grounds. One of the key earlier rights was a Spanish registration DOGHNUTS, covering identical goods.

The opposition was successful and confirmed by the Board of Appeal (BoA). The relevant consumer was Spanish, because the opposition was based on a Spanish registration. The BoA found that the word “doughnut” does not exist in Spanish, where the closest equivalent is “donut”. Survey evidence showed that the majority of Spanish consumers did not speak English well enough to know the meaning of the word “doughnut” and the mark would appear unusual. Therefore, neither DOUGHNUTS nor DOGHNUTS was descriptive to average Spanish consumers and there was a likelihood of confusion between the marks.

Bimbo SA had argued that the word BIMBO (for which it had a registration) was the dominant component of its application and that DOUGHNUTS was descriptive of the goods, even for Spanish consumers. Whether a Spanish consumer would recognise the word DOUGHNUTS was a key factual point.

Decision in brief

The General Court confirmed that there was a likelihood of confusion between the trade marks BIMBO DOUGHNUTS and an earlier Spanish mark DOGHNUTS, both for pastry and bakery products. The CTM application was successfully opposed.

The General Court agreed with the BoA that the word DOUGHNUTS was not descriptive to the relevant public, the average Spanish consumer, of the goods or their qualities, that the nearest descriptive word was “donut”, and that Spanish consumers would not equate the two.

The Court held that the marks must each be compared as a whole, and it is only if all the other components of a mark are insignificant that an assessment of similarity can be carried out solely on the basis of a dominant element. The word DOUGHNUTS could not be considered negligible and did not perform a secondary role in the mark; rather it had average distinctive character. Both DOUGHNUTS and DOGHNUTS would be regarded as fanciful, foreign terms to non-English speakers. Since DOUGHNUTS was almost identical to DOGHNUTS, the BoA was correct in finding an average degree of visual and phonetic similarity between the marks at issue. A conceptual comparison was not possible.

The Court also rejected the Applicant’s argument that the word BIMBO was the dominant element of the proposed CTM on the basis that it was a well-known mark in Spain. It found that even if the mark was famous, that would not automatically mean that a comparison of the marks should be limited to the term BIMBO only. The DOUGHNUTS element could not be regarded as negligible in the mark’s overall impression. The BoA decision was upheld by the General Court and the action was dismissed.

Interaction issue

This decision underscores a problem that can surface when CTMs and national marks interact. It may appear illogical that a CTM could be blocked because a national mark clashes with a

descriptive English mark, but this is valid Community law.

A CTM is a unitary right, and if it is not registrable in one Member State, it cannot proceed as a whole. The decision follows earlier case law (C-421/04 MATRATZEN CONCORD [2006] ECR I-2303), which states: “It is possible that, because of linguistic, cultural, social and economic differences between the Member States, a trade mark which is devoid of distinctive character or descriptive of the goods or services concerned in one Member State is not so in another Member State.” This case also warns of a prospective trap for CTM applicants. Trade marks that work well for English speakers can lead to unforeseen consequences when the mark is assessed from the point of view of average consumers in other territories. ■



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Case in point: O/398/12 and O/397/12 (joined), O2 Holdings Limited (2534126, THE WORKS, and 2534124, THE BASICS), UKIPO, Appointed Person Anna Carboni, 4 September 2012

Everyday words raise questions

Geoff Weller finds some case for contradiction in this recent appeal decision concerning common terms

These were appeals to the Appointed Person from the Registrar's partial refusal to accept registration of the marks THE WORKS and THE BASICS for a broad range of goods and services, including telecommunication services. The Appointed Person ultimately upheld the Registrar's decisions. These cases are of particular interest to IP rights-owners and practitioners as they involved the registrability of everyday words, expressions and signs that do convey meaning in respect of the goods and services in question, but – arguably – do so in an unusual way such that the consumers recognise them as trade marks rather than as a straightforward communication of meaning.

At first instance the Hearing Officer concluded that the marks were both non-distinctive and descriptive in relation to certain goods and services, and so refused registration under sections 3(1)(b) and 3(1)(c) of the UK Trade Marks Act 1994. The objections were based, in essence, on:

- 1) the marks' communication of a clear meaning in relation to the goods or services (ie that in respect of telecoms the goods or services are in some way "standard", "minimum" or "maximum package"); and
- 2) that the marks were commonly used terms. The factual findings were essentially that THE BASICS had meaning in relation to education and THE WORKS in relation to, for example, pizza. The argument put by the Applicant was two-fold:

- 1) that the meaning being ascribed to the marks is itself so intangible and non-specific that it means something different to each person and so the requirement from the case law that there be "a sufficiently direct and specific relationship between the sign and the goods and services in question to enable the public concerned immediately to

perceive, without further thought, a description of the goods and services in question or one of their characteristics" is not met, so the section 3(1)(c) objection cannot apply; and

- 2) even if the marks communicate a message about the goods or services, the message is not communicated clearly by the mark or is done so in an unusual way in the context of the goods and services such that consumers recognise the term as a trade mark rather than a straightforward communication of a meaning.

In both decisions, the Appointed Person appeared to be persuaded, to a greater or lesser extent, by the Applicant's argument regarding the section 3(1)(c) objection, and I suggest, may have overturned the decisions (at least in relation to some goods or services) if they had been based solely on that ground.

However, she maintained the section 3(1)(b) objection that the marks lacked distinctive character. She held that the marks, even if not understood to have a specific meaning in relation to the goods and services in question, do not have the capacity to individualise them to a single undertaking without first having been used in a way designed to educate the average consumer that the expressions should be uniquely associated with the Applicant's goods or services. She thus upheld the original decisions rejecting the applications in part.

Points of interest

These cases are of particular interest as they are examples of the examination of a trade mark for registration where the mark is objected to under both section 3(1)(c) (descriptive) and section 3(1)(b) (lack of distinctive character), but where both the objections are founded purely on the mark being descriptive, ie there is no additional reason for objection under section 3(1)(b). While the Appointed



Person did not agree with the Applicant in these cases, I wish to highlight the Applicant's argument that in such circumstances and where the section 3(1)(c) objection is overcome, the section 3(1)(b) objection simply cannot be maintained. If a mark does convey some meaning in relation to the goods and services, but that meaning is conveyed in a distinctive and unusual way so as to not fall within the section 3(1)(c) objection, then surely the very fact that there is this meaning – conveyed in a distinctive and unusual way – means there can be no basis for an objection for lack of distinctive character? ■

Ipulse represented the Applicant in these appeals.

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Case in point: O/395/12, UK trade mark 2347898 in the name of Hauste Receivables Limited and Invalidity Application No 83695 in the name of Causeway Technologies Limited, UKIPO, Appointed Person Amanda Michaels, 1 October 2012



Room for manoeuvre?

Josephine Curry reviews a case in which a specification reformulation may have provided a satisfactory solution

In 2004, Tradocs Limited (“TL”) registered TRADOCs as a UK trade mark in respect of “communication of information by electronic means” in class 38. In February 2010, Causeway Technologies Limited (“Causeway”) filed an application for a declaration of invalidity under section 47 of the Trade Marks Act 1994 (“the 1994 Act”). Causeway relied on section 5(4)(a) of the 1994 Act and its prior use of the mark TRADEX in relation to services for the electronic transmission of documents and electronic data services.

The application for invalidity succeeded, and TL appealed to the Appointed Person (Amanda Michaels) on two grounds (note: after lodging the appeal, TL went into voluntary liquidation and the mark was transferred to Hauste Receivables, but, for ease of reference, the decision refers to TL throughout).

First ground: section 5(4)(a)

TL had conceded that Causeway had goodwill in relation to its TRADEX sign at the relevant date. The bulk of the Hearing Officer’s decision on section 5(4)(a) of the 1994 Act was therefore concerned with the likelihood of misrepresentation, which he found to exist.

On appeal, TL argued that the Hearing Officer had erred in applying a test more appropriate to an objection of likelihood of confusion under section 5(2) of the 1994 Act than under section 5(4)(a) when assessing misrepresentation. The Appointed Person noted that the Hearing Officer had not set out the principles in *Wild Child* ([1998] RPC 455), usually applied by the Registrar in such cases, nor the first instance decision in *Reef* ([2002] RPC 19) in which *Pumfrey J* set out the *Wild Child* test. However, she stated that the Hearing

Officer’s “unusual” approach in considering the issue of a “likelihood of misrepresentation” as if he had been considering “likelihood of confusion” would not constitute an error of principle if he had nevertheless considered the relevant *Wild Child* or *Reef* factors. Indeed, it was apparent that the Hearing Officer had appreciated that he was drawing an analogy with a section 5(2)(b) case.

TL argued that the Hearing Officer had not given proper consideration to two factors: how Causeway used its mark and how that compared with the TRADOCs mark, and the nature of Causeway’s business. The Appointed Person found that the Hearing Officer had not failed to sufficiently consider how Causeway used its mark. TL’s argument that Causeway tended to use the mark TRADEX in conjunction with CAUSEWAY did not stand as TL had

already conceded that Causeway's goodwill resided in the mark TRADEX alone. Nor had the Hearing Officer failed to take into account the nature of Causeway's business. He had clearly considered the fact that customers would take care with the purchase of Causeway's products or services, which would reduce the likelihood of misrepresentation. He had also held that the services in the TRADOCS registration would be purchased with care and not on impulse.

TL further argued that the Hearing Officer had erred in failing to consider that the best evidence of normal and fair use of TRADOCS was evidence of how it had been used prior to the relevant date. The Appointed Person found that the Hearing Officer was correct to consider normal and fair use of TRADOCS in relation to the full range of services in its specification.

The Hearing Officer had found that neither of the marks at issue was descriptive and that the average consumer would not "indulge in a

respect of a discrete part of its specification, whereas the Hearing Officer was (correctly) considering the possibility of misrepresentation if the mark was used across the whole of its specification.

The Appointed Person therefore rejected the appeal.

Second ground

TL's second ground of appeal related to the Hearing Officer's conclusion that the mark should be invalidated in its entirety and could not be saved by a more limited specification. TL had not made any proposals for an amended specification, but it had requested at the hearing that the Hearing Officer put forward an acceptable limited specification should the invalidity application succeed.

The Hearing Officer concluded, on the basis of *Koninklijke KPN Nederland NV v Benelux Merkenbureau* (C-363/99, Postkantoor), that a limitation excluding a particular characteristic would be contrary to law. He further could not envisage any specification

The Appointed Person noted that it was not apparent that the Hearing Officer had considered the impact of the TPN. Based on his findings, it was likely that he would have rejected approaches (1) and (2) as inappropriate in this case. However, he should have addressed whether there was potential to reformulate the specification by reference not just to Postkantoor but also the TPN.

The Appointed Person did, however, have sympathy for Causeway's submissions that it might not be possible to produce a workable narrowed specification in this case.

In the circumstances, the Appointed Person deferred a decision as to whether to remit the case to the Registry subject to the parties making written submissions in relation to an amended specification.

Practical impact

The decision is a useful reminder that it is necessary to consider whether use of the mark in relation to the full range of goods or services in a specification could have been prevented by a passing-off action. It further underlines that Hearing Officers should consider the potential for reformulating the specification pursuant to TPN 1/2012 and invite submissions from the parties as to an appropriate limitation in those cases where a blue line deletion or "save for" exclusion will not suffice, but where there is real practical scope to give effect to Article 13. ■

'The decision is a useful reminder that it is necessary to consider whether use of the mark in relation to the full range of goods or services in a specification could have been prevented by a passing-off action'

philological analysis" to discern any descriptive element in them. The Appointed Person found some justification in TL's argument that the Hearing Officer had erred in making this finding, stating that he may have "over-estimated" the amount of analysis that the average consumer would need to undertake to discern the descriptive elements of the marks. However, while the Appointed Person agreed that both marks had a descriptive element, they were not so plainly descriptive that the Hearing Officer made an error in deciding that the marks amounted to invented words. In particular, the Hearing Officer was right to distinguish the case of Office Cleaning, which concerned utterly descriptive marks.

The Appointed Person also rejected TL's contention that the Hearing Officer had wrongly failed to take into account a lack of evidence of actual customer confusion. First, there had, in fact, been little parallel trading between the parties prior to the relevant date, and second, the TRADOCS mark had only been used in

that would avoid the finding of misrepresentation.

The Appointed Person referred to Article 13 of First Council Directive 89/104, which provides that "where grounds for... invalidity of a trade mark exist in respect of only some of the... services for which that trade mark has been applied for or registered... invalidity shall cover those goods or services only", and the guidance in Tribunal Practice Notice 1/2011 (the "TPN"), now replaced by TPN 1/2012. The TPN sets out three possible approaches a Hearing Officer may apply in the case of a defended invalidity action: (1) a "blue pencil" partial deletion; (2) qualification of the specification by adding the words "save for" followed by the goods or services to be removed; or (3) indicating the extent to which the proceedings succeed in the Hearing Officer's own words and inviting submissions from the parties as to appropriate wording for a narrower specification, provided that there is real practical scope to give effect to Article 13.

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Case in point: [2012] EWCA Civ 1339 and [2012] EWCA Civ 1430, Samsung Electronics (UK) Limited v Apple Inc, Court of Appeal, 18 October 2012

Apple approach not appreciated

Siding with Samsung in this appeal, the court showed its disapproval of Apple's handling of a public declaration. George Sevier brings us up to date

In 18 October 2012, the Court of Appeal unanimously upheld the High Court's decision of 9 July that the designs of three Samsung Galaxy tablet computers did not infringe Apple's registered Community designs relating to its iPad and the High Court's judgment publication order. The parties returned to the Court of Appeal two weeks later, where the Court insisted on strict compliance with the purpose of the publication order and forced Apple to keep the notice published for an even longer period.

These decisions of the Court of Appeal highlight the continued relatively narrow scope being given by English courts to design registrations, and the need for strict compliance with court orders.

Long-running fight

The dispute concerning Apple's Community-registered design for its iPad began with legal proceedings issued by Apple against Samsung Electronics (UK) Limited ("Samsung") in Germany and the Netherlands. In the UK, Samsung sought a declaration of non-infringement in relation to its Galaxy tablet computers. Apple counterclaimed for infringement of its registered Community design number 000181607-0001 and the matter proceeded to the High Court. Invalidation proceedings were subsequently brought by Samsung before OHIM in respect of Apple's registered Community design and remain ongoing.

Apple applied for a stay of Samsung's claim for a declaration

of non-infringement and of its own counterclaim in the UK courts pending the outcome of validity proceedings at OHIM, but this was not granted. The OHIM proceedings did not require Samsung's claim for a declaration of non-infringement to be stayed and there were special grounds not to stay the infringement counterclaim.

High Court decision

Article 10 of the Community Design Regulation (EC 6/2002) sets out the scope of protection conferred by a Community design. It fell to HHJ Birss QC (sitting as a Deputy Judge of the High Court) to ascertain whether the design of the Galaxy tablets produced a different overall impression on the informed user. If it did not, then the



design would fall within the scope of protection conferred by Apple's registered Community design and amount to an infringement of that right. In assessing the scope of protection, the degree of freedom of the designer in developing the design is taken into consideration. The designs are assessed from the perspective of the informed user, who, in this case, was deemed to be a user of handheld tablet computers.

HHJ Birss QC emphasised the need to consider the visual aspects of Apple's registered Community design, the allegedly infringing product and the existing design corpus. The Judge concluded that the Samsung Galaxy tablet as a whole produced a different overall impression on the informed user from that produced by Apple's design registration. Despite a similar front view, differences in the sides and back of the Galaxy, including its thinness, created a different overall impression from the registered design. The Judge considered that there was an element of design freedom so far as ornamentation, the rim and the overall shape were concerned. As readers of the *ITMA Review* may remember, the Judge simply stated that Samsung's designs "do not have the same understated and extreme simplicity which is possessed by the Apple design", and they were "not as cool".

Court of Appeal decision

The Court of Appeal, comprising Longmore LJ, Kitchin LJ and Sir Robin Jacob, upheld the decision of HHJ Birss QC and found there to have been no error of law. Apple challenged the High Court Judge's approach to several aspects. Sir Robin, providing the main judgment, reiterated that: "The issue is simply whether the accused design is too close to the registered design according to the tests laid down in the law... It is not about whether Samsung copied Apple's iPad." Ultimately, the Court of Appeal agreed with the High Court's findings. Sir Robin concluded that: "If the registered design has a scope as wide as Apple contends, it would foreclose much of the market for tablet computers. Alterations in thickness, curvature of the sides, embellishment and so on would not escape its grasp. Legitimate competition by different designs would be stifled."

Apple submitted that the informed user would know and expect that advances in technology would enable

thinner tablet computers to evolve. Sir Robin disagreed with Apple, on the grounds that: (i) a Community-registered design covers the design as registered, not any future variant; and (ii) if the informed user would expect technology to produce thinner tablets, then similarly, so would Apple. Consequently, the informed user would view the thickness set out in the design as registered to be a deliberately chosen feature.

Apple also argued that the Judge had taken account of the fact that the Galaxy products had the Samsung trade mark on both the front and back. Sir Robin said that the Judge was merely considering that the front face of the Samsung product had, in HHJ Birss QC's words, "a small degree of ornamentation", whereas the Apple design registration sets out a flat, unornamented surface as a key feature. Sir Robin felt that little turned on this. An informed user would give the slight ornamentation on the Galaxy tablet (comprising a trade mark plus speaker grill and camera hole) appropriate weight, which would be slight in the overall assessment. The same applied to the trade mark on the back of the Samsung products.

Publication order

Following the High Court decision, Samsung sought an order for publication of a notice on the homepage of Apple's website and in national newspapers stating that its Galaxy tablet did not infringe Apple's Community-registered design. Samsung argued that Apple's continued assertion that Samsung had copied its design was causing commercial damage, and wanted publicity of the judgment to correct the public mindset. Article 15 of the Enforcement Directive refers to publication orders being made against infringers. Here, Samsung had achieved a declaration of non-infringement, which is not addressed by the Enforcement Directive, and HHJ Birss QC granted the publication order under his wider powers under section 37 of the Senior Courts Act 1981, saying: "The more frequently and the more loudly an IP-rights holder has asserted infringement, the more useful it is to have a clear public statement to the contrary." Apple appealed, and the publication order was stayed pending the outcome of the September Court of Appeal hearing.

In the September hearing, Apple challenged the publication order. The

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Court of Appeal refused this appeal, citing the need to dispel commercial uncertainty brought about by the publicity that the case attracted and the decision of a German court to grant a pan-European injunction following the High Court's earlier decision. The form of the notice was amended to confirm that there is no injunction in respect of the registered design in force anywhere in Europe.

Apple duly published the notice via a link on its homepage, but interspersed it with HHJ Birss QC's "not as cool" quote and comment on Apple's legal successes before courts in other jurisdictions. In Samsung's eyes, the effect of this was that the purpose of the publication (ie to dispel the commercial uncertainty) was undermined, and Apple had not properly complied with the publication order. In a further Court of Appeal hearing on 1 November 2012, the Court, criticising Apple's approach to compliance with the publication order, clarified what the order demanded of Apple and required that the notice be available on Apple's UK homepage until 15 December 2012. The Court also ordered that Apple pay Samsung's costs on an indemnity basis (that is, higher than the standard basis), as a mark of the Court's disapproval of Apple's approach. ■

Case in point: [2012] EWPCC 42, Mainetti (UK) Ltd v Hangerlogic UK Ltd, Patents County Court, Iain Purvis QC, 24 October 2012



Hangerlogic left hanging

Design decision leaves one leading hanger maker on the hook, writes Aaron Wood

Often, design cases relate to exciting, vibrant products that are “cool”. This one relates to clothes hangers, an item that one barely thinks about in many instances, but that clearly has importance in the look and feel of retail environments. Some may wonder whether there can be any useful IP Rights in a hanger; wonder no more.

The dispute related to the design of three clothes hangers – one a “clip” hanger, one for jackets and one for tops – for which Mainetti was the owner of three UK registered designs.

These dated back to 1999, prior to the implementation of the Designs Directive. As such, their validity was to be assessed according to the provisions under the Registered Designs Act 1949.

The case brought together two actions: the first was for infringement of the registered designs by Hangerlogic; the second an application for a declaration of non-infringement of the designs by amended articles, which was brought at a late stage by Hangerlogic. In the first instance, Hangerlogic counterclaimed for a declaration that the designs were

invalid; in the second, Mainetti counterclaimed for a declaration that the amended articles were infringements of the registered designs.

Two tests

Iain Purvis QC, acting as a recorder in the Patents County Court, began by outlining the two tests involved, as follows:

On validity

The design was not new if: (i) it is the same as a design registered in respect of the same or any other article in pursuance of a prior application; or (ii) published in the UK in respect of the same or any other article before the date of the application, or if it differs from such design only in immaterial details or in features that are variants commonly used in the trade.

On infringement

The scope of protection conferred by a design right shall include any design that does not produce on the informed user a different overall impression. In assessing the scope of protection, the

degree of freedom of the designer in developing their design shall be taken into consideration.

Issues with experts

Purvis QC underlined the position on expert evidence and its use in cases of design infringement:

- 1) it may assist in pointing out technical matters that the ordinary observer may not note, and can address limitations on design freedom caused by technical or manufacturing considerations;
- 2) where the informed user is not the general public, it may identify the informed user and the characteristics they would be interested in;
- 3) it may explain the design corpus as existed before the design in issue; and
- 4) though not necessary, it may present straightforward comparisons in the designs in issue.

Purvis QC then went on to criticise the expert evidence for exceeding these boundaries and commenting on irrelevant issues, such as the comment that “intellectual property is taken seriously [by the Claimant]”.

Validity considerations

Purvis QC expressed surprise that so many pieces of prior art were selected – in his view a “best case” should have been selected. Turning to the designs individually he noted:

- 1) In relation to the “clip” hanger, the registered designs had a rounded neck to the hanger, a “rail” on which the clips were placed that extended the full length of the hanger and clips with oval thumb recesses. These were not present in the citations and there was no evidence that they were common variants.

- 2) In relation to the jacket hanger, there was a fully rounded neck, which blended into the arms with a wide radius. The citations had flat necks and sharp angles to the arms. This difference was sufficiently material to dispose of the validity challenge.
- 3) In relation to the top hanger, again there was the rounded and blended neck and wide arms, this time together with ridges on the arms and “underlegs”. While the citations separately had some of these features, none had all of them and a similar smooth effect.

Infringement tests

Purvis QC set out the relevant tests from the case law on infringement of registered designs – taking in *PepsiCo v Grupo Promer (C-281/10P)*, *Shenzen v OHIM (T-153/08)*, *Dyson Limited v Vax Limited [2012] FSR 4* and *[2010] FSR 39*, and *Samsung Electronics (UK) Limited v Apple Inc [2012] EWHC 1882* at pages 11–13 of the decision. I recommend that you keep a copy of these at hand, as it is likely that this will become a repeated passage in the same way that the UKIPO has a boilerplate in trade mark opposition cases regarding likelihood of confusion.

Purvis QC concluded that there was very wide design freedom within the technical borders of a clothes hanger – there was support for this from Mainetti’s catalogue and its expert’s report. He concluded that the common features were strikingly unique, but their specific execution and combination created a distinct and recognisable move beyond the design corpus at the time of the application.

The informed user was deemed to be buyers in retail environments, who

would be sensitive to design differences and discerning as to the appearance of a hanger. It became clear from Hangerlogic’s evidence that its products were designed to be interchangeable with Mainetti’s, since retailers would want uniformity of appearance. The fact retailers would choose Hangerlogic products on the basis that they seemed so interchangeable with Mainetti’s – that consumers would not tell the difference – was deemed to be a factor to be considered. If the design made them interchangeable, this clearly pointed to the fact that they gave the same overall impression.

Purvis QC then considered the product relevant to the registrations in detail, using the line drawings of the registration as an overlay to images of the alleged infringements (see left). Despite noting differences, Purvis QC considered that each of the articles complained of (both the originals and the redesigned products) were infringements of the registrations.

Practice points

Legally, the case did not reveal any new points. From the point of view of a practitioner, however, it did suggest some interesting practice points, namely the use of the Claimant’s catalogues to underline the design freedom in the sector concerned and the use of the line drawings as overlays to enable straightforward comparison of the articles complained of to the designs. ■

ABOUT THE AUTHOR

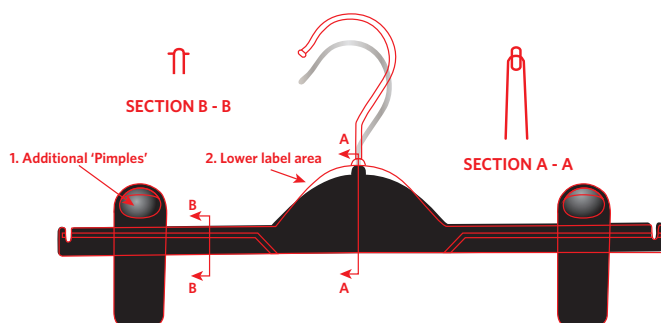


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Designs in dispute

Photo of one of the Hangerlogic designs with a Mainetti design overlaid



On the defensive

Patricia Collis finds the court's answers unsurprising in this decision on differing elements, defensive marks and genuine use

With this decision, the Court of Justice of the EU (CJEU) has provided answers to questions referred to it by a German court regarding genuine use of a trade mark, where that use differs from the mark as registered, and the form of use is itself separately registered as a trade mark. The situation regarding genuine use for defensive trade marks was also considered.

The facts

The reference was made in proceedings between two individuals, Bernhard Rintisch and Klaus Eder. Rintisch was the proprietor of German national trade mark registrations for the word marks PROTI (registered in 1997) and PROTIPLUS (registered in 1996), as well as the stylised word mark PROTI POWER (registered in 1997), shown below.

These marks were all registered for, among other things, protein-based products. Eder was the proprietor of a German national registration (filed in 2002 and registered in 2003) for the word mark PROTIFIT, covering food supplements, vitamin preparations and dietetic foodstuffs.

Rintisch brought an action seeking consent from Eder to cancellation of the Protifit trade mark, and prohibition of use of that trade mark. His claims were based primarily on the mark PROTI

and, in the alternative, on the marks PROTIPLUS and PROTI POWER. He also sought an order for compensation for damage.

Eder contended that Rintisch had failed to use the trade mark PROTI, with Rintisch claiming that by using the marks PROTIPLUS and PROTI POWER he had made use of the mark PROTI. Rintisch's claims were rejected at first instance and again on appeal, after which he appealed to the Bundesgerichtshof (Federal Court of Justice) on a point of law.

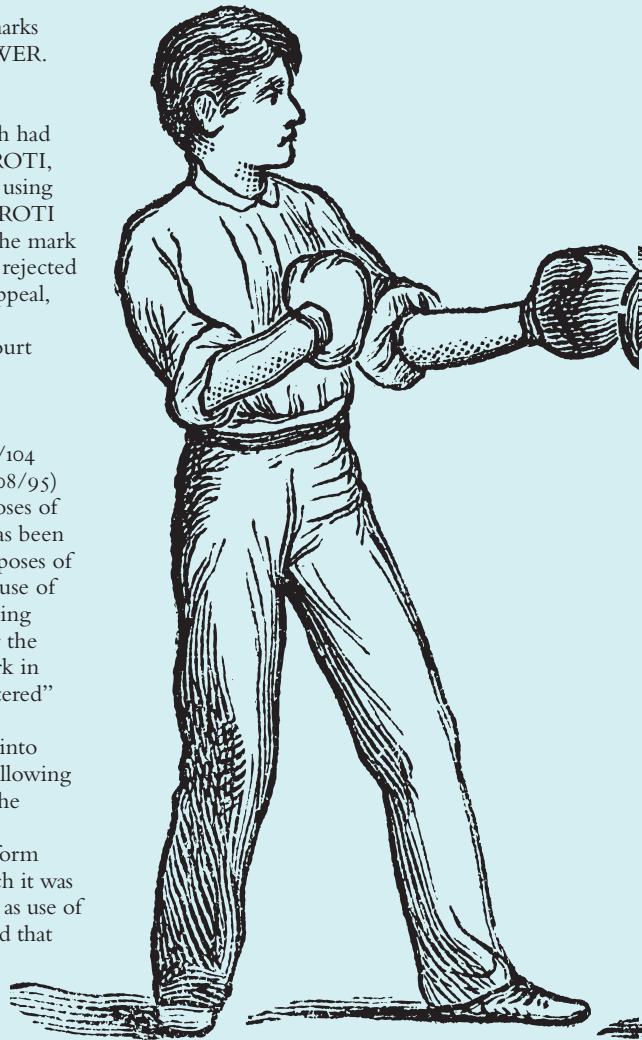
Relevant provisions

Article 10(2)(a) of Directive 89/104 (now replaced by Directive 2008/95) clearly states that, for the purposes of considering whether a mark has been put to genuine use for the purposes of Article 19(1) of that Directive, "use of the trade mark in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered" is sufficient.

This provision is transposed into German national law by the following provision (paragraph 26(3) of the "MarkenG"):

"Use of the trade mark in a form different from the form in which it was registered shall also be regarded as use of a registered trade mark, provided that the differences do not alter the distinctive character of the mark. The first sentence must also be applied if the trade mark is also registered in the form in which it has been used."

The Bundesgerichtshof sought guidance from the CJEU as to whether, and in what circumstances, the second

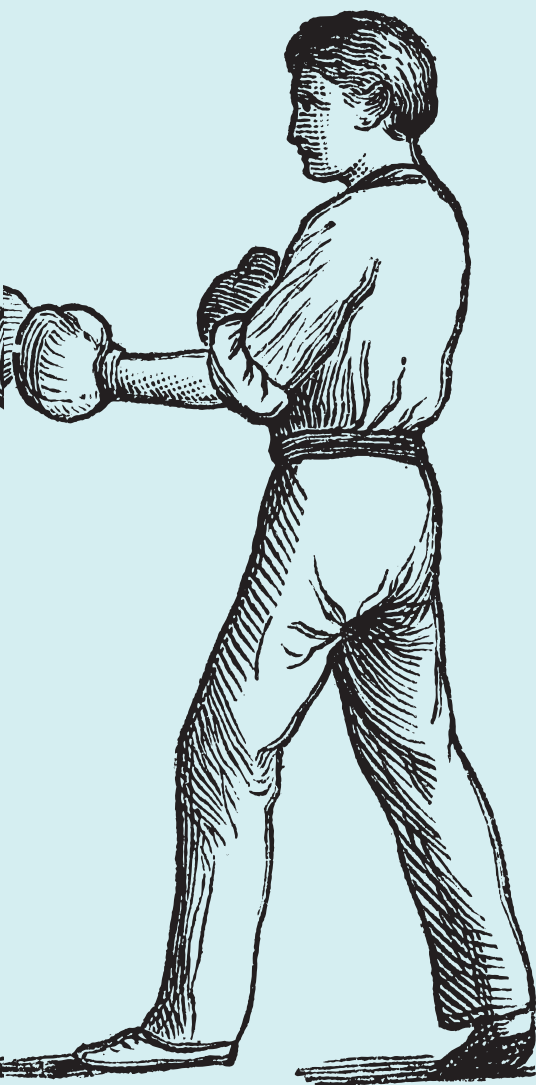


Contested mark

The PROTI POWER mark was registered in 1997.

**Proti
Power**

‘The use of one trade mark cannot be relied on to prove the use of another trade mark where the aim is to establish use of a sufficient number of trade marks of a single family’



sentence of this provision is consistent with Articles 10(1) and 10(2)(a) of Directive 89/104. Three separate questions were referred, with the third question split into two parts.

Questions 1 and 3, point (a)

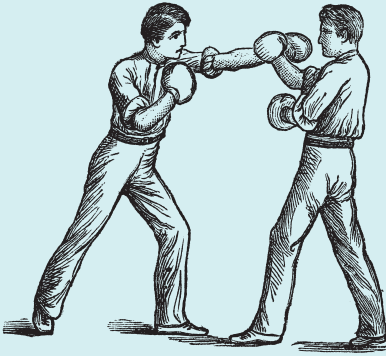
The CJEU felt that these questions essentially asked whether Article 10(2)(a) must be interpreted as meaning that the proprietor of a registered trade mark trying to establish use of that mark is precluded from relying on the fact that it is used in a form that differs from the form in which it was registered, without the differences between the two forms altering the distinctive character of that trade mark, even though that different form is itself registered as a trade mark.

The Court was of the view that there is nothing in the wording of Article 10(2)(a) to suggest that the different form in which the trade mark is used cannot itself be registered as a trade mark, pointing out that the purpose of Article 10(2)(a) is to allow the proprietor of the mark, in the commercial exploitation of the sign, to make variations of the sign, which, without altering its distinctive character, enable it to be better adapted to the marketing and promotion requirements of the goods or services concerned. The Court felt that that purpose would be jeopardised if, to establish use of the registered trade mark, an additional condition had to be met, whereby the different form in which the mark was used should not itself have been registered as a trade mark. The Court considered that this view was consistent with the corresponding provision of the Paris Convention (Article 5C(2)).

In that case, the Court also pointed out that this interpretation was not at

variance with the interpretation resulting from the judgment in *Il Ponti Finanziaria v OHIM* (specifically mentioned by the referring court), which concerned a dispute in which one party invoked the protection of a “family” or “series” of similar trade marks, for the purposes of assessing the likelihood of confusion with a trade mark whose registration was sought. In that case, the Court held that for there to be a likelihood that the public may be mistaken as to whether the trade mark applied for belongs to a “family” or “series”, the earlier trade marks that are part of that “family” or “series” must be present on the market. The Court emphasised that it is in that particular context of a claim that there is a “family” or “series” of trade marks that the statement in *Il Ponti Finanziaria v OHIM* should be understood, according to which it is not possible, under Article 15(2)(a) of Directive 89/104, to extend, by means of proof of use, the protection enjoyed by a registered trade mark to another registered mark, the use of which has not been established on the ground that the latter is merely a slight variation on the former. The use of one trade mark cannot be relied on to prove the use of another trade mark where the aim is to establish use of a sufficient number of trade marks of a single family.

The Court therefore stated that the answer to the first question and to part (a) of the third question is that: “Article 10(2)(a) of Directive 89/104 must be interpreted as meaning that the proprietor of a registered trade mark is not precluded from relying, to establish use of the trade mark for the purposes of that provision, on the fact that it is used in a form that differs from the form



in which it was registered, without the differences between the two forms altering the distinctive character of that trade mark, even though that different form is itself registered as a trade mark.”

Question 2

The CJEU felt that the referring court was essentially asking whether Article 10(2)(a) must be interpreted as precluding an interpretation of the national provision intended to transpose it into domestic law where that interpretation meant that Article 10(2)(a) does not apply to a defensive trade mark that is registered only to secure or expand the protection of another registered trade mark that is registered in the form in which it is used.

It was found that there were no grounds for interpreting Article 10(2)(a) in such a way that it would be inapplicable to a case such as that involving a defensive mark. The Court felt that the subjective intention prevailing when it is sought to register a trade mark is wholly irrelevant for the purpose of applying that provision and, in this respect, there is no basis in Directive 89/104 or in any other provisions of European law for a concept of defensive trade marks to which that provision does not apply.

The Court therefore stated that the answer to the second question is that Article 10(2)(a) must be interpreted as precluding an interpretation of the national provision intended to transpose it into domestic law whereby Article 10(2)(a) does not apply to a defensive trade mark that is registered only to secure or expand the protection of another registered trade mark that is registered in the form in which it is used.

Question 3, point (b)

The Court felt that in asking this sub-question the referring court was

seeking, in essence, to ascertain in what circumstances a judgment of the Court, such as the judgment in *Il Ponti Finanziaria v OHIM*, should take effect, in some or all respects, only after the date on which it was delivered.

While Question 2 was answered in the negative, meaning that a response was requested to Question 3, point (b), the CJEU felt that this particular sub-question was based on the assumption that there is a conflict between a national provision, namely the second sentence of paragraph 26(3) of the MarkenG, and a provision of a directive, in this instance Article 10(1) and (2)(a) of Directive 89/104. As neither the answer to the first question and point (a) of the third question, nor the answer to the second question coincided with that assumption, the Court felt that there was no need to answer point (b) of the third question, and declined to do so.

Practical reply

Although many would have presumed that, in considering whether the use made of a mark is sufficient to support a registration for a slightly different version of that mark, the key issue is whether the differences are in elements that alter the distinctive character of the mark and that the fact that the form of use is separately registered as a trade mark is irrelevant, it is useful to have a clear statement on this point from the CJEU. The comments on defensive registrations are also unsurprising but useful. However, it is slightly disappointing that question 3, part (b), was not also answered, although this is also unsurprising given the more general nature of this query (and thus the potentially more far-reaching consequences of providing an answer) and the fact that an answer was not required to address the key concerns. ■

‘Although many would have presumed that the key issue is whether the differences are in elements that alter the distinctive character of the mark and that the fact that the form of use is separately registered as a trade mark is irrelevant, it is useful to have a clear statement on this point’

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Case in point: [2012] EWHC 3074 (Ch), Starbucks (HK) Limited and others v British Sky Broadcasting Limited and others, High Court, 2 November 2012



What's new on NOW?

Nicole Giblin explains why the High Court said no to the validity of Starbucks' CTM Registration for NOW

On 2 November 2012, Arnold J handed down his expedited decision at the High Court in relation to the heated battle between Starbucks (HK) Limited ("Starbucks") and British Sky Broadcasting Limited ("Sky") over Sky's use of the trade mark NOW TV for telecommunication services in class 38. Starbucks' earlier Community Trade Mark (CTM) registration for NOW was deemed to be invalid on the grounds that it was not inherently distinctive and, even if the mark was valid, Sky's actions did not amount to infringement and/or passing off.

Earlier action

In 2008, Starbucks successfully registered NOW as a CTM covering a range of telecommunication goods and services in classes 9, 35, 38, 41 and 42. However, in early 2012 Sky launched a new on-demand television subscription service under the name NOW TV and Starbucks issued a letter before action, threatening trade mark infringement and passing-off proceedings. Sky retaliated by filing an invalidity action at OHIM, but its request for the proceedings to be stayed under Article 104(i) of the Council Regulation (EC) 207/2009 (CTM Regulation) was refused in Arnold J's judgment of 29 June 2012 (see *ITMA Review*, October/November 2012, page 29). The High Court judgment was handed down on 2 November 2012 and addressed the following issues:

1. Validity of Starbucks' CTM registration for NOW

Sky claimed that Starbucks' CTM registration for NOW (Device) was invalid under Article 7(i)(b) and (c) of the CTM Regulation. In support of this argument, Sky claimed that the word NOW is descriptive and is commonly used in relation to class 38 services. Sky cited several examples of such use including NOW WIRELESS, NOW MOVIES and NOW MOBILE.

In his decision, Arnold J stated that the context was important, and in the context of on-demand television subscription services NOW would be understood by the average consumer as being an immediate indication of the characteristics of the services in question. Although the trade mark featured a small degree of stylisation, this was insufficient to support the claim that the trade mark possessed the necessary degree of distinctive character required for registration.

Arnold J concluded that Starbucks' registration was descriptive in nature, and therefore precluded from registration under Article 7(i)(c). Even if the figurative elements were taken into consideration, the trade mark would still lack distinctive character under Article 7(i)(b).

2. Infringement of NOW under Article 9(1)(b) and Sky's defence under Article 12(b)

In view of Arnold J's decision that Starbucks' trade mark was invalid, the matter of infringement by Sky was dealt with briefly and concisely in paragraphs 120-121. Arnold J stated that if Starbucks' registration was valid by virtue of the figurative elements alone, the fact that Sky's use of NOW TV did not include similar figurative elements meant that Sky had not infringed Starbucks' registration.

However, had Starbucks' registration been valid and enforceable, and if the word "NOW" had been considered to be distinctive, the use of the identical word "NOW" as part of NOW TV by Sky, for identical services, would have constituted trade mark infringement under Article 9(i)(b).

In any event, Sky had claimed that its use of NOW TV was nominative and therefore within the scope of the defence set out in Article 12(b). Sky argued that its use of NOW as part of NOW TV was "in accordance with honest practices", citing *Samuel Smith Old Brewery (Tadcaster) v Lee* [2011]

ABOUT THE AUTHOR



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EWHC 1879 (Ch). Arnold J stated that had Starbucks' registration been valid, Sky's defence would have failed, as the evidence submitted in the case showed that Sky was aware of Starbucks' registration, such that its actions to exploit NOW TV "amounted to unfair competition and not use in accordance with honest practices".

3. Passing off

Finally, Starbucks claimed that Sky's use of NOW TV amounted to passing off. Arnold J considered whether Starbucks had the necessary degree of goodwill and whether there had been a misrepresentation by SKY resulting in damage. Arnold J considered that while Starbucks may have goodwill in the NOW (Device) in Hong Kong, the goodwill was only marginal in the UK and was not protectable by law. As such, Starbucks' claim of passing off was rejected for not being able to meet the first of the classic trinity criteria.

As yet, it is unknown whether Starbucks will appeal the decision. ■

ITMA events

More details can be found at itma.org.uk



ITMA Evening Meetings continue this year
at the RCS in London and across the UK

Date	Event	Location	CPD hrs
22 February	ITMA Trade Mark Administrators' Seminar	Marks & Clerk LLP, London	
26 February	ITMA London Evening Meeting* The role of surveys in the IPO, and court proceedings - a consideration of Interflora Jeremy Dickerson, Burges Salmon	Royal College of Surgeons, London	1
18-19 March	PTMG Conference	Hamburg, Germany	
20 March	ITMA Welcome Drinks Reception*	Albannach, London	
20-22 March	ITMA Spring Conference*	8 Northumberland Avenue, London	9
21 March	ITMA Gala Dinner and Drinks Reception*	8 Northumberland Avenue, London	
16 April	ITMA CIPA Designs Practice Day	CIPA Hall, London	
30 April	ITMA London Evening Meeting*	Royal College of Surgeons, London	1
4-8 May	INTA Annual Meeting	Dallas, Texas, US	
21 May	ITMA London Evening Meeting*	Royal College of Surgeons, London	1
19-22 June	ECTA Annual Conference	Bucharest, Romania	
25 June	ITMA London Evening Meeting*	Royal College of Surgeons, London	1
9 July	ITMA Summer Reception	Stationer's Hall, London	
23 July	ITMA London Evening Meeting*	Royal College of Surgeons, London	1
17-20 September	Marques Annual Conference	Monte Carlo, Monaco	
24 September	ITMA London Evening Meeting*	Royal College of Surgeons, London	1
29 October	ITMA London Evening Meeting*	Royal College of Surgeons, London	1
26 November	ITMA London Evening Meeting*	Royal College of Surgeons, London	1

TRADE MARK FOR SALE

Trade mark name: The 5th Emergency Service

Trade mark number: 2352872

Class: 37 – Provision of drain cleaning services

Expiry date: 2014-01-07

Relevant country: United Kingdom

To find out more please contact:
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