

CITMA REVIEW

ISSUE 444

SEPTEMBER 2018

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**BUILD.
BALANCE.
TRUST.**

*Why it's crucial that
IP strategy fits with
corporate values*



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WELCOME & CONTENTS



Tania Clark
CITMA President

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It was a privilege to address attendees for the first time in my role as President



this issue, I hope you will enjoy – among the other topical content – coverage of the CITMA Summer Reception in July. It was my privilege at that event to address attendees for

the first time in my role as President. I spoke on a few important topics, including Brexit, IP Inclusive and IP Pro Bono.

It was a perfect opportunity to thank those whose tireless work makes our organisation so effective for members, including past Presidents, Officers and the CITMA HQ team.

We also have reason to thank all of those who participate in our working groups, and those whose contributions to our publications – including the authors in this issue of the *CITMA Review* – make them so informative and enjoyable.

CITMA CONTACTS

General enquiries
CITMA, 5th Floor,
Outer Temple, 222–225 Strand,
London WC2R 1BA
tm@citma.org.uk
Tel: 020 7101 6090

COMMITTEE CHAIRS

Education Policy & Development
Mark Bearfoot
markbearfoot@pvh.com

Executive

Kate O'Rourke
kate.o'rourke@crsblaw.com

Events

Maggie Ramage
maggie.amage@edwincoe.com

Law & Practice

Rachel Wilkinson-Duffy
rachel.wilkinson-duffy
@bakermckenzie.com

Publications & Communications

Richard Hayward
richard@citma.org.uk

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London NW1 5DH Tel: 020 3771 7200
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Editor Caitlin Mackesy Davies

Managing Editor Mike Hine

Group Art Director Darren Endicott

Advertising Tony Hopkins
tony.hopkins@thinkpublishing.co.uk

Managing Director Polly Arnold

Account Director Andrew Tkaczyk

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**BOOK
BY 1ST
NOVEMBER**

RIGHTS AND RESOLUTION

Don't miss our Autumn Conference, which will offer an exciting programme of education and networking opportunities

The 2018 CITMA Autumn Conference in Birmingham promises to be a great day of continuing professional development sessions and networking. With a focus on “Relative disharmony – earlier rights and resolving conflicts”, the event will offer an exciting range of speakers who will provide a comprehensive education on a variety of topics.

Not only will you gain valuable knowledge, but also, during the breaks, you will be able to make full use of our breakout areas to network with IP professionals from across the UK's key business regions.

LARGER VENUE

Our move to the world-class International Convention Centre allows us to accommodate a larger audience, as well as enjoying more breakout space, all right in the centre of Birmingham. This contemporary, purpose-built conference and exhibition centre incorporates Symphony Hall and is five minutes' walk from the Mailbox and Bullring shopping centres, as well as Broad Street and Brindleyplace. To make it even easier to travel to the event, a 25 per cent discount is available for attendees arriving via Virgin Trains.

SPEAKER LINEUP

The Autumn Conference will be chaired by Tania Clark, CITMA President, and Richard Goddard, CITMA First Vice-President, and will feature a variety of expert speakers, including:

- Ese Akpogheneta, Nucleus IP;
- Leanne Hall, Serjeants;
- Peter Brownlow, Bird & Bird;
- Roland Mallinson, Taylor Wessing;
- James St Ville, 8 New Square;
- Amanda Michaels, Hogarth Chambers;
- Kelly Clarke, CMS; and
- Bonita Trimmer, Browne Jacobson.

FAST FACTS	WHEN: 8th November 2018, 10am–7pm	COST INCLUDES: Entry to all sessions; presentation slides post-event; delegate pack; tea and coffee breaks; buffet lunch; drinks reception and canapés	CPD HOURS EARNED: 5
	WHERE: International Convention Centre, Birmingham		FIND OUT MORE AT: citma.org.uk/events

UK APPLICATIONS HIT NEW HIGHS

Trade mark and design applications have reached record levels

The UK IPO's Trends at UK Intellectual Property Office 1995–2017 report, published in July, revealed that UK trade mark and design applications have hit record highs.

The report found that the total number of trade mark applications in 2017 was over double that of 1995. It also revealed that trade mark applications grew by 30 per cent between 2016 and 2017 alone.

The report brings together 22 years of IPO data from patent, trade mark and design applications, publications, and grants. Moving forward, the research will be updated annually, with a focus on trends in the number of applications, filing routes, and residency and type of applications.

The key trade mark and design findings of this first report are detailed on this page. →

13%

Between 2010 and 2017, trade mark applications grew with an average compound annual growth of almost 13 per cent, with a growth of almost 30 per cent between 2016 and 2017.

29%

Trade mark registrations filed through the Madrid Protocol peaked in 2001, making up 29 per cent of all registrations that year.

The total number of trade mark applications in 2017 was more than double the number recorded in 1995

The rise in applications has been driven by applications from UK residents. Registered trade marks from non-UK residents have remained relatively stable over recent years.

MEMBER MOVE

MARK DEVANEY

has joined Clyde & Co's Dubai office as a Partner and is responsible for the trade mark registration practice. Mark can be contacted at mark.devaney@clydeco.com



CONSIDERING A CAREER MOVE?

Visit the CITMA jobs board at citma.org.uk/jobs_board

"Advertising; business management; business administration" made up the largest share of registrations in 2017 (over 9 per cent). "Tobacco, raw or manufactured; smokers' articles, matches" had the largest average yearly compound growth from 2007–2017 (over 14 per cent).

Applications for designs from non-UK residents have dramatically declined since 1995, most likely due to the option to file a registered community design at EUIPO becoming available in 2003, which gave applicants the option to seek EU-wide protection.

Design applications at the IPO have increased greatly since 2014 and, in 2016, reached the greatest number since 1995.

The number of design applications in 2017 was almost double that of 2016

Designs that are classified as "Graphic symbols and logos" have seen the greatest rate of growth in applications since 2007.

Summer Reception

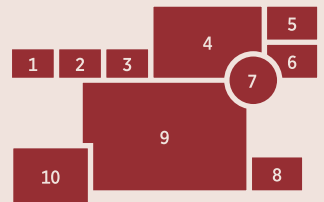
SUMMER IN THE CITY

Members beat the seasonal heat at our annual networking event



CITMA welcomed 200 guests to our Summer Reception on 4th July, held at central London's Refinery Bar. Attendees were addressed by CITMA President Tania Clark, who used the occasion to set out her vision for CITMA over the next 20 months. Diversity, international cooperation and Brexit were among the key topics she discussed.





KEY TO IMAGES

1. CITMA Chief Executive Keven Bader deep in conversation
2. David Crouch (Bromhead Johnson), Mark Finn (EMW Law) and Marine Body (Bromhead Johnson)
3. Tom Lingard (Stevens & Bolton), Chris Williams and Ben Evans (Blake Morgan)
4. CITMA President Tania Clark welcomes members
5. Leanne Gulliver (Osborne Clarke), Jurgita Oleskeviciute (J A Kemp) and Leah Musana (Charles Russell Speechlys)
6. Allison Petts (Novagraaf) and Catherine French (Sacco Mann)
7. Chloe Beisley (Charles Russell Speechlys) greeted by Jacqueline Mullen (Lewis Silkin)
8. Mark Foreman (Osborne Clarke), Ilse Van Haaren and Aman Gata-Aura (CompuMark)
9. Mingling in the Refinery Bar
10. Stephen Jones (CIPA President), Rachel Wilkinson-Duffy (CITMA Second Vice-President and Treasurer), Tania Clark, Julia Florence (CIPA Vice-President) and Richard Goddard (CITMA First-Vice President)



SEE A FULL PICTURE GALLERY AT bit.ly/CITMAflickr

BUILD. BALANCE. TRUST.

Sharon Mackison follows her Glasgow lecture with an in-depth look at the close link between IP and ideology

Today, terms such as “core values”, “company culture” and “mission statement” have become part of the everyday vocabulary in the business world. For companies, there is an increasing impetus to bridge the gap between internal values and external reputation, and to provide differentiation among the competition. Corporate values dictate how a company behaves, define its culture and shape its decision-making processes. But does having a clear set of values really have an impact in terms of overall business success?

Recent studies suggest that company values impact both internal aspects of a company’s success, such as the ability to attract talent and engage and retain employees, and its external success, such as its ability to attract and retain customers and maintain its brand reputation.

For example, research shows that:

- staff turnover can be reduced by 50 per cent by implementing corporate responsibility effectively;¹

- 75 per cent of millennials say they would take a pay cut to work for a more responsible company;² and
- 82 per cent of millennials whose current organisation’s values align with their own reported an intention to stay with that organisation for more than five years.³

When it comes to attracting and retaining customers, as well as maintaining brand reputation, there is evidence to suggest that company values have a big impact on overall business success. In the *2018 Edelman Trust Barometer Global Report*, 69 per cent of consumers surveyed said building trust is the most important expectation of a CEO – even ahead of ensuring that the products and services are of the highest quality. In addition, the *2017 Edelman Earned Brand* study found that 60 per cent of millennials consider themselves to be “belief driven” shoppers – in other words, that they use their purchasing power to support companies and organisations whose values align with their own. The same study concluded that:

“Ideology dominates the cultural conversation. Around the globe, ▶



“

Consumers are putting their personal convictions front and centre. Brands are now navigating this new reality

While it is happy for good faith use of some of its patent portfolio, Tesla doesn't suggest it will be lenient in enforcing its trade marks and copyright



consumers are putting their personal convictions front and centre. Willing or not, brands of all kinds and sizes are now navigating this new reality. And in a lightning-quick digital world, the rewards and risks are equally high.

“Some brands are answering the call. Those that ignore it risk getting trapped in no brand’s land, a danger zone where people are more likely to become indifferent to a brand.”

So how does this apply to the way that IP practitioners work with clients? As clients place increasing importance on their company values, it is crucial that IP practitioners take these factors into consideration when providing advice on all IP matters, including in relation to filing and prosecution, and even more so in contentious matters. IP advisors will have to ask the right questions of each client and spend time getting to know them at the outset of the engagement in order to be able to give the best and most appropriate advice in each case.

Company values will define a client’s approach to dealing with matters across all forms of IP and all stages of the process, from filing through to enforcement and everything between. These values can provide vital information about their attitude to risk, approach to IP enforcement and brand reputation, all of which will shape the advice provided by IP practitioners.

ENCOURAGING INNOVATION

Some organisations may choose to go against the traditional rationale for obtaining registered IP or retaining trade secrets in favour of actively encouraging others to benefit from their innovation. Consider Tesla, whose stated mission is to “accelerate the world’s transition to sustainable energy”, and which is among the most famous examples of companies that have loosened their hold on IP to encourage innovation across their sector. In a 2014 announcement, Tesla co-founder and CEO Elon Musk

explained: “Tesla Motors was created to accelerate the advent of sustainable transport. If we clear a path to the creation of compelling electric vehicles, but then lay intellectual property landmines behind us to inhibit others, we are acting in a manner contrary to that goal.”

Tesla’s website contains a “Patent Pledge”, which asserts that “as long as someone uses our patents for electric vehicles and doesn’t do bad things, such as knocking off our products or using our patents and then suing us for intellectual property infringement, they should have no fear of Tesla asserting its patents against them”. The site also makes it clear that bad faith use won’t be tolerated.

And this doesn’t mean Tesla doesn’t have IP interests. The site has the usual legal warnings regarding Tesla trade marks and copyright, and Justia lists a total of 56 trade marks, 281 patent grants and 282 patent applications attributed to the company.

Google also has an “Open Patent Non-Assertion Pledge” on its website that allows for “the free use of certain of its patents in connection with Free or Open Source Software” according to a number of specific terms. Meanwhile, in the

“ *Enforcement is an area where company values can really be tested, and there is no shortage of examples of the good, the bad and the ugly* ”



“
Company values can provide vital information about a client’s attitude to risk, approach to IP enforcement and brand reputation, all of which will shape the advice provided by IP practitioners

social media space, Twitter has published an “Innovators Patent Agreement”, which it describes as a “new way to do patent assignment that keeps control in the hands of the engineers and designers”. According to a Twitter blog: “It is a commitment from Twitter to our employees that patents can only be used for defensive purposes. We will not use the patents from employees’ inventions in offensive litigation without their permission.”

BREWDOG BONANZA

In the food and drinks sector, craft brewer BrewDog announced its intention in 2016 to give away the recipes for all of its beers – past, present and future. In its blog post announcing “DIY Dog”, the company said: “We have always loved the sharing of knowledge, expertise and passion in the craft beer community and we wanted to take that spirit of collaboration to the next level. So here it is. The keys to our kingdom. Every single BrewDog recipe, ever.”⁴ Again, the recipes represent just one aspect of BrewDog’s IP arsenal.

In this environment, collaborations and endorsements can be tricky. It means joining two sets of values together. Sometimes it works, sometimes it doesn’t – particularly when one party is a

corporation and the other an individual. For example, in 2009, Accenture, which has won awards for being among the world’s most ethical companies, dropped Tiger Woods and the “Go On. Be A Tiger” tag line following negative press comment about Woods’ private life.

Of course, there are also many examples of successful brand collaborations. Some might have questioned what a mobile camera and an energy drink have in common, yet GoPro and Red Bull formed a successful global partnership in 2016. GoPro’s values of “freeing people to celebrate the moment, inspiring others to do the same” and Red Bull’s “gives you wings” motto go well together, and they have had some great success as a result of their collaboration.

IMPACT ON OPPOSITIONS

In relation to oppositions, clients’ values can have a big impact, with some larger corporate entities expressing reluctance to oppose a later mark owned by, for example, a charity or social enterprise for fear of damaging their own reputation or being labelled a bully. This can lead to swifter resolution and coexistence agreements in cases that might otherwise have gone through a full opposition. In oppositions and

negotiations, an advisor might research the company values of both the client and the representative on the other side to see what can be learned about their approach and priorities, and consider how this may affect the position they adopt.

Enforcement is another area where company values can really be tested, and there is no shortage of examples of the good, the bad and the ugly.

A recent Netflix action was widely lauded as an example of a company getting it right in its approach to brand enforcement. The style it adopted could be said to be very much in line with its ambition to “entertain everyone, and make the world smile”. A cease-and-desist letter to the proprietors of a pop-up restaurant based on sleeper sci-fi hit *Stranger Things* took its cue from the show, beginning with: “My walkie talkie is busted so I had to write this note instead.” Its ending gambit, “So please don’t make us call your mom”, certainly made for entertaining reading and gained the company kudos for what fans felt was a classy approach. What’s more, it appeared to have the desired effect, with the recipient insisting that there were “no hard feelings”. Other examples of cease-and-desists gone public haven’t had such a happy ending. ▶



Netflix drew plaudits for its approach to handling brand enforcement around its hit programme *Stranger Things*

Of course, while considering a client's company values before sending such a letter is important, so too are a number of other factors, including the value of the client's own mark, the potential damage caused by the later mark and broader reputational issues. Accordingly, IP practitioners will have to advise each client with all of these factors in mind, as well as considering whether any proposed action is in line with or contrary to their client's values before going ahead.

VESSELS OF TRUST

So, it's clear: values matter in the everyday interaction between clients and IP practitioners. Brands are vessels of trust that enable consumers to make informed purchasing decisions, and increasing numbers of consumers are using their spending power to support those companies that are aligned with their own personal values. For that trust to be earned, and indeed retained, a company must stay true to any values it claims to hold – even in the way it approaches its IP protection strategy.

These days it can take just minutes to tear down a reputation

“
If decisions are made that go against company values, consumers will not be slow to highlight hypocrisy, and some careful brand management will be required to repair the damage

that took years to build, so credibility must be maintained across all business decisions, including in IP registration, prosecution and enforcement. If decisions are made that go against company values, consumers will not be slow to highlight hypocrisy, and some careful brand management will be required to repair the damage.

Thus, it is crucial for IP practitioners to get to know clients well – not merely what product or service they are selling or what IP rights they hold, but what they stand for, what they represent in the marketplace and how they want to be perceived. ●

1 Babson Social Innovation Lab and IO Sustainability, 2015
 2 2016 Cone Communications Employee Engagement Study
 3 2016 Deloitte Millennial Survey
 4 The BrewDog recipes are available to download at bit.ly/2mRLmWd

NETFLIX



Sharon Mackison

is a Chartered Trade Mark Attorney and a Director at Lawrie IP
sharon.mackison@lawrie-ip.com

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

A large, stylized graphic of the letters 'IP' in a serif font, centered within a white circular shape. The background is a light grey gradient with a white swoosh that curves around the top and right sides of the circle.

IP

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Can a global brand name limit its life? It's easier said than done, writes Claire Jones

Fashion icons Domenico Dolce and Stefano Gabbana declared in April that they intend for the famous Dolce & Gabbana label to die with them, rather than being passed on to others to manage. They have reportedly rejected numerous takeover bids since the brand was launched in 1985, and revealed that they hold a trust for the company, which neither of them can access, safeguarding each of them from outside management in the event that something happens to the other. As reported by Reuters, Gabbana said: "Once we will be dead, we will be dead."

He told Italy's *Corriere della Sera*: "We said to ourselves that it was better to divide up everything, because if I took a blow to the head, the next day he would have found himself dealing with someone not involved in the industry ... who could ruin the business."

While the exact details of the trust are not known, including how the designers plan to manage their trade mark and design rights as part of this division of assets, Dolce & Gabbana is not the only fashion label to consider succession planning.

FOUNDATION LAID

Giorgio Armani heads up Italy's second-largest fashion group and

created a foundation in 2017, to which part of his fashion empire will transfer in order to prevent takeovers or a breakup of the group in the event of his death. The remaining shares will be held by his heirs, who can only sell their holdings to the foundation.

Oscar de la Renta, who died in 2014, wished his brand and legacy to continue long after his death, and began working on his own succession plans in 2004. Other fashion houses have been stewarded by a range of different designers under the original brand name. For example, the house of Givenchy, which reported the passing of its founder, Hubert de Givenchy, in March 2018, has been helmed by a number of top designers, including Alexander McQueen, Julien Macdonald and John Galliano.

Other own-name brands continue under the founder's name even though they are no longer involved in the business. For example, handbag designer Kate Spade, who died earlier this year, had sold the brand that bears her name to Neiman Marcus Group in 2006 (it is now owned by Tapestry, the company behind the handbag brand Coach). She reportedly changed her name to Kate Valentine Spade before launching her more recent brand, Frances Valentine (Frances is her daughter's name), in 2016 with husband Andy Spade, Elyce Arons (with whom she co-founded Kate Spade) and Paola Venturi (also formerly at Kate Spade). ▶

A VIEW TO A KILL





COMMON PRACTICE

It is common practice in the fashion industry for designers to use their personal names to refer to their clothing ranges and related products. However, the practice comes with a number of potential issues.

Initially, there can be difficulties with clearing and registering names as trade marks at various worldwide registries. Here, of course, much will depend on the relative distinctiveness of a name or surname for use in identifying a particular owner's products or services. The more common the name, the more likely it is that someone else will have got there first (see, for example, the recent spat over "Kylie" between Kylie Jenner and Kylie Minogue). Even if the name is available, it is not guaranteed that the trade mark office will accept the application – the name will need to fulfil the same criteria as any other intended trade mark.

Once registered, the brand can be at risk – for example, from family infighting, which was the case for Gucci and Asprey. In the event that a designer then sells their company, they can lose the right to use their personal name in future ventures. On many occasions, such a limitation may only be realised after an agreement has been made, with the knock-on effect of lengthy court disputes. Wedding-wear designer Elizabeth Emanuel, fashion designer Karen Millen and perfumier Jo Malone are just some of the well-known examples of founders facing problems when looking to relaunch a new brand after the sale of their original businesses.

As taught to trainee trade mark attorneys, the Elizabeth Emanuel case (C-259/04 Elizabeth Florence Emanuel v Continental Shelf 128 Ltd) makes clear that a name is a commercial asset that can be traded like any other asset.

What is or isn't acceptable post-sale needs to be clearly defined, as per the Karen Millen dispute (Karen Denise Millen v Karen Millen Fashions Ltd and Mosaic Fashions US Ltd [2016] EWHC 2104 (Ch)), which reinforced the importance of clarifying this in share purchase agreements. That decision focused in particular on the interpretation of clauses containing restrictions and covenants relating to

“

Brand value does not always 'die' with a brand. Indeed, the stronger the brand, the greater the public attraction

Millen's ability to use her name in respect of competing fashion brands.

Similarly, Jo Malone's contract with the Estée Lauder Group on sale of her well-known fragrance line Jo Malone in 2006 not only prevented her from entering the perfume market again, but also included wider exclusions on Malone even visiting beauty and fragrance stores. It was not until 2011, when the contractual bans expired, that she was able to launch her new business Jo Loves.

THE IMPACT OF CONSOLIDATION

When it comes to the global luxury market specifically, many of the world's best-known brand names are now owned by three major companies: Richemont, Kering and Moët Hennessy Louis Vuitton (LVMH). Consolidation has become a common practice, largely to assist the various companies with cost efficiencies, especially with the various pressures on the retail sector.

LVMH was originally formed in 1987 from the merger of fashion house Louis Vuitton and Moët Hennessy. The company owns numerous subsidiaries, some named after their founders, including Marc Jacobs, Thomas Pink, TAG Heuer and Christian Dior.

Richemont was founded in 1988, and its subsidiaries include Chloé, Van Cleef & Arpels and Azzedine Alaïa.

Kering, founded in 1963, includes brands such as Alexander McQueen, Saint Laurent, Bottega Veneta and Gucci. In March this year, Stella McCartney regained complete control of her label following a 17-year-long partnership with Kering after she bought back the luxury conglomerate's 50 per cent stake. McCartney reportedly had the option to buy back

the shares as part of the terms of the joint venture they entered into in 2001. "It is the right moment to acquire the full control of the company bearing my name," she said of her decision.

CAN D&G BE DISCONTINUED?

As long as the brand is protected, used and maintained as a registered mark, only the brand owner of that name can use it – even if the original designer is dead, as in the case of Gianni Versace. Dolce and Gabbana may wish the brand's fashion output to finish when they die, but that doesn't mean that they intend to kill or abandon their trade marks.

For a start, brand value does not always "die" with a brand. Indeed, the stronger the brand, the greater the



Stefano Gabbana (left) and Domenico Dolce have publicly expressed their intention for their famous brand to die with them

public attraction. Even if a brand is “killed” in the way that Dolce and Gabbana have suggested, it does not mean that it will be forgotten. Many brands that have foundered or been declared bankrupt are still well-known names despite the fact that they no longer exist in trade (eg Pan Am, Tower Records and Oldsmobile).

In the 1930s, Neil McElroy at Procter & Gamble introduced the idea of “brand killing”. He drafted an internal memo following the struggle of soap brand Camay, which argued that businesses should look to a brand-based management system, with each brand having a dedicated budget and managerial team. When a business has several brands in the same sector, they could compete with each other on the

market, and each brand’s objective would be to ensure that they became “winners”, even at the expense of other brands in the business (effectively “killing” badly performing brands).

What if Dolce & Gabbana simply abandons or stops using its marks?

In theory, it is possible for third parties to acquire brands or trade marks where use has been purposefully halted or abandoned, with the new “owner” likely to acquire both the marks and the associated goodwill and reputation. However, it is not always easy to know when a brand portfolio of marks is truly abandoned.

While a brand may stop taking public action, which may indicate that there is no longer an intention to use the mark, this does not

guarantee that its trade marks are abandoned. Often, when a company goes out of business or an individual dies, there is a transfer of assets to another company or successor. That receiving entity would then own the rights to the marks. In other instances, IP portfolios and associated goodwill have been sold off to satisfy debts in a bankruptcy/liquidation.

Goodwill can survive death, but demonstrating its existence will become more difficult as endorsement activity dwindles. When a business has ceased trading, it may retain some residual goodwill for a period after the business has closed down. Various cases have discussed residual versus abandoned goodwill and, in cases of dispute, it will be a question of fact as to whether the link still exists – eg is there an intention to resume or continue use at some stage?

However, in instances where the intent to “kill” the brand has been publicly stated, it is likely that the goodwill will be deemed abandoned. Goodwill does not exist separately from the business to which it is attached. There will be an assessment of a number of factors, but, ultimately, if a business dies, so does the goodwill.

EPONYMOUS BRANDS – OTHER EXAMPLES

- **Linus Yale, Jr** – locks
- **William Henry Hoover** – vacuums
- **Josiah Wedgwood** – pottery
- **Dr Klaus Märtens** – footwear
- **Earl Tupper** – plastic containers
- **Candido Jacuzzi** – hot tubs
- **King Camp Gillette** – razors
- **Henry John Heinz** – FMCG

KEEPING CONTROL

If Dolce and Gabbana are really to control how the brand name is to be managed after their deaths, they will need to make sure its IP assets are managed accordingly.

And any other designers thinking about building a brand around their name would be wise to learn from the experiences of those that have gone before – in particular, what they might want to do when selling or otherwise leaving the business. In the absence of any prior agreement over the IP rights, they may otherwise find that someone else is using their brand, name and reputation in ways that are beyond their control. ●



Claire Jones

is a Chartered Trade Mark Attorney
at Novagraaf UK
claire.jones@novagraaf.com

DARIK

AYS

Rebecca
McBride
looks into the
implications
of the current
WHOIS data
blackout for IP
professionals

CITMA Review readers will be all too aware that on 25 May 2018 the EU General Data Protection Regulation (GDPR) came into effect. The collection, processing, storage and availability of personal data became subject to stricter controls, in order to prevent access to personal data without consent. The implementation was preceded by an influx of related emails as organisations rushed to be compliant. As a consequence of the implementation, many Registries and Registrars opted to conceal the personal information of domain name registrants contained in public directories such as WHOIS.

WHOIS – a global database of the details of domain owners – could be searched by any member of the public to access personal data such as names, addresses, email addresses and contact numbers. While this open database had been commercially exploited by companies “data scraping” public directories and selling the data on to other companies, often for dubious purposes, the WHOIS database was also an invaluable and inexpensive tool used by many professionals with a legitimate purpose.

SOLUTION SOUGHT

As the GDPR implementation day approached, the fear of a data blackout loomed around the WHOIS database, and IP professionals sought a solution that would preserve access to the WHOIS data. Many speculated as to whether a model with a tiered system or restricted access would be sufficient. In fact, as the deadline

to be compliant neared, Registrars took a variety of measures (which many thought amounted to over-compliance) due to an abundance of concern about what approach would be sufficiently compliant.

Nonetheless, a suitable solution was not provided ahead of the implementation. As a result, many “WHOIS websites” went into blackout, with WHOIS searches returning an anonymous email address through which to contact the Registrar.

PROFESSIONAL IMPLICATIONS

This WHOIS blackout has had a significant impact on the work of IP professionals. For example, a CITMA Paralegal may have previously been tasked with carrying out due diligence work to verify information in relation to domains. A quick search of the WHOIS database would allow the information relating to the owner of the domains to be verified and accurately captured in schedules to a commercial document, without causing delay to the transaction.

In another scenario, a CITMA Paralegal may look to verify the contact details of a domain holder to assist an attorney in sending a cease-and-desist letter to enforce legitimate IP rights against websites selling counterfeit goods or hosting infringing content, or the use of a domain name in bad faith. Notwithstanding issues around the accuracy of the WHOIS information, a quick search of the database generally revealed the necessary details and enabled rights holders to promptly enforce their rights,

“ IP professionals have had to make do with the broken match of ICANN’s insufficient, short-term and problematic framework

allowing them to minimise any damage or dilution of their brand.

The existing blackout has significantly hindered the ability of those with a legitimate interest to obtain the necessary information to enforce their IP rights.

BEACON OF LIGHT?

As things stand, a request to access personal data that has been removed from the public domain carries with it no obligation for that information to be provided. And while IP professionals had looked for a beacon of light to guide us through the current darkness, we have had to make do with the broken match of ICANN’s insufficient, short-term and problematic framework as a solution to a considerable problem.

ICANN’s Unified Access Model seeks to grant to eligible users – those with a legitimate interest in the European Economic Area – access to the WHOIS data on a query basis. Accreditation of users is a new requirement in the approval process, as is signing up to a code of conduct. However, a great concern among IP professionals is the potential cost, additional administrative burden and time-consuming solution that has been offered.

There is also great uncertainty as to how individual Registrars will treat requests from IP professionals

seeking access to personal data to enforce IP rights. ICANN has left it to the discretion of Registrars to provide access to authenticated users with a legitimate purpose. Outright refusal, being uncooperative or imposing additional burdens may be some of the obstacles attorneys will face, which may have a significant impact on the enforcement of IP rights. Clearly, the rights holders will bear the cost and burden of the new process.

ALTERNATIVE ACCESS

On 15th June, the International Trade Mark Association (INTA) issued a toolkit to help IP professionals navigate the challenges of the sudden loss of access to WHOIS data. While the suggestions offer no long-term solution, they may provide a short-term fix for some. The INTA suggestions include:

- contacting the anonymous abuse contact email that appears in the

- relevant WHOIS search results;
- manually locating contact information on the infringing websites where available;
- utilising archived WHOIS data; and
- commencing low-cost proceedings to reveal underlying domain name data.

Essentially, however, GDPR has given individuals control over their personal data – with the requirement for a legal basis and a clear and legitimate purpose for the processing of data – but it has also deprived IP professionals of access to an invaluable source of information without engaging in fragmented proceedings to lift anonymity.

There are doubts, also, as to whether ICANN’s Unified Access Model is actually GDPR compliant, with the first court case regarding this question pending at the time of writing. In any event, it is clear that an adequate solution is still being sought – one where access is given to those with a legitimate interest with consistency and efficiency. ●

INTA is canvassing for professionals to provide feedback on the impact of the new policies by submitting any information about their experiences to WHOISchallenges@inta.org



Rebecca McBride

is a CITMA Paralegal at Pinsent Masons LLP
rebecca.mcbride@pinsentmasons.com

An illustration of two hands, one on the left and one on the right, rendered in a dark blue color with white outlines. The hands are positioned as if holding a bright red heart in the center. The background is a light teal color. The heart is a solid red color with a white outline and contains white text.

THE CHARITY CASE

Catharina Waller sets out why the not-for-profit sector requires a guiding hand from IP professionals

In the wake of recent scandals and significant media coverage, the reputation of the charity sector has been knocked, leaving it under increasing public and regulatory scrutiny. In July, the Charity Commission reported that it had investigated more complaints over a four-month period than it had over the previous year.

Meanwhile, donors' willingness to provide money and volunteer time is largely based on their perception of the value a charity provides, leaving the need to safeguard charity brands a primary concern. As short-hand identifiers of the charity or its campaigns, trade marks therefore serve as one of the absolutely key assets of the charity, which ought to be protected both from a financial and a reputation perspective. Indeed, charity trustees are under a duty to protect a charity's assets, which include its trade marks. So why is it that, for UK charities, trade marks and their protection are often an afterthought?

SIGNIFICANT SECTOR

The UK charity sector dwarfs that of many other countries. There are more than 160,000 charities in the UK. According to an annual research report by the Charities Aid Foundation (*CAF UK Giving 2018*), donations by individuals in the UK in 2017 amounted to £10.3bn. On top of this, statutory funding and donations by companies brought the overall income of the charitable sector to £75.3bn. Many widely recognised names lead in the list of largest charities by income (see below).

Medical research has for many years remained a top driver for donation in terms of number of individual donors, followed closely

by animal welfare, services for children or young people, hospitals and hospices, and overseas aid and disaster relief. Topping the scale in terms of total amounts received from individual donors are religious organisations, followed by overseas aid and disaster relief (see page 22).

ACTIVITY IDENTIFIERS

Perhaps even more so than traditional commercial trade marks, which are often names or made-up words bearing no resemblance to the goods or services provided under them, charities' trade marks are valuable identifiers. This is because they not only clearly identify the charity's name, but also – in most cases – provide an indication of the charity's field of activity, and thus what type of impact the giving will have and on whom. In fact, all of the top 10 charities in 2017 based on public awareness (see page 22) bear names that are clearly suggestive of their sphere of activity, indicating that the clearer the link the better.

While it is common to think of trade marks as being primarily commercial in nature, and protecting the outlet for commercial goods and services, case law has confirmed that trade marks are indeed applicable to charities' activities. In the case of *Feldmarschall Radetzky (C-442/07)*, it was held that "the fact that a charitable association does not seek to make a profit does not mean that its objective cannot be to create, and later, to preserve an outlet for its goods or services".

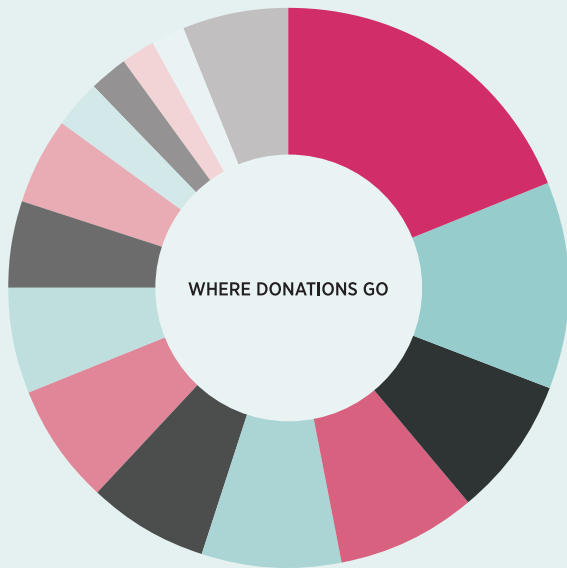
Indeed, trade mark registrations are a key method for ensuring that, in the crowded charity market, dilution of a charity's brand is prevented.

Moreover, it is often the case that charities actually consist of a number of branches in the UK or internationally, sometimes

SOURCE: CHARITY FINANCIALS, CHARITY INCOME SPOTLIGHT REPORT 2016-2017

TOP FIVE: THE UK'S LARGEST CHARITIES BY INCOME 2016-2017

British Council	£1.076bn
Save the Children	£986m
Nuffield Health	£839m
Cancer Research UK	£679m
Charities Aid Foundation	£604m



PROPORTION OF TOTAL INDIVIDUAL DONATIONS (2017)

Religious organisations	19%
Overseas aid and disaster relief	12%
Medical research	8%
Hospitals and hospices	8%
Animal welfare	8%
Children or young people	7%
Homeless people, housing and refuge shelters	7%
Physical and mental healthcare	6%
Conservation, environment and heritage	5%
Disabled people	5%
Elderly people	3%
Education	2%
Sports and recreation	2%
Arts	2%
Other	7%

UK PUBLIC AWARENESS: THE TOP 10 CHARITIES (2016)

1.	Cancer Research UK
2.	Macmillan Cancer Support
3.	BBC Children in Need
4.	Comic Relief/Sport Relief/Red Nose Day
5.	Royal British Legion/Poppy Appeal
6.	Air Ambulance
7.	Marie Curie
8.	British Heart Foundation
9.	NSPCC
10.	British Red Cross



Clockwise from top: a London Air Ambulance helicopter touches down; BBC Children in Need mascots Pudsey and Blush; a Save the Children midwife checks the vital signs of a newborn Rohingya refugee baby

coordinated via a main body, and trade mark registration and licensing are key means of maintaining an overall identity and quality assurance of the branches' activities. Often, relationships between branches, or a branch and the main body, can be informal. Should the parties fall out, a branch may seek to break away while continuing use of the name or logo.

This was the case in a dispute between two charities – NOCN (Formerly National Open College Network) v Open College Network Credit4Learning [2015] EWHC 2667 (IPEC), where NOCN was a membership body coordinating the activities of local open college networks, and OCN Credit4Learning was formed by the merger of several members and left the membership body, continuing to use OCN in its logo. While it was held that NOCN couldn't block OCN Credit4Learning's use of OCN, because the term was descriptive, NOCN's foresight in registering its logo saved the day, and OCN Credit4Learning's use of its logo was held to infringe NOCN's logo.

All this said, pre-launch clearance searching and trade mark registration often do not even feature on the radar when charities select a name and logo for a launch or rebrand. A lack of funds and expertise in the early stages of a charity's formation are understandable, but where a

NOCN v OCN: THE PARTIES' LOGOS





“ Trade mark registrations are a key method for ensuring that, in the crowded charity market, dilution of a charity’s brand is prevented

well-established charity is rebranding or about to launch a new campaign, clearance searching and potential trade mark registration ought to be high on the list of priorities.

Fairly frequently, there is an assumption that design agencies engaged to come up with a new name or logo will have conducted their own clearance searches, even though the agency may not have provided any warranties in this regard. Many of the disputes that we see arise when charities have spent significant funds on rebranding or the launch of a new campaign without first having conducted the proper clearance checks.

COURT CENSURE

Yet disputes between charities rarely end up in court – which is just as well. With the cost of litigation in the UK being considerable, judges have been scathing in expressing their opinions about circumstances in which charitable funds were used on court action.

In the case of *The British Diabetic Association v The Diabetic Society* [1996] FSR 1, the judge commented that:

“A passing-off action by one charity against another is on the face of it ... a deplorable, even scandalous thing to occur. Charities solicit donations from the public ... in the expectation that donations will be well spent on furtherance of the charity’s

purposes. Even for a lawyer it is a difficult mental feat to recognise this very expensive litigation as helping th[ose] ... whose subscriptions and gifts will be the ultimate source for payment of the lawyers’ bills.”

In the *NOCN v OCN* case, the judge commented that:

“I now know that between them the parties, both charities, have incurred well over £400,000 on fees in this litigation. A very strong recommendation to settle at the case management conference was not taken up. The laudable cause of encouraging adult education will presumably have to endure an equivalent cut in funding solely because this dispute was not resolved at an early stage. Such an outcome is much to be regretted.”

Robust negotiation techniques and creative solutions are therefore necessary when considering trade mark or passing off disputes involving charities.

CHALLENGES FOR CHARITIES

The flip side of the benefit of a descriptive charity name is, of course, the difficulty that this can present in registration and enforcement of the name. In the *NOCN v OCN* case, it was held that the registration for the word mark *OCN* was invalid due to customary use of the term “Open College Network” and its abbreviation.

It can also be a challenge to extend protection abroad, as other Registries, such as the United States Patent and Trademark Office, may take a different – and at times

narrower – approach to descriptiveness than the UK IPO or EUIPO.

Another challenge lies in the fact that the Nice Classification was developed primarily for commercial entities and is not particularly suited to charities. Although it does cover charitable fundraising, and some charitable services, it is far from reflective of charities’ total activities, and some creativity and experience of generally accepted terms are required to avoid costly objections.

Finally, ownership can be a problematic issue, particularly where the charity is unincorporated or essentially a loose collection of organisations all operating under the same name or logo, but without any formal agreement in place.

GUIDING HAND NECESSARY

Unlike large commercial entities, charities very seldom have the funds available for specific trade mark expertise in-house. At best, a charity may have an in-house lawyer or a small legal team, but they will likely be responsible for the organisation’s entire legal requirements, and trade marks may not be a field of expertise. More often, brand protection falls to the head of marketing or CEO.

A guiding hand is therefore necessary from IP professionals involved, not only in the registration and enforcement of trade marks, but in bringing to the charity’s attention the inherent value of its brand and the vital importance of protecting it. ●



Catharina Waller

is a Chartered Trade Mark Attorney and European Patent Attorney at Bates Wells Braithwaite
c.waller@bwbllp.com

Time to move on

Lack of knowledge led to finding of no liability, says Bonita Trimmer

The Court of Appeal has upheld an IPEC decision in relation to a passing off claim and rejected the Claimant's application to adduce new evidence at the appeal.

The Claimant, the National Guild of Removers & Storers (NGRS), is an organisation that represents businesses in the removals and storage industry. It claimed that the Defendants had been holding themselves out to be members of its organisation in online advertisements. The First Defendant was a removals company, of which the Second and Third Defendants were Directors and 50 per cent shareholders. The First Defendant's membership of the Claimant's organisation expired in 2010.

IPEC DECISION

The NGRS claimed passing off in relation to claims made in two online adverts for the Defendants' business. The first (the Bee Moved advert) was posted on the First Defendant's website. It included a checklist of recommendations for home-movers, one item of which advised customers to use a removal company that is a member of the NGRS. The

Claimant argued that this implied that the First Defendant was an NGRS member, and that this could result in damage to its goodwill. The Defendant argued that the reference to the NGRS was simply general guidance and not a claim of membership.

The second advert (the Really Moving advert) was posted on www.reallymoving.com, a popular website for house-movers. The First Defendant joined this website in 2004 and had posted an advert on its designated page (the company page) which stated that it was a "Member of the NGRS". The Defendants stated that, when the First Defendant's NGRS membership ceased, the Third Defendant amended the advert on the company page accordingly. However, he was not aware that this advert had been copied to another page on the website (the directory page). This second advert stated that the First Defendant was an NGRS member. The Defendants had no knowledge that the directory page existed and were unable to edit it. The Claimant argued that, since the words originally came from the Defendants, they were still liable for their use by Really Moving.

The IPEC upheld the claim for passing off in respect of the Bee Moved advert. However, the Court rejected the claim that the Defendants were liable for the Really Moving advert on the basis that it was posted by a third party without

“ *The question here was not one of knowledge or intention, but of whether the Defendants 'made' the misrepresentation or were responsible for it*



the knowledge of the Defendants. As a result, the Defendants could not be liable for the misrepresentation contained therein.

ON APPEAL

The Claimant appealed on two grounds:

1. The IPEC erred in determining that the Defendants' lack of knowledge prevented them from being liable for the misrepresentation in the Really Moving advert.
2. The IPEC should not have accepted the oral testimony of the Third Defendant at trial, which was inconsistent with his written witness statement.

The Court dealt with the second ground of appeal first. The Claimant sought to introduce new evidence, which it claimed undermined the Third Defendant's credibility. This evidence consisted of copies of pages from the Really Moving website which were taken in 2009. They included a copy of the directory page and the company page. The phrase "Member of the NGRS" did not appear on the company page, which the Claimant argued meant that the Third Defendant could not have deleted this phrase from the company page (as claimed in his oral testimony). The Claimant argued that this further evidence should be admitted at appeal, because it had only become relevant as a result of the inconsistency between the evidence contained in the Third Defendant's witness statement and the evidence he gave during cross-examination.

The Court of Appeal held that it was not appropriate to admit the evidence on the basis that the Claimant would have been able to obtain it before the trial, and should have done so. The Third Defendant had not contradicted himself in a way that made this new evidence relevant where it had not been before. Further, the evidence would likely not have altered the IPEC's decision, as it was not contemporaneous with the period immediately preceding the expiry of the First Defendant's NGRS membership. Moreover, admission of the evidence

now would likely result in a retrial in the IPEC, which would be contrary to the overriding objective. The second ground of appeal was therefore dismissed.

In respect of the first ground of appeal, the Claimant argued that the Defendants' lack of knowledge was not relevant in determining liability. The Claimant relied on the judgment in *Reckitt & Colman Products Ltd v Borden Inc & Ors* [1990] RPC 341, which stated that passing off requires "a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff". The Claimant submitted that the Defendants' intention was therefore irrelevant.

NO LIABILITY

The Court dismissed this on the basis that the question here was not one of knowledge or intention, but of whether the Defendants "made" the misrepresentation or were responsible for it. The Defendants did not know about the directory page, and so did not make the misrepresentation that was published there. The representation was made by a third party and the Defendants could not be liable for it.

KEY POINTS

- ✦ The Court of Appeal has again refused to allow new evidence to be admitted on the basis that it would have been relevant at first instance, and could and should have been adduced then
- ✦ Where a misrepresentation has not been "made" by a Defendant in a passing off claim, but was instead made by a third party without the Defendant's knowledge or consent, the Defendant will not be liable for it



Bonita Trimmer

is a Legal Director at Browne Jacobson, Birmingham
bonita.trimmer@brownejacobson.com
Jennifer Jenkins, a Trainee Solicitor in the firm's London IP team, assisted.



Cartier: The closing act

George Sevier reflects on the final act of a fight about ISP responsibility

This judgment was the final instalment in a series of decisions spanning back to 2014. It confirmed that the UK courts may order internet service providers (ISPs) to block access to websites selling counterfeit products and clarified who should bear the costs of implementing the blocking orders.

In 2014, Richemont, the owner of well-known luxury brands such as Cartier and Montblanc, obtained an order that the UK's five main ISPs must prevent their customers from accessing particular websites that sold counterfeit products. That was a landmark decision, holding that a website blocking order could be used to prevent access to trade mark infringing websites; previously, such orders had been used only in respect of copyright infringement. Mr Justice Arnold concluded that the court had the necessary power to award blocking orders pursuant to its inherent jurisdiction, and that to do so was not incompatible with subsequent legislative acts, such as the EU's Charter of

Fundamental Rights. That stance was reinforced in a second action between the parties and confirmed by the Court of Appeal in 2016.

DISSENTING VIEW

In upholding the preceding decisions, the majority of the Court of Appeal held that the cost of implementing the website blocks was to be paid by the ISPs – as has been the case with the copyright blocking order decisions before and since. This point was the subject of a dissenting view in the Court of Appeal and was appealed to the Supreme Court by two of the five ISPs.

The 13th June 2018 judgment from the Supreme Court confirmed that, where rights holders obtain an order that ISPs should block access to certain websites, the rights holders should indemnify the ISPs in respect of the reasonable costs of compliance with the order.

The main costs in implementing website blocking orders were: (i) the cost of acquiring and upgrading the hardware and software required; (ii) the cost of managing the blocking system and customer service; (iii) the marginal cost of initially implementing the order; (iv) the cost of updating the block over the lifetime of the order (eg if the location of a website changes); and (v) the cost and liabilities that may be incurred if blocking malfunctions through no fault of the ISP (eg over-blocking because of errors in rights holder notifications or malicious attacks provoked by the blocking).

The ISPs did not complain about bearing the costs under (i) and (ii), as they were incurred by the ISPs for a number of other reasons (for example, to block access to images of child abuse or to provide parental controls), and the Court was clear that those costs should continue to be borne by the ISPs. However, the Court ordered that rights holders must indemnify the ISPs in respect of the costs under (iii), (iv) and (v).

ESTABLISHED PRINCIPLE

In essence, the reason for this was that it is a principle of English law that, unless there are good reasons for a different order, an innocent third party is entitled to be indemnified by the person seeking the assistance of that third party. This is the established position in domestic law



which was applied in the seminal Norwich Pharmacal [1973] UKHL 6 decision (in which an innocent third party was ordered to disclose information concerning importers of a patent infringing product).

The Court was of the view that there is no legal basis for requiring a party to shoulder the burden of remedying an injustice if the party had no legal responsibility for the infringement and was not a volunteer, but acting under an order of the Court. Therefore, as the ISPs were a “mere conduit”, they had no knowledge and also no limited duty to take proactive steps in stopping access to illegal content. The ISPs were only under an obligation to comply with an order of the Court.

In response to the suggestion that ISPs benefited financially from the infringing content, and therefore that they should be required to make a contribution in return, the Court held that there was no legal standard of responsibility on ISPs to support this – merely a moral or commercial responsibility, which is not enough. The Court also noted that website blocking injunctions were sought by rights holders in their own commercial interests, and that the protection and assertion of IP rights was a natural cost of business of the rights holders and not the ISPs.

It is worth noting that the Court distinguished between ISPs that were mere conduits and those “caching” or “hosting” ISPs. In this case, the Appellants were innocent because they were mere conduits. ISPs involved in caching or hosting infringing websites would involve a greater degree of participation in the infringement (possibly including a contractual relationship with the infringer), which could, dependent on the circumstances, lead to a different finding regarding who bears implementation costs. This is welcome clarification, given that hosting registrars are regularly called on to take down websites or remove infringing content.

PRACTICAL IMPLICATIONS

While brand owners will not delight in having to indemnify ISPs in respect of their costs of implementing blocking orders, the costs burden is unlikely to be significant. In the first instance proceedings, there was evidence from each of the ISPs as to their costs of implementing an order. Precise figures were not given, but the contemplated costs appeared to be in the range of £500 to £5,000 per ISP for implementing the initial block when an order is made, plus a smaller sum for implementing

“ The fact that rights owners are required to contribute to the costs of implementation of blocking orders is unlikely to have a material impact on their attractiveness

updates. Even when multiplied by five to cover the main ISPs, the additional costs of obtaining a blocking order (which can extend to numerous websites) need not be significant.

The procedure for obtaining a blocking injunction is more streamlined than regular court proceedings and generally not resisted by the ISPs, so typically there is not a question of rights owners having to contribute to the ISPs’ legal costs.

The ability to prevent the sale of infringing products online through the use of blocking orders has not changed, and the orders now represent a powerful tool in the fight against the sales of counterfeits online. More established methods (for example, domain name complaints and website takedowns) can be effective, but often yield temporary results – the websites may reappear with different domain names or different hosting providers. Website blocking orders have the benefit of being flexible, allowing updates as and when websites are moved.

ATTRACTIVE OPTION

At the outset of the litigation, the subject of the Court’s judgment, Richemont, said that it had identified approximately 239,000 potentially infringing websites, of which some 46,000 websites were confirmed as infringing. The effectiveness of website blocking orders in preventing access to such websites was demonstrated in evidence before the High Court, and is reinforced by the continued use of blocking injunctions by major copyright owners such as film studios. The fact that rights owners are now required to contribute to the ISPs’ costs of implementation of blocking orders is unlikely to have a material impact on their attractiveness.



KEY POINTS

- +
- The UK courts can order ISPs to block access to websites selling counterfeit products
- +
- Rights holders are required to indemnify the ISPs in respect of reasonable costs of compliance with the order
- +
- The additional cost to rights holders should not materially impact the attractiveness of blocking orders



George Sevier

is a Director at Gowling WLG (UK) LLP
george.sevier@gowlingwlg.com

George is a member of the CITMA Domain Names working group. Aumair Qayum, a Trainee Solicitor, assisted with this article.

Sticky business

The Court made an exceptional decision in *Debrisoft*, believes Jade MacIntyre

The CJEU has ruled again on the over-stickering of parallel imported goods, considering the well-known Bristol-Myers Squibb¹ conditions (the BMS Conditions) in relation to the parallel importation of a medical device. In a fact-specific decision, the CJEU held that the application of a sticker bearing various details of the parallel importer to a blank area of the product's original unopened packaging did not interfere with the function of the manufacturer's trade mark, and found an exception to the BMS Conditions, albeit of limited application.

In *Boehringer*², the CJEU extended the BMS Conditions to the "over-stickering" of packaging. To avoid infringement, a parallel importer must show that:

- the assertion of trade mark rights will artificially divide the EU market (even if not deliberate);
- any repackaging by the parallel importer clearly states who is responsible for repackaging;
- the presentation of the repackaged product will not harm the reputation of the trade mark or its owner;
- the parallel importer has given prior warning of its intention to repack and import the goods; and
- where the trade mark of export has been replaced with the trade mark of import, that this was "objectively necessary" to market the product.

Turning to the facts of the present case, Lohmann & Rauscher International GmbH (Lohmann) is the manufacturer of sterile dressings for the treatment of superficial wounds. These products are sold and marketed under the mark DEBRISOFT, for which Lohmann holds EU trade mark registration No 8852279 covering "sanitary preparations for medical purposes; plasters, materials for dressings; dressings, medical".

In May 2012, Lohmann purchased in a Düsseldorf pharmacy a packet of DEBRISOFT dressings which had been imported from

Austria by Junek Europ-Vertrieb GmbH (Junek). The dressings were in their original unopened packaging with a sticker applied to it bearing Junek's contact details, along with a barcode and central pharmaceutical number. The sticker had been applied neatly to an unprinted section of the box and did not obscure Lohmann's trade mark.

REGIONAL PROCEEDINGS

Lohmann brought trade mark infringement proceedings against Junek before the Regional Court in Düsseldorf on the grounds that Junek had not given it prior notice of its intention to over-sticker Lohmann's products and import them into Germany as required by the BMS Conditions. Upholding Lohmann's claims, the Regional Court ordered Junek to recall and destroy the relevant goods. Junek's appeal to the Higher Regional Court of Düsseldorf was rejected, albeit with the proviso that the embargo on the use of the mark at issue related to Germany only. Junek appealed the decision on a point of law to the Bundesgerichtshof (the German Federal Court of Justice). It was on this appeal that a referral was made to the CJEU.

REFERRAL IN DETAIL

In making its referral, the Bundesgerichtshof held that the outcome of the case depended on whether Lohmann's rights in the DEBRISOFT mark had been exhausted or whether the principles concerning the over-stickering developed by the CJEU in respect to pharmaceutical products also applied to a medical device. The Bundesgerichtshof asked the CJEU whether:

- "[under] Article 13(2) of Regulation No 207/2009 ... the proprietor of a mark may oppose the further commercialisation, by a parallel importer, of a medical device in its original internal and external packaging when an additional label, such as that at issue in the main proceedings, has been added by the importer..."; and

KEY POINTS

✦ The CJEU considered whether a trade mark proprietor's right to oppose repackaging contributes to artificial partitioning of the markets between Member States if the repackaging has respected the legitimate interests of the proprietor

✦ A small sticker affixed to an unprinted part of the original packaging did not affect the purpose of the DEBRISOFT mark

✦ Parallel importers who apply discrete labels to unopened packaging which do not interfere with the origin function of the original trade mark do not need to comply with the BMS Conditions

“ The CJEU held that the affixing of the sticker to an unprinted part of the original packaging did not affect the purpose of the DEBRISOFT mark

- “the principles developed by the Court in its judgments of 11 July 1996, Bristol-Myers Squibb and Others ... and of 26 April 2007, Boehringer Ingelheim and Others ... apply without restriction to the parallel import of medical devices”.

In making its decision, the CJEU considered whether a trade mark proprietor's right to oppose repackaging contributes to artificial partitioning of the markets between Member States in circumstances where the repackaging has been done in such a way that the legitimate interests of the proprietor are respected.

The CJEU held that the facts of the present case did not fall within the principles set out in Boehringer because the original packaging had neither been opened nor otherwise affected, except for the application of the small sticker containing the details set out above.

As a result, the CJEU held that the affixing of the sticker to an unprinted part of the original packaging did not affect the purpose of the DEBRISOFT mark, which was to guarantee the origin of the dressings within – Lohmann's rights in its DEBRISOFT mark had been exhausted when the goods were acquired by Junek. Accordingly, the CJEU found that Article 13(2) of Regulation (EC) No 207/2009:

“must be interpreted as meaning that the proprietor of a mark cannot oppose the further

commercialisation, by a parallel importer, of a medical device in its original internal and external packaging where an additional label, such as that at issue in the case in the main proceedings, has been added by the importer, which, by its content, function, size, presentation and placement, does not give rise to a risk to the guarantee of origin of the medical device bearing the mark”.

IMPORTER EXCEPTION

This decision provides an exception to the BMS Conditions – parallel importers which apply discrete labels to unopened packaging that do not interfere with the origin function of the original trade mark do not need to comply with the BMS Conditions. However, most relabelling cases require a change in language and, in such circumstances, more significant alterations to the packaging would be needed. So this decision is likely to be of limited application and only of most relevance to parallel importers moving goods between countries with a common language.

1 Bristol-Myers Squibb v Paranova C-427/93
2 Boehringer Ingelheim & Ors C-143/00



Jade MacIntyre

is a Chartered Trade Mark Attorney at Allen & Overy LLP and member of the CITMA Design and Copyright working group
jade.macintyre@allenovery.com

Man versus brand

Sarah Husslein reviews the elements and arguments in a name-based dispute

Two separate EU designations for the word mark KENZO ESTATE covering, *inter alia*, wine in class 33 and classes 29, 30, 31, 35 and 41, filed by Mr Kenzo Tsujimoto (the Appellant), were opposed by Kenzo (the Opponent) on the basis of Article 8(5) (reputation of an earlier mark) of Regulation (EC) No 207/2009 (EUTMR). The Opponent relied on its EU trade mark No 720706 for KENZO, registered in classes 3, 18 and 25.

The Opposition Division rejected the oppositions, considering the evidence filed by the Opponent to be insufficient to establish that the earlier mark had a reputation. Kenzo appealed, and the Board of Appeal (BoA) upheld the appeal, stating that the three cumulative conditions for the application of Article 8(5) EUTMR were satisfied, the Opponent having notably established the reputation of its earlier mark. The General Court (GC) and now the CJEU have upheld the BoA's decision.

The Appellant appealed the GC's decision to the CJEU on two grounds, namely infringement of Article 76(2) – which provides that EUIPO may disregard facts or evidence which are not submitted in due time by the parties – and Article 8(5) EUTMR.

PROOF OF REPUTATION

The Appellant argued that the BoA and the GC were not correct to take into account the documents submitted by the Opponent after the expiry of the period specified to substantiate its oppositions, primarily intended to prove the genuine use of the earlier mark KENZO, for the purposes of assessing the reputation of that mark.

It is settled case law that EUIPO has the discretion to take into account evidence or facts submitted out of time, provided that the evidence is, on the face of it, likely to be relevant to the outcome of the opposition, and it is not precluded by the stage of the proceedings.

The CJEU concluded that the GC correctly applied Article 76(2) by considering that proof of use and proof of reputation are indissociably linked and that only an excessive and illegitimate formalism would dictate that the proof of use cannot serve as further evidence of reputation.

DUE CAUSE

The second ground of appeal was divided into four parts, the most interesting being the argument related to due cause.

It is settled case law that the claim by a third party that there is due cause for using a sign that is similar to a mark with a reputation cannot lead to the recognition, for the benefit of that third party, of the rights connected with a registered mark, but rather obliges the owner of the mark with a reputation to

tolerate the use of the similar sign.

The GC held that the use of the Appellant's first name, Kenzo, in the application trade marks KENZO ESTATE was not enough to constitute due cause within the meaning of Article 8(5) EUTMR, allowing the Appellant to use this sign. The CJEU confirmed the GC's findings that no due cause had been demonstrated by the Appellant and that, as a result, the latter wanted to take unfair advantage of the reputation of KENZO.

“
The CJEU concluded that the GC correctly applied Article 76(2)



KEY POINTS

- ✦ The CJEU confirmed that proof of use and proof of reputation are indissociably linked
- ✦ Individuals have no unconditional right to register their names as a trade mark at EUIPO



Sarah Husslein

is an Associate (Registered European Lawyer) at Bristows LLP
sarah.husslein@bristows.com

The shape of colour?

Louboutin has maintained its red sole registrations, reports Nicole Giblin



Christian Louboutin's striking red soles have dominated fashion and legal headlines for years. The present case reiterates that, at least for now, shape does not mean colour, and Louboutin's trade mark registrations for its red soles are still considered valid and enforceable.

In 2010, Louboutin secured registration for its iconic red soles in the Benelux, with the mark being described as follows: "The mark consists of the colour red (Pantone 18-1663TP) applied to the sole of a shoe as shown (the contour of the shoe is not part of the trade mark but is intended to show the positioning of the mark)."

By 2012, Van Haren Schoenen BV was retailing fashion shoes featuring red soles in stores in the Netherlands. Louboutin brought infringement proceedings in 2013 at the Rechtbank Den Haag (District Court of the Hague), resulting in a default judgment upholding the same.

Van Haren appealed and argued that Louboutin's registration was invalid on the basis that the trade mark consisted of a "shape" arising from the nature of, and giving substantial value to, the goods, and was therefore excluded from protection. In acknowledging the value that Louboutin's red soles give to the goods, the Court was subsequently unsure whether "shape" was limited to the 3D properties of the goods or whether it could include other properties, such as colour.

COLOUR QUESTION

The question was referred to the CJEU, which considered whether a colour applied to the sole of a shoe could be considered to be a shape within the provision of Article 3(1)(e)(iii) of Directive 2008/95/EC. In its decision, the CJEU commented that the usual meaning of "shape" is the lines or contours of a product, and that

colour without any such outline did not fall within this meaning. Even where the shape of a product creates an outline for the colour, this does not mean that the protected sign is itself a shape. The description of the trade mark clearly states that the scope of the registration extends to the colour red as applied to the sole, and does not include the contour of the shoe.

In the event that the colour could be interpreted as a shape, the registration did not

consist "exclusively" of a shape, particularly since the main element of protection was a clearly defined Pantone colour.

Ultimately, the CJEU held that "a sign consisting of a colour applied to the sole of a high-heeled shoe, such as that at issue in the main proceedings, does not consist exclusively of a 'shape', within the

meaning of that provision".

MIND THE MEANING

This decision reiterates the importance of reading the provisions of the law in line with the ordinary meaning of the words. To find that shape means colour would arguably stretch interpretation beyond what was intended by the provisions, and by Louboutin's registration. It also signifies the importance of properly describing non-traditional trade marks. In Louboutin's case, expressly excluding the contour has left little doubt over the intended scope of protection.

“

This decision signifies the importance of properly describing non-traditional trade marks

KEY POINTS

✦ The word "shape" should be given its usual meaning in the context of Article 3(1)(e)(iii) of Directive 2008/95/EC – "the lines and contours of a product"

✦ Louboutin's trade mark consisting of the colour red, applied to the sole of a shoe, is not exclusively a "shape" and is not therefore excluded from protection

THE LOUBOUTIN MARK



Nicole Giblin

is a Chartered Trade Mark Attorney at Clyde & Co, based in the Dubai office
nicole.giblin@clydeco.com

Dog days for Pawsecco

Its wordplay didn't work out, explains Azhar Sadique

This case considered the evocation of Protected Designations of Origin (PDOs) in the matter of PAWSECCO in the name of Woof and Brew Ltd, and opposition thereto by Consorzio Di Tutela Della Denominazione Di Origine Controllata Prosecco, the governing body responsible for ensuring the term "Prosecco" is used only on wines from a specified region of Italy. The Applicant was using the mark on a sparkling wine-style bottle containing a liquid treat for pets. The application covered "edible pet treats".

The grounds of opposition were based on six sections of the Trade Marks Act 1994 and included supporting evidence demonstrating the well-known status and reputation of the term Prosecco.

However, the only successful ground of opposition was s3(4). This ground provides that the registration of a trade mark would be preventable by a provision of EU law. The laws said to prohibit the use/registration of a mark here were Articles 102 and 103(2) of Regulation (EU) 1308/2013, which govern the use of PDOs for wine, and the relationship between those products and trade marks.

The Hearing Officer (HO) dismissed the submission under Article 102 on the basis that the mark PAWSECCO did not contain, or consist of, the PDO Prosecco directly.

EVOCATION INVOKED

On applying Article 103, the HO considered whether PAWSECCO could constitute a form of misuse, imitation or evocation of the PDO Prosecco.

The case of Gorgonzola (C-87/97) was cited in defining evocation as covering a situation where the term used to designate a product incorporates part of a PDO, so that, when the consumer is confronted with the name

of the product, the image triggered in their mind is that of the product whose designation is protected.

In this case, the Applicant's own witness statement confirmed that the mark was coined in order to allude to a "type of wine" product.

INEVITABLE ENDING

On this basis, the HO came to the inevitable conclusion that the Applicant must have seen some form of commercial benefit in choosing

the term PAWSECCO and that the marketing gimmick of combining a faux wine product with the use of a name that evokes a popular and currently in-vogue type of wine would clearly take advantage of strong reputation possessed by the PDO Prosecco. Thus, evocation was very clear and the use and/or registration of the mark fell foul of Article 103.

This case stands as yet further confirmation that

PDOs, Protected Geographical Indications and Traditional Speciality Guaranteed designations possess powerful enforcement rights that need to be taken seriously.

In addition, it is worth keeping up to date with the "Cornish pasties", "Jersey Royals" and "Buxton Blues" of the PDO world in order to ensure that clients are aware of the potential pitfalls of using marks that may take the form of a play on words, pun, or other variation of protected designations or indications.

“
The HO came to the inevitable conclusion that the Applicant must have seen commercial benefit in choosing PAWSECCO”

KEY POINT

✦ Where a mark incorporates a PDO, or a variation or play on words based on a PDO, it is sufficient for such a mark to simply trigger the thought of that product in the mind of the consumer to fall foul of s3(4)



Azhar Sadique

is a Chartered Trade Mark Attorney and a Director at Keltie LLP
azhar.sadique@keltie.com

KEY POINTS

✦ Where a brand is used across a number of businesses, it is possible to “infer” the pooling of goodwill where there are common elements

✦ Long-standing use will not necessarily equate to enforceable rights in a low-distinctiveness mark

SELECTED
WALMART
APPLICATION
REGISTRATIONS

UK00003139254

TAILOR & CUTTER

UK00003139258



UK00003003552



THE TAILOR
& CUTTER
(CAMBRIDGE)
LTD MARKS

UK00003122696

TAILOR & CUTTER

TAILOR AND CUTTER

Seamless win for Walmart

Invalidity actions proved key, suggests Laura Robyn

This case concerned opposition and invalidity proceedings between Walmart (the parent company of Asda) and three regional Tailor & Cutter tailoring businesses connected by Mr Jackson, sole Director (jointly referred to as T&C). The chronology of proceedings, consolidated by the UK IPO, was as follows:

- **August 2015:** T&C (Cambridge) files to register series marks TAILOR & CUTTER/TAILOR AND CUTTER for cufflinks, jewellery and watches in class 14, and clothing in class 25.
- **December 2015:** Walmart files applications for TAILOR & CUTTER and two series figurative marks in class 25.
- **March 2016:** T&C jointly opposes Walmart's three applications based on its earlier application under s5(2)(b) of the Trade Marks Act 1994 and passing off under s5(4)(a), and files an invalidation action against Walmart's two 2013 registrations for TAILOR & CUTTER word and logo marks on the basis of its unregistered rights.
- **November 2016:** Walmart opposes T&C's application on the basis of relative and absolute grounds.

The Hearing Officer (HO) first examined the documentary evidence provided by T&C in support of its unregistered rights in the TAILOR & CUTTER mark across the various businesses. Before making a finding on whether goodwill existed, however, the HO addressed Walmart's arguments that: (i) as no assignment had taken place, T&C could not rely on collective goodwill; and (ii) no common-law rights can be accrued in a solely descriptive term.

For the first point, the HO accepted that, despite the lack of an assignment, but given the constant link between the trading vehicles and Mr Jackson, there had been a “consensual transfer of an on-going business”, which was held sufficient “to infer that the goodwill of the former will have passed to the latter”.

The HO accepted Walmart's evidence showing descriptive use of the combination of TAILOR and CUTTER and concluded that the TAILOR & CUTTER name was “wholly descriptive of tailoring services”, and so T&C would not be able to prevent others from using it. As T&C could not sufficiently show distinctiveness,

no goodwill could exist, and the passing off claim failed. Walmart's 2013 registrations for TAILOR & CUTTER word and logo marks stood.

OPPOSITIONS CONSIDERED

The oppositions were then considered, dealing first with Walmart's opposition against T&C's application. Considering Walmart's word mark registration, with identical marks and identical goods in class 25, the opposition was successful on the s5(1) basis in respect of the class 25 goods. A s5(2)(a) likelihood of confusion was found for “cufflinks, tie-bars; scarf rings, clips; pins”. Jewellery and watches were held dissimilar (following Longines).

Turning to the absolute grounds, the HO explained that ss3(1)(b) and (d) would stand or fall with a finding of descriptiveness. Assessing the descriptiveness of TAILOR & CUTTER in reference to jewellery and watches only, the s3(1)(c) ground was unsuccessful, and all absolute grounds were dismissed. T&C's application failed in class 25, but was accepted in class 14.

Finally, T&C's opposition to Walmart's applications in class 25, with its earlier application now limited to class 14 goods, was unsuccessful on both counts, again following the Longines assessment.

FINAL THOUGHTS

In this cascade of cases, the invalidity actions proved the key decisions to unlock Walmart's success, leaving it with the best and first right. Despite T&C's earlier use of TAILOR & CUTTER dating back to the 1990s, Walmart's protection in the form of its 2013 registrations proved robust in protecting its mark and as an offensive tool. This case is a convincing reason for brand owners to register their rights early.



Laura Robyn

is a Trade Mark Assistant at Haseltine Lake LLP
lrobyn@haseltinelake.com

Result for Premier League

But loss of focus cost the Opponent, says Sarah Williams

International Group Management Ltd filed an application to register the trade mark ESPORTS PREMIER LEAGUE and device (series of two, see right) on 27th October 2016, covering “Organisation and regulation of video gaming competitions” in class 41, later amended to add “none relating to association football”. The application was opposed by The Football Association Premier League Ltd, relying on ss5(2)(b), 5(3) and 5(4) (a) of the Trade Marks Act 1994, and based on its UK and EU trade mark registrations for marks consisting of or containing the words PREMIER LEAGUE/PREMIERLEAGUE (shown below right).

Both parties filed evidence, the Opponent’s containing exhibits totalling 545 pages. The Applicant also put the Opponent to proof of use of its ‘888 PREMIER LEAGUE registration.

At the direction of the IPO, the Opponent reduced its list of goods and services relied on in the earlier registrations from some 28 pages to just over four. Once the Opponent’s evidence in reply had been filed, the Opponent further restricted its case to put forward its “best case”, featuring a revised list of marks and goods/services. A hearing took place on 28th April 2018.

SECTION 5(2)(B)

The Applicant was unsuccessful in its defence on the basis of earlier trade mark registration ‘888, as the IPO decided that “average consumers would regard the words PREMIER LEAGUE as indicating that there is an economic connection between the users of the marks. The inclusion of the words ESPORTS (and/or the device element) in the contested mark would not have been sufficient to counter this impression.”

SECTION 5(3)

From the evidence provided, the IPO stated that: “There is no longer any dispute that

PREMIER LEAGUE has a reputation in the UK in relation to services relating to sports events and matches; all relating to the promotion of association football; all included in class 41.”

In addition, it had also already been found under the s5(2)(b) case that: “The presence of the words PREMIER LEAGUE would have led a significant proportion of average UK consumers to expect the services provided under this mark to include video gaming competitions based on the type of association football organised and regulated by the Opponent.” This therefore created a link between the marks.

The Applicant argued that it had due cause (and a legitimate commercial reason) to use the trade mark PREMIER LEAGUE in relation to the “organisation of a league for a video gaming competition” as it is descriptive of a top-level league. However, as the Applicant must also show that “it has taken reasonable steps to avoid or minimise any damage to, or ... taking unfair advantage of, the earlier mark”, the IPO decided that the Applicant’s case fell down at the “due cause” point.

COSTLY CONFUSION

Both parties had requested costs from the outset. However, the IPO agreed with the Applicant that “the Opponent presented a poorly focused case which only became clear after the evidence rounds had closed”. In addition, the need to review large volumes of unnecessary evidence increased the costs for the Applicant. As such, the IPO decided that each party should bear its own costs.



Sarah Williams

is a Chartered Trade Mark Attorney and a Senior Associate at Walker Morris LLP
sarah.williams@walkermorris.co.uk

KEY POINTS

- ✦ Focus a case from the outset and not only after the evidence rounds
- ✦ The failure of a party to present a focused case and the filing of poorly focused evidence may have an adverse effect on any award of costs granted to the successful party

THE INTERNATIONAL GROUP MANAGEMENT LTD DEVICE



THE FOOTBALL ASSOCIATION PREMIER LEAGUE LTD MARKS

UK2147888 ('888) PREMIER LEAGUE

EU3784089 ('089) PREMIERLEAGUE.COM

EU12039251 ('251) FANTASY PREMIER LEAGUE

EU5153077 ('077)



UK3148844 ('844)



The appeal of luxury

Being a famous name was not enough, concludes Yana Zhou

This General Court (GC) decision concerned Prada SA (Prada), EUIPO and The Rich Prada International (the Intervener), and related to the word mark THE RICH PRADA, covering terms in classes 30, 32, 35, 36, 37, 41, 43, 44, 45. Prada opposed the application under Articles 8(1)(b) and 8(5) of Regulation (EC) 207/2009.

Prada claimed that the Board of Appeal (BoA) erred in its interpretation of Article 8(5) because it failed to consider that lack of similarity between the goods and services covered by the marks at issue was a condition for Article 8(5), and it failed to recognise the extent of Prada's reputation. Prada also presented additional evidence as to its "exceptional reputation" and asserted that, because of "brand extension", the relevant public had become accustomed to seeing luxury brands in business sectors that are not directly or traditionally linked to luxury goods.

NO ERROR

The GC refused to consider the new evidence, because it found that the BoA did not err in considering the earlier mark's reputation. The BoA had found Prada's reputation to be "particularly conspicuous" and proceeded on the basis that its reputation was of the highest strength. The GC also found that the BoA had properly considered the similarity of goods and services covered by the marks at issue as per the requirement under Article 8(5), and contended that, in any event, Prada had not properly challenged that conclusion of the BoA.

In fact, throughout the decision, the GC contended that Prada failed to submit a substantiated challenge to the specific conclusions of the BoA around the similarity/dissimilarity of the terms in question and the link in the minds of the consumers between the

marks. The arguments advanced by Prada as regards its "exceptional" degree of reputation and the phenomenon of "brand extension" were insufficient for the GC to overturn the BoA's conclusions and find that the relevant consumer would make a link between the marks. The GC also held that, even if a link could be established, Prada had not established any detriment or unfair advantage.

In relation to Article 8(1)(b), Prada argued that the BoA erred by failing to acknowledge the similarity of the services in class 35, and that there was a high likelihood of confusion. The GC disagreed with this argument and again stated that Prada did not advance any argument that called into question the BoA's reasoning on that point.

“
Prada did not advance any argument that called into question the BoA's reasoning”

SOUND REASONING

This case reminds owners of brands with a reputation that the extent of those rights is limited. Importantly, brand extension cannot be applied like a "blunt tool" to achieve a "vast but illegitimate trade monopoly". Even famous marks with an accepted reputation will still need to make out and prove the separate requirements in an opposition. It is not enough for a mark to have a reputation such that the owner can claim a link to all goods and services.

We wait to see if Prada appeals, but, given the sound reasoning of the GC, the author does not believe any appeal would be successful.

KEY POINTS

- ✦ Brands with an accepted reputation will still need to prove all of the requirements in an opposition
- ✦ An owner of a famous mark cannot claim a link to all goods and services
- ✦ The concept of a "brand extension" should not be applied too broadly

Stobbs represented the Intervener, The Rich Prada International, in these proceedings.

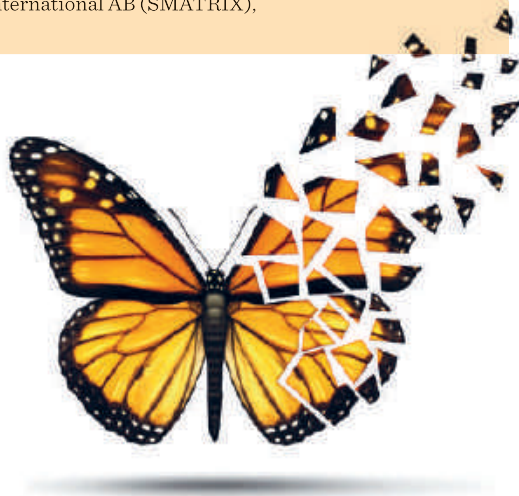


Yana Zhou

is a Solicitor at Stobbs
yana.zhou@stobbsip.com

Out of sync

The BoA failed to apply the principle of functional continuity, points out Pollyanna Savva



In this case, Uponor Innovation AB (the Applicant) sought to annul the decision of the EUIPO Board of Appeal (BoA) in case R 236/2016-2 relating to opposition proceedings brought by Swep International AB (the Intervener) against Uponor's application to register the word mark SMATRIX as an EU trade mark (EUTM) in classes 9, 11 and 37. The opposition was based on a likelihood of confusion with Swep's prior figurative EUTM, shown below right, registered for goods in class 11.

On 3 December 2015, the Opposition Division partially upheld the opposition as regards classes 11 and 37, and rejected the opposition in respect of the goods in class 9. On appeal, the application was rejected in its entirety. Uponor appealed to the General Court (GC) alleging, *inter alia*, that the BoA erred, having failed to take into consideration an item of evidence produced before the Opposition Division regarding the alleged lack of conceptual similarity. As a result, an incorrect assessment had been made in respect of the likelihood of confusion.

POINT OF CONTENTION

In the contested decision, the Applicant submitted that the relevant public would perceive the earlier mark as an amended version of the word "asymmetric", by virtue of the asymmetrical features of the goods provided by the Intervener under the mark ASYMATRIX. Contrary to the Applicant's submissions, the BoA ruled that the Applicant had not produced any evidence capable of proving that the mark would be perceived by the relevant public as an abbreviation for "asymmetric". The BoA concluded that it was obvious from the representation of the earlier mark that it comprised two elements, "asy" and "matrix", which, as a whole, does not possess any meaning.

On appeal before the GC, the Applicant alleged that it produced relevant evidence in the form of a technical file outlining the asymmetric design of the Intervenor's goods.

The GC ruled in favour of the Applicant, concluding that the BoA had failed to consider evidence that was relevant, *prima facie*, to the assessment of how the word element of the earlier mark would be perceived, conceptually, by the relevant public. In view of the BoA's omission, the GC held that it was possible that the assessment of the merits of the arguments and evidence submitted by the Applicant during the proceedings could have led the BoA to adopt a different decision with a content different from the contested decision.

As such, the BoA's decision was contrary to the principle of continuity of functions between the bodies of EUIPO. Under this doctrine, in matters falling within the scope of Article 95 of Regulation (EU) 2017/1001, the BoA must base its decision on all matters of fact and law contained in the decision contested before it and with regard to those introduced by the parties, either in the proceedings in the first instance or on appeal.

CONSISTENCY NEEDED

This case shows the importance of procedural consistency between the various bodies of EUIPO in relation to the examination of the facts, evidence and arguments provided by the parties. Otherwise, procedural errors such as this can lead to lengthy appeal proceedings, which, in some cases, do not have a significant impact on the outcome of the case once it is reverted to the BoA.

“
This case shows
the importance
of procedural
consistency between
the bodies of EUIPO

KEY POINTS

- + The BoA ruled that the Applicant had not produced evidence capable of proving that the mark would be perceived by the relevant public as an abbreviation of "asymmetric"
- + The GC decided that the BoA had failed to consider evidence that was relevant, *prima facie*, to the assessment of the likelihood of confusion, pursuant to the principle of continuity of functions between EUIPO bodies falling within the scope of Article 95 of Regulation (EU) 2017/1001

THE SWEP
FIGURATIVE MARK

AsyMatrix



Pollyanna Savva

is a Trainee Trade Mark Attorney
at Withers & Rogers LLP
psavva@withersrogers.com

A rare review

Triona Desmond considers the facts of an unusual annulment

Here, the General Court (GC) annulled a decision of EUIPO's Fourth Board of Appeal (BoA) relating to invalidity proceedings between Glaxo Group Ltd (Glaxo) and Celon Pharma SA (Celon) on the basis that the BoA was not competent to rule on the question of genuine use of its own motion.

To provide background to the case, in 2011, Celon filed an EU trade mark application for a figurative sign (see right) for "inhalation products used for the treatment of asthma and chronic obstructive pulmonary disease" in class 5 and "inhalers" in class 10. The mark was registered in 2011.

In 2013, Glaxo filed an application for a declaration of invalidity against the Celon mark on the basis of several earlier national marks, including a French registration for a mark covering "inhalers" and "medical and surgical apparatus and instruments" in class 10 (see right). At Celon's request, Glaxo submitted documents to establish genuine use of its earlier marks.

ACTION UPHELD

The Cancellation Division upheld the invalidation action, having examined the application only in relation to Glaxo's earlier French mark. It held that Glaxo had established genuine use of the prior French mark at least in relation to inhalers, and that there was a likelihood of confusion between the marks.

Celon appealed the decision to the BoA, disputing only the question of a likelihood of confusion. The BoA dismissed the invalidity action and overturned the Cancellation Division's decision on the basis that Glaxo failed to establish genuine use of the marks. Although the parties did not make any submissions in that regard, the BoA examined whether Glaxo had furnished proof of use in relation to the inhalers and, concluding that it had not, dismissed Glaxo's action.

Glaxo and – interestingly – EUIPO requested the GC annul the BoA's decision. Celon wanted the appeal to be dismissed. Both Glaxo and EUIPO argued that the BoA did not have the competence to examine the question of genuine use, as none of the parties had made submissions before it in that regard.

The GC agreed. It noted that the question of genuine use was not subject to the proceedings before the BoA. Celon challenged the

Cancellation Division's findings on the presence of a likelihood of confusion only, with the BoA deciding on the issue of genuine use of its own motion, without requesting that the parties make submissions on this point. The GC confirmed that, when the issue of genuine use is not

specifically raised before the BoA, it must be considered as not being part of the proceedings, with the consequence that the BoA had no competence to render a ruling of its own motion on that issue.

CLEAR CONCLUSION

It is rather rare that EUIPO asks the GC to overturn one of its own decisions, and yet, in the present case, it was quite clear in its assertion that the BoA had infringed Article 64(1) of Regulation (EC) 207/2009 (now Article 71(1) of Regulation (EU) 2017/1001) in ruling on an issue without having the competence to do so (paragraph 17 of the decision).

“

It is rather rare that EUIPO asks the GC to overturn one of its own decisions

KEY POINT

✦ EUIPO is bound by the submissions of the parties and is barred to rule on the question of genuine use, if it has not been raised before it

THE CELON FIGURATIVE SIGN



THE GLAXO REGISTRATION



Triona Desmond

is a Senior Chartered Trade Mark Attorney at Pinsent Masons LLP
triona.desmond@pinsentmasons.com

Entirely justified

Annulment bid failed despite lack of distinctiveness, says Oliver Tidman

MIP Metro Group Intellectual Property GmbH (MIP) challenged the entitlement of the Board of Appeal (BoA) to take into account the enhanced distinctiveness of an earlier mark relied on by the Opponent, Association française de normalisation (AFNOR). The General Court (GC) has upheld the BoA's decision.

The background of the case begins with AFNOR filing an opposition against an international application designating the EU for the word mark N & NF TRADING in respect of services in classes 35 and 39, under Article 8(1) (b) of Regulation (EC) 207/2009. AFNOR relied on its several earlier rights, including an EU figurative mark (shown below left) for goods and services registered in, *inter alia*, classes 35 and 39.

The BoA dismissed MIP's appeal, deciding that the earlier mark had enhanced distinctiveness in France. Further, it found that the earlier mark and the mark applied for had visual and phonetic similarities that no conceptual difference could counteract. Given that the distinctive and dominant component of both marks was "NF", the BoA found that there was a likelihood of confusion between the marks, in particular for the French public.

MIP ARGUMENTS

On further appeal, MIP argued that the BoA had erred in finding that the component "NF" was the sole dominant component of the earlier mark, and in failing to take into account the component "environment". MIP also disputed the enhanced distinctiveness of AFNOR's mark.

The GC dismissed these grounds of appeal. According to settled case law, it agreed with the BoA that the term "environment" describes the protection of the environment in the context of the services at issue. The BoA had correctly

found that the combination of the letters "NF" was the most striking element of the earlier mark that a large part of the public in the EU would recall.

The GC also remarked that the BoA was not mistaken in its interpretation of the ampersand in MIP's mark, as it was likely that the relevant public would interpret the component "N & NF" as an association between two separate entities, "N" and "NF", where there was none.

However, the GC concluded that AFNOR's mark failed to have enhanced distinctiveness, as it had been used in France for services in classes 35 and 39 for the sole purposes of certifying the services provided by undertakings other than AFNOR.

Nonetheless, the fact remained that the existence of likelihood of confusion was established due to the similarity of the services and marks at issue, both for the average consumer and those members of the public that have a high level of attention. The annulment claim was therefore rejected and the action dismissed.

ENTIRETY CONCEPT

This decision serves as a reminder that marks must be viewed and compared in their entirety, and that careful thought should be given to the local language(s) of the relevant public in different parts of the EU as required under the earlier rights relied on.

KEY POINT

It is settled case law that the addition of a descriptive term in a composite logo does not avoid a likelihood of confusion where the distinctive aspects of the marks are shared

AFNOR'S EARLIER FIGURATIVE MARK



Oliver Tidman

is Founder and Managing Partner at Tidman Legal
oliver@tidmanlegal.com



Evidently ingenuine

Leanne Gulliver outlines an unconvincing body of evidence

The Argentine polo team, La Dolfina, SA applied to revoke the EU trade mark registration for DOLFINA, owned by Spiral World, SL on the basis that it had not been put to genuine use within a continuous period of five years. The General Court (GC) upheld the Board of Appeal's (BoA's) decision to revoke the registration on the grounds of non-use in respect of T-shirts and caps in class 25.

Initially, the Cancellation Division partially upheld the application for revocation by revoking the registration in respect of all the goods covered (namely classes 3, 18 and 25) with the exception of T-shirts and caps in class 25.

La Dolfina successfully appealed the partial revocation decision, insofar as it did not revoke the registration in respect of T-shirts and caps in class 25, with the BoA finding that Spiral World's evidence was insufficient to establish genuine use. Spiral World subsequently appealed the BoA's decision to the GC.

The GC upheld the BoA's finding that Spiral World's evidence had failed to demonstrate "effective and sufficient use" of the registration during the relevant period for the purposes of establishing that the mark had been put to genuine use in respect of T-shirts and caps in class 25.

Citing the judgment in *Ansul*, there is genuine use of a trade mark where the mark is used in accordance with its essential function, which is to guarantee the identity of the origin of the goods or services for which it is registered in order to create or preserve an outlet for those goods or services.

When considering Spiral World's evidence, the GC noted that:

- photographs included were incapable of proving that the mark had been used publicly and outwardly in the EU during the relevant period;
- the existence of a licence agreement does not in itself establish actual use of the registration on the market – it just shows that the licensor consented to the use of the mark by the licensee;



- invoices included failed to establish either that the sale of T-shirts and caps took place or the quantity sold;
- the advertising materials (catalogues) depicted the registration, but were incapable of establishing use, as Spiral World had failed to provide evidence relating to their distribution;
- while a sworn statement made reference to items of clothing bearing the mark being given away to customers, it gave no indication of the number of items distributed. Further, the gifting of clothing does not constitute use per se. A mark is not regarded as being put to genuine use where it is affixed to promotional items that are handed out as a reward for the purchase of other goods and to encourage the sale of the latter (*Silberquelle C-495/07*).

This case is a stark reminder that evidence of use must concern the place, time, extent and nature of use, and that the mark should be "publicly and outwardly" used.

KEY POINTS

- Genuine use requires that the mark be used publicly and outwardly
- Evidence of use must concern the place, time, extent and nature of use
- Use of a mark need not always be quantitatively significant to be deemed genuine



Leanne Gulliver

is a Chartered Trade Mark Attorney
at Osborne Clarke LLP
leanne.gulliver@osborneclarke.com

Maxima impact

Mignini's mark makes its case, as Rachel Fetches writes

The General Court (GC) dismissed Cotécnica's appeal against the Second Board of Appeal's (BoA's) finding that there was a likelihood of confusion between the figurative COTECNICO MAXIMA mark and Mignini's MAXIM ALIMENTO SUPERPREMIUM mark, both shown below right.

The dispute began when Cotécnica sought registration for an EU trade mark for its figurative mark in class 31 for goods including "foodstuffs for animals". The application was opposed by Mignini based on its Italian trade mark registered for identical goods.

The BoA found that, although they were only weakly distinctive, the MAXIM or MAXIMA elements dominated the overall impression given by the marks; the other figurative and smaller word elements did not affect that finding. The relevant public was the Italian general public and business consumers who would associate the dominant elements with the size or high quality of a product. The marks were visually and phonetically similar and conceptually highly similar, and the BoA concluded that there was a likelihood of confusion between the marks.

Cotécnica argued that the BoA: should not have made a comparison of the signs principally on the dominant MAXIM and MAXIMA elements when their distinctive character was extremely weak; failed to recognise the importance of the COTECNICA element; and failed to take account of the coexistence of earlier marks containing "maxim" in the relevant market.

The GC held that the BoA was correct in its analysis of the importance of the MAXIMA element and secondary importance of the COTECNICA element. The latter was

considerably smaller in size and located in a non-central position. Although consumers do generally remember the beginning of a mark rather than the end, in this instance, the fact that COTECNICA was located before MAXIMA did not affect the finding of dominance. The element COTECNICA was inherently distinctive, but that did not alter the analysis, because it was barely legible and would be ignored by the relevant public, who usually perceive a mark as a whole without analysing the details.

The BoA's analysis of the visual similarity of the dominant elements of the marks was

correct in its view that the "A" at the end of MAXIMA would likely go unnoticed by the relevant public, and that the other figurative and word elements of the marks were secondary in the visual impression. In terms of the phonetic similarity, the GC observed that

“*Cotécnica had not substantiated that there had been peaceful coexistence*”

the average consumer often shortens multi-word signs, and it was unlikely that the words COTECNICA and ALIMENTO SUPERPREMIUM would be pronounced in the ordinary course of trade. Conceptually, the marks shared the same basic concept, which, again, was not altered by the secondary elements.

Therefore, although the comparison of similarity was based on elements that had weak distinctive character, the BoA's assessment was correct, and there was a likelihood of confusion. Further, Cotécnica had not substantiated that there had been peaceful coexistence of the marks or that the BoA had failed to examine those arguments.

KEY POINTS

- ✦ The weak distinctive character of an element in a composite mark does not preclude it being considered the dominant element
- ✦ Dominance of elements making up a composite mark can be determined by a number of factors, in particular the relative size and positioning of the elements, which can influence the public's perception of those elements when considering the mark as a whole

THE COTÉCNICA MARK



THE MIGNINI MARK



Rachel Fetches

is a Partner at HGF Law, based in the London office rfetches@hgf-law.com
Maherunesa Khandaker, a Solicitor in the London office of HGF Law, co-authored.

November's Autumn Conference in Birmingham will focus on promoting harmony and resolving disputes →



Events

More details can be found at citma.org.uk

DATE	EVENT	LOCATION	CPD HOURS
12th September	CITMA Lecture – Bristol Copyright in the real world: practical experience and strategies for enforcement in the UK	Ashfords, Bristol BS2	1
25th September	CITMA Lecture – London* Latin America: trade marks as a tool for investments and innovation in a 4.0 environment	58VE, London EC4	1
12th October	CITMA Paralegal Afternoon Seminar Post-Registration	Lewis Silkin, London EC4	
17th October	CITMA Webinar* An update on groundless threats	Log in online	1
1st November	CITMA Day Seminar for Litigators – London	London	7
8th November	CITMA Autumn Conference and Networking Drinks Reception* Relative disharmony – earlier rights and resolving conflicts	ICC, Birmingham B1	5
14th November	CITMA Webinar*	Log in online	1
19th November	CITMA Paralegal Webinar	Log in online	
27th November	CITMA Lecture – London* A canter through the cases	58VE, London EC4	1
29th November	CITMA Lecture – Leeds Emerging professional liability risks for IP professionals	Walker Morris, Leeds LS1	1
7th December	CITMA Northern Christmas Lunch	TBC	
14th December	CITMA London Christmas Lunch**	London Hilton on Park Lane, London W1	

SUGGESTIONS WELCOME

We have an excellent team of volunteers who organise our programme of events. However, we are always eager to hear from people who are keen to speak at a CITMA event, particularly overseas members, or to host one. We would also like your suggestions on event topics. Please contact Jane at jane@citma.org.uk with your ideas.

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THE TRADE MARK 20

Q&A

Laura Robyn

shares how the Bard has shaped her career



I work as... a Trade Mark Assistant at Haseltine Lake LLP.

Before this role, I was... an English literature graduate who fell in love with reading and interpreting case law. And trade marks!

My current state of mind is... heat meltdown! Wouldn't say no to a refreshing swim in the sea.

I became interested in IP when... I was given the sublime opportunity of working with the Victoria & Albert Museum, cataloguing marketing materials and recordings of London theatre Shakespeare performances. Learning about the implications of copyright and its interaction with scholars, enthusiasts and the general public was a fascinating stepping stone into the IP profession.

I am most inspired by... idioms. The way someone chooses to express themselves often says more about them than what they are saying, and I cannot help but link people to their semantic idiosyncrasies.

In my role, I most enjoy... doing research for submissions, whether for Office actions or opposition proceedings. It reminds me how fortunate I am to have that unique exposure to a wide range of industries and specialist fields.

In my role, I most dislike... not yet being experienced enough to take on all the challenges I would like to. But I remain eager to learn and improve, and know I will get to that stage one day.

On my desk is... my loyal "fairy dust folder". It holds expired registration



“
*I fell in love
with reading and
interpreting case law*”

certificates from countries around the world with ornate seals, ribbons, crests and the like that are too beautiful to throw away.

If I were a trade mark/brand, I would be... Bass's UK00000000001. Still going strong after all these years, and who doesn't like coming first?

The biggest challenge for IP is... embracing and incorporating the wealth of possibilities AI-based software has to offer assisting in repetitive administrative processes. The challenge lies in ensuring quality and accuracy while adequately protecting our clients' data and its exposure to cyberattacks.

My favourite place to visit on business is... Atlanta, Georgia.

I was given the amazing opportunity to travel out there and see some of the magnificent sights, including the botanical gardens and the Atlanta BeltLine redevelopment project (though not all 33 miles of it!). I also had some very tasty Mexican food.

The talent I wish I had is... being able to quote Shakespeare appropriately in every circumstance.

I can't live without... a sunny spot, a good book and a well-earned G&T once in a while.

My ideal day would include... a lovely potter with friends around one of the many historical stately homes near Bristol.

In my handbag is... the game Bananagrams. I always carry it with me.

My favourite mug says... "I am Bourbon Freeman".

The best piece of advice I've been given is... Avoid putting in writing any words you would never say out loud.

When I want to relax, I... hop in the car, put on some music and escape to the gorgeous countryside.

In the next five years, I hope to... qualify as a Trade Mark Attorney and attend an INTA conference.

The best thing about being a member of CITMA is... being part of an extensive network of professionals and an association that proactively seeks to promote and elevate the profession, as evidenced by the Royal Charter.

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trade mark and design profession.*

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Tony Hopkins

+44 (0)203 771 7251

tony.hopkins@thinkpublishing.co.uk

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Keltie is one of the fastest growing and most innovative of all IP Firms. Committed to excellence in client service, the firm remains true to its Founder's value of empowering its members to achieve personal growth through professional experience. We are now seeking a full time qualified Trade Mark Attorney to join our dynamic team in London.

The Role

The successful candidate will have at least 2 years CITMA (or equivalent EU) post-qualification experience and will be expected to work with minimal or no supervision and advise on a full range of trade mark issues, including clearance searching, trade mark filings, assignments, licensing, portfolio management, oppositions, infringement and other contentious matters. Experience with design matters would also be beneficial.

You will be expected to contribute to business development and foster the continued growth of the practice. The successful candidate will have strong marketing skills, entrepreneurial attitude, the ambition to develop his/her own client base and will be offered opportunities to do so. Communication skills will be essential.

Based in our London office, your portfolio of clients will include SMEs and larger international clients and you will enjoy close direct client relationships as well as tangible involvement in advising on the strategy behind their trade mark portfolios. Our attorneys are encouraged to take on high levels of autonomy from an early stage and are supported in building their own practice.

Why join us?

Keltie is an exceptional IP firm with a reputation for providing excellent client service to a range of small, medium and large clients around the world. World Trademark Review ranks Keltie among Britain's top trade mark firms and we are one of the fastest-growing IP firms in the UK, with new offices in Cambridge and in Ireland (Galway).

We provide a flexible and supportive environment with competitive pay/benefits and collective bonuses, in line with our values. We also offer genuine potential for career progression reflecting the successful candidate's contribution to the firm's success.

To Apply

Interested? If so, please get in touch and tell us why you think we should meet. Please send your CV with a covering letter to hr.department@keltie.com.

No agents.