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ITMA REVIEW

THE JOURNAL OF THE INSTITUTE OF TRADE MARK ATTORNEYS

Issue **419** July/August 2015 itma.org.uk



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Published on behalf of ITMA by:

Think, Capital House,
25 Chapel Street, London NW1 5DH
Tel: 020 3771 7200

www.thinkpublishing.co.uk

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ITMA Review

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Despite our frosty front cover image, summer is here – it's official. I hope that this issue finds you enjoying some downtime, and, if you tire of the latest beach read, we have plenty of entertaining and enriching content for you. The idea of OHIM torpedoes may cause discomfort to those holidaying on the Costa Blanca, but Guy Tritton's insights will certainly enlighten you as to the true nature of

these weapons. Moving around the globe, we have a feature on the Nordic region and an update from the IPO's attaché in India. You can also ponder the results of a salary survey and read about the important work of LawCare.

Chris McLeod
ITMA President

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ITMA Insider

Diversity in IP update

The end of April saw CIPA issue an update from Andrea Brewster on the activity of the diversity task force, a pan-professional group that includes more than 30 members from organisations such as ITMA, CIPA, the IP Federation, FICPI-UK and the IPO, as well as from *Managing Intellectual Property* magazine.

Each member has been assigned a working group, and these are tackling:

- Awareness-raising upstream of the IP professions
- Best practice charters and accreditation schemes within the professions
- Diversity and inclusion training within the professions
- Support within the professions.

Interview initiative

One of the first projects underway is the creation of resources that will help raise awareness of the IP

professions and increase the pool of potential recruits. This will include a collection of video interviews with people in the IP professions, which will stress the breadth and inclusivity of the various IP-related jobs.

The project group coordinator, **Parminder Lally**, would be keen to hear from anyone with an interesting story to tell about their work in IP, so please do contact her at plally@marks-clerk.com if you would like to be involved.

Other key projects

Information gathering has also begun in an effort to establish a voluntary code of practice on diversity and inclusion for the IP professions, which the report suggests might take the form of a charter to which IP professionals can sign up, or an accreditation scheme.

Meanwhile, another group is working to identify training resources

on diversity and inclusion that are already available, and which may be useful to IP professionals.

Support groups are the focus of a final team's efforts, and work has started to consider what support might be useful within the IP professions. It is likely that groups for women in IP and those people that identify as LGBT will be put in place first.

If you have suggestions on useful groups, or are interested in becoming involved in a support group, please contact the group coordinator, **Lee Davies** (lee@cipa.org.uk).

Says Brewster: "It's fantastic to see how this initiative has brought together enthusiastic and committed volunteers from across the IP professions, and we have every reason to believe that we will be able to make a difference over the next 12 months. There is clearly an appetite to make the IP professions more diverse, more inclusive and more welcoming – and a recognition that everyone will benefit from that."

BLOG SPOT

In a recent SoloIP post, IP blogger and ITMA member Barbara Cookson recommends INTA's *Annual Review of EU Trademark Law*, published in its *Trademark Reporter*. According to Barbara, the 247-page document is "beautifully organised by topic and provides national cases as well. No trade mark agent should be without it". A link to the document can be found at inta.org or via soloip.blogspot.co.uk



Spring 2016 Conference: save the date

We have agreed that we will return to the elegant One Whitehall Place in central London for next year's ITMA Spring Conference, which will take place on **16-18 March 2016**.

PHOTO BY STEWART RAYMENT

RIGHTS PROTECTION MECHANISMS REVIEW – ITMA RESPONSE

In May, ITMA welcomed the opportunity to comment on the RPMs Review Draft Report, produced as an initial assessment of the effectiveness of the rights protection safeguards adopted in the ICANN New gTLD Program. ITMA recognises that, while the new gTLDs that have launched to date are still in their early stages of operation, it is crucial for ICANN to identify now the fundamental issues that have had an impact on the effectiveness of the RPMs, and work towards their resolution. To this end, ITMA's comments sought to communicate to ICANN some of the key shortcomings of the RPMs.

The full text of our response is on the website at itma.org.uk, but our conclusion was that it is widely held by ITMA's members, and we believe trade mark owners generally, that under the current framework the RPMs have not been satisfactory as cost-effective trade mark protection mechanisms. In the advent of the introduction of many more new gTLDs, ITMA urges ICANN to resolve the issues identified above as a priority.



PHOTO BY KAT HANNON

Baroness Neville-Rolfe retains IP role

ITMA was delighted to note the announcement on **14 May** that Baroness Neville-Rolfe – who spoke at our most recent Annual Conference – would remain in her role as Minister for Intellectual Property following the General Election. We look forward to working with the Baroness on issues of concern to our members over the coming months and years.

Are you fluent in Frogans?

ITMA members may be becoming aware of the development of the Frogans system, which allows content to be published on the internet in parallel to the world wide web. The first Frogans sites are likely to go live next year, so the project presents a new challenge for trade mark holders looking to protect their rights in the virtual marketplace. We'll be including more information on Frogans in a future issue of *ITMA Review*, but see project.frogans.org if you would like to learn more now.

IP infographic: Madrid TM application trends

The latest facts and stats related to international trade mark applications from WIPO



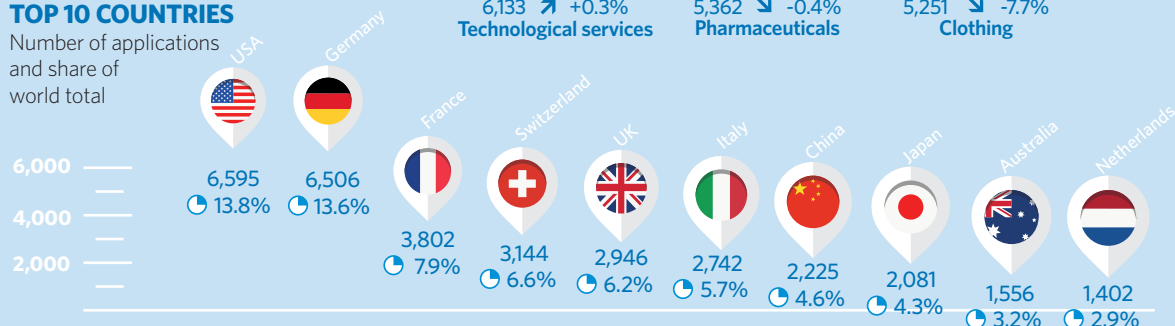
Applications filed in 2014



Growth from 2013 (fifth year of continuous growth)

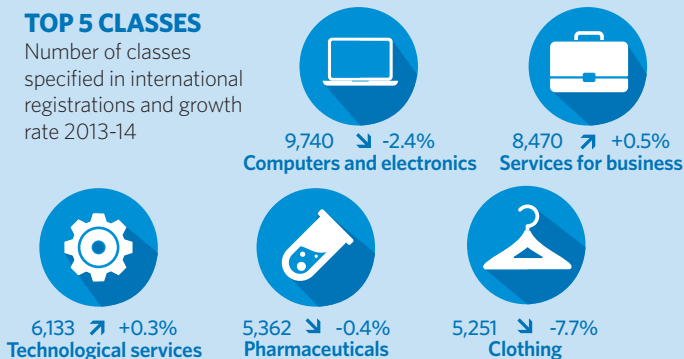
TOP 10 COUNTRIES

Number of applications and share of world total



TOP 5 CLASSES

Number of classes specified in international registrations and growth rate 2013-14





Picking up the pieces

LawCare's CEO, Elizabeth Rimmer, explains why the charity's work is so needed now

It's nearly 20 years since I last practised as a solicitor and, in that time, the legal landscape has changed profoundly. In my new role as CEO of LawCare, a registered charity providing information and emotional support to legal professionals working or training throughout the UK, Republic of Ireland, Isle of Man and Jersey, I am learning just how much.

As a profession, we've made great strides in several areas – widening access, for example, and increasing the range of training routes in – but I don't think we have done much to address the welfare of lawyers. A volatile, competitive work environment, together with the demanding culture of long hours and competition for work, can take its toll on any of us. Last year, 75 per cent of callers to LawCare's helpline reported stress as the main reason for calling, with increased workloads, disciplinary issues and bullying being the leading factors.

In fact, research undertaken last year¹ found that employees in the legal sector were the least satisfied with current levels of wellbeing when compared to those working in accountancy, IT, the media and advertising. And a significant body

of published international research shows that lawyers have higher rates of anxiety and stress when compared with other professions.

Why is this? To some extent it may reflect the driven and perfectionist personalities that can be drawn to law, but it also reflects the culture of law, legal education and professional practice. It's a culture that includes a poor work/life balance, long hours and presenteeism, a competitive environment and fear of failure.

No laughing matter

The recent April Fool's Day prank played by New York-based global law firm Weil, Gotshal & Manges illustrates perfectly the type of office culture that can be a barrier to taking the wellbeing of lawyers seriously.

The firm reportedly emailed employees to announce that it was bringing in a new policy eliminating work emails between 11pm and 6am, on weekends and holidays. It then later revealed that the message was intended to be a joke. The premise of the joke being, presumably, that work-free weekends, evenings and holidays was such a laughable, unbelievable concept, that everyone would know it must be a wind-up.

They didn't. The prank sensationally backfired, generating international media coverage and an apology to all staff from the Executive Partner,

Research shows that lawyers have higher rates of anxiety and stress when compared with other professions

stating that: "We have and continue to take life/work balance seriously."

You don't have to be a rocket scientist to understand why the prank wasn't well received. The long hours worked by many lawyers, and the hyper-connected world we live in that makes it impossible for many to unplug from work even when on holiday, is no laughing matter. We know this first hand at LawCare.

Shift needed

In my short time with LawCare, I sense a growing appetite for talking

¹ Wellbeing Lag, ICM Research commissioned by Unum – April 2014

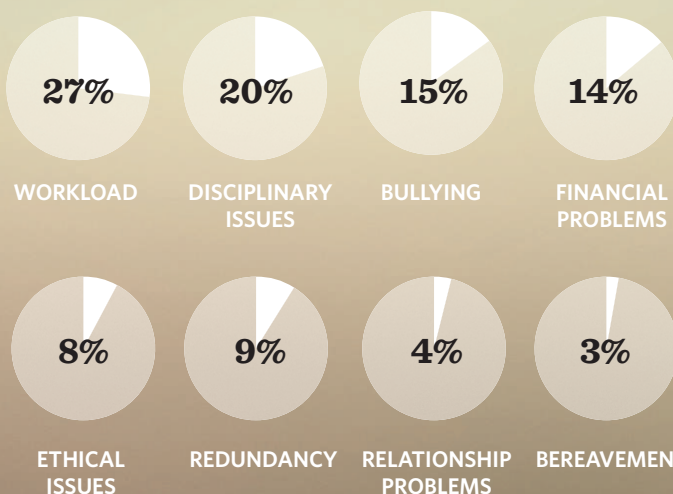
LAWCARE BY THE NUMBERS

Helpline callers' top concerns (where identified)

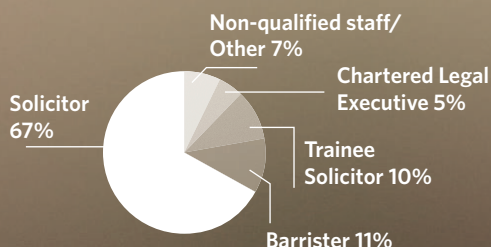
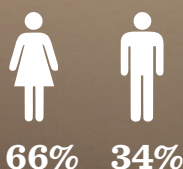


Causes of distress

63% OF THE CALLERS WERE ABLE TO IDENTIFY A SPECIFIC CAUSE FOR THEIR PROBLEM:



Who calls?



36% OF CALLERS WERE TRAINEES OR HAD BEEN QUALIFIED FOR FIVE YEARS OR LESS

about the welfare of lawyers and I am struck by how important language is: “wellbeing”, “resilience” and “working smarter” are easier words to hear than “stress” and “burnout”. Yet talking openly with colleagues about a struggle to cope with the pressures of work isn’t easy.

We in the legal community need to do something about this. We need to talk openly about wellbeing and what can be done to promote it. We need to encourage those who have overcome a difficult time to tell their stories. We need a culture shift that values emotional and psychological health.

How LawCare helps

Since LawCare was founded in 1997, we have helped thousands of lawyers and support staff with work-related issues, including stress, disputes with colleagues and alcohol misuse. We are funded by donations from UK legal institutions, including ITMA.

We support all branches of the legal profession and also offer advice to friends and families. We are here to help judges, solicitors, barristers, legal executives, paralegals, costs lawyers, Trade Mark Attorneys and patent agents cope with the increasing pressures they face – any of which could adversely affect work performance and family life.

Lawyers often believe they should be able to handle their own problems and that not coping will be seen as a sign of weakness, and, because they spend so much time resolving other people’s problems, they can find it difficult to acknowledge that they themselves may need help. They can, however, find it easier to take this step with another lawyer, which is where LawCare comes in; all of our staff and volunteers have experience of practising law.

Our key service is the telephone helpline, which provides a





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listening ear 365 days a year. Those taking calls on the helpline have first-hand experience of the pressures faced by legal professionals today. The helpline is impartial, completely confidential and independent of the UK's legal institutions.

Our helpline offers the chance to talk your problem through and receive reassurance, which in itself can be very cathartic, and communicating with someone who really understands your situation can often clarify the way forward. In fact, many of our callers say they need no follow-up support; the talk on the helpline has helped them decide what to do.

We can also put callers in touch with a LawCare supporter, a fellow lawyer who has experienced and overcome significant difficulties. These supporters offer help on a one-to-one basis for as long as it is needed. We are also equipped to direct callers to other sources of assistance and benevolent agencies, and keep a list of counsellors and therapists with particular expertise in working with lawyers. Finally, we can provide training for stress management.

Widening our role

To ensure that our services keep pace with the needs of the legal profession, we are undertaking a strategic review to think about

SUPPORT IN ACTION: CASE STUDIES



George called the LawCare helpline in a distressed state because he was being denied access to his children. His marriage had recently broken up, after his wife suffered post-natal depression and her parents had moved in to help look after the children, which created tension in the family. George had moved out of the family home and started counselling. He was then made redundant and could no longer afford the counselling. LawCare suggested he see his GP and request an NHS referral for counselling. Family mediation was also suggested to help him gain access to his children. George called the helpline several times, and with LawCare's support he was eventually able to negotiate regular contact with his children, and his GP referred him for NHS counselling. He subsequently found an in-house position as a solicitor.



Alison called LawCare 18 months after the sudden death of her husband, as she felt she was not coping at work. Her firm had been supportive but her work was suffering. She had made several mistakes and knew she was potentially a target for redundancy. She'd had bereavement counselling and was coming to terms with her loss, but, with sole responsibility for two young children, she felt guilty being at work all day when the children had recently lost their father.

She was advised to see her GP and a LawCare supporter was put in place. Alison was diagnosed with depression and subsequently made redundant on a generous package. The LawCare supporter provided one-to-one support throughout this time. Alison found that she enjoyed being home with her children and focusing on her recovery.

our wider role in raising awareness about the demands of a legal career and the support we provide. Advocacy is an area we are particularly keen to explore. I would like to see LawCare working with all the legal professional bodies to spearhead policy development related to the welfare of lawyers, to cover the legal lifespan from student to

practitioner – policy that will challenge the culture and practices that can have a negative impact on the lives of lawyers.

There is no doubt that law is a great, rewarding and stimulating career, but we now need to ensure that the working culture enables lawyers to have fulfilling, healthy professional lives.



Elizabeth Rimmer

is CEO of LawCare
erimmer@lawcare.org.uk

Elizabeth is a former solicitor, and previously worked at psychotherapists' organisation the Institute of Group Analysis.

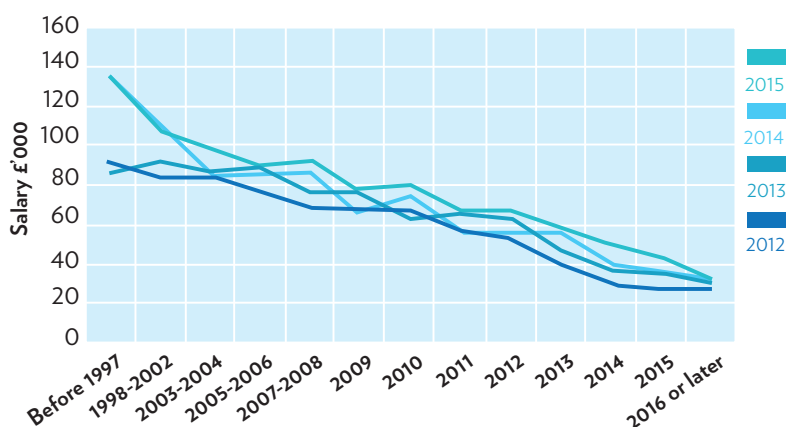
What IP earns

A selection of highlights from Fellows and Associates' latest survey on IP profession pay

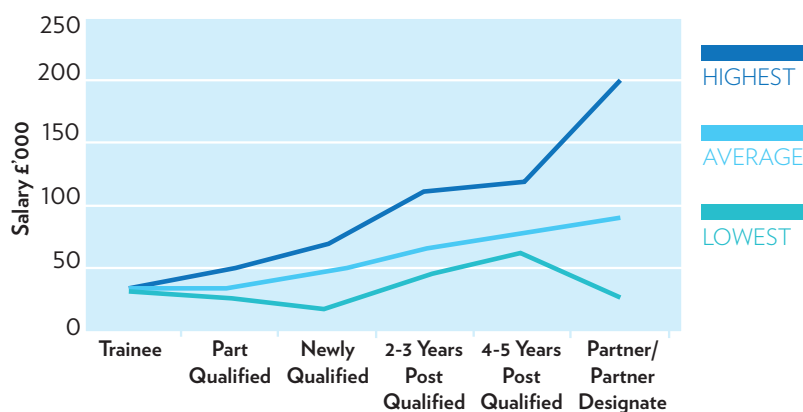
Salary trends – inflationary increase

The results of the Fellows and Associates 2015 Salary Survey of the IP profession show a fairly consistent inflationary increase across the board. The author feels this reflects increased confidence in the market over the past year, which saw greater movement in existing positions and new vacancies created.

AVERAGE SALARY BY YEAR OF FIRST QUALIFICATION



UK SALARY RANGE BY YEAR OF FIRST QUALIFICATION



SALARY GUIDE

GBP £'000 (average, excl. bonuses)	TRAINEE	PART QUALIFIED	NEWLY QUALIFIED	2-3 YEARS POST QUALIFIED	4-5 YEARS POST QUALIFIED	SALARIED PARTNER LEVEL*
Chemistry/pharmaceuticals	28-30	34-38	55-62	58-66	75-90	80-110
Electronics	28-31	38-43	64-70	70-80	80-95	95-130
Engineering	28-30	35-40	60-65	64-72	75-90	80-110
Biotechnology	28-30	34-38	58-63	59-64	75-90	85-120
Trade marks/copyrights/design	25-28	33-37	52-60	55-62	65-80	70-100

*incl. those on Fixed Share Equity. Excl. Equity Partner moves

When taking into account base salary alone, it is still more lucrative to work in industry for a few years once qualified than it is to work in private practice

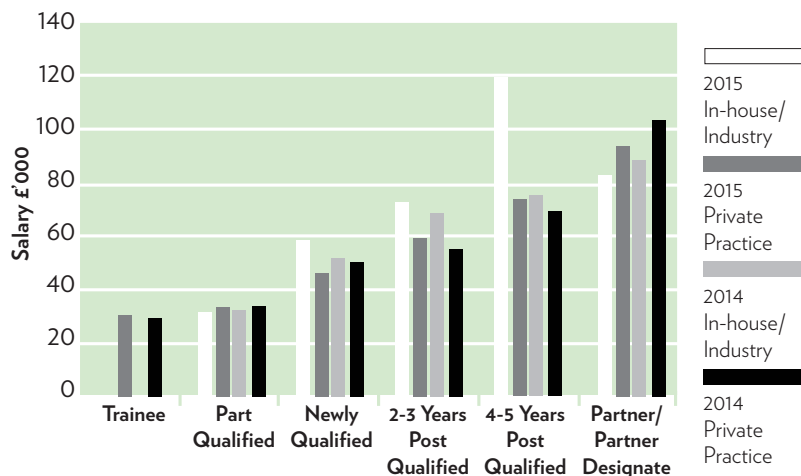
Sector demand

There has been a recent increase in demand for biotechnology (since early 2015) and chemistry/ pharmaceutical attorneys (since late 2014). Electronics and mechanical positions remain busy but have reduced in volume since their peak, so salary growth has steadied in these areas.

Market value

The survey offers a salary guide (below), giving an impression of candidate market value, based on data compiled this year, an evaluation of prevailing market conditions and demand for certain technical backgrounds.

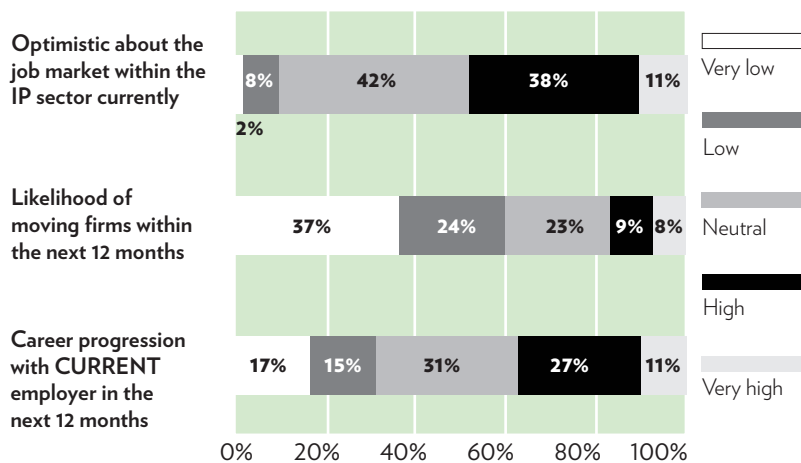
AVERAGE SALARY BY EMPLOYMENT TYPE



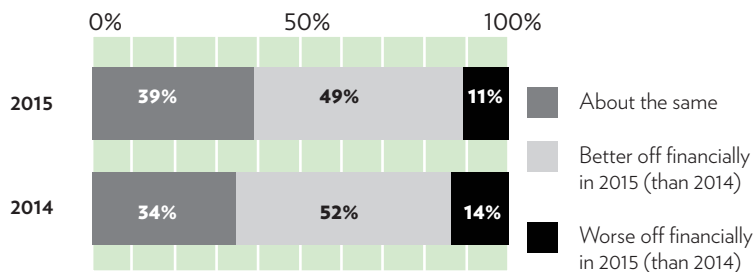
The data indicates that, when taking into account base salary alone, it is still more lucrative to work in industry for a few years once qualified than it is to work in private practice. However, there is an earnings ceiling within industry that does not exist within private practice once Partnership level is attained, and bonus schemes, or commission schemes based on total billings, are more objective and consistent in private practice, compared to industry schemes, which tend to be company performance-based.

Outlook observations (Figures have been rounded for simplicity)

OPTIMISM REGARDING CAREER 2015

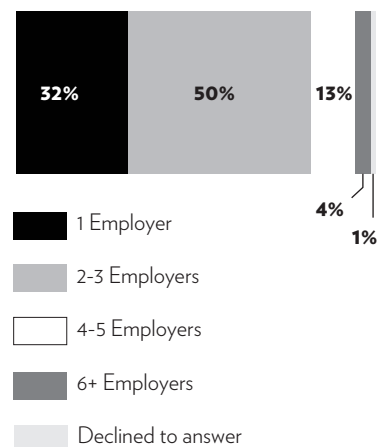


FINANCIAL STABILITY IN THE COMING YEAR

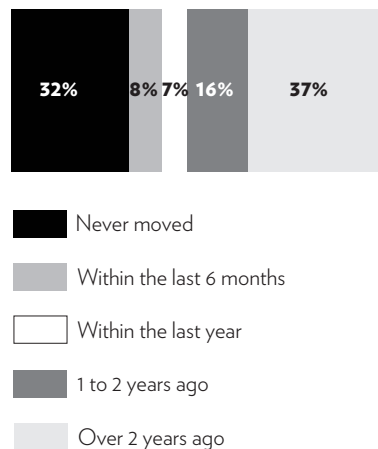


Employee mobility

NUMBER OF EMPLOYERS DURING CAREER



TIMING OF LAST CAREER MOVE



Survey in short

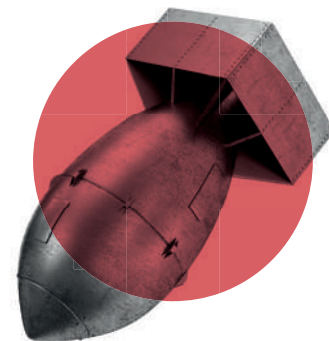
- 200 respondents
- 87% UK-based
- 20% specialise in TMs
- 77% of respondents are in private practice
- 20% work in-house/industry
- 47% of respondents are at Partner level
- 6% of respondents work part-time and 75% of those are female

Data was collected in an online survey between 9 December 2014 and 28 February 2015. For the full report, go to fellowsandassociates.com



TORPEDOES AND MINEFIELDS

*Guy Tritton guides the way through
treacherous jurisdictional territory*



In the United Kingdom, the jurisdictional split between the Trade Marks Registry and the courts is a symbiotic and comfortable one. If there are pending applications in the Registry to revoke or have a UK registered mark declared invalid when proceedings for infringement of that mark are issued – whether in the Intellectual Property Enterprise Court (IPEC) or the High Court – the Registry has the discretion to refer the application(s) to the Court.¹ This is an unfettered discretion, but, if a counterclaim or proposed counterclaim raises, or will raise, the same issues as the applications, the compelling need to avoid multiplicity of proceedings will usually result in the Registry staying the applications.²

There may be special circumstances in which it would not do this, eg where the evidence is complete and the applications are due to be heard very shortly. In such circumstances, it could well be said by the proprietor of the registered trade mark that the defendant to the High Court proceedings chose³ to bring the applications in the Registry and, having made this choice, it should bear the consequences. In short, the great advantage of the UK approach is its flexibility – the hallmark of English justice.

Rigid approach

However, when it comes to Community Trade Marks (CTMs), the position is very different. Council Regulation (EC) 207/2009 (CTMR) includes a complex set of rules to deal with competing jurisdictions.

A party threatened with proceedings for the infringement of a CTM will often issue proceedings before OHIM to revoke the CTM or have it declared invalid

These rules stem ultimately from the Brussels Convention, which, for the purpose of CTMR, has now been superseded by Regulation 44/2001.⁴ Both the Convention and its successor EU jurisdiction regulations are rigid and mechanistic in dealing with jurisdictional disputes between Member States.⁵ As said by the Court of Justice of the European Union (CJEU), the provisions of the Brussels Convention are intended “to enable a normally well-informed defendant reasonably to foresee before which courts, other than those of the State in which he is domiciled, he may be sued”.⁶ That rigid mechanistic approach has been “imported” into the CTMR. The English preference for flexibility has been replaced with the EU’s preference for certainty.

The difficulty with the EU’s approach and the CTMR is that it can

work manifest injustice. Article 104 of the Regulation requires a Community Trade Mark court hearing an infringement action to stay it if the validity of the CTM is already in issue before another CTM court, or if an application for revocation or a declaration of invalidity has already been filed at OHIM, unless there are “special grounds for continuing the hearing”. In interpreting when “special grounds” shall apply, the Court of Appeal of England and Wales has specified such grounds as reasons that are peculiar to the facts of the case and not systemic differences between CTM courts and OHIM (eg the substantial delay in resolving OHIM proceedings).⁷ Moreover, the Court of Appeal said that it was of no relevance that an application to OHIM is made purely on a reactive basis to the threat of infringement proceedings.⁸ As said by the Court of Appeal, it will be a “rare and exceptional case” where there are special grounds within Article 104.⁹

The difficulty with this (and in the author’s view, no criticism can be made of the Court of Appeal’s approach to “special grounds” in Article 104) is that proceedings in OHIM can take many years. A party to proceedings in OHIM can file an appeal to the Board of Appeal, then to the General Court and finally to the CJEU. A typical timescale for this could be five years. No permission to appeal is required, and filing an appeal has a suspensive effect. Thus, a party threatened with proceedings for the infringement of a CTM will often issue proceedings before OHIM to →



revoke the CTM or have it declared invalid. Provided those grounds are arguable (and thus not obviously an abuse), then, almost invariably, the CTM court will have to stay any infringement proceedings (if issued).

It should be said that Article 104(3) permits a CTM court to order provisional and protective measures even if it stays the proceedings. This obviously gives considerable comfort for the otherwise frustrated CTM proprietor. However, the grant of interim injunctive relief over a substantial period is fraught with danger. This is because the CTM proprietor will have to give a cross-undertaking as to damages over a substantial period of time (possibly seven years if the stay is lifted following the conclusion of the OHIM proceedings). If the marks are declared invalid or revoked by OHIM or the CTM proprietor loses at trial on infringement, that cross-undertaking will be activated and it may have to pay substantial damages to the enjoined defendant. In particular, a defendant may argue cogently that it has been enjoined for so long from using its trade mark, that to revert back to it after many years is unrealistic. In short, it could argue that it has suffered the loss of a valuable brand and the cost of promoting and advertising a new brand to the same level as the enjoined brand. This is a risk that many CTM proprietors are not prepared to take. Obviously, if, in exercising its discretion, the CTM court declines to grant the interim injunction, the CTM proprietor will then have to wait as long as seven

PROTECTION POINTERS: A COUNTER-ATTACK STRATEGY

Registered Proprietor

- Ask yourself: does my client wish me to engage in correspondence with a third party about its infringement of a client's Community Trade Mark?
- If it does, discuss with the client whether it would wish to issue a pre-emptive claim form to avoid an OHIM torpedo.
- If the answer is yes, issue a claim form seeking only injunctive relief (£480).
- If discussions with the third party fail to resolve the dispute, amend the claim form to reflect the wanted relief and serve an amended claim form.
- Make sure that no more than four months lapses between issuing a claim form and service of that form.

Alleged Infringer

- If a client receives a letter alleging infringement of a CTM, consider with the client whether to issue proceedings in OHIM for declaration of invalidity or revocation of the CTM (assuming arguable grounds).
- If the client instructs yes, check whether the register proprietor has issued a claim form by going through claim forms at the Rolls Building.
- If it has not, issue proceedings in OHIM.

years to obtain effective relief. Indeed, there may be an argument that, with the incorporation of the Charter of Fundamental Rights into the EU treaties, Article 17(2) – which says that intellectual property shall be protected – is breached; a registered right that cannot be enforced is, in essence, tantamount to not protecting that right.

The OHIM torpedo

The issuing of invalidity or revocation proceedings in OHIM in reaction to threatened infringement proceedings of a CTM is now called the "OHIM torpedo" as it can effectively "sink" infringement proceedings. Professional advisers are now advising their clients prior to engaging with a potential infringing defendant to

issue proceedings in the High Court or IPEC, but not to serve them. This is because an action is commenced where proceedings are issued and not when they are served.¹⁰ Thus, if such was done, the High Court or IPEC would be first seized and Article 104 would be inapplicable.

By way of more detail, a claimant has four months after the date of issue of a claim form to serve it on the defendants.¹¹ Thus, professional representatives of the claimant may issue proceedings and then engage in pre-action correspondence in the comfort that the OHIM torpedo is not available to the defendant. Furthermore, they do not need to tell the other side that they have issued a claim form, which can have the effect of keeping the temperature down in



the dispute. As the consequences of not applying this counteractive strategy can be so disastrous to the claimant, there may come a time not far in the future when failing to do this (or at least advising the client about its options) would amount to professional negligence. In short, the OHIM torpedo may become a professional indemnity minefield for those advisers who fail to take steps to counteract it.

1) s.46(4)(b), 47(3)(b) Trade Marks Act 1994.

2) eg see *Genius Trade Mark* [1999] RPC 741.

3) s.46(4), s.47(3).

4) In fact, this has now been superseded by Reg. 1215/2012 but the CTMR has yet to be amended to reflect that.

5) eg see Art.94 CTMR, which states that Regulation 44/2001 shall apply to proceedings relating to CTMs unless other specified in the regulation.

6) eg see *GIE Groupe Concorde v Master of the Vessel Suhardiwarno Panjan* (C-440/97).

7) *Starbucks (HK) Ltd v British Sky Broadcasting Group plc*; *EMI (IP) Ltd v British Sky Broadcasting Group plc* [2012] EWCA Civ 1201, [110] "Systemic differences in terms of rules of evidence, procedure and powers of case management ... are irrelevant ... the fact ... that an application to OHIM takes a long time ... is irrelevant."

8) [112]

9) [110]

10) s.30, Reg.44/2001 states that a Court is deemed to be seized of a dispute when a document instituting proceedings is lodged with Court. Art.104 is silent on when the validity of a CTM "is already in issue" before another CTM Court or OHIM but there seems no reason to suppose that the approach taken in the Jurisdiction Regulation as to when a Court is first seized under the *lis alibi pendens* rule of Reg.44/2001 should not apply to Art.104.

11) Part 7.5, Civil Procedure Rules.

12) ¶119-123, *Kerly Law of Trade Marks and Trade Names*, 15th edn takes the view that it is not a threat to report the mere existence of proceedings.

13) The Civil Proceedings and Family Proceedings Fees (Amendment) Order 2015 (SI 2015/576) amending the Civil Proceedings Fees Order 2008.

14) A party may amend a Claim Form before it has been served without the consent of the other parties or permission of the Court – Part 17.1(1) CPR.

Fighting back

There may be yet another advantage of issuing, but not serving, a claim form prior to engaging in correspondence with a potential infringer. Under Section 21 of the Trade Marks Act 1994, threatening someone with proceedings for infringement of a registered mark is actionable. It may be arguable that one cannot threaten someone with proceedings for infringement if one has already issued such proceedings against that person. The fact that they may not know that proceedings have been issued could be said to be irrelevant. As a precaution, the registered proprietor should inform the alleged infringer that a claim form has been issued, but will not be served if there is a satisfactory outcome.¹²

Unfortunately, with the recent very steep increases in fees for claim forms, this counteractive strategy could be expensive. Since 9 March 2015, the cost of issuing a claim form that seeks to recover more than £200,000 (or in which the value of the claim is not identified, as would be the case if an inquiry as to damages is sought, as is common in IP actions) is £10,000. Again, however, there is a neat trick. A party could choose to issue a claim form seeking only non-monetary relief (ie, injunctive relief), the cost of which is only

The OHIM torpedo may become a professional indemnity minefield for those advisers who fail to take steps to counteract it

£480.¹³ If pre-action correspondence does not succeed, then the claim form could be amended to add a claim for damages (whether capped or uncapped) before it is served.¹⁴

Finally, in this game of poker, the defendant who is thinking about the OHIM torpedo may wonder whether the CTM proprietor has adopted the counteractive strategy of issuing but not serving a claim form. One way to find out is to go through all the claim forms issued at the Rolls Building in the past few months.



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A stylized illustration of a snowy landscape. In the background, there are blue, jagged mountain peaks. In the foreground, a red house with a white roof and a chimney stands on a white, snow-covered ground. A small red flag is visible on the right side of the house. The overall style is flat and graphic, with a limited color palette of blues, whites, and reds.

Marking the **NORDIC COOL**

ELLA MIKKOLA PROVIDES A SUMMARY OF THE TRADE MARK
CLIMATE IN EUROPE'S NORTHERNMOST REACHES

Known and admired for its innovation, economic competitiveness and distinctive Scandinavian design – not to mention giant global brands like LEGO, Nokia, IKEA, Spotify and Angry Birds – it is evident that it's not only the weather that's cool in the Nordics.

The Nordic region is also an interesting market for trade mark owners all over the world, so we've compiled a summary of the registration basics.

General background

The Nordic region consists of five countries: Denmark, Finland, Iceland, Norway and Sweden, including their autonomous regions, the Åland Islands, Faroe Islands and Greenland. The Nordic countries have much in common both culturally and economically, and those similarities have been strengthened by the Nordic cooperation that also applies to trade mark law.

Originally founded in German law, the trade mark laws of the Nordic countries are a result of joint negotiations in the 1960s. Since then, these laws have gone through several amendments as a result of, for example, new international agreements.

Denmark, Finland and Sweden are members of the European Union, and, as members of the European Economic Area (EEA), Iceland and Norway have also been obliged to harmonise their trade mark laws with the European Trade Marks Directive.

During recent years, Norway and Sweden have enacted new trade mark laws, while Iceland has also revised its laws. In Finland, the revision of the Trademarks Act is still in progress, and the current provisions of the Finnish Trademarks Act are to be interpreted in accordance with the Trade Marks Directive.

In trade mark offices of the Nordic countries, the trade mark application is examined under both absolute grounds and certain relative grounds

Trade mark protection

Trade mark protection may be established either by use or by registration. Protection by use may be acquired if the mark has sufficient public recognition.

Trade marks can be registered in Nordic countries either by filing an application at each national trade mark office or by designating the desired countries in the Madrid Protocol application.

Furthermore, Community Trade Marks (CTMs) registered in the European Union are in force in Denmark (but not Greenland or the Faroe Islands), Finland and Sweden.

Protectable signs

All distinctive and graphically representable signs are registrable as trade marks. A trade mark may consist, *inter alia*, of words and word combinations (including personal names and slogans), figures, pictures, letters, numerals, or the shape of goods or their packaging.

However, the requirement that a mark be capable of being represented graphically is expected to be replaced in the Nordic region by more flexible criteria in the future, as the EU Trade Marks Directive and EU Trade Marks Regulation are to be recast and revised.

Preliminary search reports

In Denmark, Finland, Norway and Sweden, it is possible to request preliminary search reports from trade mark offices prior to filing, subject to a fee. Unlike trade mark application documents, these reports are not public.

The coverage of the reports varies from country to country. For example, in Denmark there is no assessment in the report as to whether the identified and reported registrations would form a barrier to the Applicant's trade mark.

The reports are delivered in five to seven days. In Sweden, it is possible to order an express pre-file search, which is delivered within 24 hours.

These reports are not legally binding on the trade mark office during the examination. However, they may serve as a useful tool for an applicant.

Examination

In trade mark offices of the Nordic countries, the trade mark application is examined under both absolute grounds and certain relative grounds. With the exception of Denmark, applications are also refused *ex officio* on the basis of earlier rights.

This means that the trade mark offices examine (prior to the publication of the trade mark registration) whether identical or confusingly similar prior trade mark registrations or applications could be a barrier to the registration of an application mark.

In Finland and Sweden, unregistered rights established through use also enable the office to refuse an application, if that use is known to the trade mark office.

Most EU countries have abolished *ex officio* relative grounds examination, as Community Trade Marks (CTM) are registered by the Office for Harmonization in the Internal Market (OHIM) without the possibility of such refusal on

TRADE MARK TERM (ALL COUNTRIES)

TRADE MARK DURATION/RENEWAL (+10)



ICELAND Term determined from date of registration. Renewal within six months before expiry; at the latest six months after expiry

NORWAY Term determined from date of application. Renewal within one year before expiry; at the latest six months after expiry





















FINLAND Term determined from date of registration. Renewal within one year before expiry; at the latest six months after expiry

SWEDEN Term determined from date of registration. Renewal within one year before expiry; at the latest six months after expiry

DENMARK Term determined from date of registration. Renewal within six months before expiry; at the latest six months after expiry

REGISTRATION COSTS

(GBP CONVERSIONS APPROXIMATE, FOR COMPARISON ONLY)

	APPEAL AVENUES	No OF CLASSES	TYPE	APPLICATION FEE	ADDITIONAL CLASS (EACH)
	The decision of the Danish Patent and Trademark Office (DKPTO) may be brought before the Board of Appeal for Patents and Trademarks.	UP TO 3	 ONLINE/ PAPER	 DKK 2,350 (£226)	 DKK 600 (£58)
	The decision of the Patent and Registration Office (PRH) may be appealed to the Market Court.	1	 ONLINE/ PAPER	 EUR 215 (£155)/ EUR 250 (£180)	 EUR 80 (£59)
	The decision of the Iceland Patent Office (IPO) may be referred to the Appeals Committee for Intellectual Property Rights in the Field of Industry and/or the case may be referred to a Court of Law.	1	 PAPER	 ISK 28,000 (£136)	 ISK 6,000 (£29)
	The decision of the Norwegian Industrial Property Office (NIPO) may be appealed to the Norwegian Board of Appeal for Industrial Property Rights.	UP TO 3	 ONLINE/ PAPER	 NOK 2,900 (£248)	 NOK 750 (£64)
	The decision of the Patent and Registration Office (PRV) may be appealed to the Court of Patent Appeals.	1	 ONLINE/ PAPER	 SEK 1,800 (£139)/ SEK 2,300 (£178)	 SEK 900 (£69)

TOP BRANDS IN THE NORDICS – SOME KEY NAMES

DENMARK



MAERSK



LEGO



TDC



ARLA



DANSKE BANK

FINLAND



NOKIA



KONE



UPM



FORTUM



VALIO

ICELAND



66° NORTH



BLUE LAGOON

NORWAY



TELENOR



DNB



STOREBRAND



STATOIL/
STATOIL
FUEL &
RETAIL

SWEDEN



IKEA



NORDEA



H&M



ERICSSON



TELIA-
SONERA

PROSECUTION

REPRESENTATIVE REQUIRED?

(for foreign applicants)



GENERALLY NO. If a representative is used, his/her place of residence has to be in the European Economic Area (EEA)



YES, in the EEA



YES, in the EEA



NO



NO

LANGUAGE



**DANISH OR
ENGLISH***



**FINNISH OR
SWEDISH**



ICELANDIC



NORWEGIAN



SWEDISH

POA REQUIRED?



GENERALLY YES, a non-legalised POA is sufficient**



YES, a non-legalised POA is sufficient



YES, a non-legalised POA is sufficient



YES, a non-legalised POA is sufficient



NO

REGISTRATION TIMELINE

REGISTRATION COMPLETION (AVERAGE)



2-4 MONTHS



3-4 MONTHS



2-4 MONTHS



3-6 MONTHS



3-5 MONTHS

OPPOSITION PERIOD



2 MONTHS



2 MONTHS



2 MONTHS



3 MONTHS



3 MONTHS

* List of goods and services have to be translated into Danish for publication purposes
** A POA is not required when the representative is a lawyer. The same applies for IPR adviser when they fulfil certain demands.

relative grounds. In OHIM, the owner of the existing registration must oppose the CTM in order for it to be refused registration.

This approach has also been discussed in the Nordic countries, but Finland, Iceland, Norway and Sweden have thus far decided not to abolish *ex officio* relative grounds examination. Such a broad examination process is seen as a benefit for companies, in particular SMEs.

Cancellation

If a trade mark remains unused for five years, the registration may be revoked. Trade marks may also be revoked if they have lost their distinguishing power and have become a common name, or if they have become liable to mislead the public.

It is also possible to institute invalidation proceedings in court. In Denmark, Iceland, Norway and Sweden, it is possible to apply for administrative revocation by the trade mark office. Introducing the administrative revocation procedure in Finland has also been under discussion, especially in connection with revocations on the basis of non-use.

In Sweden, the PRV (Swedish Patent and Registration Office) only permits administrative revocation on the basis of non-use if the proprietor of the registered trade mark agrees to such cancellation. If the proprietor of the registration objects, the matter is transferred to court.

The administrative procedure for revocation is generally seen as a faster and more cost-effective procedure as compared to the courts.

The registration may also be cancelled in part if the grounds for revocation concern only some of the goods or services for which the trade mark has been registered.

If a trade mark has remained unused for a period of five years but no application for its revocation has been entered, the trade mark holder may restore the protection

MARKS WITH A REPUTATION – FINLAND FOCUS

Well-known trade marks are protected in the Nordic countries against the use of identical or similar marks, even in respect of goods or services that are not similar to those for which the earlier trade mark is well known. The requirement is that use of the later trade mark could lead to a likelihood of association between the marks, and use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or reputation of the earlier trade mark.

In 2007, the Finnish Patent and Registration Office (PRH) established a list of trade marks with a reputation. A trade mark can be entered into the list by an application that is subject to payment of a fee. Currently, more than 70 trade marks, for both national and global brands, have been admitted to the list. The list of trade marks with a reputation is independent from the Finnish Trade Mark Register and does not have any official legal status. However, it may serve as evidence of the reputation of a mark and may facilitate the enforcement of trade mark protection. The list benefits commerce and industry, and is also helpful, for example, when conducting preliminary examinations.

The owner of an earlier trade mark with a reputation is notified if the PRH, while processing a trade mark application, finds a confusingly similar mark in the list. However, the list is not taken into consideration as a relative obstacle in the registration process by the PRH.

The Applicant is required to submit proof of the mark's reputation in order for it to be accepted into the list. The proof may consist of, *inter alia*, documentation indicating market share, advertising and marketing material, as well as market and reputation surveys.

of the trade mark by resuming its proper use.

Towards specialised IP courts?

Finland is the first country in the Nordic region to have established a centralised IP court, although Sweden is expected to have its own IP court in operation by 1 September 2016. Denmark is developing its court system as well.

In Finland, the new Court, officially called the 'Market Court', was established in September 2013. Following the reform, the Market Court now has exclusive jurisdiction to hear all IP cases as the first instance Court (with the exception of IP cases

that involve criminal proceedings, which will remain within the remit of the District Courts).

During its first year and a half of operation, the Finnish IP Court received more than 300 trade mark cases. Approximately 90 per cent were appeals concerning trade mark applications decided by the Patent and Registration Office (PRH). The rest were litigations, such as trade mark-related infringement and compensation suits.

As appeals related to the administrative decisions of the PRH (such as trade mark registration applications) are now decided in the Market Court, the Court will likely have a steady flow of trade mark cases in the future as well.



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Niall has advised and acted for clients across a spectrum of industry sectors including FMCG, fashion, information technology, broadcasting/entertainment and pharmaceuticals. Many of Niall's clients have included FTSE® 100 and large multi-national corporations as well as SMEs. Notably, Niall was described in The Legal 500® as a highly rated individual with a strong reputation.

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Company incorporation and Business Names registration.

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Model behaviour

Carrie Bradley considers the IP issues facing those entering into brand-extending partnerships

As franchising continues to be a popular strategy for business growth in the UK, we are frequently asked to advise brand owners (the would-be franchisors) on what steps they should take to get their intellectual property franchise-ready. On the flip side of the coin, experience has shown that would-be franchisees can certainly also benefit from some guidance on what they should look out for and expect from the franchise package on offer.

Franchise dynamic

Franchising is a business system that allows the franchisee to set up its own legally separate business (it is neither a joint venture nor a legal partnership with the franchisor), but with the benefit of using the franchisor's proven format and system for doing business, together with its established brand identity and ongoing support and supervision. In exchange, the franchisor receives payment of an initial set-up fee, followed by ongoing royalties. The end result of the franchise arrangement is that for consumers the business appears to be another outlet of the franchisor, not a new business of the franchisee. In essence, the franchisor's successful business is being replicated by the franchisee, so it follows that the licensing of IP is at the very heart of franchising.

The most common IP rights that are licensed in franchising arrangements relate to the brand identity of the business, hence almost always include trade marks (brand names and logos), copyright and confidential information (such as trade secrets and business know-how). However, the entire spectrum of IP rights, such as design rights and patents, are also usually included, depending on the nature of the business.

Preparation

There are many issues (beyond the scope of this article) to which would-be franchisors must give careful

The franchisor's business is being replicated by the franchisee, so it follows that the licensing of IP is at the very heart of franchising

thought when they first start to consider franchising as a route to the expansion of a successful business. For example, they will need to review their business systems, financials, training programmes, marketing materials and strategies for lead generation to determine whether there is identifiable, communicable know-how within their business model that is capable of being replicated, such that it lends itself well to franchising. They will also need to develop an exhaustive operating manual to articulate what their brand is and does, and how their business concept operates at every level to ensure unified business systems and methods across the future franchise network.

IP audit

It is at the initial review stage that a comprehensive root-to-branch IP audit should be conducted to identify all of the IP within the business to make certain that the cornerstone of the franchise – the brand and all other IP rights – are accounted for and do in fact belong to the would-be franchisor.

This analysis frequently identifies many hidden or overlooked assets within the franchisor's portfolio. These most often include unregistered

trade marks, domain names, and copyright in advertising and marketing materials, training programmes, website content, menus, newsletters, brochures, photographs, artwork on vehicle livery, graphic designs (such as company mascots), and customer and supplier databases; all of which must be carefully reviewed and exhaustively documented.

Undertaking such an audit usually reveals areas of vulnerability within the IP portfolio that need to be addressed, which commonly includes the need to take assignments of copyright that remain with third parties, and to develop tighter internal procedures for IP identification and management. Any ongoing legal disputes or potential issues for future liability are also usually teased out during this thorough appraisal.

Securing IP ownership














Having gained clarity on the IP rights involved, franchisors then need to give thought to what IP is to be included in the value proposition for franchisees and how it can be best packaged to derive a revenue stream from it.

In order to gain an advantage in the marketplace, a franchisee is investing in, and exploiting, the value of the goodwill and reputation that has been earned by the franchisor in connection with an established brand identity, so it is vital for the franchisor to ensure that its ownership of the business brand identity is protected by registered trade marks. It is at this juncture that advisors frequently encounter a number of common myths about trade mark ownership. For example, many business owners operate under the assumption that because they have a registered a limited company name with Companies House, a domain name, and/or correspondingly named social media accounts, then they have done all that is necessary to legally own their brand identity. →



FRANCHISEE PERSPECTIVE – IP QUESTIONS TO ASK

It is essential that both the franchisor and the franchisee understand the nature of the IP rights involved with a particular franchise agreement. Since franchisees are investing in the value of the IP in question, before signing a franchise agreement, they should do their due diligence on a number of important issues relating to the franchisor's IP, including:

-  Exactly which IP rights are being licensed for use and what are the limits of that use?
-  How long has the franchisor been operating successfully and how well known is the brand in the marketplace? How distinctive is the brand? If it is merely descriptive, then the value may be weaker, unless the franchisor has invested significant sums in advertising and promotion.
-  Is the franchisor the owner of the IP?
-  Is the IP registered? If not, it may significantly affect the royalty figures that the franchisor can demand.
-  Scope of protection – do the trade mark registrations cover the goods or services that are relevant to the business activities?
-  Geographical jurisdiction – is the IP protected in the territory in which the franchisee will be operating?
-  Expiry of the IP – when do any patents, designs and trade marks fall due for renewal or expire?
-  What is the term of the licence to use the IP? Does it go beyond the term of the franchise agreement?
-  Who owns the rights to any new IP (such as improvements) developed by the franchisee?
-  What is the franchisor's policy for policing and taking action against infringement? Who will be responsible for taking action and liable for the costs? It is generally in the mutual interest of both parties to ensure that any infringing activity is stopped as quickly as possible, but what happens if the franchisor fails to take action?
-  Will the franchisor continue to advertise and promote the brand, and/or provide publicity for the franchisees?
-  Has the franchisor been a party to any legal actions? If so, what was the outcome? Are there any ongoing disputes (particularly in relation to IP rights)?
-  Does the franchise agreement indemnify (or otherwise financially support) the franchisee in defending any third-party claims of IP infringement by the franchisee?

If any registered trade marks are identified during the audit, they should be carefully reviewed to ensure that they protect the correct form of each of the marks in use, in relation to the correct scope of goods and services, and that they are held in the correct ownership. Any geographical limitations or encumbrances (such as security interests) must be fully investigated and appraised.

Where unregistered trade marks are identified within the portfolio, conducting due diligence to determine freedom to use (even at this late stage) is recommended. The business may have been exposed to liability for trade mark infringement and/or passing-off, thereby opening up the possibility that legal action will be taken against it in the future. Prospective franchisees will be paying for the right to use those brands and few would appreciate receiving a cease-and-desist letter shortly after launching their new business in a new locality.

Assuming that clearance is obtained for each of the unregistered marks in use, it is sensible for the franchisor to take immediate steps to secure registration of each in relation to all of the relevant classes of goods and services.

Geographical scope

When developing an IP protection strategy, consideration also needs to be given to the appropriate scope of geographical protection that will be needed for the franchise network to operate and expand in the future. All registrable IP rights should be protected in each of the territories that are a target for expansion and local advice should always be sought.

Since the registrability of rights will vary from country to country, note should be taken as to how the IP protection overseas may differ from what the franchisor has secured domestically. Likewise, franchisors should consider

A successful franchise operation requires uniformity and consistency in the communication and delivery of all aspects of the brand message

registering overseas marks in local language variations, such as direct translations and/or transliterated versions of the mark, which may carry more resonance with local consumers.

It should also be borne in mind that there can be long lead times in many countries to obtain registrations for IP rights, so franchisors need to plan ahead to ensure that they can secure the necessary protection in the new target markets. Failure to do so can lose the interest, faith and investment of prospective franchisees, and worse still, can even lead to imitators setting up in that territory first. Wherever possible, advantage should also be taken of the six-month priority period when applying overseas.

Brand consistency

At Loven, we urge franchisors to review and ensure that everything that they do, print and promote is consistent. When preparing the operations manual, it is advisable for franchisors to include a clear guidance policy on the correct use of the trade marks being licensed, particularly if the franchisee will be permitted to arrange its own local advertising. A successful franchise operation requires uniformity and consistency in the communication and delivery of all aspects of the brand message, so detailed brand guidelines should be provided. Failing to ensure that a logo is consistently presented (eg in terms of colour/font/positioning) on signage or advertising materials across the entire franchise network is an obvious blunder to avoid.

Avoiding brand damage

Once the franchise operation is in place, just as in any licensing arrangement, it is essential that the franchisor keeps a close eye on, and effectively controls, the use of its IP by franchisees. If a customer's experience in one franchise outlet is good, the customer may start to regularly visit the franchise network, regardless of the outlet, as that positive experience will be associated with the brand at large. Likewise, it follows that, if one franchisee is failing to deliver on core brand values and standards, then the brand reputation and success of the entire network can be let down and irreversibly damaged.

Failure by the franchisee to use the IP in the prescribed manner is a frequent cause of disputes and misunderstandings. Franchisees should not be allowed to add variations to the core brand (such as local geographical descriptions) or to incorporate the brand name in a company/business name or domain name, or register any such variations as trade marks in their own name. Nor should they be permitted to continue to use IP after termination of the franchise agreement, or disclose any confidential information acquired during the term of the franchise.

Take swift action

Infringing activity will damage the value and reputation of the franchisor's brand, which, in turn, will have a negative impact on the entire franchise network, to the detriment of all franchisees. Franchisors should, therefore, encourage franchisees to report any actual (or threatened) infringement of the IP by third parties without delay. Mechanisms should then be in place to specify who is responsible for taking action. In some cases, a franchisee may launch proceedings after a specified period of time if the franchisor has failed to do so, having been notified. Taking prompt action where appropriate will reassure franchisees of the franchisor's ongoing commitment.

International watching

Franchisors are also encouraged to keep a close eye on any new conflicting trade mark applications that are filed by their competitors and others wishing to mimic the success of their brand identity. Allowing the registration of similar marks can dilute the strength, hence value, of the brand portfolio. New company name and domain name registrations should also be policed as far as is possible.

Final thoughts

This short guide is by no means an exhaustive summary of the IP issues to be considered. Franchising is a complex process and professional advice should be sought by both sides in respect of all stages to ensure the success of a franchising operation.



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Carrie advises on IP protection, enforcement and dispute resolution.

YES!

NO...?

Assert at work

Author and trainer Jenny Daisley OBE talks frankly about how to better make your voice heard

26

Assertiveness is a form of behaviour which demonstrates your self-respect and respect for others.” That’s part of a definition that my colleague Liz Willis and I like to apply to assertiveness, and it may leave you thinking that being assertive is difficult if you are in a situation where you don’t respect another person – or perhaps don’t respect yourself. But turn that idea on its head – if you can master assertiveness, your self-respect and self-confidence will increase.

Yet, being assertive (which the Collins English Dictionary defines as being “confident and direct in claiming one’s rights or putting forward one’s views”) is concerned with dealing with your own feelings about yourself and other people, as much as it is with achieving a particular result. And the challenge for most people in a work setting is that they may have the sense that feelings are not part of the deal.

Listening is a vital skill and the first key ingredient in an assertive exchange

There may also be circumstances in which it may not be appropriate, or even permitted (for instance in very formal situations, such as legal disputes, where there are rules about what you can and cannot say) – when what you say has to be proscribed. Yet, outside of those specific circumstances, when you demonstrate assertiveness effectively the benefits outweigh the drawbacks:

- You might sometimes get what you want.
- You preserve your self-esteem. (“At least I said what I felt and explained properly without getting upset.”)
- No one can ever say that you meekly agreed. (“You never said anything last time.”)
- You may have provoked your manager/colleague into re-assessing you. (“I didn’t realise she felt so strongly about that. She’s got more to her than I thought.”)

Developing assertive behaviour doesn’t mean turning shy people into raving extroverts, and it doesn’t mean turning zany, fun people into boring, grey clones. Instead, being more assertive means getting better at the related skills that enable it, and being able to use appropriate tools as needed in a conversation in order to make your position clear. Here are a few hints and tips on how to do so.

First, listen

People who are successfully assertive are good listeners. Indeed, assertiveness is often about ironing out tricky situations, so listening is a vital skill.

Listening is also the first key ingredient in an assertive exchange. There is little hope of starting your part of the conversation by demonstrating your understanding of the other party if you haven’t really taken in what is being said. So, it’s crucial to be seen to be an active listener, which involves:

- quieting yourself down inside
- keeping distractions to a minimum
- paying attention even when you disagree or have strong feelings
- asking questions for clarification
- being open to hearing the other person’s thoughts, ideas, feelings and intentions
- demonstrating, as well as saying, that you have understood
- giving someone else the space to speak
- being objective about dealing with what you hear.

Show understanding

Has anyone ever said to you: “I understand how you feel, however...”, yet you are quite certain they don’t understand? True assertiveness is not achieved by using a set of stock phrases and imposing your alternative viewpoint on the other party. To be truly assertive you need to demonstrate, by how you listen and what you say, that you really have understood the other person’s point of view.

Start by putting yourself in the other person’s shoes and then telling them how you think they are feeling, what you think they are thinking, or what it is that you think they want to do next, based on what you have heard. This gives your colleague the opportunity to correct you if you are close but not close enough in your assessment.



Know your mind

Next, know what you think, and identify your feelings, then make choices about how you communicate these thoughts and feelings. Different cultures have different ways of communicating, and even within the UK there is a spectrum of behaviour. Think back to your upbringing and the family or people that surrounded you. How did they communicate? Was it by expressing thoughts only and not feelings? Was it through direct communication (eg “I feel really angry when you keep ignoring me”), or indirect (eg “You don’t seem interested in what I am saying”).

Some people were raised within a tradition where people never say what they feel and so their anger, hurt, guilt and sadness can go on for years without others ever understanding how they feel. Similarly, if there is no direct communication of feelings in an interaction, one of the people involved is left to guess, or has to check what the other person is feeling. Indirect communication needs to be followed up with more conversation until a point is reached at which both parties can be sure that they understand the other.

Be specific

Being clear about what you want to happen as a result of an exchange

increases the possibility that you will get the results you want and minimises the chance you will be misunderstood. Of course, there are no guarantees; you have to be prepared for the other person to say no or have a different point of view. Listen to the response you get.

In addition, make sure you are asking for a change in behaviour, not making a judgment about the person’s character or personality. This makes it possible for the person to listen to you, because the feedback they are getting is about something they can change.

And judge the circumstances around your request. Have an eye on your long-term goal. If you ask for your maximum at the outset, you have room to negotiate.

Collaborate

Where there is a gap between what you want and what others want, you will need to work out a joint solution. In exploring joint solutions, consider the consequences of each choice on you and the others concerned. This

means working together to reach a solution that pleases all parties. But it will not be a compromise; compromise means that neither of you gets what you want.

This is where the real understanding and negotiation starts. And you only get to this stage if you have not reached agreement by using the other skills already discussed in this article.

Ideally, however, all of the other skills discussed here need to be used time and time again until you arrive at a point at which you can either see the other person’s point of view or they can see yours, and one of you changes your point of view. If this doesn’t happen, then you have to agree that you cannot agree.

A final word

One final word of advice: practise being assertive on issues that are less likely to meet resistance. Say no to something unimportant, just to exercise your “no” muscles. After all, if you never say “no”, what is your “yes” worth?



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Insights from INDIA



ITMA Review recently spoke to the UK IPO's new Mumbai-based attaché, Vijay Iyer

Based in the British Deputy High Commission in Mumbai, the IPO's India attaché, Vijay Iyer, also spends considerable time in New Delhi, given the presence of national policymakers there.

The key objectives of his role are: to engage with the Indian government on policy matters; to support UK business on IP issues; and to implement projects that raise awareness of, and respect for IP – while also supporting UK business interests.

Iyer recently visited London for a series of meetings with UK IPO colleagues and IP stakeholders, including ITMA President Chris McLeod and CEO Keven Bader, to discuss the challenges facing UK trade mark owners in India, and was able to offer his opinions on developments in a number of areas.

India's IP policy

Pointing out that the IP policy in India sits with the Department of Industrial Policy & Promotion (DIPP), part of the Ministry of Commerce & Industry, Iyer suggested that *ITMA Review* readers may be aware that India's draft intellectual property rights policy,

drafted by the DIPP-appointed IP think tank, was published in December 2014 for public consultation. Iyer and the British High Commission's Head of Prosperity, Economic and Trade Policy recently met with the think tank, headed by retired Justice Prabha Sridevan, to share the UK's views on the proposals. While welcoming the positive and ambitious proposals, they also offered assistance in certain areas where the UK could share its own experiences in relation to policy aims. The final draft of the policy, which is currently under review, is eagerly awaited in the coming months.

IPO India projects

Iyer highlighted a number of IPO-supported projects in India intended to raise awareness of IP issues, including infringement. These projects are run in-country by partners such as trade organisations, law firms, and academic institutions. They include: a recent report on mapping the IP landscape in Tamil Nadu to support the innovation strategy of the state government; developing an IP toolkit for enforcement agencies' use; India IP factsheets targeted at UK SMEs; and a study of piracy in the publishing sector.



ABOUT THE IP ATTACHÉ ROLE

The UK IPO's four attachés have, since 2011, helped 8,400 businesses through a programme of around 350 outreach and education workshops. A further 537 firms have received direct practical support, helping them to handle issues and protect investment. Recent figures show that these IP attachés have protected UK IP assets worth more than £398 million, and helped thousands of British businesses in some of the world's most challenging and fast-growing markets.

Commenting on the figures, IP Minister Baroness Neville-Rolfe said: "The attachés help British businesses navigate new markets. They are a key international asset when it comes to helping business protect their IP."

"By building effective relationships with IP authorities in emerging markets, and intervening on specific issues, their work is helping to influence the shape of UK trade and protect IP assets worth millions of pounds to the UK economy."

To strengthen future UK-India R&D collaborations, the IPO has also supported the development of a suite of model agreements to manage the IP created in joint UK-India research projects. Iyer believes that such projects will play a part in strengthening the UK's relationship with India on IP, as well as improving the IP environment.

Support for business

Iyer stresses that there is plenty of help available for those looking to do business in India. The UK India Business Council (UKIBC) has set up offices in Bengaluru, Gurgaon and

Mumbai. Alongside its Launchpad facility, UKIBC also offers a range of services for UK businesses entering the Indian market. Similarly, UK Trade and Investment offers support to UK business and Iyer's role complements both organisations' activities, as he works closely with them to regularly provide IP advice.

If you want to make contact with UK firms operating in India, then it is worth joining the British Business Group, which organises meetings and events in several cities around India. If you're a UK business already operating in India or considering doing so, Iyer can help you to navigate the Indian IP landscape. Please feel free to contact him at either vijay. iyer@fco.gov.uk or +91 22 6650 2202.

The IPO's attaché network

The UK IPO's attaché network also includes the following representatives:

- Brazil: Sheila Alves – Sheila.Alves@fco.gov.uk;
- China: Tom Duke – Tom.Duke2@fco.gov.uk; and
- South East Asia: Christabel Koh – Christabel.Koh2@fco.gov.uk

All of the attachés would be interested in hearing about your views on their markets, good or bad. Please do contact them directly if you are able to share experiences of IP registration, infringement, enforcement, domestic policies or other issues of interest.

The IPO is also looking to increase its bilateral work with Mexico, South Africa and Turkey, all important markets for the UK. If you are able to share IP experiences from these markets, then please contact:

- Mexico: Hywel Matthews – Hywel.Matthews@ipo.gov.uk
- South Africa and Turkey: Jane Higgins – Jane.Higgins@ipo.gov.uk



FAST FACTS: TMS IN INDIA

- For those planning to register a trade mark in India, Iyer recommends reviewing the guidelines available on the Office of the Registrar for Trade Marks website (<http://ipindia.nic.in>).
- Section 27 of the Trade Marks Act in India precludes infringement proceedings against an unregistered trade mark, but also offers room to legally tackle passing off.
- India joined the Madrid system in April 2013.
- Applications can be filed with any of the five trade mark offices: Ahmedabad, Chennai, Kolkata, Mumbai or New Delhi.
- If the office refuses an application, appeals can be lodged before the Intellectual Property Appellate Board located in Chennai. A further appeal can be lodged in one of the High Courts in the country.
- The Office of the Registrar of Trade Marks publishes a weekly trade marks journal. All trade mark applications filed with the office are published in the journal for public review.

The Great Call of China

Jian Xu explains why foreign interest in design patents is gaining strength

In contrast to the UK, in China designs are classified as a type of patent. And since 2000, China has seen an unprecedented surge in design patent applications: in 2014 alone, 565,000 were filed. Currently, the State Intellectual Property Office (SIPO) grants more design patents than any other office worldwide.

Historically, the vast majority of design patent filings have been made by domestic applicants. That being said, there appears now to be a year-on-year upward trend in foreign applications. A marked improvement in the quality and consistency of judgments, together with new proposed draft legislation, certainly should give foreign applicants reason to be optimistic that China is steadily improving enforcement and protection of design rights. With this in mind, it may be useful to have a

reminder of the basics of China's approach to designs.

Protection principles

Common law rights, such as the unregistered design right, do not exist in China and therefore cannot be relied upon to protect designs. If a right is not registered, it cannot be enforced. Therefore, early design registration is not only recommended, it is essential for enforcement purposes. The timing of filing is also crucial because China operates on a "first-to-file" basis; the application that is filed first is granted. As in the UK and Europe, design patents are not substantively examined, only preliminary procedural issues are considered. The law prohibits applicants from registering designs that are merely a combination of previously registered designs or design features, or which are purely functional. There is also an absolute

novelty standard in Chinese law, so prior use or publication anywhere in the world can lead to invalidation of a design patent. However, foreign applicants may claim priority from a design application filed in their home country up to six months after the original filing.

The registration process is fairly straightforward, but the procedural requirements for revocation and invalidation actions are much more administratively burdensome in China than in the UK, especially for foreign rights holders. If the claimant is a UK company, for example, among other things, it must provide documentation to the court or administrative body proving that it is an existing UK entity, that it has a certified patent and therefore has sufficient standing to sue, and that all powers of attorney have been properly executed. All documentation must first be notarised by a domestic notary, and then apostille certified. Once the apostille certificate has been affixed to a document, the documents must then be approved and certified by the Chinese government.

The Chinese courts place a higher evidential burden on rights holders than on alleged infringers, and there are also very significant evidence submission requirements. The courts give the most weight to evidence

submissions that are comprised of original notarised documentation and where a clear chain of custody can be established. Therefore, claimants must be very thorough in their evidence preparation, and ensure compliance with all procedural formalities.

The infringement test applied by Chinese courts is whether an “ordinary consumer” familiar with the prior art and looking at the patented design as a whole, disregarding minor differences, would find the designs similar and possibly confuse them. Unsurprisingly, this test introduces a significant amount of subjectivity. While the Chinese courts have made significant strides in improving the reliability and predictability of the application of the infringement test and other legal principles, there is still further progress to be made.

Trunki tale

The experiences of Trunki, the UK-based children’s luggage company, in bringing its products to the Chinese market clearly illustrate the difficulties foreign applicants face in China. Chinese businesses making imitation Trunki products are often able to file copycat design patents very quickly. Holding a design patent is not an absolute defence to design right infringement and, if challenged,

a copycat design patent is likely to be revoked for lacking novelty. However, in the first-to-file system a patent is valid until it is successfully challenged. Copycat patent holders can use a patent to strategically slow down proceedings long enough to profit from their imitation products. Until it is declared invalid, a patent allows the copycat patentee to obtain the necessary certification to manufacture, distribute, and sell the product. This means that, for example, by the time Trunki is able to identify a copycat product and to commence infringement proceedings and a revocation action, the copycat product is usually already proliferating rapidly. Foreign applicants can overcome these challenges somewhat, by remaining vigilant, and adopting an aggressive IP enforcement strategy.

However, even if a patentee remains vigilant and has a clear enforcement strategy, whether the courts will find in its favour is far from certain due to the inherent subjectivity of the Chinese infringement test. To some degree this is a problem in many jurisdictions that have similarly subjective ➔

Improvement in the quality and consistency of judgments, together with new proposed legislation, should give foreign applicants reason to be optimistic

infringement tests, but it appears more marked in China. A telling example is a case involving the Chinese car manufacturer Great Wall Motor Company Limited and the European car manufacturer Fiat. Fiat brought proceedings in China and Italy against the Great Wall Motor Company for infringement of its design patent. The Italian court found in Fiat's favour, noting that the designs were strikingly similar. The Chinese courts found that there were slight differences, which were significant enough to outweigh the overall similarities. In contrast, a Beijing court disregarded minor differences between German manufacturer Neoplan's bus design and a Chinese competitor's design, and delivered a finding of infringement.

Legislative change

China is currently not a signatory to the Hague Agreement, but there has been some discussion regarding International Harmonisation with the World Intellectual Property Organization (WIPO) and a move to encourage a treaty in respect of designs. On 1 April 2015, SIPO circulated an amended draft of the Patent Law of the People's Republic of China with proposed changes to the current legislation, which will bring the Chinese system closer in line with the Hague Agreement in respect of designs. For example, it has been proposed that the protection for a design patent should be extended from 10 to 15 years. There are also likely to

be changes to the definition of a design. In particular, China has not historically recognised partial designs as patentable. A "partial design" refers to the shape, pattern and orientation relationship on some part of the product, rather than the design of elements and components that constitute it. Whereas dashed lines are used in other jurisdictions, such as the US, Europe, and Japan, to indicate the claimed and unclaimed parts of a design, in China dashed lines are not permitted. This has, historically, caused problems for foreign applicants who have attempted to claim priority from a partial design, but whose use of a dashed line in their drawing has led to their application being declared invalid. This rigid approach has been relaxed in recent years, but the amended legislation is set to expand the definition of a design to include the "holistic or partial shape" and, once enacted, will offer protection to partial designs.

The current Measures for Patent Administrative Law Enforcement has also been amended. It now requires that, for administrative design infringement actions, the relevant administrative authority must issue a judgment within two months of the date the case is filed, unless the case is particularly complex. Any actions including a foreign party tend to be considered "complex", and so usually are not restricted by the two-month timeline. Thus, while foreign applicants may not benefit from the new requirement, it should give them

reason to be hopeful that there is a new legislative focus on making the administrative action process more efficient.

Registration timeline

Protection for design falls within the scope of patent law, otherwise the system is similar to the UK registered design system. Designs should be registered with SIPO. As mentioned above, for design patents there is only a preliminary examination of the application to ensure that all formalities have been complied with. If there are no grounds for immediate rejection, the application will be accepted. Once a design patent is granted, a design patent holder is currently entitled to exclusive use of the design for 10 years from the date the application was first filed with SIPO, although, as discussed above, there is draft legislation which will likely extend this term to 15 years.

A design patentee has two years from the date on which the patentee becomes aware of an infringing act in which to commence proceedings. There are two routes for enforcing design patents: bringing a complaint through the courts and requesting damages awards and an injunction; or an administrative route, which requires filing a complaint with the local IP office. China has a bifurcated system. Infringement actions are dealt with by the court and revocation actions and questions of invalidity are dealt with by separate and specialised bodies within SIPO. An alleged

infringer, in most cases, will file an invalidation request with the Patent Re-Examination Board. The court may stay the infringement case pending the outcome of the validity hearing, and in design patent infringement cases most judges do.

Preliminary injunctions are still extremely difficult to obtain in China. Abbot Laboratories, for example, obtained a preliminary injunction from the Beijing court against two Chinese companies in relation to its baby-milk-powder container design after it was able to establish irreparable harm. Key factors the court considered were:

- 1) The two Chinese companies were pivotal market players in the baby-milk-powder containers' supply chain. Allowing them to continue to manufacture the product would have a huge multiplying effect of infringing acts throughout the supply chain, and lead to substantially higher costs and significant difficulties with enforcement later, if an interim injunction was not granted.
- 2) Container designs in the baby-milk-powder industry have a short lifespan and are constantly being changed or upgraded. A design patent expires after 10 years. The court found that if a preliminary injunction was not granted, Abbot Laboratories might lose the ability to enforce and commercially exploit its design.

Various guidance issued by the Supreme People's Court encourages judges to adopt a reasonable rather than a conservative approach to

Opportunities abound for foreign design applicants in China

issuing preliminary injunctions. This may indicate that, at least in theory, preliminary injunctions will eventually become easier to obtain.

As mentioned above, it can be very time-consuming to satisfy the evidential burden placed on rights holders wishing to enforce their rights, but enforcement through legal proceedings can be worth pursuing anyway. Satisfying the evidential and administrative requirements in one action can often smooth the path for the next action. Also, while damages awards are often low, and ensuring full compliance with judgments and court

orders is difficult, commencing court proceedings and the administrative burden associated with them can often put pressure on infringers to stop producing infringing products. It can also provide a strategic complement to enforcement actions elsewhere in the world, particularly in end-user markets such as Europe or North America. Customs seizure orders can also be obtained, which can prevent the export of imitation products to end-user markets, although enforcement of these orders, while not impossible, is still notoriously difficult.

Potential to benefit

Despite the difficulties associated with enforcing and protecting design rights in China, new legislative developments and greater consistency in relation to court judgments give a strong indication that China is certainly making huge strides in relation to design protection. Opportunities abound for foreign design applicants in China. Foreign design applicants who identify these opportunities will certainly benefit from a Chinese system that is now more sophisticated and more helpful to design rights holders than ever before.



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Own-name dispute may have legs

Alice Stagg feels there may be another chapter to this name-based argument

What protection does a Community Trade Mark (CTM) confer? And how far does the own-name defence extend? The Court of Appeal was split in *Roger Maier and Assos of Switzerland SA v ASOS plc and ASOS.com Limited* [2015] EWCA Civ 220.

Assos is a premium cycling-wear brand, established in Switzerland in the 1970s. ASOS plc (ASOS) is an online fashion retailer, retailing both its own and third-party goods. Assos sued ASOS for trade mark infringement, on the basis of a CTM for the word ASSOS. The CTM is registered in various classes, including class 25 for clothing.

The Court of Appeal held that ASOS' name was both confusingly similar to, and likely to cause detriment to the distinctive character of, Assos' mark. However, ASOS could escape liability on the basis that it was using its own name in accordance with honest practices in industrial or commercial matters (Sales LJ dissenting).

Background

Assos, whose logos have included those shown on the next page, applied for a CTM (54890/2005) in September 2005 for the word mark ASSOS in respect of various goods, including in classes 3, 12 and 25.

ASOS, founded in 1999 under the name "As Seen On Screen", has morphed from selling clothing as seen on TV into a general fashion retailer, with a major online presence. Its logo has evolved over time, as shown in Figure 2. In 2009, ASOS plc

filed a UK trade mark for the mark ASOS in various classes, including 3, 25 and 35.

Decision

Scope of Assos' CTM

Relying on the fact that Assos' clothing had only been sold for use by cyclists, Kitchin LJ and Underhill LJ held that the specification of its mark should be limited to cover: "Specialist clothing for cyclists; jackets, T-shirts, polo shirts, track-suit tops, track-suit bottoms, casual shorts, caps."

Dissenting, Sales LJ's view was that this was too narrow. He considered that there is a comparatively wide linkage between the goods or services specified in the registration for which there has been genuine use,

and the extent of the protection which continues: "Assos has made genuine use of its mark to sell fashionable casual wear, and it has a legitimate interest to have CTM protection for the development of that business in future." In his view, the appropriate formulation was "Specialist clothing for racing cyclists and casual wear".

Article 9(1)(b)

Overturning the first instance decision, the Court of Appeal agreed that Assos' claim for infringement under Article 9(1)(b) of Council Regulation (EC) No 207/2009 (CTMR) was made out. The trial judge should have considered a notional and fair use of the ASSOS mark across the breadth of its (adjusted) specification, ie in respect of all those goods and services for which the mark may be used. Instead, she had focused on those for which the mark had in fact been used.

Article 9(1)(c)

The first instance judge had accepted that the ASSOS mark had a reputation among cyclists, but rejected Assos' claim under Article 9(1)(c) CTMR. The Court of Appeal considered that her analysis involved an unduly restrictive approach.

In light of the dissenting judgment, it seems likely that the parties may take their application for permission to appeal to the Supreme Court



Kitchin LJ held that ASOS' activities had caused (or were likely to cause) detriment to the distinctive character of the ASSOS mark: they had weakened, or were likely to weaken, in some circumstances, the ability of the mark to identify at least some of the goods for which it is registered as being the goods of Assos.

Sales LJ went further, finding that: "the swamping effect from the prevalence and pre-eminence in the market place of ASOS' use of the "ASOS" sign is such that Assos cannot gain the full benefit from its own branding and marketing efforts to which it should be entitled."

Own-name defence

Article 12(a) CTMR provides that a CTM proprietor cannot prevent a third party from using his own name or address in the course of trade, provided that he uses them in accordance with honest practices in industrial or commercial matters.

Kitchin LJ (with whom Underhill LJ agreed) held that ASOS was entitled to the benefit of this defence. Its name had arisen honestly from "As Seen On Screen". There had been no confusion

in practice and there was no real likelihood of it occurring in the future.

Although ASOS had not conducted any trade mark searches before making the change or filing its UK trade mark application, it had not taken any steps towards the Assos business model.

Sales LJ dissented: "This was not a case of an under-resourced one-man company making an unwitting and perhaps excusable blunder in choosing a confusing name." He highlighted the importance of carrying out reasonable clearance checks. In his view, a "crude check by googling" (which is what ASOS' evidence showed it had done) was not a fair attempt to have regard to the potential legitimate interests of others. Further, ASOS had bid for the "Assos" keyword on Google.

ASOS' UK trade mark

Assos challenged the registration of ASOS' UK trade mark. The Court of Appeal, following its findings on infringement of the ASSOS mark by the sign ASOS, allowed Assos' appeal, finding the ASOS mark invalid in relation to all goods covered by the ASSOS mark, including all those in class 25.

Comment

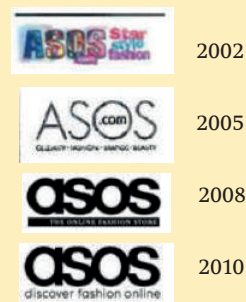
In light of the dissenting judgment, it seems likely that the parties may take their application for permission to appeal (dismissed by the Court of Appeal) to the Supreme Court.

Kitchin LJ's observations regarding evidence of actual confusion are also interesting for future cases. The existence of such evidence might provide "powerful" support for a finding of a likelihood of confusion, but its absence is not necessarily fatal. "If the mark has only been used to a limited extent or in relation to only some of the goods or services for which it is registered, or in such a way that there has been no possibility of the one being taken for the other ... there may, in truth, have been limited opportunity for real confusion to occur."

Figure 1: The Assos marks



Figure 2: ASOS' mark evolution



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Pretty picture for Pinterest

A stay of UK proceedings was not granted to the Defendant, as Philip Davies reports

The predecessor in title of Premium Interest Limited (a company proposing a news aggregating site) – being aware of Pinterest Inc (the picture-based social networking site) – filed a Community Trade Mark (CTM) application for PINTEREST. Pinterest opposed on the basis of unregistered rights in the UK, not then having its own trade mark applications in Europe. Thus far, the Opposition Division has found in favour of Premium Interest and the Board of Appeal has reversed that decision (having allowed the admission of late and new evidence). These proceedings – as well as the cross-opposition against Pinterest's later CTM application for PINTEREST – and the further appeals which could precipitate, could take years to reach final decisions.

In December 2014, Pinterest filed (separate) English proceedings in the High Court for passing off – this judgment relates to an application in the case. At the moment, this is a *quia timet* action, Premium Interest not currently engaging in business in the UK. These proceedings, while based on the same facts raised in the CTM oppositions, are separate proceedings – one should determine whether Premium Interest will be allowed to register PINTEREST as a trade mark, and the other will determine whether Premium Interest can use PINTEREST in the UK. It was common between the parties that the OHIM proceedings would take years, whereas the English passing off proceedings could be concluded this year. Premium Interest made an application to stay the English

proceedings, pending OHIM's resolution of the oppositions.

Stay warranted?

Should English (passing off) proceedings be stayed in favour of concurrent OHIM proceedings? This scenario comes up frequently in patent law, with proceedings before the European Patent Office being often very drawn out. The Court of Appeal has ruled, in *IPCom v HTC*, that in patent cases there is a presumption for a stay to be granted, but the presumption is rebuttable. Mr Justice Arnold seems to have adopted the IPCom guidelines as being appropriate in this case without significant modification.

The most successful way the presumption has been rebutted in the patent context is to appeal to the business certainty that can come from a quick resolution in the English proceedings. It is likely that this now follows through to passing off cases. The party opposing a stay of the English proceedings should draw attention to the benefits of knowing the outcome quickly.

This situation – passing off proceedings in England, opposition(s) at OHIM based on a CTM – should be distinguished from a situation in which there are trade mark infringement proceedings in

Real care must be taken when litigating in England when proceedings are already on foot at OHIM

England and validity proceedings at OHIM covering the same CTM. According to the Court of Appeal in *Starbucks v BSKyB* in that context, the English court must stay the proceedings.

Conclusion

Real care must be taken when litigating in England when proceedings are already on foot at OHIM. Trade mark infringement proceedings must be stayed under the ruling in *Starbucks*, yet, despite a presumption – rightly or wrongly – apparently having been adopted for a stay in passing off proceedings, it also appears that avoiding the stay will often be possible on the grounds of the business certainty that comparatively swift English proceedings can guarantee.



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Another costs conundrum

Natalie Dyer explains the difficulties raised by co-pending cases

This decision considers the cost consequences of withdrawing an opposed UK application when the pending “sister” Community Trade Mark (CTM) has proceeded to registration (the parallel opposition having failed at OHIM), and gives direction regarding the way that costs are awarded on appeal.

Background

The case concerned an appeal by an Applicant to the Appointed Person (AP) following opposition proceedings. Parallel proceedings existed at OHIM, and the Applicant had been successful at the Board of Appeal. The Applicant sought to introduce new evidence on appeal in the UK, including a copy of the Board’s decision. It was not until the Appeal Hearing that the Applicant sought to stay proceedings until it knew whether the Opponent had appealed to the General Court (on the basis that the UK application could be withdrawn if the CTM had been obtained). The Opponent’s UK representatives did not know whether the OHIM proceedings had been appealed (they were not representatives for the OHIM action) and the Appointed Person ordered that the hearing go ahead, with much of the argument being directed to the admission of new evidence.

Following the hearing, it became clear that the Opponent had not appealed the decision of OHIM’s Board of Appeal and the Applicant withdrew its UK application. The Opponent sought costs, arguing that these should be awarded off the scale. For its part, the Applicant sought

The AP concluded that both parties shared equal blame for not establishing the status of the OHIM proceedings

costs itself, arguing that the Opponent’s failure to tell the Applicant it was not appealing the Board’s decision meant the Applicant had incurred unnecessary cost.

The AP concluded that, as the Opponent had effectively succeeded, there was no reason to disturb the opposition decision and the Opponent was entitled to those costs. The AP concluded that the Applicant had legitimate reasons for continuing the UK appeal, despite its success before OHIM. The AP conceded that the Applicant could have requested a stay

sooner, but both parties shared equal blame for not establishing the status of the OHIM proceedings. The AP did not consider the Applicant’s behaviour unreasonable and accordingly costs for the Appeal would not take this into account. There were, however, costs for the Appeal, which largely dealt with the admissibility of the new evidence.

Referring to the overriding objective in Rule 1.1 of the Civil Procedure Rules “to deal with cases justly and at a proportionate cost”, the AP made a slight departure from the scale of costs in TPN 4/2007, which she stated was not all that binding as: a) appeal costs had since increased significantly; and b) the scale does not map properly onto the appeal process. She awarded costs of £500 of £750 claimed in respect of hearing preparation and attendance, and £3,000 of the £5,750 claimed in respect of Counsel’s fees.

Comment

The case demonstrates the need to consider the possibility of a stay where there are co-pending cases, as well as the need in agency work to enquire if there are parallel proceedings. It also demonstrates the increasing reference to the Civil Procedure Rules in cases before the UK IPO and the Appointed Person.

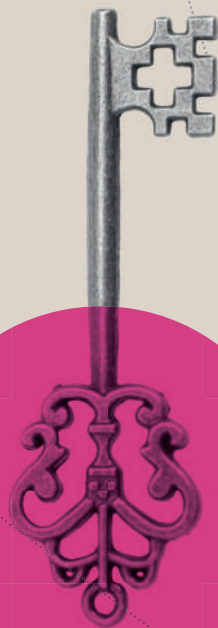


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The key to Keystone

A lack of accurate description meant the Applicant's ultimate failure, says Charlotte Blakey



Keystone IEA Limited (the Opponent) opposed Keystone Wealth Management Limited's (the Applicant's) Trade Mark Application No 2655215 for "mortgage & protection advice, financial services" in class 36 on the basis of Section 5(2)(b) of the Trade Marks Act 1994 (similar to an earlier mark for identical/similar services, resulting in a likelihood of confusion). The Opponent relied upon its Trade Mark Registration No 2641172 covering "estate agents" in class 36.

The Applicant responded, stating that the services were sufficiently distinguishable, meaning there was no likelihood of confusion. No further submissions were filed and a decision was made on the papers.

Opposition decision

The Hearing Officer held¹ that:

- average consumer attention would at least be reasonable;
- services were highly similar -
 - *it was not uncommon for an estate agent to arrange a mortgage on behalf of a buyer or to offer advice in respect of related life and buildings insurances;*
 - *"financial services" is a wide term, resulting in a degree of similarity with estate agency services;*
- KEYSTONE was dominant such that the marks were highly similar -
 - *the additional elements "WEALTH MANAGEMENT" and "INDEPENDENT ESTATE AGENTS" were non-distinctive and descriptive.*

Accordingly, the Opposition was successful in respect of "mortgage and protection advice".

As there are a number of financial services unrelated to estate-agency services, for example banking or pensions services, where the degree

of similarity would be low or non-existent, the Hearing Officer allowed 14 days to provide a revised specification for “financial services”. A response was not received and so the opposition succeeded in its entirety.²

Appeal

The Applicant appealed on 7 October 2014 on the grounds that:

1. The Opponent was not approved to, and did not, provide financial services. A separate sister company, Keystone IMC Ltd, provided mortgage and protection advice, but had not registered a trade mark and was not party to the opposition.
2. The Applicant had been authorised to provide financial services since 1 June 2010. Keystone IMC Ltd was only authorised to provide a limited range of financial services as from 3 August 2012.
3. It was uncommon for estate agents to provide (or to be authorised to provide) financial services themselves.
4. Although “financial services” was a broad term, and mortgages by their nature were related to property, it did not follow that an estate agency should have trade mark protection for mortgage advice provided by another company owned by that estate agency.
5. Confusion was unlikely as the Applicant was based in Kingston, Surrey, and the Opponent in Ipswich, Suffolk.
6. There were over 300 active companies with the name “Keystone”, such that the name could not be claimed by a single undertaking.

The appeal also requested that the specification be amended to “pensions, investments, mortgage and protection advice (excluding estate agency)”. This amendment was rejected by the Opponent. The Applicant also claimed that it did not file an amended specification in time because it did not receive the Hearing Officer’s interim decision until 5 September 2014.

Appeal hearing

The appeal took place on 25 February 2015 and the Applicant was represented by its Managing Director. The Opponent did not attend, nor did it file written submissions. The appeal failed because:

1. A registered proprietor can authorise others (eg a sister company) to use its registered trade mark.
2. The actual uses of the parties are not determinative in an opposition under Section 5(2)(b). What must be compared is notional use of the Applicant’s trade mark in respect of the services applied for versus notional use of the Opponent’s earlier trade mark in respect of the services registered. Also, the scope of protection includes refusal of registration of not only a later similar trade mark for identical services, but also a later similar trade mark for similar services.
3. A UK Registered Trade Mark is valid and enforceable throughout the UK, such that the fact that the Applicant and the Opponent operated in Surrey and Suffolk respectively was not relevant.
4. The Applicant felt that the Hearing Officer erred in finding that there was a likelihood of confusion because the parties’ services were not the same. However, the question for determination by the Hearing Officer was whether, because of the similarities between the trade marks and the services concerned, there exists a likelihood of confusion.

As the Hearing Officer felt that the parties’ services and trade marks were highly similar, in her global assessment, there was a likelihood of direct confusion. The Applicant failed to establish that the Hearing Officer reached this conclusion in error. To the contrary, in the Appointed Person’s (AP’s) view, the Applicant’s arguments were in fact supportive of her finding of confusion, including association.

Additionally, the Registrar confirmed that a copy of the interim decision was sent to the Applicant under cover of an explanatory letter, dated 16 June 2014, by email, and that this had not been returned to the UK IPO.

Despite the above, the AP allowed a further week after the hearing to submit a further revised specification. The Applicant submitted: “Wealth Management, which includes advice on; Investment Bonds, Unit trusts, Investment Trusts, Venture Capital Trusts, Enterprise Investment Schemes, Personal Pensions, Executive Pensions, Group Personal Pensions, Corporate Pension Planning and Auto Enrolment (specifically regulation, employer duties, implementation and outgoing management)”. However, this was also rejected, as “wealth management” was considered to be a wide term, like “financial services”, such that mortgage and protection advice and other wealth management services related to property, even though not specifically mentioned, would be covered.

Comment

The Applicant was given plenty of opportunities to amend its specification to one that would have been accepted by the Registry, but failed to do so. This demonstrates the importance of an accurate and considered specification, particularly when it is requested by the Registry in order to resolve a dispute.

¹ 10 June 2013 (BL O/270/14).

² 31 July 2014 (BL O/337/14).

The Applicant’s mark



The Opponent’s mark



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PEL taken *back* TO SCHOOL

Rupert Bent recounts a lesson in how bad behaviour can boomerang



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The decision in this case reminds us all of the importance that is placed on the very broad principle that a party's behaviour may be taken into account when considering an award of costs.

The claim dealt with four cases which were consolidated. The first issue to be heard was in relation to a revocation claim. The Defendant, Global Brand Group LLC (GBG), had the registered trade mark No 1505395 "Old School" (the Mark) in class 25, namely, shirts, blouses, trousers, shorts, skirts, jeans, coats, socks, shoes

and T-shirts. The Claimant, Punter Of England (PEL), which was represented by Mr Prabhjit Singh Gill, the sole director of PEL, brought an application for revocation for the Mark due to non-use by the Defendant.

In reply, the Defendant argued that there had been use of the Mark or, in the alternative, that there were proper reasons for non-use. However, due to a lack of evidence showing any orders placed or shipped to customers in the UK, it was found that there had been no genuine use of the Mark in the UK by the Defendant. The difficulty GBG

was allegedly having, due to the current market conditions, in reaching a licence agreement with a third party, was not accepted as a proper reason for non-use, as: "it was GBG's decision to restrict itself to one potential partner and therefore it was not immunised from the requirement to genuinely use its trade mark."

In conjunction with the application for revocation, PEL made a request for Security as to Costs on the basis that "GBG was registered in a country not signatory to the Brussels Convention" and that GBG was in financial difficulty. The Hearing Officer stated that the parties had to agree upon the matter privately, and that, if an agreement could not be reached, the matter should then be referred to the Registrar. The parties failed to reach an agreement and, as a result of this and a number of other issues, a case management conference (CMC) was scheduled. At the CMC, the Registrar ruled that "a security for costs order was not justified in the circumstances of the case". Mr Gill, on behalf of PEL,

Although PEL was successful on all four accounts, the Hearing Officer declined to make any award of costs due to the “unreasonable behaviour” of PEL

sought to appeal the decision. However, the Hearing Officer responded that no appeal would be available for the CMC decision. Mr Gill went on to make a formal complaint and sought to disqualify the Hearing Officer from the first and second application.

GBG opposition

In the second application, No 2618398, PEL tried to register a series of two trade marks, namely the word mark “Old School England”, and two logos (shown below). GBG opposed this application under Section 5(2)(b) of the Trade Marks Act 1994. However, due to the ruling in the claim for revocation, GBG did not have an earlier right at the date of the application, and so its opposition failed.

PEL opposition

The third application, No 2632284, by GBG to register the trade mark “Old School” in classes 18, 25 (with a much wider specification) and 35 was, unsurprisingly, swiftly opposed by PEL under Section 5(2)(b). It was found that “the goods in question were either identical or highly similar and the marks were also highly similar such that ... there was a likelihood of consumers being confused into believing that the goods provided by GBG were those of PEL or provided by some undertaking linked to them”.

Final PEL application

As for the last claim, PEL applied to register the trade mark OLD SCHOOL in classes 18, 25 and 35. GBG opposed this application, No 2643211, on the grounds that it was the proprietor of the Mark and contended that the two marks were identical and were for

identical or similar goods and services. As GBG no longer had an earlier right at the date of this application, GBG’s opposition failed and PEL’s application was registered.

Although PEL was successful on all four accounts, the Hearing Officer declined to make any award of costs due to the “unreasonable behaviour” of PEL. Throughout the proceedings, PEL had made some far-fetched and very serious allegations, which were ruled to be seen as unsupported by any evidence put forward. PEL accused the Hearing Officer of being “biased, providing evidence on behalf of GBG and holding *ex parte* talks with GBG and their representatives”. The Hearing Officer stated that the “allegations were completely without foundation, and resulted either from Mr Gill’s complete lack of understanding of the business world or a wilful misreading of every action taken and word spoken, to attempt to twist them to meet some grand conspiracy theory in which everyone, the Hearing Officer and the IPO included, were colluding against him”.

PEL appeal

PEL appealed to the Appointed Person under Section 76 of the Trade Marks Act 1994 on the grounds that there was an error, in principle, in not awarding PEL the costs of its consolidated proceedings. PEL based

its appeal on many unevidenced grounds, including the fact that the Hearing Officer had mistakenly stated that the USA was a member of the Brussels Convention when first considering PEL’s application for security for costs. It was found that PEL could not solely rely on the fact that GBG is a resident of the USA and, as no evidence was put before the Hearing Officer in support of PEL’s application, the error made by the Hearing Officer was not one that could be regarded as material. It was found that the Hearing Officer was entirely in its bounds “on the basis of the materials put in front of him to make the findings he did in relation to the conduct of the proceedings by Mr Gill on behalf of PEL”.

Word of warning

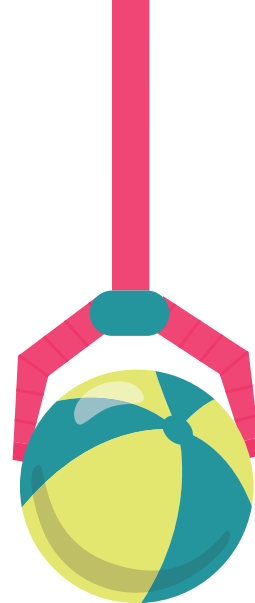
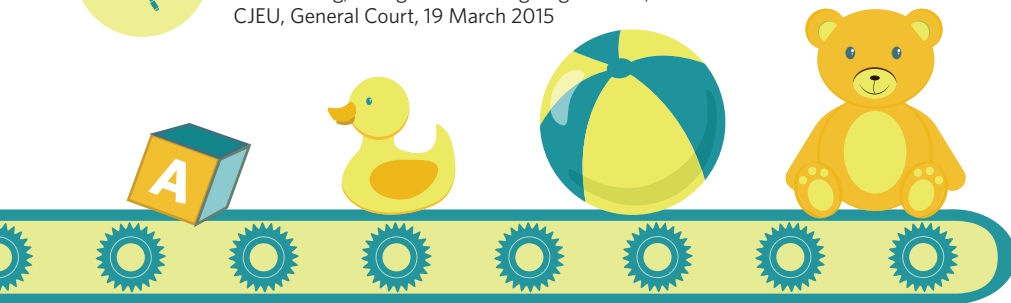
This decision is one that many self-litigants, and indeed litigants, may want to take into account. The case is an example of where unfounded and serious false accusations will not aid you in succeeding, but are more likely to impose on you a negative result.

The PEL logos



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Called to attention

Unusually, similar facts elicited contrasting decisions, writes Oliver Tidman

This case concerned two oppositions by Spanish company Diset against applications by the toy manufacturer MEGA Brands International (Mega Brands), maker of Mega Bloks and long-time rival of Lego, for the registration of the word and figurative mark MAGNEXT.

Both applications were opposed under Article 8(1)(b) (likelihood of confusion) of Council Regulation (EC) No 207/2009 (CTMR), based on Diset's earlier Spanish word mark MAGNET 4 covering similar goods in class 28. The Opposition Division of OHIM upheld the oppositions and the Board of Appeal agreed with the decision. Finding no joy before OHIM, Mega Brands applied to the General Court, which, taking the liberty of assessing the issues afresh under Article 65(2) CTMR, curiously denied a likelihood of confusion in respect of the figurative mark MAGNEXT. The Court did, however, find there to be confusing similarity between MAGNET 4 and the word mark MAGNEXT. Mega Brands, unhappy with the General Court's decision regarding the word mark, appealed to the CJEU.

Magnetic properties

Mega Brands argued that the word MAGNET had been proven to be descriptive for toys (namely those that employ magnets to function) but did not succeed. Referring to its judgment in Case C-388/10 P, *Munoz Arraiza v OHIM (RIOJA v RIOJAVINA)*, the CJEU reaffirmed that: "even if a verbal

element should be considered to have a purely descriptive character, that character does not preclude that element from being acknowledged as dominant for the purposes of assessing the similarity of the signs at issue."

Missing number

In support of its action in the CJEU, Mega Brands claimed that the General Court, in its assessment of the likelihood of confusion, distorted the facts and infringed principles established by case law: by categorising MAGNET as the dominant element of the earlier mark MAGNET 4, even though it had found the element to be descriptive; and by failing to take into consideration the figure "4", which is a component of that mark.

OHIM argued that the General Court had correctly noted that the global assessment of the likelihood of confusion, in relation to the visual, phonetic or conceptual similarity of the signs at issue, must be based on the overall impression given by the signs, bearing in mind, in particular, their distinctive and dominant components (Case C-193/06 P, *Nestlé v OHIM*). However, as the General Court had only categorised the

dominant element of the earlier mark as MAGNET, without providing any analysis whatsoever of the figure "4" – particularly the phonetic element "cuatro", as pronounced by the average Spanish consumer – it had failed to provide any reasoning for its decision to omit the number in its assessment of the similarity of the signs.

Optimistic conclusion

The CJEU agreed with Mega Brands that the General Court had not paid sufficient attention to the numeral "4" in Diset's earlier mark and had not provided any reasoning as to why it considered MAGNET to be the dominant part of the earlier mark. Accordingly, the CJEU set aside the General Court's judgment and Mega Brands will now have to await the General Court's final assessment of the likelihood of confusion.

It is rare for the CJEU to annul a judgment of the General Court; most appeals to the CJEU are rejected as concerning matters of fact only. Of greater interest to trade mark practitioners will be how the different tribunals assessed the same set of facts pertaining to a likelihood of confusion (and applied the 'global appreciation' test) yet reached different conclusions.



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Reaching for reasons

Sarah Burke explains why use must be backed up by strong evidence

The General Court dismissed Naazneen Investments Ltd's (Naazneen's) appeal against revocation of the mark SMART WATER on non-use grounds under Article 51(1)(a) of Council Regulation (EC) No 207/2009 (CTMR). Naazneen had failed to adduce credible evidence to demonstrate genuine use in the relevant five-year period and there were no proper reasons for non-use.

Background

In 1999, Water Concepts Inc. registered SMART WATER as a Community Trade Mark in class 32 for: "Beverages, namely water with dietary supplements". In 2002, the mark was assigned to Gondwana Trade Gertranke GmbH (Gondwana), and then to Naazneen in 2007. In July 2009, Energy Brands, a subsidiary of Coca-Cola that sells water under the brand "Glacéau smartwater", brought a cancellation action, arguing no genuine use of the SMART WATER mark in the preceding five years. OHIM's Cancellation Division ordered that the mark be revoked in May 2011, with the Board of Appeal agreeing in February 2013. Naazneen then appealed to the General Court.

The decision

The Court held that the Board of Appeal was entitled to find that there had not been genuine use of the mark under Article 51(1)(a) CTMR on the basis of the evidence before it. OHIM followed settled law when deciding that affidavits from the CEO of Gondwana and an external consultant (with contractual links) were of lower evidential value than those of

Parties need to adduce credible evidence of genuine use, which must be strictly within the relevant five-year period

unconnected third parties. The evidence provided on use was not credible because it did not go far enough to demonstrate genuine use. OHIM had considered invoices relating to the "test sales" of 15,552 bottles, but was right to conclude that such a small quantity of sales did not amount to genuine use of the mark in view of the large market for a mass-consumption product. Sales of some €800 in the relevant five-year period were regarded as token and insufficient. Advertisements in two specialist German motor magazines during 2007 did not suffice to constitute an advertising campaign. The Board of Appeal also correctly

concluded that a website displaying the message "site is under construction, please visit us again later!" and the existence of non-disclosure agreements without further evidence of contracts for manufacture or delivery of goods did not show actual commercial activity.

The Court also agreed that manufacturing problems in 2007 did not constitute proper reasons for non-use of the mark, as it was for Gondwana to supervise and control the third-party manufacturers of the goods. The Court dismissed Naazneen's challenge under Article 75 CTMR, which requires OHIM to state the reasons on which decisions are based. The Board of Appeal was not required to exhaustively address every line of reasoning of the parties within its decision; by reproducing and confirming the analysis of the Cancellation Division, it had implicitly provided its reasons.

The decision of the Court in this case is not surprising and it followed settled law on non-use. The decision does, however, highlight the need for parties to adduce credible evidence of genuine use, which must be strictly within the relevant five-year period. The case reiterates the principle that "proper reasons" for non-use only refer to circumstances unconnected to the owner of the mark.



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Dominance made the difference

Descriptiveness did not dampen the significance of a key element, says Harpreet Dhaliwal

Here the best-known soft drink company in the world, Coca-Cola, opposed Intermark's Community Trade Mark (CTM) application covering drinks in class 32 and advertising, business management and office function services in class 35.

The Article 8(1)(b) and Article 8(5) opposition was based on CTM Registration No 8792475 (the logo mark), and the word mark COCA-COLA, registered for drinks in class 32, and advertising, business management and office function services in class 35. Coca-Cola won the opposition and overcame Intermark's appeal to the Board of Appeal.

Intermark appeal

Intermark appealed to the General Court, arguing that the Board of Appeal erred in finding that the degree of similarity between the signs was sufficient for a likelihood of confusion. Intermark argued that there were significant differences, including: visually, the word "rienergy" and a graphic element in Intermark's mark; the shape of the background, script, orientation and contour of the word elements of the marks; the phonetic and conceptual impact of the word "rienergy"; and the word "cola" being generic and descriptive of goods in class 32. Consequently, even given the enhanced distinctive character of Coca-Cola's marks in respect of class 32 goods, the signs were dissimilar and there was no likelihood of confusion.

Court's reasoning

The Court reiterated that an assessment of the similarity between

two marks requires more than a comparison of individual components of those marks. The marks should be examined as a whole. Although the overall impression can be dominated by one or more components, only if all the other components of the mark are negligible can similarity be found solely on the basis of the dominant element.

The Court admitted that a section of the relevant public may perceive "cola" as descriptive of beverages originally made from cola nuts. However, a word with weak distinctive character can constitute a dominant element, for example, due to its position in the sign or its size, which makes an impression on consumers and is remembered by them. The size and the position of the element "cola" in Intermark's mark render it the dominant element of the mark, despite it being descriptive for class 32 goods. It is a non-negligible element in Coca-Cola's logo mark and a distinctive element in respect of the class 35 services, as "cola" has no connection to services such as office functions. Although the element "rienergy" and the logo element in Intermark's application have distinctive character, owing to their very small size and lack of meaning, they do not have enough significance to outweigh the similarities between the marks. Likewise, the presence of the word "coca" in the earlier mark

cannot alter the fact that the dominant element in the later mark is also present in the earlier marks.

Conclusion

Not only is the dominant element in Intermark's application identical to the non-negligible element in Coca-Cola's logo mark, but it is also depicted in a similar white cursive script on a red background. The Court found the signs were similar overall and there is a likelihood of confusion. The decision of the Board of Appeal was upheld.

It seems that, even though "cola" is descriptive and there are differences between the other elements of the marks, it was still found to be the dominant element of the later mark. It is surprising that this seems to have been the deciding factor in concluding that there is a likelihood of confusion.

The Intermark CTM



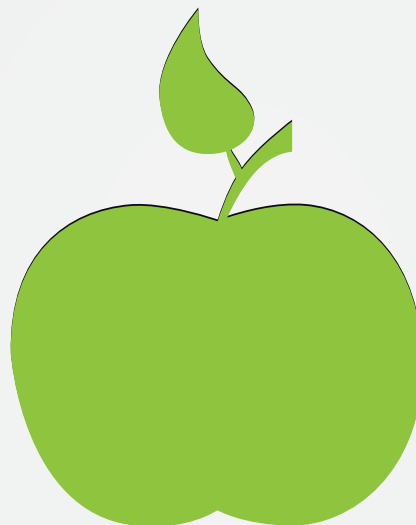
The Coca-Cola CTM



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Pink problems

Once again, OHIM's autonomy was affirmed, writes Chris Morris

This case concerned an application by Carolus C. BVBA (Carolus) to register the sign ENGLISH PINK as a Community Trade Mark (CTM) for a range of goods in class 31, including fresh fruit and vegetables. The application was opposed by Apple and Pear Australia Ltd, and by Star Fruit Diffusion, on the basis of three earlier CTMs for PINK LADY in various formats, covering mainly identical goods.

The opposition was unsuccessful at first instance, and the subsequent appeal upheld the decision. When comparing the sign with the word mark PINK LADY, the Board found that there was no similarity and no likelihood of confusion. The decision was appealed to the General Court.

Appeal pleas

The appeal was based on seven pleas. The most significant of these was a claim that the decision contained no reasoning as to the inferences to be drawn from the Opponents' successful action against the Applicant at the Tribunal de commerce de Bruxelles, based on a Benelux registration for PINK LADY. In that case, it was held that English Pink did infringe the earlier right. The Opponents filed a copy of the decision late, but well before the Board issued its decision.

In response to this claim, OHIM argued that the Board, despite not mentioning the judgment, probably did take account of it but did not consider itself bound, stressing that the CTM system is wholly autonomous and independent of national law.

The General Court ran through the relevant provisions of Council

The case emphasises the extent to which the Office is bound to consider earlier proceedings

Regulation (EC) No 207/2009 (CTMR), confirming that evidence can be filed in proceedings once time limits have expired and that OHIM is not bound to reject any such evidence. Nowhere in the Board's decision did it refer to the judgment, so it failed to comply with the requirement to state reasons also dictated by the CTMR. OHIM's submissions were an inadmissible attempt to belatedly state reasons.

For this reason alone, the contested decision must be annulled. However, the General Court also wanted to examine the third plea: infringement of the principle of legal certainty. The Opponents submitted that the final judgment of a CTM court (uncontested by the Applicant) gave rise to a legitimate expectation that the harm

caused by the English Pink mark was now recognised throughout the EU. OHIM should be precluded, for legal certainty, from adopting a contrary decision in opposition proceedings. Again, the General Court confirmed that the Board should have considered the judgment as part of its examination of all relevant factual aspects and its decision must be annulled.

Finally, the General Court had to decide whether it should exercise its power to alter the decision. Confirming that a decision of a CTM court carries no weight of *res judicata* for CTM oppositions, the judgment is not in itself sufficient to enable the General Court to ascertain which decision the Board was required to take. Legality of decisions can only be assessed on the basis of the CTMR. For that reason, the General Court cannot exercise its power of alteration.

Conclusions

This case emphasises the extent to which the Office is bound to consider earlier potentially relevant national proceedings concerning the same trade marks, but also the limits to the extent to which it is bound to follow those decisions. The potential for seemingly contradictory decisions is a powerful demonstration of the autonomy of the CTM system, overlaying, but not necessarily overlapping, national law.



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Game changers

Sean McDonagh is reminded of the importance of distinctive or dominant elements in navigating past oppositions

In 2011, the Royal County of Berkshire Polo Club (the Applicant) applied to register a figurative mark, consisting of the text “Royal County of Berkshire POLO CLUB” and a polo-player device, as a Community Trade Mark (CTM) in classes 9 (spectacles), 14 (jewellery), 18 (leather goods, trunks, travel bags, whips, harness and saddlery) and 25 (clothing goods). The application was opposed by Lifestyle Equities (the Opponent) on the basis of four earlier figurative CTMs, all including the text “BEVERLEY HILLS POLO CLUB” and a polo-player device, for identical goods. Having seen the opposition rejected and subsequently upheld by the Board of Appeal, the Applicant appealed to the General Court.

Distinctiveness

The crux of the decision largely concerned the Board of Appeal’s failure to appreciate the varying levels of distinctiveness afforded to the image of a polo player and the words ‘polo club’ for the goods at issue. While the Board heavily relied on *Glenton España v OHIM* — *Polo/Lauren (POLO SANTA MARIA)*, T-376/09, EU:T:2011:225, in finding, quite surprisingly, that the signs had inherent enhanced distinctiveness in relation to all of the goods concerned, the General Court highlighted that a more precise construction of the earlier case law revealed that varying levels of distinctiveness applied, particularly pointing to the weak distinctiveness of the signs in relation to ‘whips, harness and saddlery’ in class 18, due to their connection with the playing of polo.

Mark comparison

In comparing the marks, the Court found some visual similarity, a low level of aural similarity and a notably high degree of conceptual similarity. On a conceptual level, the Court reasoned that, as both marks refer to a polo club and display a device of a polo player, they bring the idea of polo to the minds of the relevant public (the average consumer who does not have a particularly high level of attention). The Applicant argued that the marks were conceptually dissimilar by virtue of the wording referring to two different geographic locations and proposed that an analogy could be drawn with the marks of football teams, which are distinguishable precisely because of the references to cities which those marks contain.

However, the Court held that, in spite of the wording, the marks would still continue to invoke the idea of polo playing, albeit at different clubs. The Court rejected the football analogy proposed by the Applicant, noting that not only was it wholly irrelevant,

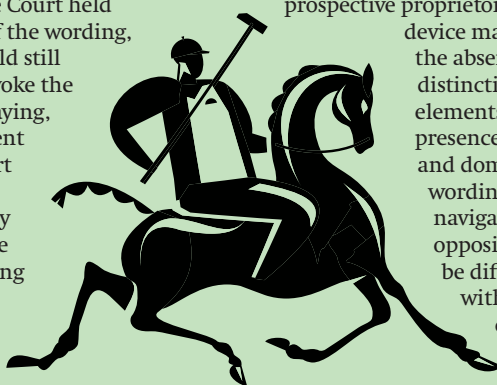
but, in the absence of any evidence provided by the Applicant, it was not possible to compare the general public’s knowledge of polo with its knowledge of football.

GC decision

In light of the significant conceptual similarity and degree of visual similarity between the marks, the General Court found a likelihood of confusion for all of the goods except “whips, harness, and saddlery” – the low level of distinctiveness proving decisive in that respect. The General Court thereby partially annulled the decision of the Board of Appeal and ruled that each party should bear its own costs.

The case would seem to add to a growing number of polo-related decisions in giving caution to

prospective proprietors of polo device marks that, in the absence of highly distinctive device elements or the presence of distinctive and dominant wording, successfully navigating past oppositions may be difficult without strong conceptual dissimilarity.



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A chequered history

How a luxury brand failed to demonstrate its mark's distinctiveness. By Chris Hoole

On 26 February 2009, Nanu-Nana Handelsgesellschaft mbH für Geschenkartikel & Co.

KG (Nanu-Nana), filed invalidation proceedings against Louis Vuitton Malletier's (LV) Community Trade Mark (CTM) registration for a chequered brown-and-beige pattern (the LV Mark), registered on 27 August 1998 in class 18 for various goods made of leather, including handbags and wallets.

The Cancellation Division and Board of Appeal had previously held in Nanu-Nana's favour, finding that the chequered pattern lacked inherent distinctive character and had failed to acquire distinctive character under Articles 7(1)(b) and 7(3) of Council Regulation (EC) No 207/2009 (CTMR) respectively. The Board of Appeal took the view that: (1) the chequered pattern represented a "basic and banal feature composed of very simple elements" that were common in the trade; (2) the weft-and-warp structure did not give it any additional distinctive character; and (3) the documents filed by LV did not show that the LV Mark had acquired distinctive character throughout the European Union. LV appealed to the General Court, claiming that:

1. The Board of Appeal had breached Article 7(1)(b) by:

- a. requiring the trade mark to reach a higher threshold of distinctive character
- b. incorrectly presenting the LV Mark as chequered pattern alone
- c. wrongly assessing the LV Mark with regard to the goods in class 18 and the perception of the relevant public

d. wrongly assessing the burden of proof by taking into account facts not submitted by Nanu-Nana.

2. The Board of Appeal had breached Article 7(3) by:

- a. taking into account the wrong date for the purpose of determining whether the LV Mark had acquired distinctive character
- b. requiring evidence of acquired distinctive character for each of the Member States (15 as at the time of registration) rather than a "substantial proportion".

The GC decision

The General Court upheld the Board's decision on all grounds. It found that the Board was right to apply the case law relating to three-dimensional marks. Essentially, the more a mark resembles the shape or pattern of a product, the more it will be seen by the average consumer as an attractive detail and not as a badge of origin.

The General Court agreed with the Board that a chequered weft-and-warp pattern that did not depart from the norm coincided with the appearance of class 18 products, which are generally covered with patterned fabrics. The Court was also happy that the Board applied well-known facts, such as the commonality of chequered patterns, as this type of fact might

A mark is not to be registered if it lacks distinctive character in "a part" of the EU

have been omitted by the Examiner during the registration procedure.

LV submitted that it had produced evidence for at least 11 of the 15 Member States, which it considered was a substantial proportion of the EU, and the correct test to be applied. The General Court did not agree. Under Article 1(2) CTMR, a trade mark must have "unitary character" throughout the EU. A mark is not to be registered if it lacks distinctive character in "a part" of the EU. Because the LV Mark lacked distinctive character *ab initio*, the part of the EU in question was its 15 Member States. On the evidence filed, LV had not shown acquired distinctive character for at least four.

The GC also upheld the decision of the Board in parallel proceedings for a similar LV trade mark featuring a light- and dark-grey chequered pattern (Case T-360/12).

Conclusion

The General Court's decision stitches up any holes relating to the assessment of distinctive character for pattern marks. In summary, the test for three-dimensional marks applies equally to patterns and, if a mark lacks distinctive character, *ab initio*, the trade mark owner may have to show acquired distinctiveness for the whole EU.



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Cold reception for Iglotex

Word element again held sway in considering a mixed mark, reports Charlotte Roe

The General Court has dismissed Iglotex SA's appeal and upheld an opposition against its application for the figurative sign IGLOTEX (shown below).

The application for IGLOTEX, which covers a variety of frozen and refrigerated goods in classes 29 and 30, was successfully opposed by Iglo Foods Group Ltd on the basis of Article 8(1)(b) of Council Regulation (EC) No 207/2009 (CTMR). Iglo owns an earlier CTM registration for the word mark IGLO, also covering goods in classes 29 and 30. The Applicant challenged the Board of Appeal's finding of a likelihood of confusion between the respective marks and, in particular, the Board's assessment of the comparison of the respective marks.

Decision

The General Court upheld the finding that the goods were identical or highly similar. As for the similarity of the

marks, the Board of Appeal, relying on case law which establishes that word elements are typically more distinctive than figurative elements, had held that the word element IGLOTEX in the Applicant's mark played an independent, distinctive role. The General Court agreed that the word element was a prominent feature, despite the size and positioning of the figurative elements (a penguin and a snowflake) within the mark. The General Court noted that, where a mark consists of both word and figurative elements, a consumer will more readily refer to the goods by reference to the word element.

In comparing the word elements of the respective marks, the General Court agreed that consumers would focus on the 'IGLO' element of IGLOTEX. The first part of a word element is typically more prominent, and the addition of the suffix 'TEX' was not sufficiently significant to displace a finding of similarity. The General Court held that the respective marks were visually, phonetically and conceptually similar, albeit each to a differing extent.

The General Court also considered the level of attention of the average consumer of the relevant goods, which it held to be normal, if not low. One factor in the Applicant's favour was that the IGLO mark only had weak

inherent distinctiveness, as the public, seeing 'iglo' and perceiving the concept of an igloo, would be capable of linking that concept to the frozen/refrigerated characteristics of the goods at issue. However, the General Court emphasised that this was only one element of the global assessment and did not, on its own, preclude a finding of likelihood of confusion.

The General Court concluded that the Board of Appeal was correct to find a likelihood of confusion and dismissed the appeal accordingly.

Closing thoughts

This case confirms that, when considering a mark that incorporates both word elements and figurative elements, word elements can be determined to be more distinctive than figurative elements, even when the figurative elements are prominent in terms of their size and positioning. This case is also a reminder that the first part of a word element is typically more important than subsequent parts.

The Iglotex mark



This case is a reminder that the first part of a word element is typically more important than subsequent parts



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events

More details can be found at itma.org.uk

We're back in Birmingham for September's Autumn Seminar. See you there.



Date	Event	Location	CPD hours
17 September	ITMA Afternoon Seminar Representing before the Registry	Royal College of Surgeons, London	2-3
22 September	ITMA London Evening Meeting* Parallel Proceedings: Evidence and delays at OHIM and the courts, Rachel Wilkinson-Duffy, Baker & McKenzie LLP	Royal College of Surgeons, London	1
23 September	ITMA Autumn Seminar	Hyatt Regency, Birmingham	5
23 September	ITMA Autumn Drinks Reception Part of the ITMA Autumn Seminar	Hyatt Regency, Birmingham	
20 October	ITMA London Evening Meeting* OHIM Case Law Update, Mark Caddle, Withers & Rogers LLP	Royal College of Surgeons, London	1
13 November	ITMA & APTMA Day Seminar and Dinner The Irish Perspective	Hilton Dublin (seminar) and Drury Buildings (dinner)	4-5
24 November	ITMA London Evening Meeting* CJEU and General Court Decisions – 2015, Birgit Clark, Locke Lord LLP	Royal College of Surgeons, London	1
11 December	ITMA Christmas Lunch	London Hilton on Park Lane	
16-18 March (2016)	ITMA Spring Conference	One Whitehall Place, London	9

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I work as... a Legal Director at DLA Piper, focusing on trade marks and brand protection.

Before this role... I briefly worked at a specialist trade marks boutique in Cambridge. Before that, I was responsible for managing the UK and Community Trade Marks Practice at a US law firm in London.

My current state of mind is... content. At home, I have a wonderful, supportive family. At work, I am part of a friendly and talented team.

I became interested in IP when... I saw a word mark and a perfume bottle that I had cleared feature in department stores in London and Toronto. I was so excited that I became hooked on brand protection!

In my role, I most enjoy... overcoming an absolute grounds refusal. One of the highlights of my career was persuading the OHIM Board of Appeal to overturn a refusal of an application for the shape of a bottle. Although it was accepted on acquired distinctiveness, OHIM noted it was a "borderline case" of inherent distinctiveness. I also enjoy coming up with creative arguments and angles that nobody has thought of before.

In my role, I most dislike... the fact that sometimes issues have a speedy turnaround time; I'd often like more time to deliberate. However, sometimes the best advice is prepared under immense time pressure.



Désirée Fields shares her fondness for US-style magic

I am most inspired by... honesty, integrity, selflessness and people who are true to themselves.

On my desk are... pictures of my children, a selection of herbal teas and a mountain of papers.

My favourite mug is... a Dr Seuss mug that says: "It's fun to have fun. But you have to know how."

My favourite place to visit on business is... definitely San Diego, after INTA 2015.

If I were a trade mark/brand, I would be... Disney; it gives even adults the opportunity to immerse themselves in a magical world.

The biggest challenge for IP is... to keep up with constantly evolving technologies.

The talent I wish I had is... to make and write music. I would love to be able to turn my poetry into songs.

I can't live without... my family, Kindle and high-quality chocolate.

My ideal day would include... sleeping in, an American diner breakfast, half a day at the Magic Kingdom with the family, a swim, dinner at Epcot, and a massage before falling asleep.

In my handbag is... a security pass for work, wallet, Kindle, BlackBerry, keys, hairbrush, hand cream, tissues and an Oyster card.

The best piece of advice I've been given is... to make a decision and to stick with it.

When I want to relax, I... schedule a massage or go for a long walk.

In the next five years I hope to... still be living in London, part of a highly regarded international trade marks team, respected among my peers and a positive role model for my children.

The best thing about being a member of ITMA is... being part of a community of like-minded and interesting individuals.

If you'd like to appear in TM20, contact caitlin@thinkpublishing.co.uk



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