

Make Your *Mark*

Spring 2019

HALLOWEEN BREXIT?



At the time of writing, the bewildering journey of Brexit is ongoing. Several rounds of rejections and extensions have occurred since we last wrote about Britain's exit from the European Union (EU) in the Autumn issue of Make Your Mark, culminating in a special meeting of the European Council, at which a longer flexible extension was agreed.

As a result, exit day is now defined as 11pm on 31 October 2019. However, if both the European Commission and the UK ratify the Withdrawal Agreement before 31 October 2019, then Brexit will take place on the first day of the month following the date of ratification, and the extension will be terminated. Also, there's a chance that the Government might decide to call the whole thing off, as the UK has a right to revoke its notification under Article 50 at any time and cancel Brexit altogether.

Trade marks and designs with a Brexit deal

Article 126 of the Withdrawal Agreement provides for a "transition" period from when the UK exits the EU until 31 December 2020. During this period, EU law will continue to apply to the UK.

Registered EUTMs and RCDs

After the transition period, owners of EUTMs and RCDs granted before the end of the transition period will "without any re-examination, become the holder of a comparable registered and enforceable right in the UK" (art.54 of the Withdrawal Agreement).

Pending applications

Assuming a deal is struck and the transition period is agreed, applicants can (and should) continue to file EUTM, international (EU) and RCD applications as usual until at least 31 December 2019. Based on the EUIPO's speed of registration, the majority of routine applications filed by that date should have been granted before the transition period expires and will automatically convert into equivalent UK registrations. The owner of a EUTM or RCD still pending at the end of the transitional period (December 2020) will be entitled to file a corresponding UK application within nine months from the end of the transition period—i.e. to September 2021 (Withdrawal Agreement art.59.1). This new UK application will retain the filing date of the EUTM (and priority date if applicable).

IN THIS ISSUE

EUROPEAN PERSPECTIVES

- **Halloween Brexit?** Page 1-2
- **Should we shoot the messenger?** Pages 3-4
- **Monkey business** Pages 4-5

UK NEWS

- **Snippets** Pages 6-25

UK COURT DIARY

- **Come fly with me: High Court engages "intention to target" approach in jurisdictional challenge** Pages 26-27
- **Horny trade mark dilemma** Pages 28-29
- **A spoonful of aggressive behaviour does not help pre-action disclosure go down** Pages 30-31

ABOUT OUR FIRM

Page 32

International registrations (IRs)

The UK Government will arrange a system with WIPO to allow EU designations of IRs to be converted into, or re-registered as, national UKTM registrations, retaining their original filing or priority date. IRs specifically designating the UK will be unaffected by the UK leaving the EU.

Those who have obtained protection for international registrations of trade marks or designs designating the EU before the end of the transition period will continue to enjoy protection for those international trade marks and designs after the transition period (art.56 of the Withdrawal Agreement).

Unregistered design right

Holders of unregistered Community design (UCD) rights that arose before the end of the transition period will become owners of corresponding rights in the UK (with the “same level of protection” as the corresponding UCD) after the transition period (art.57 of the Withdrawal Agreement).

Trade Marks and Designs with no Brexit Deal

In the event of no deal, there will be no transition period.

International registrations

The UK signed up to the Hague System for the International Registration of Industrial Designs on 13 June 2018, so applicants for international design registrations can designate the UK.

Registered EUTMs and RCDs

For existing registered EUTMs and RCDs, the UK Government has said that it will provide a new equivalent trade mark or design right registered in the UK,

which will come into force at the point of the UK's exit from the EU. It added that the new UK right will be provided with “minimal administrative burden”. There is no confirmation that this will not involve payment of a fee.

Right holders will be notified that a new UK right has been granted; any business, organisation or individual that does not want to receive a new comparable UK registered trade mark or design will be able to opt out.

Pending EUTMs and RCDs

Applicants will have a period of nine months from the date of exit to re-file with the UK IPO under the same terms for a UK equivalent right, using the normal application process for registered trade marks and registered designs in the UK but retaining the date of the EU application for priority purposes.

Applicants with pending EUTM or RCD applications will not be notified and after exit will need to consider whether they re-file with the UK IPO in order to obtain protection in the UK. Re-filing will incur a standard trade mark filing fee.

Unregistered design right

UCD rights protect a range of design features including two- and three-dimensional aspects such as surface decoration and product shape. The UCD provides three years of protection from the date that the design is first made available to the public (“disclosed”) within the EU.

The UCD is entirely separate from the UK's own unregistered design right, which protects product shape and configuration but cannot protect any form of surface decoration. The UK unregistered design right will continue to exist for designs first disclosed in the UK.

UK, EU and third-country designers will be provided with continued protection for those designs first disclosed in EU27 Member States and already protected by an unregistered Community design right at the point that the UK exits the EU “with no action required by the right holder”.

Through the new supplementary unregistered design right, designs which are disclosed in the UK after the UK exits the EU will be protected in the UK under the current terms of the UCD (which means that protection for surface decoration will be available).

Representation at the EUIPO

As an Anglo-German firm with a long-standing presence in London and Munich, Maucher Jenkins is aptly placed to represent our clients before the EUIPO both now and following Brexit, in whatever shape it may take. Our professionals are ideally suited to represent our clients' interests in the UK, Germany and throughout the EU. Our UK, Irish and German lawyers are experienced in EUTM and RCD matters, as well as in contentious, advisory and IP contractual matters, and will retain rights of representation before the EUIPO after any Brexit.

Our German Patentanwälte regularly act before the EUIPO and will also retain these rights.

Our UK Chartered Trade Mark Attorneys and Patent Attorneys are among the most trusted and knowledgeable in the industry and our clients' cloned or re-filed EUTM and RCD rights will come to a safe UK landing in their hands. Under the proposed transition arrangements, they may also continue to act directly in respect of any EUIPO matters still pending during any transition period.

SHOULD WE SHOOT THE MESSENGER?

Brand owners policing the internet are alive to instances of trade mark infringement, including on third-party internet platforms such as Amazon and eBay. Back in 2016, Coty sought to prevent retailers and distributors from selling its luxury brands through Amazon, as it preferred to control sales in high-end bricks-and-mortar shops. The luxury brand industry breathed a sigh of relief when the Court of Justice of the European Union (CJEU) ruled that the restriction did not breach competition laws, as long as it did not discriminate against particular resellers.



In this latest action, Coty aims to hold Amazon responsible for the stocking of trade mark infringing goods, regardless of whether Amazon knew about the alleged infringements. This liability could possibly endanger Amazon's business model, when we think about the sheer scale of its warehouse volume. On the other hand, it is questionable whether Amazon should be able to free itself from the responsibility every off-line shop owner has to carry. The German Court has again referred the decisive question. At the time of writing, the date of the hearing of that Case C-567/18 remains to be determined.

Kicking up a stink

The defendant, Amazon, facilitates sales agreements between third party suppliers and buyers in such a way that it optionally takes care of the stocking and shipping of goods through the service "shipping via Amazon". The plaintiff, Coty, is a licensed distributor of the EU trade mark DAVIDOFF 0876874. Coty acquired a bottle of "Davidoff Hot Water Edt 60 ml" via a test purchase, which turned out to infringe trade mark rights. It requested that Amazon hand over all remaining goods and inform Coty about the third party suppliers. Amazon handed over 30 bottles of perfume, but claimed it could no longer retrace the source and therefore was not able to disclose further details.

The question and its relevance

The tricky part is that Amazon itself is not party to the sales contract. It only facilitates the deal via its stocking and shipping arrangement. In this context, the Highest German Civil Court (BGH) has asked the CJEU:

"Does a person who, on behalf of a third party, stores goods which infringe trade mark rights, without having knowledge of that infringement, stock those goods for the purpose of offering them or putting them on the market, if it is not that person himself but rather the third party alone which intends to offer the goods or put them on the market?"

Simply put: Does Amazon infringe trade mark rights, when it only handles the transportation of black boxes?

In the past, there have been comparable cases of possible intellectual property infringements through online providers, where those agents only acted as a platform between the buyer and the infringing third party distributor. The question of the platform's responsibility is by no means fully resolved. However, one can make out a tendency to disburden these platforms from control responsibilities. The courts of first (LG München I, Urteil vom 19.01.2016 – 33 O 23145/14) and second (OLG München, Urteil vom 22.03.2017 – 29 U 745/16) instances in Germany did not follow Coty in its view that Amazon's responsibility for its business model encompasses the accountability for third-party sellers' unlicensed goods.

Strictly speaking, it is correct that a violating action by Amazon is hard to pin-point. They do the exact same thing (stocking and shipping), whether the product is licensed or not; whether this is legal or not comes down to the honesty of the third party seller. However, can it be right to allow for a business model, which, by design, frees the beneficiary from his or her controlling responsibility?

In its referral to the CJEU, the senate of the BGH clearly states its inclination to answer the preliminary ruling question with a "No". It does not see a responsibility in the mere stocking and shipping of the relevant goods and draws a comparison with patent case law, where the question of responsibility of a forwarding agent or warehouse keeper has already been negated.

Comment

In the patent case mentioned by the referring German Court, an “only” forwarding agent was sued to destroy patent infringing MP3-players (BGH, 17.09.2009 - Xa ZR 2/08 MP3-Player-Import). The German Court however did not hold him responsible for providing further technical information about the goods. Furthermore, he was not obliged to inspect goods for a possible infringement that he only transported. However, from our point of view this result cannot be copy-pasted to the Coty/Amazon situation, as it is much more difficult to disclose an infringement in a patent case than in a trade mark case, where the agent does not need to technically examine the product, but “only” has to safeguard clean channels of distribution. In the patent case, the court stated that the agent could be obliged to technically examine the product for an infringement, as soon as he was notified about irregularities. In Coty vs. Amazon, Amazon denied to disclose further details about the source of the perfumes, even though it had received a take-down notice.

Unfortunately, another interesting aspect of this case is well-hidden in the request for a preliminary ruling, as the wording of the question put before the ECJ does not reflect it. One does not need to split hairs to understand this argument, even though it seems slightly technical at first glance. Previous instances have dealt with Article 9(b) and (c) as describing one action. But if one distinguishes between the elements of Article 9(2)(b), which states “offering the goods, putting them on the market or stocking them for these purposes under that sign” and Article 9 (2)(c), which states “importing or exporting the goods under that sign”, it does not seem far-fetched to subsume Amazon’s behaviour at least under Article 9(2)(c). However, this goes beyond the framing of the question as it was brought before the CJEU.

In summary, Amazon is not off the hook yet, even though the German courts of first and second instance have ruled in favour of the multinational ecommerce company’s business model.



MONKEY BUSINESS

In *VF International Sagl v EUIPO* (Case T-548/17), the General Court ruled on a case involving figurative marks of monkeys with dissimilar word elements, in a dispute which originated from EUTM opposition proceedings in 2014. Was this decision bananas?

In May 2014, the Munich resident Mr Ken Virmani applied for a figurative EUTM (“the ANOKHI mark”) covering a variety of goods, including jewellery in Class 14, bags in Class 18 and clothes in Class 25:



VF International Sagl filed a notice of opposition, based on two earlier figurative EUTMs (“the KIPLING marks”) which both covered a variety of goods and services, including jewellery in Class 14, bags in Class 18 and clothing in Class 25:

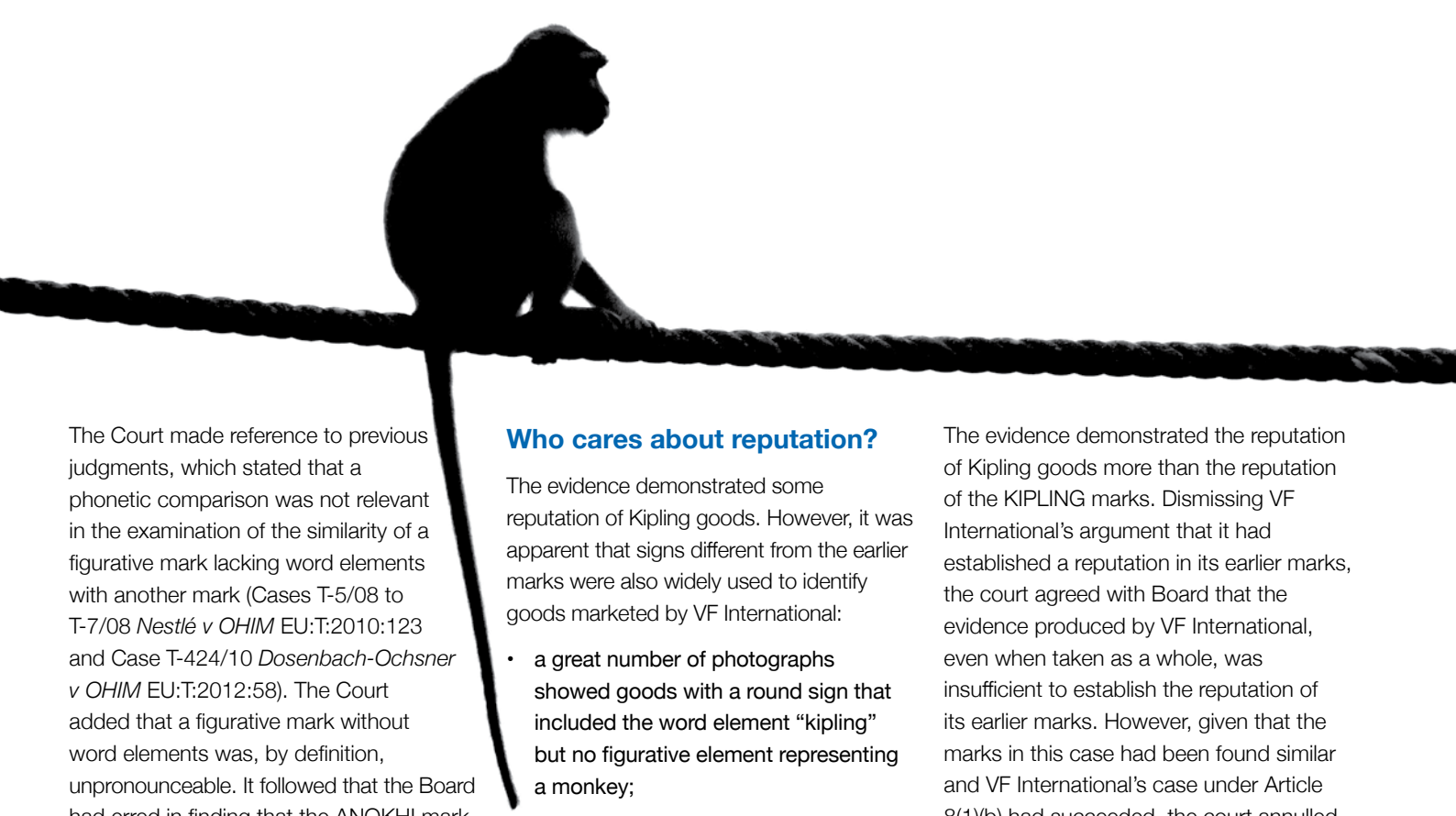


In November 2015, VF International filed an appeal with the Fourth Board of Appeal, but this appeal was dismissed. VF International filed an action before the General Court, submitting that the EUIPO had infringed Article 8(1)(b) and Article 8(5) of Regulation No. 207/2009.

In the Court’s view, **“the general public will recognise clearly and keep in its mind the representation of a black silhouette of a monkey in profile, on all four legs, with a long curved tail”.**

EUIPO’s Opposition Division held that the mark applied for would not take unfair advantage of, or be detrimental to, the distinctive character of the KIPLING marks. Due to the low degree of similarity of the marks and the different impression produced on the relevant consumer, there was no likelihood of confusion on the part of the relevant public and so VF International’s opposition was rejected.

Given the significant similarities between the figurative elements and the similar proportions - in particular, the ratio between the size of the verbal and figurative elements - the relevant public would perceive the marks as similar, regardless of the “anokhi” and “kipling” word elements. The court concluded that the Board had erred in finding that the marks were visually dissimilar.



The Court made reference to previous judgments, which stated that a phonetic comparison was not relevant in the examination of the similarity of a figurative mark lacking word elements with another mark (Cases T-5/08 to T-7/08 *Nestlé v OHIM* EU:T:2010:123 and Case T-424/10 *Dosenbach-Ochsner v OHIM* EU:T:2012:58). The Court added that a figurative mark without word elements was, by definition, unpronounceable. It followed that the Board had erred in finding that the ANOKHI mark was phonetically dissimilar to the monkey device mark that lacked the word element.

It was common ground that the words “anokhi” and “kipling” had no meaning for the relevant public. The marks had used images with analogous semantic content which gave rise to conceptual similarity, according to the settled case-law (Case C-251/95 *SABEL* EU:C:1997:528 and Case T-361/08 *Peek & Cloppenburg and van Graaf v OHIM* EU:T:2010:152). Accordingly, the court concluded that the Board had erred in finding that the marks were conceptually dissimilar.

Who cares about reputation?

The evidence demonstrated some reputation of Kipling goods. However, it was apparent that signs different from the earlier marks were also widely used to identify goods marketed by VF International:

- a great number of photographs showed goods with a round sign that included the word element “kipling” but no figurative element representing a monkey;
- a small toy monkey on a keyring was often attached to the goods but this toy monkey had a different appearance and build from the monkey in the KIPLING marks (in particular, the toy monkey had fur); and
- the toy monkeys were mentioned in a significant number of documents as allowing goods of the Kipling brand to be identified, including in extracts of a book called “Monkey Business”, which VF International conceded had been written by one of the founders of the Kipling company.

The evidence demonstrated the reputation of Kipling goods more than the reputation of the KIPLING marks. Dismissing VF International’s argument that it had established a reputation in its earlier marks, the court agreed with Board that the evidence produced by VF International, even when taken as a whole, was insufficient to establish the reputation of its earlier marks. However, given that the marks in this case had been found similar and VF International’s case under Article 8(1)(b) had succeeded, the court annulled the decision of the Board of Appeal and ordered EUIPO to bear its own costs and those incurred by VF International.



Comment

Although there is nothing novel in the idea that the similarity of two signs has to be based on a global assessment of the visual, phonetic and conceptual similarities between them, it is perhaps surprising that the respective signs in the present case were found to be visually, phonetically and conceptually similar, given the presence of the word elements.

It would be interesting to see if the General Court would have found in favour of Mr Virmani had the application included a word element with some relation to the concept of a monkey, rather than the word element “anokhi” which means “unique” in Hindi.

The case also illustrates that the applicant needs to establish to the requisite legal standard that the earlier marks have a reputation, a critical factor for a successful case under Article 8(5). As the General Court said, the reputation of a mark cannot be assumed on the basis of fragmentary and insufficient evidence. In that regard, it is important to remember that, since the assessment of reputation is based on overall assessment of the evidence submitted, the Board of Appeal is not required to adjudicate on the evidential value of each of the documents submitted by an owner of earlier marks.

SNIPPETS

A recent decision from the UKIPO (O/501/18) provides an important lesson on the differences between the nature and form of evidence that a trade mark owner must file when seeking to prove genuine use before the United Kingdom Intellectual Property Office (UKIPO) compared with the European Union Intellectual Property Office (EUIPO).

The subject of this particular case, the MONOPOLY trade mark, has been registered in the UK for board games since 1954. The game itself was first published by Parker Brothers in the US in 1935. Waddingtons obtained a licence to produce and market the game outside the US, including the now familiar British version. In 1991, Hasbro acquired Parker Bros. and, therefore, Monopoly.

In 2017, a Croatian company called Kreativni Dogadaji applied to revoke Hasbro's famous MONOPOLY trade mark registration. The grounds of revocation were that the mark had not been genuinely used pursuant to section 46(1)(a) of the Trade Marks Act. Kreativini claimed an effective revocation date of 4 November 1957. However, this was way too early. Kreativini's calculation was based on the day that followed the expiry of the five year period after the mark was filed. However, the effective revocation date should have been based on the day that followed the expiry of the five year period after the mark had been registered, meaning that the earliest possible date for revocation of the MONOPOLY mark was 13 August 1959. The UKIPO's Hearing Officer found that revocation was impossible on this basis alone.

The Hearing Officer was equally unimpressed by Kreativini's subsequent throw of the dice under section 46 of the Act. Kreativini argued that use of MONOPOLY could not indicate the origin of the goods in question as the purpose of the game was to achieve a property market monopoly. They also argued that Hasbro's evidence failed to prove that the mark had been used and that, because MONOPOLY was simply the name of a game and not a trade mark at all, the trade mark actually appearing on the product was HASBRO, or Hasbro's predecessor in title PARKER.

The Hearing Officer said that although "the mere existence of catalogues does not necessarily prove that they were distributed, the catalogues in question are Argos catalogues. It is a notorious fact that Argos regularly produces catalogues in the UK". The fact that the mark appeared in Argos catalogues carried even more weight when considered alongside the fact that Hasbro provided invoices showing sales to Argos of the goods bearing the mark.

As regards the witness statement, the Hearing Officer noted that the provisions under the UK Trade Marks Rules meant that "witness statements shall be the normal form for evidence at hearings, and must be signed and dated and include a statement of truth" and were far less prescriptive than the EUIPO's approach, which was that "a witness statement made by a representative of the proprietor is of little weight unless it is corroborated by independent evidence" (see, for example, *Rodcraft Pneumatic Tools GmbH & Co. KG v Rolson Tools Ltd* (Case R 1075/2005-2 of 8 June 2006)).

The Hearing officer noted that "although the use shown reflects a single type of board game, it would be pernicky to try to sub-categorise the specification". The MONOPOLY mark covered "board games" in Class 28 which the Hearing Officer said was "a fair specification".

Under the Trade Marks Act 1994, "use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in form in which it was registered". In that regard, the Hearing Officer ruled that the distinctiveness of the mark as registered lay in the plain word MONOPOLY and that the shading of the letters and background in the form of the mark as used (see below) made no difference.



Hasbro was able to provide evidence of use of the trade mark MONOPOLY within the UK in respect of "board games" for many years, to the satisfaction of the Hearing Officer, who found that "consumers would not view MONOPOLY as denoting a characteristic of the goods instead of indicating trade origin".

Kreativini did not pass go and did not collect £200: their application for revocation was dismissed and they were ordered to pay Hasbro's costs. This decision highlights the importance of correctly calculating the effective revocation date (albeit the Hearing Officer did note that this error in the present case did not affect the outcome). Further, where genuine use has been established, the form in which the mark has been used will - provided it does not alter the distinctive character of the mark as registered - suffice to defeat attempts to revoke valued trade marks.

It also confirms that, unlike the EUIPO, the UKIPO can accept an unsupported witness statement in evidence. The justification for the UKIPO's system is that "witnesses who tell untruths can be exposed in the Registry through the power of cross-examination at a live hearing, and may be subject to serious consequences if exposed" (see *G&D Restaurant Associates Limited v Pasticceria E Confetteria Sant Ambroeus S.R.L.*, BL O/371/09). In contrast, the EUIPO's Boards of Appeal rarely have oral hearings – in fact, there seems to have only been two in 23 years.

On 3 August 2018, the Second Board of Appeal ordered oral proceedings to be held on 19 November 2018 regarding Case R 1849/2017-2, in which Kreativini appealed against the EUIPO's Cancellation Division's decision to reject its application for a declaration of invalidity against Hasbro's EUTM for MONOPOLY. However, due to "technical problems" with the EUIPO's notoriously temperamental website, further information is not available.

Two recent General Court decisions illustrate the importance of ensuring that the specification of goods is specific, i.e. not vague or overly broad. Both opposition proceedings were based on Article 8(1)(b) of the EU Trade Mark Regulation (EUTMR), which states that a trade mark application should be refused if it is identical or similar to an earlier mark, the goods or services covered by the marks at issue are identical or similar, and there exists a likelihood of confusion by the public.

In the first case, *Wilhelm Sihh jr. GmbH & Co. KG (WISI) v In-edit S.à.r.l (T-472/17)*, the General Court upheld the Board of Appeal's decision that there was no likelihood of confusion between the marks at issue.

In-edit applied to register the figurative EUTM shown below for a variety of goods and services in Classes 9 and 42.



This EUTM application was opposed by WISI on the basis of inter alia their earlier international trade mark designating the European Union for the word CHAMELEON, registered for goods in Class 9.

Both the Opposition Division and the Board of Appeal found that the signs under comparison were similar but the goods were partly similar and partly dissimilar. The EUTM application was rejected for the following goods in Class 9 found to be similar to those of the earlier trade mark: "Computer software, software packages; and computer software programs; magnetic, optical or digital data carriers". The Opposition Division and the Board of Appeal found no likelihood of confusion existed with respect to the rest of the goods in Class 9 and the services in Class 42.

WISI appealed to the General Court. However, the Court confirmed that there was no likelihood of confusion between the "computer software packages and computer software for configuring technical and commercial data; software packages for computer-assisted production and/or sales" in Class 9 covered by In-edit's Camele'on figurative sign and the "head ends for cable networks, namely apparatus for receiving, processing, converting, amplifying and transmitting signals; parts of the aforesaid goods; accessories or fittings for the aforesaid goods, as far as included in this class" in Class 9 covered by WISI's earlier mark. The fact that the goods in Class 9 covered by WISI's earlier mark might be fine-tuned by software was not sufficient to conclude that those goods were similar to the Class 9 goods at issue covered by In-edit's Camele'on figurative sign. In addition, the Court noted that such software did not fall under the terms

"parts" or "accessories or fittings" which were vaguely defined terms. According to the Court (at paragraph 29), "... if [WISI] wanted to ensure that the earlier marks were also registered for configuration and operating software for head ends for cable networks, it should have made it clear when it applied to register its trade marks. It should not gain from the vague wording of the goods covered by its mark".

Contrary to WISI's submission, the Board was not therefore required to consider that the earlier marks were registered for configuration and operating software for the "head ends for cable networks". WISI also claimed that head ends for cable networks were intended for receiving, processing, converting, amplifying and transmitting signals over network systems. Those signals were used for digital communication and merely contained data. Accordingly, head ends for cable networks were themselves computers and computer systems. Thus, given that the services of "research and technical studies relating to the installation of computers and computer systems; research, technical studies, consultancy and technical advice relating to the setting up of computers and computer systems" in Class 42, covered by In-edit's Camele'on figurative sign, were directly linked to computers and computer systems, those services were complementary to head ends for cable networks which were themselves computers and computer systems.

This argument did not convince the Court, which noted that the "head ends for cable networks" covered by WISI's mark were described exhaustively by means of the term "namely" as being "apparatus". They were therefore not "systems". WISI could not maintain that the "head ends for cable networks" covered by the earlier mark were comparable to the computer systems in Class 42 covered by In-edit's Camele'on figurative sign. The Court remarked that "The fact that the apparatus covered by the earlier marks performs certain functions also carried out by computers is not sufficient to treat such apparatus like computers, the latter having much more complex and varied uses than the apparatus covered by the earlier marks". The Court concluded that the Board had been correct to find that the services covered by In-edit's Camele'on figurative

sign and the goods covered by WISI's earlier mark were dissimilar.

This decision illustrates that it's important when applying for a trade mark to ensure that the wording of the specification provides specific coverage of the desired products or services – as WISI found out, you can't depend on a vague description of the goods covered by a mark to extend the scope of protection granted under a registration.

Contrast that decision with the outcome of the opposition between Christos Ntolas and General Nutrition Investment (T-712/17), in which the General Court upheld the Board of Appeal's decision that there was a likelihood of confusion between the marks at issue.

The problem here was that the specification of goods in Class 5 covered by General Nutrition Investment's earlier EU word mark GNC – namely “protein for human consumption” – was so broad that it meant that the goods were identical to those covered by the word mark “GN Laboratories” applied for by Christos Ntolas. The Court confirmed the Opposition Division and Board of Appeal's finding that goods covered by the mark applied for in Class 5 could contain protein for human consumption and so were identical to the specification of the goods in Class 5 covered by the earlier mark. Also, the protein content of the goods in Class 29 — with the exception of the edible oils — covered by the mark applied for meant that those goods were similar to the protein for human consumption covered by the earlier mark. The Court endorsed the Board's view that, as edible oils could be used interchangeably with butter, they were similar to the “milk products” covered by the earlier mark. Finally, the Court confirmed the Board's finding that dietary foods, covered by the earlier mark in Class 30, were intended for the same consumers as the protein for human consumption and had the same distribution channels as that protein and, therefore, had to be classified as similar.

Given the moderate similarity between the marks at issue and the partial similarity and partial identity of the goods covered by them, the Court therefore confirmed the Board's finding of likelihood of confusion.

A COUPLE OF RECENT CASES BEFORE THE GENERAL COURT SERVE TO ILLUSTRATE THE DIFFERENT WAYS IN WHICH GEOGRAPHICAL NAMES ARE TREATED UNDER EUIPO PRACTICE DEPENDING ON THE DEGREE OF FAMILIARITY WITH THE GEOGRAPHICAL NAME, THE CHARACTERISTICS OF THE PLACE AND THE CATEGORY OF GOODS CONCERNED.

In the first case, *St. Andrews Links Ltd. v EUIPO* (T-790/17), the Court upheld the Board of Appeal's rejection of the mark ST ANDREWS for the majority of the services applied for in Class 41.

In 2010, St Andrews Links Ltd (the commercial wing of the St Andrews Links Trust) applied to register the word sign ST ANDREWS as a EUTM in Classes 25, 28, 35 and 41. For those who do not know, St Andrews Links is located in the town of St Andrews, Fife, Scotland, and it is regarded as the “Home of Golf”. St Andrews Links Ltd runs the seven public golf courses, including the Old Course, considered to be the oldest golf course in the world, dating back to the 15th century.

The EUTM application was initially rejected by the Examiner for all of the goods and services applied for, on the basis that ST ANDREWS was descriptive of certain positive characteristics of the goods and services covered and that the evidence provided by St Andrews Links Ltd was insufficient to prove acquired distinctiveness through use. The Fourth Board of Appeal took the view that “the expression ‘St Andrews’ referred above all to a town known for its golf courses though not particularly for the manufacturing or marketing of clothing, footwear, headgear, games and playthings” and allowed the EUTM application to be published for such goods and services, on the basis that “The relevant consumer will not establish a link between those goods and services and that expression.”

On the other hand, the Board found that such a link could be established between the other services covered by the mark applied for in Class 41 and the expression “st andrews”. Those services could all directly relate to golf sports, in other words to the particular field for which the town of St Andrews was very well-known. Consequently, the use of that expression in connection with those services would be perceived by the relevant public as a descriptive indication of the geographical origin of those services.

St Andrews Links Ltd appealed to the General Court. Although they had previously obtained trade mark registrations for St Andrews name for a range of products, the Board found the evidence provided by the applicant was insufficient to prove acquired distinctiveness through use of the ST ANDREWS mark applied for.

The Court said that “the registration of geographical names as trade marks where they designate specified geographical locations which are already famous, or are known for the category of goods or services concerned” is excluded. Furthermore, the Court said that “the Board of Appeal was entitled to find that there were, in addition to the applicant's courses, several other major golf courses which lay claim to part of the heritage of St Andrews” and “the Board was entitled to find that the mark applied for could not be registered as an EU trade mark”, and “none of the arguments put forward by the applicant is such as to call in question that conclusion”.

Contrast that decision with the outcome of the opposition between Devin and Haskovo Chamber of Commerce and Industry (T-122/17), in which the General Court overruled the EUIPO and found that DEVIN, the name of a Bulgarian town, could be registered as a EUTM for mineral water.

On 21 January 2011, the Bulgarian bottled water company Devin obtained a EUTM for DEVIN in respect of non-alcoholic drinks in Class 32. In July 2014, Bulgaria's Haskovo Chamber of Commerce and Industry (HCCI) filed an application for a declaration of invalidity of the mark.

Both EUIPO's Cancellation Division and Board of Appeal found in favour of the applicant to invalidate under Article 7(1)(c). In the EUIPO's view, the town of Devin was known by the general public in Bulgaria and a significant proportion of consumers in neighbouring countries such as Greece and Romania, especially as a renowned spa town, and that the name of the town was linked to the geographical origin of the goods in Class 32 covered by the DEVIN mark (especially mineral waters) and, in future, would potentially be understood by a wider European public in view of the marketing efforts being made and the growth of the Bulgarian tourism sector. In addition, Devin had failed to provide any evidence of the distinctive character acquired by the DEVIN mark in markets other than the Bulgarian market.

The EUTM owner appealed again, this time to the General Court. The Court annulled the Board's decision and rejected the invalidity action. The Court noted first that, even if the Bulgarian consumer recognised the word "devin" as a geographical name, it seemed "extremely implausible" that the EU trade mark DEVIN had not acquired, at least in Bulgaria, a normal distinctive character, without there being any need to rule on its reputation.

With regard to the average Greek or Romanian consumer, the Court noted that the existence of a "tourist profile on the internet" was insufficient to establish the knowledge of a small town by the relevant public abroad. Furthermore, the fact that the town of Devin had a "considerable tourism infrastructure" didn't warrant the conclusion that such a consumer could have knowledge of the town beyond its borders or establish a direct link with it.



The Court pointed out that, by wrongly focusing on foreign tourists, in particular Greeks or Romanians, who visit Bulgaria or Devin, the Board failed to consider the entire relevant public, consisting of the average consumer of the EU, in particular from those Member States. In that regard, the Court considered that that the average consumer of mineral water and beverages in the EU did not possess a high degree of specialisation in geography or tourism and that there was no specific evidence to establish that such a consumer perceived the word "devin" as a geographical place in Bulgaria.

Overruling the EUIPO, the Court found that DEVIN could be registered as an EU trade mark for mineral water, but stressed that the general interest in preserving the availability of a geographical name such as that of the spa town of Devin was protected

on the basis that the name would remain available to third parties not only for descriptive use, such as the promotion of tourism in that town, but also as a distinctive sign in cases of "due cause" and where there was no likelihood of confusion.

The Court concluded that the EUIPO had not established the existence of a sufficient degree of recognition of the town of Devin by the average EU consumer, in particular Greek or Romanian consumers. The proportion of EU consumers who know the town of Devin was very small. It followed that the Board had incorrectly concluded that the contested trade mark was descriptive of a geographical origin as regards the average consumer in the neighbouring countries of Bulgaria, namely Greece and Romania, and in all the other EU Member States.

The public interest in maintaining the availability of geographical names makes sense, as they can be used to indicate the quality and other characteristics of the categories of goods or services concerned and also influence consumer preferences in various ways; for example, by associating the goods or services with a place that might evoke positive feelings. That said, as Devin found, there isn't a blanket ban on registering geographical names, provided they're unknown to the relevant public. It is also possible to register geographical names which, because of the characteristics of the place they designate, the relevant public is unlikely to believe that the category of goods or services concerned originates there or was conceived there. However, if the geographical name is capable of designating geographical origin of the goods concerned, then it is necessary to establish an element of distinctiveness in the way the name is understood by the relevant public as denoting a brand and not merely a location because, as *St Andrews Ltd* found, in the absence of acquired distinctiveness, such a name will be refused registration as a trade mark.

THE WIDE-RANGING RIGHTS ATTACHED TO THE NAMES OF WELL-KNOWN POP GROUPS HAVE BEEN ILLUSTRATED IN THREE RECENT EUTM OPPOSITIONS. IT'S NOT UNUSUAL FOR BAND NAMES TO BE REGISTERED AS TRADE MARKS BY THE BAND'S RECORD LABEL OR PRODUCERS BUT WITHOUT A REGISTRATION, WHO HAS THE RIGHT TO A BAND'S NAME?



In the first case, *Fifth Avenue Entertainment v EUIPO (T-459/17)*, the mark applied for was THE COMMODORES in respect of Class 9 goods and Class 41 services. The Commodores were a widely known band, formed by a number of artists including Mr McClary who (along with Beryl McClary) was the joint managing member of the EUTM applicant, Fifth Avenue Entertainment LLC. The EUTM application was opposed by Commodore Entertainment Corporation, based on their unregistered earlier sign "Commodores" under the law of several Member States.

The Opposition Division rejected the opposition in its entirety, concluding that the opposing party had failed to provide information on the content of the applicable national law or the conditions to be fulfilled in order for it to be able to prohibit the use of the mark applied for under the relevant national law (that of the UK).

This decision was overturned by the Fifth Board of Appeal. The Board was persuaded that the opponent had accrued goodwill ("the attractive force which brings

in custom") in respect of the unregistered earlier sign within the meaning of that term under section 5(4)(a) of the Trade Marks Act 1994, and rejected the EUTM application under Article 8(4) EUTMR.

Given that Mr McClary felt that he had a right to THE COMMODORES trade mark as a founding member of the band, it is perhaps unsurprising that Fifth Avenue Entertainment LLC appealed to the (European) General Court. Unfortunately for the holder of the unregistered earlier sign "Commodores", the appeal wasn't easy like Sunday morning. The Court found that the Board had failed to properly examine whether the fourth condition set out in Article 8(4) of EUTMR was satisfied, namely whether, under the UK law relied on in the proceedings, being the proprietor of the unregistered earlier sign "Commodores" actually gave Commodore Entertainment Corporation the right to prohibit the use of THE COMMODORES mark applied for by Fifth Avenue Entertainment LLC.

On the evidence, it was clear that the Commodores were a successful and well-known band that enjoyed most of their success in the 1970s in the US and Europe, including the UK. Its most prominent member, Lionel Richie, left in 1982. The opponent's claim that Mr McClary left the following year was disputed.

The crux of this dispute lay in the ownership of goodwill. It was not disputed that Mr McClary was a founding member of the Commodores band formed around 1968. The band was formalised on 20 March 1978, when an agreement forming a partnership under the name THE COMMODORES was signed by Walter Orange, Milan Williams, Ronald

Lapread, Thomas McClary, William King, Lionel Richie and Benjamin Ashburn. The agreement stated that each member had an equal ratio of 1/7. Mr McClary argued that he could not have expressly left the band since he still received royalty payments. However, since the agreement made it clear that Mr McClary would continue to receive one seventh of the net income from all royalties regardless of whether or not he was a band member, the Board dismissed the applicant's line of argument that he must still be a continued member of the band.

On 1 July 1981, an amendment to the agreement formalised a corporation and assigned the legal rights to the name The Commodores to Commodores Entertainment Publishing Corp.

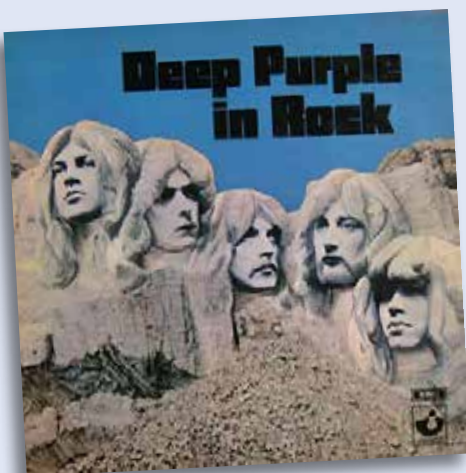
On the evidence, the Board found that the common law ownership of the name "THE COMMODORES" resided with the opponent. The applicant argued that since the opponent, who claimed to own the goodwill in the name THE COMMODORES, was Commodore Entertainment Corporation and the evidence filed related to Commodore Entertainment Publishing Corporation they were different entities. However, as the two companies merged in May 1978, the Board dismissed this argument. The Board concluded

- the goodwill in the business operating under the name "THE COMMODORES" was owned by Commodore Entertainment Corporation; and
- Commodore Entertainment Corporation had demonstrated that it had a protectable goodwill under UK law.

However, the Board failed to take into account that the term of the general partnership agreement was limited to seven years and that the 1981 amendment had not altered the term of that agreement. The applicant argued that, when that agreement expired, the rights previously assigned to the general partnership (including the right to the name "The Commodores") were reassigned to the founding members of the band, including Mr McClary who, it was claimed, never

left the group. The Court said that “by merely concluding that the applicant could not rely on the “sole proprietary right to the mark”, the Board of Appeal omitted to examine whether the applicant was the co-owner of that right and, if that had to be the case, the impact of such co-ownership in the light of the national law relied on”.

UK national law provides that several people can simultaneously own separate goodwill in a name and, therefore, are permitted to use that name simultaneously. In such circumstances, an action for passing-off brought against a party that owns such separate goodwill by another party that also owns goodwill in that name is bound to fail. The Court concluded that the Board had failed to examine to the requisite legal standard whether the fourth condition set out in Article 8(4) of Regulation No 207/2009, namely that the national law relied on conferred on Commodore Entertainment Corporation the right to prohibit the use of THE COMMODORES mark, was satisfied.



In the second and third cases, (T-328/16 and T-344/16), Mr Ian Paice successfully blocked ex-Deep Purple founder member Mr Richard Hugh Blackmore’s registration of the band name as an EU trade mark for goods and services in Class 9 (audio/visual recordings of musical performances, etc), Class 25 (clothing, footwear, etc) and Class 41 (entertainment services), except for computers and software in Class 9.

Deep Purple was a UK rock band formed in 1968 by, amongst others, Messrs Paice and Blackmore. The grounds of opposition were based on the earlier non-registered mark Deep Purple and the UK law of passing off. EUIPO’s Opposition Division upheld the opposition in part, refusing registration in respect of some of the goods in Class 9 and all of the services in Class 41. On the other hand, it granted registration for the goods in Class 25 as well as for some of the goods in Class 9. Both men appealed.

EUIPO’s Fifth Board of Appeal allowed Mr Paice’s appeal in respect of the goods in Class 25 and for mouse mats, mobile phone accessories and sunglasses in Class 9, but dismissed it insofar as it related to computers and digital games.

Following his resignation from the group in 1993, Mr Paice and the other members had carried on performing concerts and recording new albums, accruing significant goodwill under the name Deep Purple.

On the evidence, the Board found that clothing merchandise had generated a significant revenue stream for Mr Paice over the relevant period and such merchandising was an essential part of the business of a rock band on tour. Accordingly, the sale of goods in Class 25 under the name Deep Purple could be prevented by the law of passing-off and that damage to the goodwill of Mr Paice was “plausibly foreseeable by virtue of diversion of trade”.

As it was common knowledge that many of the items in Class 9 were commonly decorated with commercial or personal imagery, the Board decided that there would be misrepresentation and damage to that goodwill if Mr Blackmore marketed “mouse mats and mouse pads; sunglasses; mobile phone accessories”. Further, the Board found that “sunglasses” in Class 9 were sufficiently accessorised with clothing so as also to be considered at risk of misrepresentation. However, the Board found that the same reasoning did not apply to goods associated with computers and digital games in Class 9 because:

- there was no evidence that Deep Purple had been involved in trading those items; and
- Those items fell into a category of good that, according to the Board, were not clearly associated with music business merchandising in general and Deep Purple in particular.

Mr Paice appealed to the General Court, arguing that the Board had failed to apply the decision of the High Court in *Lego Systems Aktieselskab v Lego M Lemelstrich Ltd* [1983] FSR 155 (according to which the existence or absence of a common field of activity was not the acid test for establishing the likelihood of representation), and that the Board had failed to take account of the fact that Mr Blackmore had intended to deceive the public.

The court noted that the test for passing-off was whether there was a genuine likelihood that the relevant public would be led to attribute the commercial origin of the goods and services in question to the opposing party. Although a defendant in an action for passing-off need not be engaged in a common field of activity, the Court ruled that the Board had been entitled to take the existence or absence of a common field of activity into account (Lego applied). The fact that Mr Blackmore was a former member of Deep Purple and, as such, was associated with the band in the public mind, could not alone amount to proof of a deceptive intent on his part.

Mr Blackmore appealed to the General Court. However, the Court found that, regardless of their date of publication, the press articles published in 2013 and submitted by Mr Paice did prove that Deep Purple had an active and continuous presence in the UK during the period preceding the date of Mr Blackmore’s application for registration.

The court found that the press articles submitted by Mr Paice were independent proof that Deep Purple was a UK band which had enjoyed considerable popularity, at least in that territory. That goodwill extended to merchandise, and the Board had substantiated their finding that the evidence showed that

clothing merchandise had generated significant revenue for Mr Paice and such merchandising was an essential part of a touring band's business by referring to the AG's opinion in Case C-206/01 *Arsenal Football Club* EU:C:2002:373 and the decision of the High Court in *Rihanna v Arcadia* [2013] EWHC 2310 (Ch).

On this basis, the court rejected Mr Blackmore's unsubstantiated claim that the goods at issue were very dissimilar or that the Board wrongly decided that goodwill in the mark Deep Purple extended to the merchandising of a rock band.

The court concluded that the Board had been entitled to allow the registration of DEEP PURPLE for the following goods in Class 9: "computer hardware; computer chips and discs, interactive software as well as computer firmware; computer games; software for interactive games for computer, mobile phones and handheld devices; digital games, mobile phone games; DVD games; computer software and computer programs".



The above decisions regarding DEEP PURPLE and THE COMMODORES should be contrasted with the decision in the UK opposition between Georg Leitner Productions GmbH (GLP) and the estate of Maurice White (O/011/18).

The UKTM applicant Georg Leitner Productions GmbH (GLP) applied to register the mark THE EARTH WIND & FIRE EXPERIENCE FEATURING THE AL McKay ALL STARS in respect of Class 41 services.

The application was challenged by the estate of Maurice White (the founder of the world-famous American band "Earth, Wind & Fire"), on the basis of an earlier international registration designating the EU for EARTH, WIND & FIRE, covering a wide range of goods and services, including similar Class 41 services.

The opposition was upheld by the UKIPO. This, in spite of the fact that Al McKay (who had played guitar in Earth, Wind & Fire when the band topped the charts in the 1970s) had achieved public recognition in his own right, having been nominated for 6 Grammys and inducted into the Rock and Roll Hall of Fame in 2000 and a decade later into the Songwriters Hall of Fame. Unfortunately for the UKTM applicant, the Hearing Officer did not think that the average consumer would attach any particular significance to the presence of Mr McKay's name, given that he had in fact been one of a rotating set of 45 members of the band over more than four decades of its existence, including Maurice White (deceased). Added to this was the fact that Mr McKay had left the band in 1980.

Turning to the two sets of services, the Hearing Officer found that the earlier mark's "entertainment services rendered by a vocal and instrumental group" were identical to GLP's "entertainment services provided by a music group", highly similar to GLP's "entertainment in the nature of orchestra performances" and moderately similar to GLP's "entertainment booking services". Overall, there was a medium degree of visual, phonetic and conceptual similarity between the marks.


The opponent's evidence confirmed the Hearing Officer's own knowledge that EARTH, WIND & FIRE was the name of a very famous, successful and long-standing soul/funk band and, therefore, the mark had both inherent and enhanced distinctive character. The fact that the mark was highly distinctive was in the opponent's favour, as it formed half of GLP's mark. Given the length of GLP's mark, the Hearing Officer said that the word EXPERIENCE, positioned as it was in the middle of a long set of words, was likely to be missed because the EARTH, WIND & FIRE element was so well-known: "the eye sees what it expects to see".

The Hearing Officer concluded that there was a likelihood of confusion (Section 5(2)(b) ground of opposition accepted). Two examples were:

1. *the average consumer would mistake the applicant's mark for the earlier mark and assume that there was a collaboration with Al McKay and the All Stars;*
2. *the average consumer would assume that the additional words The...EXPERIENCE signified a tour or "extravaganza" by the famous group, in which there was a collaboration with Al McKay and the All Stars.*

Turning to the ground of opposition based on EARTH, WIND & FIRE's reputation (Section 5(3) of the 1994 Trade Marks Act), the Hearing Officer decided that the opponent's mark EARTH, WIND & FIRE had a significant reputation for the class 41 services and, when this was combined with the finding that the two sets of services were identical, similar to a high degree, and moderately similar, and the fact that the applicant's own evidence indicated that it was their intention that the relevant public should make a link between Al McKay and his former membership of EARTH, WIND & FIRE, a link would be made between the two marks such that sales of tickets to see THE EARTH WIND & FIRE EXPERIENCE FEATURING THE AL McKay ALL STARS would ride on the coattails of EARTH, WIND & FIRE's reputation. If this was not the case, the applicant would only need to register AL McKay AND THE ALL STARS.

The UK trade mark applicant had not shown that it had due cause for its choice of mark but, even if it had, the Hearing Officer said that she would have found that it failed: **"Former membership of Earth, Wind & Fire does not entitle the applicant (which appears to the promoter of the later band) to register a trade mark linking itself to Earth, Wind & Fire, the reputation of which pre-dates that of the later mark"**.



Back in the hazy days of the 1960s and 1970s, performing artists were quite laidback about their IP rights, with members of bands failing to consider who might own the rights in the band's name: an oversight that has come back to bite many current and ex-members over half a century later, regardless of the cliché that popular musicians live hard and fast, take risks and die young.

After a band's songs and albums, which are protected under copyright law, the band's name is arguably its next most valuable asset as it can be exploited commercially for substantial revenue from record sales and merchandising. These decisions demonstrate the need for agreements at the outset regarding the future ownership of goodwill attached to the band's name to avoid any unnecessary disputes where multiple authors/owners are involved. In the absence of a trade mark registration or specific agreement, there are no set rules on who has the right to a band's name but, as the decision in *THE COMMODORES* shows, the court is likely to find that goodwill accrues to band members collectively,

as opposed to one particular individual. Also, as *THE COMMODORES* decision illustrates, it is important to keep contractual provisions up-to-date!

All three disputes are examples of the problems that can arise as band members leave and start performing under the same or similar names to the original band without the permission of the original band members who may or may not still be performing under the name; particularly as UK trade mark law provides that several people can simultaneously own separate goodwill in a name and, therefore, are permitted to use that name simultaneously.

As the decision in *THE EARTH WIND & FIRE EXPERIENCE FEATURING THE AL MCKAY ALL STARS* shows, additional distinctive elements may not be sufficient to avoid confusion in cases where a later mark uses the same wording as an earlier mark.

In *DEEP PURPLE*, the issue became more nuanced insofar as the court considered the extent to which goodwill in the name of a band could extend to other goods and services that may or

may not fall under the merchandising umbrella. The category of goods considered an essential part of the business of a touring band has become increasingly extensive and, given the advances in technology since the 1960s and 1970s, it is arguable that the EUTM rights that Mr Blackmore now owns in *DEEP PURPLE*, albeit limited to "computer hardware; computer chips and discs, interactive software as well as computer firmware; computer games; software for interactive games for computer, mobile phones and handheld devices; digital games, mobile phone games; DVD games; computer software and computer programs", still represent goods with particular value for some in the music industry.

It is important to remember that a band's name is a potentially valuable asset, which can be sold, bought and commercially exploited and needs to be protected and enforced, like any other IP right. Ownership of the band's name should be decided and agreed by the band upfront in writing, and comprehensive commercial exploitation agreements regarding the name should be concluded.

WE MOVE NOW FROM BAND WARS TO COLOUR PROTECTION WARS.

Back in January 2018, EUIPO's Second Board of Appeal held that the grey/orange colour trade mark belonging to the German chainsaw manufacturer, Andreas Stihl AG & Co.KG, was invalid:



The case is of interest because it suggests that the Sieckmann Criteria (i.e. that colour mark descriptions need to be clear, precise, self-contained, easily accessible, intelligible and objective) will still be very much applicable in determining the validity of a trade mark.

Why does this matter? Well, the Sieckmann criteria were originally devised to determine the scope of graphic representation of a mark, but the need for graphic representation of a trade mark was swept away by reforms; namely, the EU Trade Mark Regulation 2017/1001 (the 2017 EUTMR), which amended Article 4 of the 2009 version of EUTMR. The EUTMR now states that a sign must be capable of being represented on the register in a manner which enables the competent authorities and the public to determine the clear and precise subject matter of the protection afforded to its proprietor. However, the Sieckmann Criteria are retained in Recital 10 to the EUTMR.

When the proceedings between Andreas Stihl & Giro Travel were heard before the Second Board of Appeal, the 2017 updated version

of the EUTMR was not yet in force, and so the Board held that the 2009 version of the EUTMR was applicable. However, the case does suggest that the Sieckmann Criteria will be equally applicable in cases which are dealt with under the new EUTMR going forward.

That decision came only a few months after the EU General Court decided that two of Red Bull's EUTM registrations for blue/silver colour combination shown below were invalid:



Both the General Court and EUIPO declared Red Bull's marks invalid for lack of precision. The blue and silver had been described in one registration as being in a ratio of "approximately 50% to 50%" and in the other as being "applied in equal proportion and juxtaposed to each other".



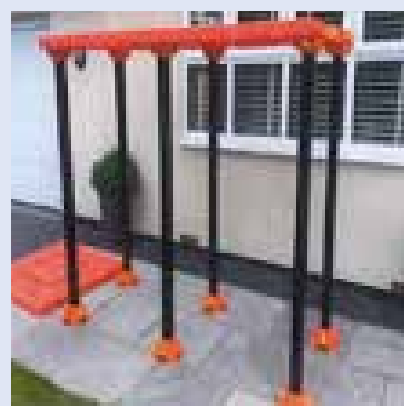
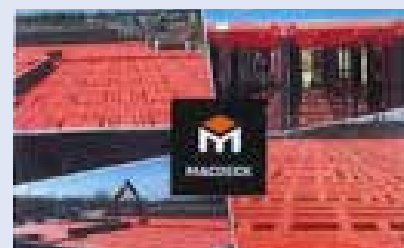
All three decisions have been appealed. At the time of writing, no dates for the hearings have been set as yet, but we await the outcome of the decisions in Cases T-193/18 and Joined Cases T-101/15 and T-102/15 with great interest.

Continuing with the issue of trade mark registration for colours per se, G & M Safe Deck Limited (designers, suppliers, installers, and testers of fall protection solutions to the UK construction industry) applied to register a pure colour mark in the UK for "safety platform decking made of high-density polyethylene (HDPE), all for use in the house building industry" in Class 19 (UKTM application number 3173211; see UKIPO decision O-433-18).

The G&M Safe Deck product incorporates orange panels with orange rectangular shaped legs, as shown below:



J. Mac Safety Systems Limited's Macdesk product incorporates orange and red panels with black rectangular shaped legs, as shown below:



J. Mac Safety Systems Limited opposed G & M Safe Deck Limited's application, claiming that the use of the mark over a period of barely five years was insufficient to educate the average consumer that the colour orange (Pantone 1595C) had acquired a secondary meaning as a trade mark and, therefore, it was devoid of distinctive character and should be refused registration under section 3(1)(b).

The Hearing Officer said that there was no hard and fast rule about the length of time and this was merely one element of a multi factor assessment. "Clearly, if the applicant could rely upon decades of use then this would be advantageous, however it is plausible for five years to be a sufficient period of time". Further, a period of five years did not greatly assist or hinder G & M Safe Deck Limited with its claim, and it was most certainly not detrimental to the extent that J. Mac Safety Systems Limited argued.

The evidence submitted demonstrated that third parties used colours other than orange for party safety platform decking. G & M Safe Deck Limited argued that the use of colour to distinguish between manufacturers had become common practice in the construction industry for safety decking and customers were accustomed to viewing the colour orange as indicating trade origin. However, the evidence wasn't presented in witness statement format and, therefore, was hearsay.

G & M Safe Deck Limited's alleged turnover from the rental and sale of safety platform decking between 2011 and 2017 was £2.9m. The evidence included a selection of sales invoices and evidence of G & M Safe Deck Limited's share of the UK safety platform decking market. In terms of advertising and marketing, G & M Safe Deck Limited spent a very low amount as they predominantly relied on word of mouth recommendations. They provided a small number of marketing communications, an extensive list (in the few hundreds) of companies targeted for marketing purposes and a sales brochure, which contained the following statement:



However, the hearing officer noted that the above statement suggested that the colour served a technical purpose rather than denoting trade origin. Also, it was not clear how many brochures were issued, to whom or where. Further, the hearing officer said that "the sales do appear to be steadily increasing but they are not striking, particularly in light of competitor figures".

Unfortunately for the UKTM applicant, J. Mac Safety Systems Limited's evidence showed that its turnover for one quarter was greater than G & M Safe Deck Limited's annual turnover. The hearing officer thought G & M Safe Deck Limited's market share of between 5 and 8% was reasonable, but its only real advertising spend – maintaining a website at a cost of around £200 per year – was very low, and did not assist its claim to having acquired a distinctive character.

Although the hearing officer concluded that G & M Safe Deck Limited had established that some of its customers, competitors and the current trade body recognised the colour orange to be associated with it when used on the applied for goods, much of that evidence appeared to have been solicited for the proceedings.

In view of the above, the hearing officer found that G & M Safe Deck Limited had not established its claim to acquired distinctiveness and, therefore, the

objection under section 3(1)(b) of the Act was maintained.

This decision highlights the difficulty faced by applicants for colour trade marks, given the general interest in not unreasonably restricting competitor's access to the use of colours. In essence, successful registration of a pure colour as a trade mark depends on whether the public associate that particular shade of colour with the goods or services for which registration is sought. It also shows the importance of testing robustly to ascertain the quality of evidence; otherwise, it can result in the acceptance of a mark that should have been rejected. As the hearing officer acknowledged, his decision differed from that made by a different hearing officer and he appreciated that "this may be frustrating for the applicant". However, he pointed out that he had had the benefit of evidence and submissions from the opponent (which included evidence illustrating that third parties used red, orange and other colours in relation to safety platforms). As noted by the hearing officer, filing hearsay evidence inherently comes with the risk that such evidence might be given little weight or dismissed entirely. In this particular case, an aspect which affected the weight of the evidence was that all of the emails and letters had been solicited for these proceedings.



Can a defendant in a trade mark opposition rely on the own name defence when the name in question is that of a TV character? The IPEC wrestled with that very question in *KBF Enterprises Ltd v Gladiator Nutrition 3.0 Ltd* [2018] EWHC 3041 (IPEC). The judgment contains valuable advice on how to fight against a likelihood of confusion when the dominant part of a trade mark is of only average distinctiveness.

KBF Enterprises (a sports supplements company that manufactures and sells products bearing its own trade marks “Warrior” and “Warrior Supplements”) owned UK trade mark registrations for WARRIOR SUPPLEMENTS, WARRIOR BLAZE, WARRIOR FAT BURNER and WARRIOR covering, amongst other things, nutritional supplements in class 5.

The five defendants in this case were:

1. Gladiator Nutrition 3.0 Limited, a dissolved company which used to run Gladiator Nutrition Shops;
2. Warrior Project Nutrition Limited, a company that marketed and sold “The Warrior Project” (TWP) branded goods;
3. Mr Daniel Singh, a bodybuilder, fitness instructor and professional wrestler who had appeared under the stage name “Warrior” in episodes of the Sky TV “Gladiators” programme shown in 2009, and company director of the first and second defendants;
4. Corex Fitness Limited, a company that marketed and sold “The Warrior Project” branded goods; and
5. Mr John Paul Gardener, the company director of the fourth defendant.

In July 2015, Mr Gardner registered the domain name warriorproject.co.uk. In October 2015, Deep Blue Sports Limited (a company of which Mr Gardener was then sole director) made an application to the EUIPO to register “The Warrior Project” logo (“the TWP logo”) shown below for various goods, including nutritional supplements in class 5.



By September 2015, sales of TWP branded nutritional supplements were being made on a wholesale basis to third party sports or nutrition shops and also through the first and second defendants. TWP goods were advertised on the website of the fourth defendant.

It was unclear when KBF Enterprises first noticed the defendants’ trading under TWP, but on 15 July 2016 KBF Enterprises applied to register its WARRIOR trade mark, a few days before it sent a letter of claim. Following the receipt of that letter, both the TWP logo and the domain name were transferred into Mr Singh’s name.

KBF Enterprises alleged that it had goodwill and reputation in the marks WARRIOR and WARRIOR SUPPLEMENTS and that the defendants had infringed all four of its registered marks in breach of s 10 (2) of the Trade Marks Act 1994. In addition, KBF Enterprises claimed that the defendants had passed off their goods as those of KBF Enterprises by use of TWP and the TWP logo.

The defendants alleged that KBF Enterprises’ use post-dated the commencement of Mr Singh’s use of the “Warrior” name and relied on the defence under s 11(2) of the Act of use of Mr Singh’s own trade name. The defendants also counter-claimed that KBF Enterprises’ trade marks were invalid by reason of Mr Singh’s alleged rights in the “Warrior” name in connection with fitness and/or bodybuilding activities acquired prior to KBF Enterprises’ first use of the marks. They also alleged that KBF Enterprises was passing itself off as connected with Mr Singh.

Recorder Amanda Michaels, whilst accepting that the word Warrior might have some allusive or evocative qualities

when used in relation to nutritional goods (especially body-building), had no hesitation in finding that the allusions which Warrior might make to the characteristics of the goods were at too general a level and/or too far removed from the goods to be descriptive or of inherently low distinctiveness. She concluded that KBF Enterprises’ WARRIOR mark and the word “Warrior” used as part of its other marks and TWP had an average level of distinctiveness.

Noting that it was important not to dissect composite marks in an artificial way, the Recorder found that the dominant element of the WARRIOR and WARRIOR SUPPLEMENTS marks was the word “Warrior”. In her view, it was also more dominant (in terms of being more memorable for the consumer) than the word “Project”, which explained the examples in evidence of people abbreviating TWP to Warrior. Overall,

- The TWP marks had a high level of similarity to WARRIOR
- The TWP marks had an average level of similarity to WARRIOR SUPPLEMENTS
- The TWP marks had a low level of similarity to WARRIOR BLAZE and WARRIOR FAT BURNER.

The evidence of actual confusion adduced at the trial was minimal, and there was a lack of satisfactory evidence of KBF Enterprises’ trade under the various marks, in terms of turnover and geographical spread. Equally, the court was given no idea of the scale of the use of the TWP marks. However, as this decision shows, it is not necessary to prove any actual confusion for a claimant to succeed in establishing a likelihood of confusion.

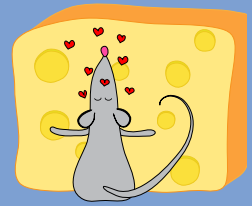
Taking into account the identical or highly similar goods, the court found there was a likelihood of confusion between the TWP marks and KBF Enterprises' WARRIOR and WARRIOR SUPPLEMENTS but found that conceptual differences created by the additional words in WARRIOR BLAZE and WARRIOR FAT BURNER precluded any likelihood of confusion with the TWP marks.

Recorder Amanda Michaels rejected the own name defence because she was not persuaded that Mr Singh was trading under the name "Warrior" before November 2010 (the date of the earliest document showing use of Warrior marks by KBF Enterprises). Although Mr Singh (and others) made frequent references to his role in the TV show in the course of his trading activities, the evidence of his use of the name "Warrior" alone (without use of his full name) was not sufficiently consistent or extensive to show that "Warrior" was his trade name. Accordingly, the own name defence was not made out.

Finally, the court found that KBF Enterprises' evidence was wholly inadequate to prove that it had goodwill in any Warrior names prior to July/September 2015 (when the defendants started to use the TWP marks in relation to nutritional supplements) and so rejected KBF Enterprises' claim based on passing off. Mr Singh's claim to goodwill didn't fare any better. Although Recorder Amanda Michaels said she was "satisfied that Mr Singh believes that he is known to those in the fitness/bodybuilding milieu as Warrior or Dan Warrior Singh", she also said she was "not satisfied that any reputation which he acquired through appearing on the TV show would have led to him having goodwill in the name Warrior for fitness and bodybuilding". Accordingly, the counterclaim failed.

Apart from the ephemeral nature of fame, this salutary tale shows that the use of a mark with an average level of distinctiveness (such as WARRIOR) in combination with other arguably descriptive words (such as FAT BURNER) can result in the creation of conceptual differences that are sufficient to counteract any likelihood of confusion.

THE PAST YEAR HAS BEEN RIPE WITH IP DECISIONS CONCERNING 'CHEESE'.



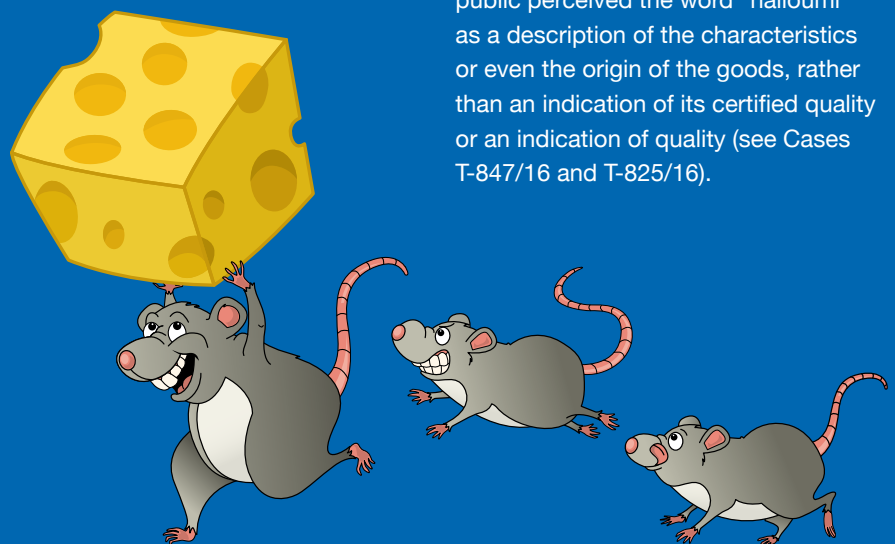
For example, in *C-310/17 Levola Hengelo BV v Smilde Foods BV* EU:C:2018:899, the CJEU confirmed that the taste of a spreadable cheese cannot be protected by copyright law. In summary, Levola (makers of a cheese called Heksenkass) brought a case before the Dutch Courts, alleging that a rival cheese called Witte Wievenkass which was produced by Smilde Foods tasted the same as Heksenkass and, therefore, infringed its copyright in the taste of Heksenkass. The Dutch Court of Appeal referred the matter to the CJEU. In the Advocate General's opinion, the taste of a food product is subjective and depends on the taster and their environment, meaning that taste is legally uncertain in scope. Unsurprisingly, the CJEU agreed with the Advocate General, and held that the taste of a food product cannot be classified as a "work" that qualifies for copyright protection.

Turning to cheesy trade mark decisions, the Republic of Cyprus ("Cyprus") has not had much luck contesting EUTM applications on the basis of its earlier UK certification word mark for "HALLOUMI" registered for "Cheese made from sheep's and/or goat's milk; cheese made from blends of cow's milk; all included in Class 29".

In October 2012, the Pancyprrian Organisation of Cattle Farmers (P.O.C.F) filed a EUTM application for the logo (shown below left) with the words "Cowboys Halloumi" encircling a cowboy hat. In the same year, Papouis Dairies Ltd filed an application for the EU figurative trade mark shown below right:



In essence, the General Court agreed with the Board of Appeal that the UK public perceived the word "halloumi" as a description of the characteristics or even the origin of the goods, rather than an indication of its certified quality or an indication of quality (see Cases T-847/16 and T-825/16).

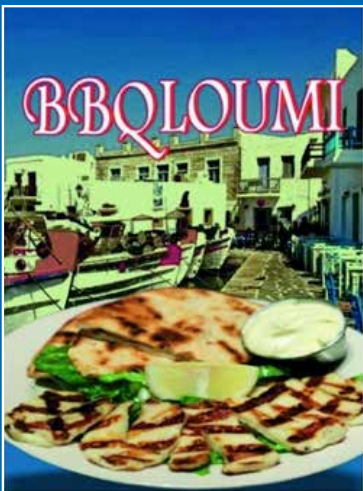


Accordingly, the Court found that the earlier certification mark for the word ‘halloumi’ was descriptive of the characteristics and origin of the product which it covered, and so possessed only a weak inherent distinctive character.

There was no evidence of the existence of any enhanced distinctive character and, therefore, the Court concluded that, in view of the weak distinctive character of the earlier mark and its descriptive meaning, the identical nature of the goods in question and the similarity of the conflicting signs due to the common presence of the descriptive term ‘halloumi’ was not sufficient to create a likelihood of confusion. It followed that the Board had been correct to find that there was no likelihood of confusion and Cyprus’s appeal was dismissed.

A few months later, the rubbery cheese was dealt another blow by the General Court in Case T-384/17 *Republic of Cyprus v EUIPO*, in which the Republic of Cyprus again failed to successfully contest a EUTM on the basis of its certification mark for “HALLOUMI”. This time, the EUTM application in question was for the figurative mark shown below, which covered a range of goods and services in Classes 29, 30 and 43, including cheese and related products.

Unlike standard trade marks, certification marks do not distinguish commercial origin, but rather a class of goods and the characteristics of those goods.



The court confirmed that “unlike individual trade marks, the distinguishing function of certification marks should be understood as enabling the goods and services of an undertaking, which belong to a certain class and comply with certification rules, to be distinguished from the goods and services of other undertakings, which are not certified”.

As regards the assessment of the visual, conceptual and aural similarity of the signs at issue, the court agreed with the Board of Appeal’s finding that the term “bbqloumi” would attract the public’s attention, and that the public would also focus on the plate of food in the foreground of the image, therefore both those elements were co-dominant.

The UK registration for the HALLOUMI certification mark, owned by the Permanent Secretary of the Ministry of Energy, Commerce and Tourism of the Republic of Cyprus (“the Ministry”), was cancelled following the filing of an application for invalidity by John & Pascalis (a London-based importer and distributor of food products) because the Ministry had failed to file its notice of defence and counterstatement within the specified two month deadline.

Having failed to file its notice of defence, the UKIPO wrote to the Ministry to let them know that they had 14 days to either request an appeal or provide written submissions as to why the Registrar should exercise his power of discretion to treat the application as defended. The Ministry claimed that they had not received the letter until after the additional 14-day deadline had passed but in fact they had received the letter inviting them to file written submissions on the date that they had received the notice of cancellation.

In an attempt to rectify this unfortunate series of events, the Ministry’s solicitors requested a retrospective extension of the second extension (i.e. the 14-day period) pursuant to Rule 77 of the Trade Mark Rules, despite having failed to file its defence. However, the Registrar said no, sorry, time’s up: “the fact that a decision has been issued in this case declaring the mark to be invalid means

the Registry is now functus officio”.

The Ministry sought to appeal the Registrar’s decision. The High Court rejected the appeal and also refused the Ministry’s application to adduce further evidence. Although the High Court was not swayed by John & Pascalis’ argument that the 14-day period was inextensible because it was part and parcel of the rule 41(6) process and the time limit in rule 41(6) was inextensible, the Ministry’s problem was that, by that point, the Registry had already made its cancellation decision.

What was very unusual in this case was that the Registry exercised its right to appear in the appeal because it raised a very important issue concerning the Registrar’s powers under the Trade Mark Act and the Rules. As the Registrar pointed out in its submissions, the ability to treat the Registrar’s decisions as final and to reject attempts to re-open them in one way or another by administrative action is hugely important to the practical running of the IPO. Allowing respondents to such applications to contest them after adverse decisions had been issued, simply because they didn’t get round to it at the time would create substantial additional burden on the IPO. Mr Justice Arnold fully accepted this reasoning, and he was quite scathing about the Ministry’s evidence because it simply demonstrated that it had been the author of its own misfortunes: “the Ministry’s internal procedures were so disorganised that the UKIPO’s letter was passed from official to official [...] but no action was taken.” Given that the evidence showed that the problem had been caused by the Ministry’s own internal inefficiencies, it was hardly surprising that they failed to establish any extenuating circumstances to allow any over-turning of the decision or extension of the deadlines. The cheesy message to take away from this one is make sure that you read your post, docket your deadlines and keep your clients up to speed.

Cheese of a different variety featured in Case R 2333/2017-1. In June 2015, Mr Andrew Hines successfully registered the word CHEESE as a EUTM for “grains and agricultural, horticultural and forestry products not included in other classes; seeds” in Class 31. The reader might think that this trade mark suggests a type of edible cheese but as the Board of Appeal explained, the term “CHEESE” is known to those active in the marijuana industry as the name of a variety of marijuana seed. The things you learn from trade mark decisions! The question of the identity of the relevant consumers – those in the marijuana industry or the public at large - was crucial during the cancellation proceedings.



It all started in 2016 when two Spanish companies from the marijuana industry (Sweet Seeds and Pot Sistemak) opposed the CHEESE mark and filed a request for declaration of invalidity claiming, amongst other things, that the EUTM was descriptive by nature, devoid of distinctive character and exclusively used language customary to a specific trade, pursuant to Article 7(1)(b), (c) and (d) of the EUTMR. The applicants argued that the EUTM consisted of a word which referred to a kind of cannabis seed, and the term “CHEESE” would be known by manufacturers, retailers and consumers active in the relevant industry as the name of a variety of marijuana seed.

Article 7(1)(c) EUTMR pursues an aim which is in the public interest, namely that descriptive signs should not be monopolised by a single undertaking (C-108/97 & C-109/97, *Chiemsee*, EU:C:1999:230, § 25).

In addition, it is in the public interest that names of plants are not registered as a trade mark, as provided by Article 20(1) of the International Convention for the Protection of New Varieties of Plants (‘UPOV Convention’). Therefore, the Board had to first assess whether the term CHEESE designated a plant denomination which was associated with the category of goods concerned when the EUTM application was filed, or whether it was reasonable to assume that such an association could be established in the future. The Board said that “In view of the function of Article 7(1)(c) EUTMR, the examination must be assessed in view of the relevant public of both in trade, including competitors, and consumers, as those acquiring the products (R 1743/2007-1, *Vesuvia*), including a part of the public knowing specialised terminology (T-226/07 *Pranahaus*)”.

Since the argument was that “cheese” designated a specific hybrid, rather than a registered variety, it was conceivable that such designation had become usual only in certain territories. The evidence hinted at least to the UK, the Netherlands and Spain, but neither party adduced evidence that the hybrid in question was known under different names in different territories within the EU. It was also highly probable that (on the filing date, at least) the designation could be used to give the name to the hybrid in other territories. Moreover, the Board said that “cheese is a standard word of the English language, largely understood both in its meaning as a dairy product and as an exclamation used to encourage people to smile just before a photo is taken of them throughout the entire Union. For this reason, it is likely that the name of a hybrid called ‘cheese’ will be used in the whole of the EU.”

Based on the submitted evidence, “CHEESE” was perceived as a descriptive term for a particular strain or plant name. According to the website <https://amsterdammarijuanaseeds.com/cheese-marijuana-seeds>:

“Cheese weed is known for its sharp, sour aroma: that’s where the name comes from. This marijuana is great for chilling with friends and it’s perfect for medical use as well. A cheese strain grows into the weirdest and funniest cannabis available, guaranteed to make you laugh. Smoking cheese weed gives a strong body high and a long lasting happy giggle. Smile and say cheese”.

The Board said it was obvious that the specific group of cannabis consumers would understand the word CHEESE as ‘One of the most popular indoor growing strains around. Cheese CANNABIS seeds ensure a happy harvest’. As a result, the relevant consumer would not perceive it as unusual but rather as a meaningful expression: a particular variety of marijuana seeds. It followed that the relevant marijuana-smoking public would immediately and without further thought make a connection between the sign in question and the characteristics of the goods in question, all of which rendered the sign descriptive (T-234/06, Cannabis, EU:T:2009:448). This meant that the relevant consumer, without making any mental effort or being required to stop and think, would immediately perceive said sign as being obviously descriptive in connection with the kind of goods concerned and the purpose thereof (R 1881/2015-1, *KB KRITIKAL BILBO*).

Accordingly, the Board upheld the Cancellation Division’s decision, commenting that it was “a legally sound conclusion within the scope of the parties’ submissions and evidence”. In addition, the Cancellation Division’s decision was in line with the previous examiner’s decision rejecting the identical trade mark in 2012. Since Article 7(1) EUTMR states that once it is clear that one of the absolute grounds for refusal applies, it is no longer necessary to consider any other, the applicant’s arguments also alleging a breach of

Article 7(1)(b) and (d) EUTMR were not considered as the EUTM was already in breach of the law. The Board added that the word ‘cheese’ described the possible smell of plants in a more general context, and remarked that “the odour of a plant may be a decisive characteristic of the product, be it in a positive or in a negative way. This in itself justifies the refusal of the trade mark”. In summary, the EUTM was found to be invalid as the word CHEESE (to the relevant industry) “is not seen as the indication of origin but as the name of the specific product”.

The growing movement to legalise cannabis worldwide has sparked commercial interest in IP from companies active in the marijuana industry, and examples from the EU case law indicate that the most common reasons for refusal of marks for cannabis-related products are that the marks are descriptive and devoid of distinctive character (e.g. “KNOW YOUR CANNABIS” and “MEDICAL MARIJUANA”) or contrary to Article 7(1)(f) of the EUTMR, which prohibits the registration of “trade marks which are contrary to public policy or to accepted principles of morality” (e.g. “SPECTRUM CANNABIS” and “VAPZ WEED STIX”). However, in this particular case, the success of the application for cancellation depended on what was deemed to be the “relevant industry”. The concept of relevance was also critical in Case R 495/2005-G, in which the mark SCREW YOU was considered in line with Article 7(1)(f) EUTMR, and the definition of the relevant public differed according to the goods applied for. The goods listed in the application under Classes 9, 25, 28 and 33 were ordinary items marketed in outlets used by the general public, and the use of the mark in relation to such goods was deemed by the Board to be contrary to public policy/morality as it would inevitably cause a significant section of that public to be upset and affronted. The Board therefore upheld the examiner’s objection in relation to those goods.

A recent EUTM opposition decided by the General Court (*LA Superquímica v D-Tack*; T-24/17) shows what EU practitioners are up against when relying on online databases to access official registers of national and regional IP offices. However, the decision also reminds us that alternatives to obtaining information from the Internet still exist.

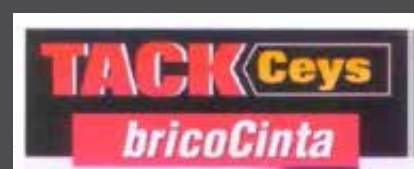
The EUTM applicant, a German manufacturer and wholesaler of adhesive tapes, applied to register the trade mark D-TACK for goods in Classes 1, 17 and 35, including chemicals, adhesive tapes and bands, and retail services. The EUTM application was opposed by the Spanish company LA Superquímica, SA, based on a number of their earlier Spanish trade marks registered for goods including adhesive materials, as shown below. LA Superquímica’s marks included the word mark TACK and the following figurative marks in Class 16:



The following figurative mark in Class 17:



And the following figurative marks in Classes 16 and 17:



Both the Opposition Division and the Fourth Board of Appeal rejected the opposition. The key finding was that proof of existence of the earlier marks (other than the earlier word mark TACK) had not been provided, as the extracts from the Spanish Trade Mark Office's SITADEX database submitted by Superquimica did not include representations of the marks. Superquimica had submitted representations of the various figurative marks on loose sheets of paper with no indication of their source. Because such representations were of unknown origin, they were not sufficient to substantiate the earlier marks. Further, the evidence of use of the earlier word mark TACK was found insufficient to demonstrate genuine use.

Superquimica appealed, claiming that at the time of filing the opposition, the SITADEX database for technical reasons did not reproduce representations of the earlier figurative trade marks. At the appeal stage, Superquimica submitted new extracts from the SITADEX database in Spanish which included the representations of the earlier trade marks, since the technical problems had been solved. However, the Board of Appeal took the view that "The claimed technical problems, irrespective of whether or not these existed indeed at the time the opponent had to substantiate its earlier rights, are not a proper justification for not having substantiated the earlier marks".

Superquimica appealed to the General Court, claiming that it could not be criticised for not providing evidence within the timeframe, given that the Sitadex database was not accessible within the period prescribed by EUIPO for producing that evidence. In addition, Superquimica argued that it had produced many items of evidence of genuine use of its earlier signs, including invoices, labels, brochures, a manual, catalogues and extracts from Internet sites.

The General Court upheld the rejection of Superquimica's opposition. The Court concurred with the earlier findings that the rules regarding the precise documents that Superquimica had to produce in support of the existence, validity and scope of protection of the earlier marks were clear and had been brought to Superquimica's attention by the EUIPO. The technical problems with the Sitadex database were not a proper justification for the absence of evidence of the renewal of the earlier marks. Instead of printing representations of the earlier marks as part of the SITADEX extracts, Superquimica should have considered the other options available for providing colour representations of the earlier marks from an official source which included, inter alia, a copy of the relevant page of the Boletín Oficial de la Propiedad Industrial (Spanish Official Intellectual Property Gazette) or a copy of the relevant certificate of registration.

Moreover, the documents submitted late were all in Spanish and, in the absence of a translation into the language of the proceedings, they would not have been taken into account anyway. The Board had therefore been correct to exercise its discretion and find that the late evidence (i.e. the new extracts from the Sitadex database) could not be taken into account.

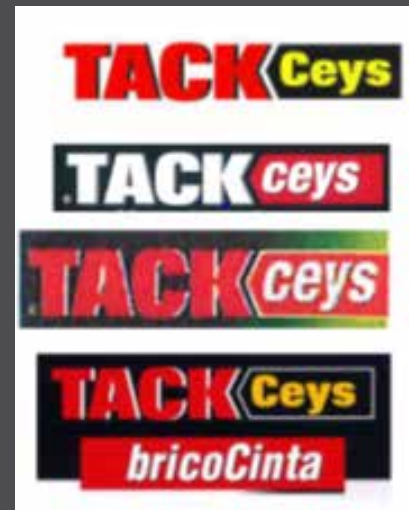
The General Court also endorsed the Board's decision that the evidence provided did not show use of the earlier TACK mark in the form under which it had been registered or in a form which could be regarded as acceptable, given that genuine use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of goods or services by enabling the consumer or end user to unequivocally distinguish the trade origin of the product or service.

There was no evidence that the mark "TACK" was used independently from the element "CEYS" and the element "tackceys" often appeared with one or more additional elements, such as "bricocinta", "crick" or "cristal":

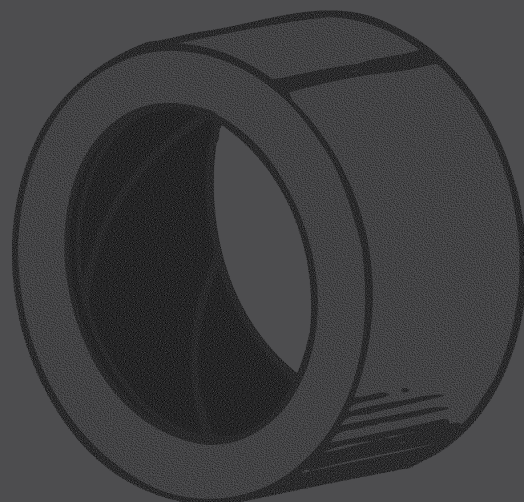
Registered form



Actual use



As the Board found, the two elements "tack" and "ceys" always appeared conjoined, forming an indivisible unit and, even though the element "ceys" was smaller and represented in a different colour and font type, it was still clearly visible and did not occupy a secondary or ancillary position in the overall impression produced by the combination 'tackceys'. The Court concluded that the Board had been correct to find that the addition of the element "CEYS" altered the distinctive character of the word mark "TACK".



For reasons that are not immediately apparent to the writer, energy drinks have become increasingly popular with young people: 10 to 18-year-olds in the UK consume more of these caffeine and sugar-laden concoctions on average than young people in other European countries, according to a survey conducted by the European Food Safety Authority.

It's therefore unsurprising that leading players in the energy drinks market are fiercely protective of their brands; for example, Monster Energy battles to maintain a monopoly not only in its trade mark for Monster Energy, but also in all trade marks containing the word "monster". However, this doesn't always go to plan, as recent failures before the (European) General Court and the UK IPO attest.

In the General Court case between Monster Energy Company and EUIPO (T-274/17), the US company opposed the registration of a MONSTER DIP logo mark (shown above right) for goods and services in Classes 2, 37 and 40, including paints, coating preparations and the painting of vehicles. None of the goods related to energy drinks.

Amazingly, Monster Energy was basically suggesting that the public might not be able to differentiate between its energy drink and industrial paint. Perhaps they'd read cases such as T-175/06 *Coca Cola v OHIM* [2008] ECR II-1055 (in which the court compared the goods at issue and concluded that the average consumer would consider "it normal for wines, on the one hand, and beers, ale and porter, on the other, to come from different undertakings") or T-584/10 *Yilmaz v OHIM* (in which case the goods found to be dissimilar were tequila and beer) and thought "hold my beer".

Although Monster Energy relied on a number of earlier EUTMs, the only mark for which proof of reputation was established was its EU figurative mark for MONSTER ENERGY (shown on the image of the can depicted to the right) covering goods in Classes 5, 16, 25, 30 and 32.



The EUIPO Opposition Division, the Board of Appeal and the General Court in turn rejected the opposition in its entirety for all the goods and services. In the Court's opinion, the goods and services covered by the signs at issue were different. Monster Energy argued that the goods within Class 16 - namely "stickers", "decals" and "transfers" - covered by its earlier EUTM were similar to the painting, varnishing and coating services in Class 37 covered by the MONSTER DIP logo mark.

At this point, the reader can be forgiven for feeling confused.



Monster Energy reasoned that an undertaking that provided painting services for vehicles could also produce stickers for use on vehicles. However, the Board found that spin on the facts was not sufficient to establish a direct link between the goods and services, explaining that "To hold otherwise would give the proprietor of a trade mark covering stickers and decals a right to which it was not entitled to 'block' similar marks in a wide range of commercial activities, while, in reality, the risk that consumers would confuse or associate the marks in question is highly unlikely".

In the light of the description of the goods and services at issue, their different nature, intended purpose, method of use, method of manufacture and distribution channels and the fact that those goods and services were neither competing nor complementary, the Board concluded that there was no similarity between them. This was fatal to the opposition based on Article 8(1)(b) of the EUTMR, as lack of similarity between the goods and services at issue precludes any likelihood of confusion. It was also fatal to Monster Energy's other allegation that the Board had wrongly excluded the risk that use of the MONSTER DIP logo mark would be detrimental to the distinctiveness of the earlier EU figurative mark MONSTER ENERGY, within the meaning of Article 8(5) of the EUTMR.

One of the cumulative conditions that must be satisfied to obtain broader protection under Article 8(5) is that the earlier trade mark must have a reputation in the EU. In essence, the Board upheld the Opposition Division's finding that the earlier EU figurative mark MONSTER ENERGY had a higher degree of repute solely in respect of non-alcoholic beverages in Class 32. The Board then decided that the relevant public would be more likely to focus on the word elements in the signs at issue, and the sections of the "relevant public" who would understand the words "monster" and "energy" would also be able to distinguish between the two brands.

Overall, the Board found that MONSTER ENERGY and the mark applied for were visually similar "at least" to a low degree and phonetically similar.

Conceptually, the common element “monster” referred to an imaginary creature (“usually large, ugly and scary” was the Board’s considered opinion of monsters), which would be understood by the English and Dutch speakers as that word existed in their own language, or because that word was very similar to an equivalent; for example in French (*monstre*), in Maltese and Romanian (*monstru*), in Polish (*monstrum*), or in Lithuanian (*monstras*). However, a part of the relevant public, such as Bulgarian, Czech or Slovak-speaking consumers, would not give any meaning to the word “monster”. The word “energy” would be understood by a large part of the relevant public throughout the EU, in particular the English-speaking public but also members of the relevant public who spoke Spanish (*energía*), Portuguese, Slovak, Polish and Finnish (*energia*), Danish, Maltese (*enerġija*), French, Romanian, Czech and Netherlands (*energie*), Lithuanian (*energija*) or Latvian (*enerģija*). The Board also found that, for the part of the public that understood only the terms “energy”, “dip” or all the other elements of the marks at issue apart from “monster”), the signs were at least partially conceptually different.

After balancing the various levels of visual, phonetic and conceptual similarity between the earlier EU figurative mark MONSTER ENERGY and the mark applied for, the Court upheld the Board’s conclusion that the marks were globally similar only to some extent.

The huge distance separating the goods in Class 32 covered by the earlier EU figurative mark MONSTER ENERGY from the goods and services covered by the mark applied for was also fatal for the claim under Article 8(5), as it meant that the consumer of the goods covered by that mark, when faced with the goods and services covered by the mark applied for, would not establish a link between the two marks at issue, despite the strong reputation of the earlier mark in respect of non-alcoholic drinks. It followed that the Board had correctly found that Monster Energy had failed to show that use of the mark applied for would be detrimental to the distinctive character of the EU figurative mark MONSTER ENERGY.

On that basis, Monster Energy’s opposition to the registration of Marco Bösel’s EUTM application for a MONSTER DIP logo mark failed. This is a good example of the trade mark register reflecting the reality of the market – it’s unlikely that an industrial paint company would siphon off beverage drinkers.

Unfortunately for Monster Energy, it also recently failed to convince the UK IPO that it could be mistaken for pizza (Chris Dominey & Christopher Timothy Lapham v Monster Energy Company; O/499/18). Monster Energy opposed an application for the series of two trade marks shown below in respect of pizza in Class 30 and pizza parlours in Class 43.



Monster Energy relied on its earlier EU word marks for “MONSTER”, “MONSTER JUICE” and “MONSTER ENERGY” and its EU figurative mark for MONSTER ENERGY.

Monster Energy alleged that the Monsta element of the mark applied for was the dominant element and that the words pizza was non-distinctive. However, that argument failed to bite and the Hearing Officer concluded that no misrepresentation would occur. “Clearly pizza is a food whilst the opponent’s goods are drinks. One is used to satisfy hunger the other to quench one’s thirst or artificially boost energy levels. Physically the goods are very different. [...] I do not believe that they are in competition with each other. I accept that in restaurants and takeaway outlets beverages will be sold in cans, bottles or to drink on the premises, but an energy drink is not, in my opinion, a normal accompaniment to a meal”. Although the users of the goods and services covered by the marks at issue were the same, and they might share a trade channel, the Hearing Officer found that the goods and services differed in every other respect, and it followed that the ground of opposition had to fail.

In the second UK opposition, Daniel Smith v Monster Energy (O/768/18), an application for a logo featuring the words “Thirsty Beasts.com Quenching your thirst & keeping you healthy” and a blue fluffy monster head with bubble (shown below) was opposed.



Monster Energy relied on their earlier registered rights in word marks for UNLEASH THE BEAST and REHAB THE BEAST in Classes 30 and 32, amongst other marks. Considering the opposition from the point of Monster Energy’s mark which had been shown to have the most extensive use, and therefore the highest degree of acquired distinctiveness – namely the slogan “UNLEASH THE BEAST” – the Hearing Officer found only one similarity with the Thirsty Beasts logo, namely that the word “BEAST” appeared in both. Therefore, there was only a low degree of overall similarity between the marks, whether considered visually, aurally or conceptually. Even though in this particular case the goods were actually identical, and even assuming that Monster Energy’s mark had a high degree of enhanced distinctiveness (either due to its originality or as a result of the substantial use) there was no likelihood of confusion between them. The US company appealed, but the Appointed Person ruled in favour of Mr Smith, and awarded a further sum of £600 in costs, in addition to the £1100 costs already due under the Order made by the Hearing officer.

Launching a new food or drink company is an expensive business and legal fees eat into marketing budgets, which explains the tendency for small companies to quickly capitulate when faced with a trade mark action filed by big companies. The Thirsty Beasts and Monsta Pizza victories are evidence that it is possible for the small business to win.

Now for a smoking story involving dilution, reputation and detriment to repute, in which Beiersdorf (the parent company of Nivea) successfully opposed a UKTM application for the mark shown below for goods in Class 34, namely cigarettes and related products:



Beiersdorf relied on its word mark for NIVEA in Class 3, which covered skin care products, cosmetics and hair care preparations. It alleged that the mark had a reputation and was so well-known that any use of the word NIVEA, for any goods and services, would mislead consumers into believing that there was some connection with Beiersdorf.

Beiersdorf submitted a witness statement showing considerable reputation in the UK, with evidence of use dating back to 1922 in relation to skincare products as well as various sponsorship arrangements with, amongst others, the English national Football team and the TV show "the Voice". Of particular importance was evidence that Nivea was the only sun care brand to partner Cancer Research UK.

Given that Beiersdorf promoted NIVEA together with Cancer Research UK to educate the public on skin care safety and had also actively helped by donating more than £3 million to fund Cancer Research's research into cancer since 2012, it was alleged that the association of the NIVEA

brand with products known to cause cancer, such as cigarettes and tobacco, would be highly detrimental to the brand's reputation.

Having considered the evidence filed, the UKIPO concluded in its decision (O-564/18) that it was clear that Beiersdorf's mark enjoyed a significant reputation in respect of cosmetics, specifically skincare products (including sun tanning preparations) and shaving cream. It was established that the public would make the required mental "link" between the marks,

given that (i) the marks were highly similar; (ii) NIVEA was an invented term and so had a high degree of inherent distinctiveness, which was enhanced by the use made of NIVEA meaning that the earlier trade mark enjoyed "the very highest degree of distinctiveness"; and (iii) the strength of the earlier mark's reputation was significant.

Although skincare products and tobacco products are clearly miles apart and could be considered completely dissimilar goods, Beiersdorf's NIVEA is well-known for products that care for the body and skin, as opposed to cigarettes, tobacco and other smoking related goods and paraphernalia (including alternatives to smoking) which are perceived as being harmful to health (albeit to varying degrees) and at least some of the goods are proven to be directly cancer-causing. Accordingly, the UKIPO concluded that any potential linking of the NIVEA brand with smoking related goods and accessories (and even alternative products thereto) would take unfair advantage of and be detrimental to the reputation of NIVEA as a brand and, therefore, the claim under Section 5(3) succeeded in its entirety.



In the Spring 2018 issue of Make Your Mark, we considered all sorts of colours and shapes in cases concerning non-traditional marks, including a dispute between rival wind energy manufacturers in *Enercon v EUIPO* (T-36/16). The CJEU has now confirmed the finding of the General Court in that case, and held that the distinctiveness of a sign as an EU trade mark must be assessed according to the category as described in the application for registration (C 433/17 P *Enercon GmbH v EUIPO*).

In January 2003, Enercon GmbH obtained a EUTM registration for the following sign covering “Wind energy converters, and parts therefor”.

Enercon had identified the sign as a “colour mark” in the application form and had used a colour code to describe the colours applied for.

In March 2009, Gamesa Eólica SL applied for a declaration of invalidity, which was granted on the basis that Enercon’s mark lacked distinctive character. Enercon appealed, and the First Board of Appeal annulled the Cancellation Division’s decision.

Gamesa Eólica SL appealed to the General Court and the Court reversed the First Board of Appeal’s decision. The case was then remitted to the Second Board of Appeal, which took the view that the sign should be assessed as a colour mark and the message it conveyed was exclusively aesthetic, rather than communicating the origin of trade. Enercon appealed to the General Court, which agreed with the Second Board of Appeal.

Enercon appealed to the CJEU, arguing that, when determining the nature of the mark, the Court should have considered not only its classification on the form but also the whole content of the form, and should have assessed the distinctiveness of its sign as a figurative mark as depicted in the representation filed with the form, rather than as a colour mark as it was described on the application form.

The CJEU rejected Enercon’s argument, finding that “the designation of the category of mark by the applicant for registration of an EU trade mark is a legal requirement” and so was not merely a matter of administrative convenience, as Enercon had argued.



The CJEU held that, according to Article 26(3) of the EUTMR, an application for registration of an EU trade mark must comply with the conditions set out in the Implementing Regulation (2868/95/EC) and, therefore, had to mention which of the categories referred to in Rule 3 of the Implementing Regulation the mark fell into.

According to the CJEU, Enercon was, in fact, seeking to circumvent the requirements of Article 43(2) of the EUTMR, which governs the amendments that can be made to EUTM applications and does not allow the category of EUTM chosen by the applicant in its application

to be changed. The CJEU noted that, if the General Court was required to examine the distinctiveness of a mark applied for - not only in the light of the category chosen by the applicant in its application, but also in the light of all other potentially relevant categories - then the applicant’s obligation to categorise the mark applied for, and the fact that this subsequently could not be changed, would deprive Article 43(2) of the EUTMR of all practical effect.

Therefore, the CJEU refused to overturn the declaration of invalidity, and held that the General Court had been fully entitled to take the view that the distinctive character of the mark had to be assessed as a colour mark, which proved fatal. Though Enercon’s mark contained five different shades of green along with the colour white, its choice of green was nevertheless problematic since that specific colour is often associated with being environmentally friendly and wind power is a form of renewable clean energy. As such, the relevant public was unlikely to perceive the various shades of green in Enercon’s mark as an indication of commercial origin.

The case demonstrates the important role that categorising the mark plays in the assessment of distinctiveness. The CJEU has confirmed that distinctiveness should be assessed based on the category chosen by the applicant in the application for registration and not on all potentially relevant categories as perceived by the relevant public.



COME FLY WITH ME: HIGH COURT ENGAGES “INTENTION TO TARGET” APPROACH IN JURISDICTIONAL CHALLENGE

A recent case before the High Court has confirmed the relevant principles applied to determine whether a trader’s online activity is targeted at the UK and highlighted the need to exercise caution when flying after a potential infringer (*easyGroup v Easy Fly* [2018] EWHC 3155 (Ch)).

Easy Fly is a small cargo airline headquartered in Bangladesh that offers and provides airline cargo services under the signs EasyFly and the logo shown below (“the EasyFly signs”):



easyGroup, a vehicle of the well-known entrepreneur and budget airline founder Sir Stelios Haji-Ioannou, alleged that use of the EasyFly signs infringed a number of its registered trade marks (particularly its EASYJET word mark and logos shown below) and amounted to passing off:

easyJet

easyFlights

easyGroup sought permission to serve the claim on the defendants in Bangladesh. EasyFly applied for an order that either the court had no jurisdiction to hear the claim or that it should not exercise any jurisdiction that it might have.

Given that EasyFly’s company was established in Bangladesh, the Court had to apply three basic criteria to decide whether or not to grant permission to serve out of the UK’s jurisdiction. According to settled case law, the claimant must satisfy the court that:

1. there is a real, as opposed to a fanciful, prospect of success on the claim;
2. there is a good arguable case that the claim against the foreign defendant falls within one or more of the classes of case for which leave to serve out of the jurisdiction may be given (often referred to as “the gateways”); and
3. in all the circumstances, England is clearly or distinctly the appropriate forum for the trial of the dispute.

The judge held that easyGroup did not have a real prospect of success against EasyFly because the acts were not targeted at the UK or elsewhere in the EU.

It did not help the claimants that the bulk of Easy Fly’s business was transporting live shrimp fry within Bangladesh, and its customers were predominantly Bangladeshi companies. It had never had a customer from anywhere in Europe; in fact, Easy Fly’s business came primarily from direct marketing activities or through freight forwarders in Bangladesh.





easyGroup's case on targeting was based on two pages of Easy Fly's website, on Easy Fly's Facebook page and on a recent Google search.

The judge was not impressed with easyGroup's reliance on the fact that Easy Fly's website and Facebook page were in English: the language was widely spoken in Bangladesh, particularly in business, and was also the dominant language used on websites globally. Moreover, Easy Fly's website and social media contained no UK or EU contact details.

The first page of EasyFly's website relied on by easyGroup included the following statement:

"Our network provides a global reach for customers in Africa, Europe, North America, South America, the Middle East, South East Asia and North Asia."

However, the judge took the view that this statement would be perceived by the average consumer of airline cargo services as an advertising puff. It was quite plain from EasyFly's website that it did not have anything remotely resembling a global reach. Even taken entirely at face value, this statement amounted to a claim that Easy Fly served the whole world, which did not amount to targeting Europe, still less the UK.

The second page of EasyFly's website relied on by easyGroup included the following statements (which also appeared on EasyFly's Facebook page):

1. **"..While we moved on with our domestic operations, we foresee greater business opportunities lying ahead in the international air-cargo market as well. Initial market research shows an appreciable tonnage of cargo movements between Bangladesh and China, Middle-east, Europe & in the USA region."**
2. **"To extend cargo network initially to the Chinese cities, middle-east, we are particularly working to acquire appropriate aircrafts at earliest."**

According to the judge, "the average consumer would perceive the first statement as merely identifying potential future opportunities" and, when read together with the second statement, "he or she would conclude that at present Easy Fly was only targeting China and the Middle East (and even that was work in progress)".

The Google search relied on by easyGroup showed that a search for "cargo flight Bangladesh" yielded Easy Fly's website as the second hit. However - since the search

result was headed "Easy Fly Express – first & only cargo service in Bangladesh" - there was nothing to suggest that the service was targeted at Europe.

Although the judge accepted that the resemblance between the EasyFly signs and easyGroup's trade marks and get-up was a factor to be taken into consideration, he did not accept that it was sufficient to lead the average UK or EU consumer to believe that EasyFly's website or Facebook page was aimed at him or her.

Comment

In this age of worldwide internet access, a reoccurring question for trade mark owners is: what exactly constitutes use for the purposes of online trade mark infringement? This decision has confirmed that a company or individual based outside of the UK that uses a trade mark online will not be deemed to have used that mark for the purposes of bringing infringement proceedings within the UK, unless the claimant can demonstrate that the alleged infringer has specifically targeted UK consumers.

HORNY TRADE MARK DILEMMA

In *Red Bull GmbH v Big Horn UK Ltd & Ors.* [2018] EWHC 2794 (Ch), Red Bull unsuccessfully sought strike out, summary judgment and judgment in default in relation to Big Horn's use of an animal on its Big Horn range of "energy drinks". The case demonstrates the high thresholds that must be met in order to obtain orders for default judgment, strike out or summary judgments, as well as the dangers of advancing arguments that involve the determination of "procedural points of little or no merit".

Red Bull claimed that the sign used by Big Horn on its energy drinks infringed Red Bull's trade mark of two bulls in front of a yellow circle, or sun. The marks at issue are shown below:



The second defendant, the Bulgarian company Voltino Eood (Voltino), distributes Big Horn's products in Bulgaria (and in the rest of the EU, according to Red Bull). It was Voltino that owned the EUTM for the BIG HORN trade mark shown above.

On 25 May 2018, the EUIPO's Opposition Division rejected Red Bull's opposition to the registration of the BIG HORN mark. Considering the two animals in the BIG HORN mark, the Opposition Division said "Obviously, these are mountain ibexes living in the mountains, their typical habitat" and "The fact that two apparently different animals move towards each other is not sufficient for a finding of similarity. Therefore, the signs are visually dissimilar." The Opposition Division also found the signs were conceptually dissimilar. The RED BULL mark was "a sign in which two bulls (fast) move towards each other" whereas the BIG HORN mark was "a mountainous landscape against the background of a sun/yellow circle, with two ibexes starting to jump". The meanings of the signs therefore went in different directions. Given that the signs were dissimilar, one of the necessary conditions of Article 8(1)(b) EUTMR was not fulfilled and so Red Bull's opposition based on likelihood of confusion was rejected. As similarity between the signs was also a requirement for opposition to be successful under Article 8(5) EUTMR, Red Bull's opposition under this head was also rejected. However, this was not the end of the matter...

Bullish claims and applications

Red Bull had issued a claim under the UK's Shorter Trial Scheme, alleging that the import, sale and advertising of the Big Horn energy drink infringed its rights under Articles 9(2)(b) (similar marks, identical goods) and 9(2)(c) (similar marks, use taking unfair advantage without due cause of the claimant's marks) of EUTMR. Photographs of energy drinks bearing the name "Big Horn" were included in the particulars of claim:



Big Horn and its director - the third defendant, Lyubomir Enchev (Enchev) - were duly served. However, unbeknown to Red Bull, Voltino had changed their address; the claim form and particulars of claim had been delivered to Voltino's old address, which was not valid service.

Defences were filed by Big Horn and Enchev in March 2018. In apparent response to Red Bull's criticism of their defence, Big Horn and Enchev filed and served further (in substance, identical) defences in April 2018, bearing the earlier date, but with re-signed statements of truth. On 19 July 2018, the law firm Briffa that briefly acted for the defendants filed and emailed (but did not serve) what the Court referred to as the "Briffa Defence", which included a denial that Voltino had been validly served. This document contained a statement of truth appropriate for a witness statement. Then, on 30 July 2018, Briffa emailed (but did not file or serve) a revised defence, which was identical to the "Briffa Defence" but now contained an appropriate statement of truth.

The day after Briffa ceased acting for the defendants, Red Bull applied for an order providing that sending the claim form and particulars of claim by recorded post to Voltino's old address should be deemed good and sufficient service. Red Bull submitted that this order declared that it had accomplished good service, but this was not true - it was merely an order in the usual terms of an order providing for (retrospective) service by alternative means pursuant to CPR 6.15(2).

Red Bull applied to the High Court seeking: (i) to strike out and/or summary judgment in respect of the defendants' relevant defences and (ii) judgment in default against Voltino (which had not filed an acknowledgment of service).

Red Bull's arguments lacked wings

Dismissing Red Bull's application for a default judgment, the Court found that an order providing for (retrospective) service by alternative means could not deprive Voltino of its right to defend the claim by reason of having filed a defence before an order had been made obliging it to do so.

Red Bull's application for strike out or summary judgment also failed to fly.

The Court considered various alleged instances of failure to comply with rules and practice directions and found that, while certain breaches had occurred, these were not serious or significant. Although the Court accepted that Voltino's failure to serve the Briffa defence and the revised version was significant, it was not a breach of the rules which could, in the particular circumstances, justify striking out the defence.

Having dealt with Red Bull's unsuccessful procedural points, the Court considered the defendants' deficient pleadings and decided they had some relevant defences.

As regards likelihood of confusion under Article 9(2)(b) EUTMR, Red Bull argued there were "clear visual and conceptual similarities" between Red Bull's marks and the signs used on Big Horn's cans and in advertising - the Big Horn logo of a twin or double ram against the yellow circle or sun as against the Red Bull mark with the circle background, as well as the blue and silver background used by both brands. As regards Article 9(2)(c), where a likelihood of confusion was not required, Red Bull claimed that a link would be made from such similarities, which all combined to demonstrate that there was "clear intent to take unfair advantage of the claimant's marks".

However, Voltino argued that it had not copied Red Bull: it was merely representing the creatures "in their natural environment and the scene is derived from their natural behaviour. Since the bulls of the former marks are domestic and not wild animals and are not presented in their natural environment as they do not fight with each other, not to mention they do not usually face a mirror there are no grounds to consider that the common user would establish a link between both signs".

The Court took the view that the defendants had three possible defences:

(i) Red Bull's marks were dissimilar to the signs on the defendants' products; (ii) there was no likelihood of confusion in respect of the claim under Article 9(2)(b); and (iii) there was no "link" between the marks in relation to the claim under Article 9(2)(c). As the Court found that the defendants had a reasonable prospect of defending some or Red Bull's entire claim, this was fatal for Red Bull's application: Big Horn's prospect of success was more than fanciful.



Comment

This case illustrates the need to carefully consider the basis for applications for default judgment, summary judgment and strike out; as the Court said, it was regrettable that "this judgment has been lengthened by the determination of the procedural points of little or no merit advanced by [Red Bull] in support of its strike out application." It also shows the difficulties that can arise in the absence of competent legal representation. The defendants were represented by a firm of solicitors for a short period of about two months. Only the first and third defendant appeared at the hearing; the third defendant had a very limited command of English and represented the first defendant, assisted by a person acting as interpreter and by a McKenzie friend. The effect was that the first and third defendant "were significantly disadvantaged in opposing the applications", and so the Court had to "ensure the parties are on an equal footing, while also ensuring compliance with rules, practice directions and orders". The judgment clears the arena for the two competitors to lock horns at a future trial.

A SPOONFUL OF AGGRESSIVE BEHAVIOUR DOES NOT HELP PRE-ACTION DISCLOSURE GO DOWN



Pharmacy2u Ltd (P2U), upset about a notice sent by the National Pharmacy Association (NPA) to its members which contained factual statements about the company's past conduct (which had not been practically perfect in every way, as shown in the flyer overleaf), attempted to get the NPA to release details of its members so that it could (presumably) intimidate them individually. Finding in favour of the NPA, Master Clark dismissed P2U's application (*Pharmacy2u Ltd v National Pharmacy Association* [2018] EWHC 3408 (Ch)).

P2U, the UK's largest online pharmaceutical retailer, owns a EUTM for the word PHARMACY2U, and alleged that the National Pharmacy Association (NPA), a long established trade association representing independently owned pharmacies, had infringed its mark by (i) using it in a notice which was sent to all NPA members from about late November 2017 onwards; and (ii) making the notice available to download on its website.

NPA's notice contained a number of factual statements about P2U (see following page). Master Clark noted that P2U did not dispute the truth of the statements in the notice. Also, P2U's skeleton argument referred to the legislative provisions

governing UK trade marks despite the fact that the Mark was a EUTM. Nonetheless, Master Clark decided to proceed on the basis that P2U had arguable claims of infringement under Article 9(2)(c) EUTM and contravention of Article 4 of the Comparative Advertising Directive (Directive 2006/114/EC – the "CAD").

P2U sought an order that NPA disclose all documents in its possession containing:

1. the names and contact details of all third parties to whom NPA had sent the notice; and
2. the names and contact details of all third parties who had downloaded the notice from NPA's website.

In Master Clark's judgment, the disclosure sought wasn't necessary or desirable, for a number of reasons, including the fact that:

- it was not necessary for P2U to join the members for its claim to be fairly resolved;
- bringing a claim against each of the 3,202 NPA members for each (minor) act of infringement would be disproportionate, and not an appropriate use of the court's resources, unless it was a remedy of last resort (which it was not); and
- P2U was not seeking to write to the members simply to set the record straight, rather it would allege that

the member was in fact a wrongdoer, against whom a claim could be brought. Assuming that NPA had a good defence, there was a serious risk that P2U would be able to "pick off" the individual members, without ever having to submit to a judicial determination of the merits of its claim.

Master Clark went on to say that her concerns were reinforced to a degree by P2U's conduct to date, particularly in relation to evidence given by Ian Strachan who represents the NPA in North East England and has four pharmacies in the North West: "When it first wrote to NPA

in December 2017, it alleged that the statements in the notice were untrue, and threatened claims for defamation and malicious falsehood. Following NPA's solicitors' response, these were withdrawn. In addition, Mr Strachan's evidence is that P2U's solicitors wrote to him personally, threatening to make a complaint about him to the General Pharmaceutical Council. Finally, Mr Strachan also gives evidence of a GP practice which, having displayed the Notice received correspondence he describes as "very intimidating", instructing them to remove it and threatening to report them to their regulatory body, the General Medical Council". Accordingly, she was not willing to make an order for the pre-action disclosure sought by P2U.

Pharmacy2U is **NOT** your local pharmacy and has nothing to do with us.

You may have received a leaflet in the post inviting you to get your repeat prescriptions from a company called Pharmacy2U.

Here are some important facts about Pharmacy2U which we feel you should know:

- Pharmacy2U is not your local community pharmacy and has nothing to do with us.
- Pharmacy2U is a distance selling (internet only) pharmacy based on an industrial estate.
- As a patient, you cannot have any face-to-face contact with Pharmacy2U. Distance selling pharmacies like this are only allowed to deal with patients by post, telephone or internet, not in person.
- Prescriptions from Pharmacy2U are delivered by Royal Mail, unlike your medications handed to you in the pharmacy by a member of our team, or personally delivered to you by our own driver.

- In October 2015, Pharmacy2U was fined £130,000 for selling its patients' details to marketing companies including an Australian lottery. The Information Commissioners Office subsequently found that this data was used by the marketing companies to deliberately target elderly and vulnerable patients.

- Over Christmas 2015, Pharmacy2U failed to send out prescriptions for three weeks, leaving thousands of patients stranded without their essential medicines.

- In February 2017, the Care Quality Commission inspected Pharmacy2U and found that it was "not safe, effective or well led".

We believe that an internet business like Pharmacy2U is no substitute for your local pharmacy.

Please support us to continue caring for you and your family by ignoring any correspondence from Pharmacy2U and obtaining your prescriptions here at your local NHS community pharmacy.

Thank you for your support



Comment

P2U had been accused of "blitzing" people with unsolicited marketing material inviting patients to get their repeat prescriptions from P2U as opposed to their local NHS community pharmacy. The NPA released the notice at issue in these proceedings because it was concerned that elderly and vulnerable people might confuse P2U's correspondence for official NHS correspondence, resulting in the cancellation of longstanding prescription arrangements. The "very intimidating" correspondence sent by P2U to a GP practice which had displayed the NPA's notice did not assist the claimants. In the writer's view, P2U's application was quite rightly dismissed, given that P2U's previous aggressive conduct had been less than desirable.

MAUCHER JENKINS RECOGNISED BY LEGAL 500 UK AND CHAMBERS UK

We are pleased to announce that Legal 500 UK and Chambers UK have recognised Maucher Jenkins and its professionals in their new guides.

The legal directories, whose rankings reflect analysis of patent, trade mark and law firm submissions from extensive market research, stated *'queries are answered promptly, knowledgeably and insightfully, always with an eye on the commercial elements that clients value so highly'*.

Our top tier trade marks group were once again recognised for outstanding work recommending partners Katie Cameron and Angela Fox, as well as Senior Associate Tanya Buckley.

Our recognition also includes recommendation for patent attorneys and partners James Cross, Hugh Dunlop, Reuben Jacob and Alvin Lam. James Cross has also been recognised as a tier 1 lawyer in the category 'Intellectual Property: Patent Attorneys (UK-wide)' in the Chambers UK Guide.

Out and about - external event attendance

Who	Details	When
Reuben Jacob, Dr. Fiona Kellas, Dr. Edward Rainsford	BIO 2019, Philadelphia, PA, USA	3-6 June
Richard Parsons, Stephanie Foy	ECTA 38th Annual Conference, Edinburgh, UK	26-29 June
Maucher Jenkins Team	Unbound Conference, London, UK	17-18 July
Maucher Jenkins Team	China Patent Annual Conference (CPAC), Beijing, China	2-3 September
Maucher Jenkins Team	AIPPI World Congress, London, UK	15-18 September
Joanne Ling, Mark Webster	33rd MARQUES Annual Conference, Dublin, Ireland	17-20 September
Maucher Jenkins Team	AIPLA Annual Meeting, Arlington, USA	24-26 October

Maucher Jenkins hosted events

Who	Details	When
Maucher Jenkins Team	IP Showcase, Basel, Switzerland	28 May
Maucher Jenkins Team	IP Happy Hour, Munich, Germany	25 June
Johannes Lange	Consultation for inventors, IHK Südlicher Oberrhein Lahr, Germany	18 July
Dr. Cornelius Mertzluft-Paufler	Consultation for inventors, IHK Südlicher Oberrhein Freiburg, Germany	1 August
Dr. Manuel Kunst	Consultation for inventors, IHK Südlicher Oberrhein Freiburg, Germany	5 September
Maucher Jenkins Team	ipDay, Genegenbach, Germany	19 September
Maucher Jenkins Team	ipDay, Reichenau, Germany	20 September
Maucher Jenkins Team	IP Showcase, Basel, Switzerland	8 October
Maucher Jenkins Team	IP Showcase, Tuttlingen, Germany	10 October
Henrich Börjes-Pestalozza	Consultation for inventors, IHK Südlicher Oberrhein Freiburg, Germany	10 October

London
26 Caxton Street
London, SW1H 0RJ
T: +44 (0)20 7931 7141
F: +44 (0)20 7222 4660
london@maucherjenkins.com

Farnham
Broadmeade House
Weydon Lane Business Park
Farnham, GU9 8QT
T: +44 (0)1252 711149
F: +44 (0)20 7222 4660
farnham@maucherjenkins.com

Munich
Liebigstrasse 39
80538 Munich
Germany
T: +49 (0)89 340 77 26-0
F: +49 (0)89 340 77 26-11
muc@maucherjenkins.com

Freiburg
Urachstrasse 23
79102 Freiburg
Germany
T: +49 (0)761 79 174-0
F: +49 (0)761 79 174-30
freiburg@maucherjenkins.com

Beijing
A-1002, Huibin Building,
No. 8 Beichendong Street
Chaoyang District, Beijing 100101, China
T: +86 (0)10 8498 9052
F: +44 (0)20 7222 4660
china@maucherjenkins.com

Shenzhen
Room 1528, A8 Building, No. 1002 Keyuan Road
High Tech Park, Nanshan District
Shenzhen 518054, China
T: +86 (0)755 2876 5922
F: +44 (0)20 7222 4660
china@maucherjenkins.com

Also at Edinburgh | Cambridge | Basel | Nanjing

The information in this newsletter is for general information only and does not constitute legal advice. Advice should be sought from an attorney for specific matters.

www.maucherjenkins.com | info@maucherjenkins.com

© 2019 Maucher Jenkins® is the joint trading name of RGC Jenkins & Co in the UK (regulated by IPReg) and Maucher Patentanwälte & Rechtsanwälte in Germany.