

Make Your Mark

Autumn 2019

INTRODUCTION

The UK Intellectual Property Office (UKIPO) has published two new reports (the “Innovation and Growth Report” and “IP Crime and Enforcement Report”), which shed new light on its Brexit preparations. However, the situation for trade marks remains the same as we reported in the last issue of *MYM*, and the reader will be relieved to know that there is no further mention of the “B” word in this issue.

The “F” word does pop up in *European Perspectives* but, as any good trade mark attorney will tell you, context is all. For example, it is important to consider how you will actually use a trade mark, as illustrated by the increase in EU trade mark (EUTM) applications containing overly long lists of goods and services. The EUIPO has recently been experiencing big applications containing 50x the average number of 60 to 100 items. The blame for this rise lies with the EUIPO’s own goods and services builder, which was designed to help and encourage applicants to use acceptable terms but also facilitates the easy compilation of long lists of goods and services. Unsurprisingly, applicants wish to obtain the widest possible protection for their trade marks. However, size isn’t everything! There are a number of disadvantages associated with long lists of goods and/or services. If you would like further advice on trade mark applications or any other issues, please contact us.

INTERSECTING LINES, SOLES AND STRIPES

The Court of Justice of the European Union (CJEU)’s recent decision in *Deichmann v EUIPO* (C-223/18 P) illustrates the need to be careful that a trade mark’s description is not at odds with its representation, whereas the General Court’s decisions in *All Star CV v EUIPO* (Case T-611/17) and *adidas v EUIPO* (Case T-307/17) highlight the difficulty faced by trade mark owners when it comes to maintaining registrations based on acquired distinctiveness through use.

“X” marks the spot

The first case involves a mistake in a trade mark application filed by the Spanish company and brand known as “Munich”, which produce shoes with a characteristic “X” symbol. The story began in 2002 when Munich filed a EUTM application for the figurative mark shown below for sports footwear in Class 25. The mark was registered in 2004.



In 2011, the major German footwear retail chain Deichmann applied to revoke the EUTM on the basis of non-use. Deichmann’s application was upheld by the EUIPO’s Cancellation Division, and the mark was revoked in its entirety.

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INTERSECTING LINES, SOLES AND STRIPES (continued)



The problem for Munich was that EUIPO's Cancellation Division took the view that the evidence showed use of forms which altered the EUTM's distinctive character, within the meaning of Article 15(1) (a) CTMR (now Article 18(1) EUTMR). Munich claimed that the EUTM's dotted lines had the sole purpose of showing the placement of the trade mark on the product but, as the Cancellation Division pointed out, this was not covered by the registration. In other words, Munich claimed that the EUTM was actually a position mark, meaning that it was a sign positioned on a particular part of a product in a constant size or particular proportion to the product. The Cancellation Division could not accept this statement; since the mark had been filed and registered as a figurative mark, the image used by Munich on sports footwear had to be this image:



That decision was overturned by the Fourth Board of Appeal, with the decisive factor being public perception of the mark rather than classification. In essence, it found that Munich's evidence showed use

of its EUTM for "sports footwear" in Class 25 for the relevant period. As regards the EUTM's distinctive character, the Board held that *"as it [was] this graphic representation which defin[ed] the mark, ... whether the mark [was] a position mark or a figurative mark [was] irrelevant".*

On appeal, Deichmann argued that Munich's EUTM was not registered under the category "other marks" and so could not be regarded as a "position mark" but only as a figurative mark. However, in *Deichmann* (T-68/16), the General Court found the case-law recognised that figurative marks could in fact be "position" marks. According to the court: *"it cannot be inferred from the mere fact that the 'figurative mark' box was ticked when the mark at issue was registered that it may not be regarded, at the same time, as a 'position mark'"*. The mark was a cross applied to show position regardless of the nature of the shoe.

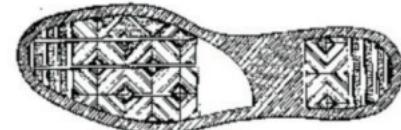
Undaunted, Diechmann persevered but, at the very outset, the CJEU put paid to its hopes, stating first of all that on the relevant date, the applicable law did not define "position marks", meaning that the classification of Munich's EUTM as a figurative mark or a position mark

was irrelevant in the assessment of both distinctiveness and genuine use. Contrary to Deichmann's reasoning, the fact that the mark at issue had been registered as a figurative mark was irrelevant for the purpose of determining the scope of the application for protection, and Munich had succeeded in demonstrating genuine use of its EUTM by providing proof of the sale of shoes to the side of which intersecting lines were applied.

A not so unique sole

While in *Deichmann* the General Court rejected the non-use attack on Munich's EUTM, in *All Star CV v EUIPO* (Case T-611/17) it adopted a harsher line to another application concerning use of a mark for sports shoes.

At issue in this second case was the 3D mark shown below, registered by All Star CV for (amongst other things) "footwear and their parts and fittings" in Class 25.



The trade mark reproduced the image of the Converse All Star shoe sole. First made in 1917, the shoe was redesigned

in 1922, following a request by Chuck Taylor (a professional basketball player) for increased ankle support and flexibility. Chuck Taylor joined Converse as a salesman, promoting the shoes which became known as Chuck Taylor All Stars, the first celebrity-endorsed athletic shoe. By the time the 1960s bounced into view, the shoes were worn by 90% of US professional basketball players.

The EUIPO's Cancellation Division upheld an application for a declaration of invalidity filed by one of the largest global retail companies, Carrefour Hypermarchés, on the basis that the mark was devoid of distinctive character within the meaning of Article 7 (1)(b) EUTMR and that All Star CV had failed to provide any evidence to show that the mark had acquired distinctive character through use. In essence, the Cancellation Division found that the contested mark had characteristics which were simple variations of the usual features found on other forms of soles. It added that the relevant public perceived the presence of patterns on soles as an indication of some of its qualities - in particular, its ability to grip the ground (see *Embossed pattern*; Case T-283/04) and, even if the average consumer did not perceive the patterns on the sole as having a technical function, he would perceive them as decorative motifs as opposed to a sign indicating the origin of the product. In response, All Star CV filed an appeal with EUIPO, criticising the Cancellation Division for having declared the mark invalid in its entirety, when the action concerned only the goods in Class 25. The Cancellation Division duly revised its decision and annulled the registration in respect of the goods in Class 25 only.

All Star CV then filed a second appeal, which was dismissed by the Fourth Board of Appeal. The problem was that the evidence adduced by All Star CV failed to provide any information as to the perception of the mark in question by the relevant public. The Board held that, insofar as the shape of the sole was a mere variant of the usual characteristics found on the other forms of soles, it was unlikely to distinguish the products in question from others available on the

market. Also, as the contested trade mark was deemed to be non-distinctive in all the Member States of the EU, All Star CV was required to provide evidence of the distinctive character acquired through use in each of the 27 EU Member States. However, the evidence was at best limited to 20 Member States and the information relating to market share was provided for only four Member States. Therefore, the Board found that All Star CV had failed to demonstrate that the mark had acquired distinctive character through use within the meaning of Article 7(3) EUTMR.

On appeal, the General Court agreed with the Board insofar as it found that the simple geometrical shapes (the horizontal lines and diamonds) on the sole were no different from those that generally appeared on soles available on the market and, therefore, the contested mark did not diverge significantly from the standard or customs of the sector and so was unable to fulfil its essential function of identifying the trade origin. In addition, since the primary function of the patterns on the sole surface was to ensure that the footwear adhered to the ground, the Board had been correct to conclude that the relevant public would perceive the contested mark as suggesting some of its technical qualities, as opposed to indicating trade origin.

The court confirmed that the Board had erred in requiring evidence to be adduced for each individual Member State, as it was clear from the case law that this was excessive (see *Chocoladefabriken Lindt & Sprungli v OHIM*; C-98/11) and nothing in the EUTMR imposed such a requirement. It was possible, therefore, that evidence of the acquisition of distinctive character acquired by use of a sign could be of relevance to several Member States or the whole of the Union (see *Nestlé Products Company and Mondelez UK Holdings & Services*; C-84/17 P, C-85/17 P and C-95/17 P). Unfortunately for All Star CV, such an error was not sufficient to justify annulment of the contested decision, since the evidence it had adduced was in itself qualitatively insufficient to demonstrate distinctiveness acquired through use.

Three Stripes and You're Out

Evidence of acquired distinctive character through use was also a problem for the German sportswear manufacturer adidas in the latest episode of its long-running dispute with the Belgian company Shoe Branding Europe (*adidas v EUIPO*; Case T-307/17). The General Court upheld the EUIPO's decision that adidas couldn't register its three-stripe motif as an EU figurative mark for clothing, footwear and headgear, on the basis that the "extremely simple" trade mark at issue was devoid of any distinctive character.

On 21 May 2014, adidas obtained registration of the EU trade mark shown below on the left for "*clothing; footwear; headgear*" in Class 25.



In the application for registration, the mark was identified as a figurative mark corresponding to the following description:

"The mark consists of three parallel equidistant stripes of identical width, applied on the product in any direction".

On 16 December 2014, Shoe Branding Europe filed an application for a declaration of invalidity on the ground that the mark was devoid of distinctive character, which was granted by the Cancellation Division. That decision was upheld by the Second Board of Appeal, on the grounds that (i) the mark at issue had been registered as a figurative mark; (ii) the mark was inherently devoid of distinctive character; and (iii) the evidence adduced by adidas failed to establish that the mark had acquired distinctive character through use throughout the EU.

Unfortunately for adidas, both the Cancellation Division and the Board had found that the "vast majority" of the evidence it had produced showed forms which varied significantly from the form of the mark as registered. Such evidence related to signs other than the mark at issue and failed to show genuine use of the mark. The court agreed with EUIPO, finding that the Board had been entitled to dismiss the evidence for several reasons...

INTERSECTING LINES, SOLES AND STRIPES (continued)

- Given that the mark was “extremely simple – consisting of three black parallel lines in a rectangular disposition against a white background”, even a slight variation could produce a significant alteration to the characteristics of the mark as registered and could be enough to alter the public’s perception of that mark (see *hyphen v EUIPO*; Case T-146/15).
- Many of the images featured an inverted colour scheme (e.g. three parallel white stripes on a black background) and, although the court accepted that reversing the colour scheme would not impose a significant variation in some situations, that did not apply here due to the mark’s extreme simplicity.
- Stripes on images of clothing were slanted at an angle which differed from the mark as registered. The photographs of footwear broadly suffered the same disadvantage in that the stripes were thicker and much shorter than the stripes of the mark at issue.

issue, as well as being cut at a slanted angle.

The Board found the “dimensions” of the mark at issue had not been met, and the Court confirmed that such differences constituted significant changes and related to forms of use which could not be regarded as broadly equivalent to the registered form of the mark at issue.

Adidas had filed almost 12,000 pages of evidence before EUIPO, in support of its view that the mark had acquired distinctiveness as a result of the use which had been made of it within the EU. Although both the Cancellation Division and the Board acknowledged the “impressive” figures relating to turnover and marketing and advertising expenses, those figures encompassed adidas’ entire business and, therefore, included the sale and promotion of products which were irrelevant (such as sports bags), as well as the sale and promotion of goods which bore signs other than the mark at issue.

The court said there was no doubt that adidas had used some of its marks in an intensive and ongoing manner within the EU and had made considerable investments in order to promote those marks but the evidence failed to establish that the mark had been used or that it had acquired distinctive character.

A selection of market surveys led by adidas in Germany, Estonia, Spain, France and Romania were accepted as relevant evidence of acquired distinctiveness related to use of the mark in its registered form in those five Member States. However, the court found that adidas had not demonstrated that the domestic markets of the five Member States in which those surveys were carried out were comparable to Member States not covered by the market surveys. It followed that the Board had not erred in finding that adidas had failed to prove that the mark had acquired distinctness throughout the EU. Accordingly, the Court dismissed adidas’ appeal and upheld the Board’s decision that the mark should be declared invalid.

Comment

Given that consumers are not used to presuming the origin of a product on the basis of its shape alone without any graphics or text to guide them, it’s therefore not surprising that it might be more difficult to establish distinctiveness for marks such as Converse’s sole. It follows that only a 3D mark consisting of the shape of the product which significantly deviates from the norm of the habits of the sector concerned would be likely to fulfil its essential function of origin.

Adidas highlights the importance of ensuring that EU trade marks are accurately recorded because, as the General Court observed, the EUIPO is not able to take into account any characteristics of the mark which had not been set out in the application for registration or in the accompanying documents (see *Jaguar Land Rover v OHIM*; Case T-629/14).

Given that adidas had acknowledged that its mark was validly registered as a figurative mark, it followed from the case-law that a figurative mark was, in principle, registered in the proportions shown in its graphic representation. This case suggests that the General Court is likely to strictly adhere to the specific

dimensions, proportions and overall configuration of the submitted mark. As the court explained, “*it is for the trade mark applicant to file a graphic representation of the mark corresponding precisely to the subject matter of the protection [they] wish to secure. Once a trade mark is registered, the proprietor is not entitled to a broader protection than that afforded by that graphic representation*”.

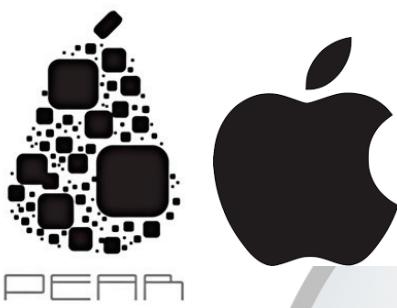
The loss of the mark “in all directions” won’t affect adidas’s ability to use and protect the three stripes because it owns trademarks on the logo in various specific positions. However, this decision does highlight the need for trade mark applicants to carefully consider how a trade mark will actually be applied and used on the goods, and consult a good trade mark attorney for advice if in doubt.

It is also evident from adidas that brand owners wishing to benefit from the CJEU’s ruling in *Nestlé* will need to produce evidence of a more detailed nature than that submitted by adidas, in order to establish the organisation of the relevant distribution network and/or a specific geographic, cultural or linguistic basis for extrapolating evidence of acquired distinctiveness beyond one Member State.

TRADE MARK DECISION GOES PEAR-SHAPED FOR APPLE

Are apples and pears similar? Apple Inc and the EUIPO seem to think so, but they failed to convince the General Court that was the case in *Pear Technologies v EUIPO* (Case T-251/17).

In July 2014, Pear Technologies Inc. ("Pear") applied to register the figurative sign (shown below on the left) as a EUTM. Apple Inc. (Apple) opposed Pear's application, relying on its earlier mark shown below on the right.



The goods applied for were, as you'd expect, computers and computer-related goods and services of various types.

Apple succeeded on the ground that the conditions of Article 8(5) EUTMR were fulfilled: the Board found that Apple's registered logo had a reputation, Apple's logo was considered to be similar to Pear's logo, and that use without due cause of Pear's logo would take unfair advantage of, or be detrimental to, the distinctive character or the repute of Apple's logo.

Pear was a little bit upset by that finding as their view was that the marks weren't similar at all, and so they appealed. However, their appeal was dismissed.

The Board concluded that "*there was at most a remote similarity between the conflicting marks*" but that was enough to get over the hurdle to the application of Article 8(5), i.e. that the relevant section of the public would make a connection

between those marks; in other words, they would establish a link between them even though it would not confuse them. The basis of that similarity was because the Board considered that the conflicting marks represented "*sleek rounded silhouettes of fruit*" which were "*very close from a biological and botanical point of view*". And that was enough to get them over the hurdle!

As regards the link, the Board concluded that Pear's logo was "*somewhat mocking*" of Apple's logo, and there was a link that would risk taking advantage of Apple's repute.

Thankfully, Pear appealed. The "*Alice in Wonderland*" nature of the Board's decision was not helped by the EUIPO's eccentric submissions before the Court. They argued that consumers would know "*that apples and pears are grown and harvested under similar conditions*" which (it argued) was grounds for visual and conceptual similarity between the logos. The EUIPO also argued that apples and pears travelled similar routes to market and were sold literally side-by-side in the same venues, and therefore that was a relevant consideration. Further, the EUIPO submitted that consumers would know that both fruits were members of the "*Rosaceae pomoideae*" family and, therefore, at that level they would be seen as the same mark by the average consumer.

In response, Pear Technologies argued that apples and pears were like pumas and cheetahs. The writer doesn't understand why that line of argument would help, and the General Court didn't think so either. That argument was based on *SABEL v Puma* (Case C-251/95) but, as the Court said, in that particular case the conceptual similarity between the signs was based on

the fact that both were using the image of a "bounding feline" rather than the fact that pumas and cheetahs shared several characteristics in real life.

The Court concluded that the Board of Appeal had got it wrong. According to the Court, the Board seemed to have underestimated the fact that, in actual fact, apples were not pears. The Board had taken the view that the word element "pear" would create a semantic unit with the depiction of the pear and so contributed to what the average consumer would see – in other words, when you saw Pear's logo, you'd know it was a pear because it said "pear". However, as the Court said, the semantic unit would only exist for the part of the relevant public which understood the meaning of the English word "pear" – in other words, even if you didn't speak English, on seeing Pear's logo you'd still think it was a pear. Moreover, the existence or otherwise of a semantic unit was not capable of calling into question the fact that, on a visual level, Apple's logo did not contain the word element "pear" or any element which would be similar from a visual point of view. It's amazing how much money they spent to get to that point!

The second point of argument was the point of similarity relied upon insofar as both logos depicted a leaf on top, angled at 45 degrees. The Court said that they could see the leaf in Apple's logo but in relation to Pear's logo it was an oblong shape which did not resemble a leaf and, therefore, that point fell away. The other point (which the reader might think was the elephant in the room) was the Court's observation that Apple's logo had a bite taken out of it whereas Pear's logo didn't, and that's the way consumers would view the marks.

TRADE MARK DECISION GOES PEAR-SHAPED FOR APPLE (continued)

Taking account of all those factors, the Court concluded there was no similarity between those two fruits. The Court also found an error in the Board's reasoning, which was probably its route of access to reconsider this point. It concluded that the Board had taken account of Apple's reputation when considering the similarity of the marks which was a no-no. Interestingly, the Court didn't say that the Board had made this error, rather that it "appears to have" done so. As

regards similarity, the Court said that the only commonalities were the presence of black colour and the similar positioning of the figurative elements placed above the depictions of the apple and the pear, which they said were insufficient and, therefore, Pear's appeal was allowed.

Quite apart from bringing a little bit of common sense to the proceedings, the Court's decision was in effect a re-evaluation of what the Board of Appeal had done, which it didn't need to do – it

could have just decided that it was bound by the Board's evaluation. Usually in the UK, if a Hearing Officer finds similarity and there's no error of principle in that decision, then the matter is considered concluded.

As Apple are appealing this decision, this may not be the end of the matter and we might discover in a couple of years' time that, in fact, there is some similarity between apples and pears.

WHAT'S IN A NAME?

A sign that corresponds to a film title can be registered as an EU or UK trade mark, provided it meets the requirements for registration. One hurdle is that the film's title needs to be distinctive; in other words, it needs to be able to identify the commercial origin, thus enabling the consumer who purchases the film or DVD to repeat the experience if positive, or to avoid if negative. However, even if your film title is distinctive, it can still offend the EUIPO...

In April 2015, Constantin Film applied to register the name of its successful German comedy "Fack Ju Göhte" as a EUTM. However, the EUIPO refused the registration as it considered the word sign to be contrary to "accepted principles of morality" pursuant to Article 7(1)(f) EUTMR. The Board of Appeal and General Court shared the EUIPO's sensibilities, finding that the average consumer (a German-speaking consumer in Germany and Austria) would perceive the word element "Fack ju" as identical to the English expression "Fuck you" and that - even if the relevant public did not attribute sexual connotations to the expression "Fuck you" - it was still an insult that was not only in bad taste, but also shocking and vulgar. As for the additional element 'Göhte', in the Board's view, the fact that the respected writer Johann Wolfgang von Goethe was insulted posthumously in such a degrading and vulgar manner – and with incorrect spelling - did nothing to temper

the offensive character of the insult "Fack Ju Göhte".

Constantin Film argued that the mark was understood "as a joke" about "*the students' occasional frustration with school and uses, for this purpose, a selection of words taken from teenage slang*". In response, the Court said that "*in the field of art, culture and literature, there is a permanent concern about preserving freedom of expression that does not exist in the field of trade marks*", and appealed to the CJEU. At the time of writing, the appeal hearing before the CJEU is pending, but Advocate General (AG) Bobek has issued his Opinion (*Constantin Film Produktion v EUIPO; Case C-240/18*).

The AG began by observing that the works of Johann Wolfgang von Goethe had not met with universal acclaim at the time of publication; in particular, *Die Leiden des jungen Werthers* (The Sorrows of Young Werther) was banned in a number of German territories and elsewhere for being (in the words of the Danish Chancery to the Danish King) a work that "*ridicules religion, embellishes vices, and can corrupt public morality*". As the AG said "*it is not without a dose of historical irony that more than two hundred years later, there is still a threat to public morality associated with (a version of the family name) Goethe*".

At various stages of the procedure, Constantin Film drew attention to the fact that the film had been a great success

in German-speaking countries without the title having stirred much controversy, and had even been incorporated into the learning programme of the Goethe Institut.

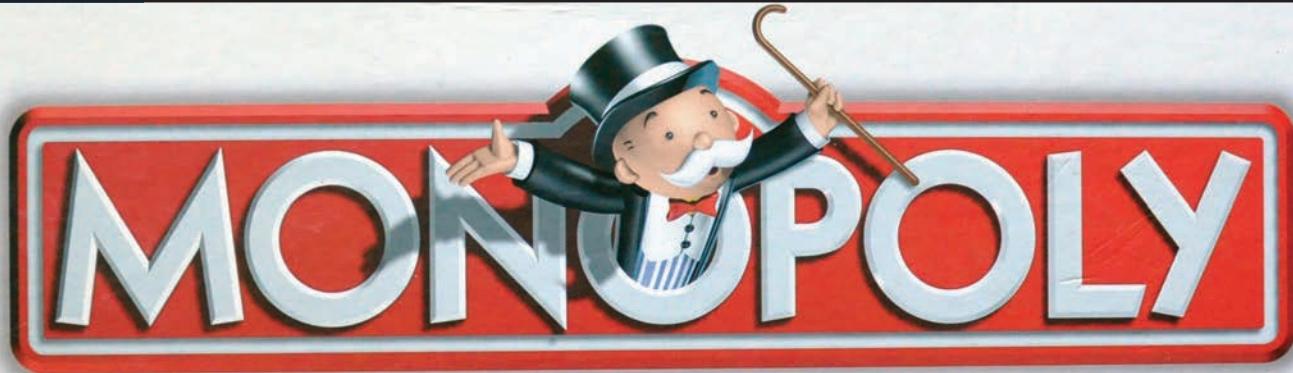
The AG concluded that the Court had erred in law by incorrectly interpreting Article 7(1)(f) because it had failed to take into account elements of the context relevant for the assessment as to whether the sign applied for complied with accepted principles of morality. The AG also questioned the Board's failure to explain why it viewed the disputed phrase as vulgar when it had considered the sign "DIE WANDERHURE" (also the name of a German novel and its film adaptation) to be neither shocking nor vulgar, despite the fact that it referred to a woman offering sexual services for remuneration (see decision R 2889/2014-4).

Comment

The appeal will clarify the legal test for assessing whether a mark applied for is contrary to accepted principles of morality and, therefore, should not be registered on the basis of the absolute ground for refusal set out under Article 7(1)(f) EUTMR.

It will be interesting to see whether the CJEU, which follows the AG's Opinion in four out of five cases, finds "Fack Ju Göhte" as offensive as the EUIPO, the Board and the Court have done, or whether it decides to agree with AG Bobek to set aside the Court's judgment and annul the Board's decision.

MONOPOLY ON MONOPOLY



The Board of Appeal's decision in MONOPOLY together with the decision in the SKYKICK case (in the pipeline at the time at writing) have the potential to change trade mark practice in Europe regarding bad faith applications. A five year grace period from registration is usually given to trade mark owners, during which time they can enforce their mark against third parties, without having to prove that they have used their mark in trade. Some brand owners will re-register their trade marks during the grace period, in order to re-set the clock. But is this common practice fair play?

In case R 1849/2017-2, a Croatian company called Kreativini Dogadaji applied to revoke Hasbro's famous MONOPOLY trade mark. Kreativini argued that Hasbro had filed the challenged EUTM repeatedly

and therefore that it had a dishonest intention at the time of filing. According to Kreativini, registering a trademark and then periodically re-registering an identical trademark could serve to improperly and fraudulently extend the five year grace period indefinitely to evade the legal obligation of proving genuine use and the corresponding sanctions. Therefore, Kreativini claimed, Hasbro's filing was made in bad faith and couldn't be invoked to evade the corresponding sanctions. Kreativini also contended that the contested EUTM had been filed with the sole intention of artificially extending the 5 year grace period of its previously registered MONOPOLY EUTMs which were protected for identical goods and in the same territory and to circumvent the use requirement of the marks in opposition proceedings.

At first instance, the EUIPO's Cancellation

Division rejected Kreativini's application for a declaration of invalidity. However, that decision was overturned by the Second Board of Appeal, who found that Hasbro had acted in bad faith when it filed the application, given that it covered identical and similar goods and services to their earlier registration for the same mark. Contrary to the reasoning provided by the Cancellation Division, the assertions made by Kreativini that the EUTM under attack was made in order to extend a non-use period were even confirmed by Hasbro themselves and hence were far from being mere speculation.

This decision should be viewed as a warning that brand owners may need to reconsider protection and enforcement strategies. If you would like further advice, please get in touch.

MOTION AND OTHER NEW TYPES OF MARK

On 3 May 2019, the UK's first ever motion mark was registered by the Japanese electronic and communication company Toshiba. The ability to register motion marks was facilitated by the change in the requirements for non-traditional marks under the Trade Marks Directive (EU) 2015/2436 (the TMD).

As discussed in last autumn's MYM, the UK's implementation of the TMD saw the removal of the requirement for graphical representation. The new test is that a UKTM should be represented on the register so as to allow parties to determine the clear and precise subject matter of the protection. This change in legislation has opened the doors for sound clips, motion, multimedia and holograms to be registered as UKTMs in a wide range of digital file formats. As a result, Toshiba was able to register its one second long video of its company logo zooming out, surrounded by appearing and disappearing Origami-

style folding coloured polygons, as a motion mark.

Although the UK Trade Marks Act 1994 does not specify mention motion, multimedia or holograms, it is possible to file them as UKTMs. The summary below reflects information in the "Common Communication on the representation of new types of trade marks" published by the EUIPO, European Commission and national offices and updated by the UKIPO to reflect the electronic file formats deemed acceptable:

Type of trade mark	Definition	Means of representation	Electronic file format accepted by UKIPO
Sound	A trade mark consisting exclusively of a sound or combination of sounds.	The mark shall be represented by submitting an audio file reproducing the sound or by an accurate representation of the sound in musical notation.	JPEG MP3
Motion	A trade mark consisting of, or extending to, a movement or a change in the position of the elements of the mark.	The mark shall be represented by submitting a video file or by a series of sequential still images showing the movement or change of position. Where still images are used, they may be numbered or accompanied by a description explaining the sequence.	JPEG MP4
Multimedia	A trade mark consisting of, or extending to, the combination of image and sound.	The mark shall be represented by submitting an audio-visual file containing the combination of the image and the sound.	MP4
Hologram	A trade mark consisting of elements with holographic characteristics.	The mark shall be represented by submitting a video file or a graphic or photographic representation containing the views which are necessary to sufficiently identify the holographic effect in its entirety.	JPEG MP4

Sound, motion, multimedia and hologram marks can now be registered at both the EUIPO and UKIPO. To date, there has not exactly been a rush of companies registering non-traditional marks and it remains to be seen if the Sieckmann criteria will in fact limit future possibilities. Nevertheless, these types of trade marks are now becoming more accessible, and brand owners wishing to protect their

valuable intellectual property should seek to obtain trade mark protection for all key brand identifiers (including word marks, logos and other figurative marks, sound marks, motion marks, colours, smells and perhaps other non-traditional marks).

Please contact katie.cameron@maucherjenkins.com if you would like further information.

SNIPPETS



The above image is taken from the UKIPO's trade mark decision O/340/19.

We begin with even more on film titles as trade marks. In this case, the successful partial revocation of a sign corresponding to a film title on basis of non-use pursuant to section 46 of the Act could have consequences for film-related merchandising.

The lucrative CARRY ON franchise includes 31 comedy films released between 1958 and 1992 and is the second biggest British film series after James Bond.

In November 2016, Carry On Films Limited applied to register the UK trade mark CARRY ON for a variety of goods and services. That application was opposed by ITV on the basis of three earlier UKTMs for CARRY ON and bad faith.

Carry On Films Ltd contended that the rights to the mark CARRY ON belonged to Mr Peter Rogers (the late producer of the "Carry On" films) who had (before his death) assigned the rights in the mark to Mr Brian Baker (a director of Carry On Films Ltd, a film producer and close friend of Mr Rogers). However, the UKIPO (in O/051/19) found that most of Carry On Films Ltd's evidence on this issue was mere assertion.

The Hearing Officer accepted that Mr Rogers believed that he owned all the

rights to the CARRY ON mark, but the fact that he was one of the producers, involved in all of the Carry On films and "*probably became almost synonymous with the mark as he was ever present*" did not mean that the rights to the mark rested with him. As the Hearing Officer explained, "*the rights to films usually reside with the production company or the studio*". The Hearing Officer also noted that, despite Mr Baker describing Mr Rodgers as "*extremely commercial and open in his thinking with respect to how the brand could be exploited to achieve this and to broaden its appeal and awareness*" and obvious annoyance at the marks being registered by ITV, "*Mr Rodgers, and later Mr Baker, never once launched the obvious legal challenge to have the trade mark registrations deemed invalid*".

The fact that Carry On Films Ltd had sought a licence from ITV to use the CARRY ON mark was viewed as tantamount to "*legitimising the registrations*", because "*if a business truly believed that they had the law on their side they would not go cap in hand to the opponent and seek permission to use what was rightfully theirs, or so they believed, in the first instance*". Further, the Hearing Officer said that Carry On Films Ltd had "*made no secret of the fact that is was fully aware of*

the trade mark registrations of the opponents, but because it felt these were falsely obtained it believed it perfectly acceptable to submit its own applications which to a large extent duplicate those of the opponents". To have done so and not directly challenge the validity of ITV's marks (which would have required Carry On Films Ltd to prove its claim to the rights in the mark) was, in the Hearing Officer's view, the absolute antithesis of reasonable behaviour. According, ITV's opposition succeeded under section 3(6).

However, that was not the end of this particular carry on...

In April 2018, Mr Baker applied to revoke three UKTMs owned by ITV Studios for CARRY ON for all goods and services covered by those registrations (except "production, distribution of film" in class 41), on the ground of five years non-use, this time with more success.

The reader may be surprised to learn that, according to the Hearing Officer (in O/340/19), "*Permitting a television channel to broadcast one's film is not use of the mark in relation to entertainment, presentation or networking services; nor would the status of a film as the subject of a syndication agreement mean that the mark itself had been used on or in relation to those services*".

According to the Hearing Officer, ITV's argument was as follows: if a trade mark proprietor can use its marks in relation to the production and distribution of films, it should be allowed to retain any connected goods and services covered in the specification so as to avoid conflict with other traders using the marks on those goods and services. However, the Hearing Officer did not accept that argument. As

she explained, the protection of rights relative to another party's rights fell under section 5 of the Act. The only question to be decided under section 46 was how the relevant consumer would describe the use of the mark as evidenced. In the present case, no use had been shown but as production and distribution of film services in Class 41 had not been challenged, those services would be regarded as distinct subcategories by the average consumer.

ITV will continue to distribute the Carry On films but the loss of the trade mark rights for the wide range of goods other than "production and distribution of film services" means that the stream of revenue obtained from merchandising is now closed to ITV. Oo-er, indeed.

Merchandising of intellectual property (IP) rights can be a lucrative addition to a business strategy and we can offer further advice on how to effectively use IP rights to generate revenue from the secondary exploitation of brands.

With its decision in *Beko v EUIPO* (Case T-162/18) on Valentine's Day, the General Court failed to hand a billet-doux to the EUIPO.

On 6 December 2007, the Turkish domestic appliance and consumer electronics brand Beko applied to register the figurative sign shown below as a EUTM in Classes 7, 9 and 11.



The EUTM application was opposed by the Taiwanese multinational hardware and electronics corporation Acer, on the basis of not one or two but 22 (!) earlier marks from around Europe containing the word "altos". The EUIPO's Opposition Division partially upheld the oppositions based on two of the earlier marks: the Maltese and the Slovenian word marks for ALTOS in Class 9.

Beko appealed, and this where things became unusual for a trade mark law case. Beko had asked for a suspension of the proceedings pending revocation of the two earlier national marks, and the suspension had been granted. However, the two earlier national marks on which the opposition was based became vulnerable for revocation for non-use during the opposition period and, given that the marks were revoked during the proceedings, the Board of Appeal annulled the Opposition Division's decision and sent it back for reconsideration of the opposition based on the other earlier marks.

The Opposition Division, having 20 other earlier marks to choose from, plumped for Acer's earlier Slovak word mark ALTOS in Class 9 and, again, partially upheld the opposition on the ground that there was a likelihood of confusion. Again, Beko asked for a suspension of proceedings; this time because it intended to revoke the Slovakian mark (it hadn't done so at that point). However, that suspension request was rejected by the Board, who reasoned that the earlier mark had not been vulnerable at the date of publication of the mark applied for and, therefore, its revocation for non-use wouldn't have affected the opposition.

Beko appealed to the General Court on the ground that it was wrong to reject the suspension request. In Beko's view, the request was a reasonable one – but was it?

Well, to cut a long story short, the Court concluded that a suspension should be considered if the existence of the earlier mark on which the opposition was based was in doubt, not only at the date of publication of the application for the contested mark, but also at the date of the decision on the opposition. In other words, there were two different dates: the Court could look forward as well as backward. And that was where the Board had erred: it had only looked at the validity of the ground of opposition at the date of publication of the application for the contested mark. The Court took the view that, if the earlier mark relied upon loses (or could potentially lose) its validity during

the course of proceedings, with the result that by the time of the decision the earlier mark had gone, then the proceedings were devoid of purpose. That was apposite reasoning for ensuring that the tribunal had to look at the validity of the earlier mark at those two dates.

However, the Court said that it was a matter of discretion and, in exercising that discretion, one had to look not just at the interest of the parties but at the wider interest of all parties, given that there was scope for abuse: suspending proceedings could create an incentive for trade mark applicants to deviously attempt to delay proceedings until the earlier mark had matured to the point where it might become vulnerable to non-use attacks.

The merits of any non-use allegation as well as the timing of the suspension request will need to be carefully considered in order to show that a trade mark applicant is not trying to game the system. A court will take note of the timing of the suspension request, to ensure that the date wasn't chosen deliberately by a trade mark applicant tactically waiting until late in the opposition proceedings or invalidation proceedings.

How the trade mark applicant conducts themselves will be the key factor in determining whether the court will use its discretion to grant a suspension; for example, if the applicant had waited many months after vulnerability became an issue, and then applied to the EUIPO with evidence of non-use, then the court would be reluctant to suspend proceedings. This is similar to the procedure of "abuse of process" in English law: if you deliberately try to skew the system, your plans will fail. Ultimately, of course, it depends on the circumstances of the case.



Under Article 7(1)(h) EUTMR, a trade mark shall not be registered if it has not been authorised by the competent authorities in accordance with Article 6ter of the Paris Convention for the Protection of Industrial Property (“Paris Convention”), which protects the armorial bearings, flags and other emblems of States that are party to the Paris Convention, as well as names and emblems of international intergovernmental organizations (IGOs), against unauthorised registration and use.

In 2016, the Malteser Hilfsdienst (Maltese aid service) applied for the sign shown below for a wide variety of goods and services:



The EUTM applicant, one of the major Catholic charities within the “Sovereign Military and Hospitaller Order of St. John of Jerusalem, Rhodos and Malta” (the Order of Malta), helps people in distress, regardless of religion, origin or political conviction.

The issue in this particular case was that the mark applied for contained a national sovereign reference (the Maltese cross, also known as the Amalfi cross) and, therefore, an authorisation to register the sign in question as a EUTM should have been obtained from the Maltese Government. However, the applicant did not want to obtain consent, arguing that it was not appropriate or necessary given that the Republic of Malta and the Order of Malta had, historically, a number of signs in common. Indeed, the Republic of Malta's own website recognised the right of the order to use its own characters, including trademarks, coat of arms and emblems.

Back when Malta was still a monarchy, the Maltese cross was included in the official Coat of Arms granted under the authority of the Sovereign. However, a new coat of

arms was adopted when Malta proclaimed itself a Republic, and the present coat of arms (as shown below) contains an entirely different cross: the George Cross, a decoration for gallantry awarded to the then Island Colony by King George VI for the conspicuous gallantry of its population when under siege during the Second World War.



SNIPPETS (continued)

The applicant submitted that, because of the excellent relationship between the Order of Malta, the applicant and the Republic of Malta, “*a conflict with the Maltese Government is therefore purely theoretical in the present case*”. The applicant further argued that no flag rights of the Republic of Malta were challenged or modified. So, why was the objection raised? Well, it was based on the Maltese shipping flag shown below, which was entered as a state emblem in WIPO’s database back in 1972:



The Second Board of Appeal (in decision R 2110/2018-2) found that  was a clear heraldic imitation of a sovereign sign, within the meaning of Article 7(1)(h) of the EUTMR in conjunction with Article 6ter of the Paris Convention.

The Board went on to confirm that registration as a EUTM would only be possible with the express authorisation of the competent authority. The Board considered it “somewhat surprising” that the applicant had at no point in time requested the permission of the Republic of Malta and had failed to communicate to the EUIPO any attempt to obtain such consent, especially in view of the fact that it was considered at first instance that the competent authorities of the Republic of Malta had taken into account the historical arguments of the applicant and, consequently, would have easily approved the registration of the sign as an EUTM.

The Board concluded that the other arguments set out by the applicant could not be followed, although it might be entitled to use the mark under the conditions laid down in Article 14 EUTMR: “*The mere fact that the contested application was rejected does not in any way imply that the applicant would not continue to have the right to use its official mark as such*”.

A recent case decided by the General Court (*United Wineries v EUIPO; T-779/17*) has confirmed that proof of genuine use does not have to consist of different types of evidence.

A EUTM application for the word mark VIÑA ALARDE covering “alcoholic beverages (except beers)” made by the Spanish company United Wineries was successfully opposed on the grounds that there was likelihood of confusion with the earlier Spanish word mark ALARDE owned by the Spanish company Compañía de Vinos Miguel Martín and registered for identical goods in Class 33.

The applicant had requested proof of genuine use, and Compañía de Vinos Miguel Martín produced evidence of the sale of 1,200 bottles of wine bearing the ALARDE brand for a total amount of EUR 4,200 and other small transactions. The EUIPO’s Opposition Division and Board of Appeal found the proof of genuine use was sufficient and upheld the opposition.

The General Court found that it was possible to prove genuine use by way of invoices only, provided that they contained all the relevant information, notably the place, time, extent and nature of use.

This decision is notable as it confirms that even a small volume of products marketed can be considered sufficient to prove actual commercial activity.



In another decision related to genuine use (*Fomanu AG v EUIPO; Case T-323/18*), the General Court found that the free distribution of the CDs, DVDs and software on which the contested trade mark was affixed did not constitute genuine use of that trade mark.

Fujifilm Imaging Germany applied to revoke an EU trade mark registration owned by the German company Fomanu for the figurative sign



in Classes 9, 16, 38, 40 and 42.

Of particular interest is the Court’s reasons why it rejected the applicant’s claim that the Board had erred in finding that no proof of genuine use of the contested mark had been adduced in respect of “compact discs; digital video discs (DVDs); programs computer software and software, in particular exchange, storage, reproduction and systematically entering data”, falling within Class 9...

The applicant was in the business of printing pictures. During the relevant period, they had sold more than 1,250,000 photobooks and 550,000 calendars and distributed 5,000 CDs and DVDs. Over the same period, there had been a million deliveries, including software essential to design the photo products. That software had been made available to customers via a download from the EUTM proprietor’s website or from a CD or DVD sent by the EUTM proprietor to its customers. Therefore, the Court noted, the CDs, DVDs and software were distributed either for the purpose of producing

printed photo products or as part of the final photo product.

Although the applicant claimed that the CDs and DVDs had been “sold” in large quantities to buyers of photo products, the court found that the CDs and DVDs were not in fact distributed independently; rather, their free delivery had been carried out exclusively within the framework of marketing of printed photo products to promote their sale. The software would be useless if its use did not generate orders for the photo products and, therefore was only a tool for the order and the realisation of the printed photo products, and not a product sold independently to third parties.

It followed that the applicant did not compete in the market for CDs, DVD and software. Indeed, the CDs, DVDs and software on which the disputed mark had been affixed were not offered independently, as people had to purchase photo products in order to get their hands on them. Moreover, it was not established or even argued that the applicant would consider penetrating the market for CDs, DVDs and software. The court concluded that affixing the contested mark to the CDs, DVDs and software did not contribute to creating an outlet for those goods. Accordingly, the free distribution of CDs, DVDs and software bearing the contested mark did not constitute genuine use of the contested mark for goods in Class 9, since the CDs, DVDs and software were not used on the market of those products, but instead exclusively in the photo products market.

This case confirms the decision of the CJEU in *Silberquelle* (Case C-495/07) that use of a word or phrase in relation to free promotional items is not “genuine trade mark use” under EU laws.

Beko v EUIPO (Case T-162/18) should be contrasted with the ruling in another recent action involving suspension of proceedings (Victor Lupu v EUIPO; T-558/18), in which the General Court confirmed that the relative grounds for refusal invoked during opposition proceedings cannot be introduced after the deadline for filing the opponent's statement of grounds has expired.

The EUTM applicant, the Bulgarian company Et Djili Soy Dzhihangir Ibryam, had applied to register the figurative sign shown below right for goods in Classes 29, 31 and 32.

This EUTM application was opposed by Mr Victor Lupu exclusively on the basis of the earlier Romanian word mark DJILI covering (amongst other things) goods in Classes 29 and 31. The DJILI mark had been assigned to Mr Lupu three days before the opposition was filed. The sole grounds relied on in support of the opposition were the relative grounds for refusal provided under Articles 8(1)(a) and (b) EUTMR.

In October 2010, Et Djili Soy Dzhihangir Ibryam informed the EUIPO that it had lodged an appeal before the Romanian courts, seeking annulment of the earlier mark. It requested the suspension of the proceedings before the Opposition Division until a definitive ruling had been given on the validity of the mark. The Opposition Division granted the suspension.

On 21 June 2011, the earlier mark was declared invalid by the Romanian court in a decision which was subsequently confirmed by the High Court of Cassation and Justice (the Romanian Supreme Court). Et Djili Soy Dzhihangir Ibryam sent those decisions to the EUIPO and requested the resumption of the proceedings.

In June 2016, Mr Lupu asked the EUIPO to suspend the proceedings, on the ground that he intended to challenge the High Court of Cassation and Justice's decision. However, given that the High Court of Cassation and Justice subsequently

dismissed Mr Lupu's action, the EUIPO's Opposition Division rejected Mr Lupu's opposition as unfounded.

Mr Lupu appealed. The Fifth Board of Appeal dismissed the appeal. In the Board's view, the decision of the High Court of Cassation and Justice was final and, therefore, the earlier right relied on in support of the opposition had been declared invalid. In addition, it found that no relative ground for refusal under Article 8(4) had been raised within the period prescribed by the EUIPO (i.e. three months following publication of the contested EUTM application) and, therefore, the opposition was unfounded.

Mr Lupu appealed to the General Court, relying on a single plea in law: infringement of his rights as the proprietor of the earlier mark. Unfortunately for him, the decision of the Court confirmed the Board's reasoning.

Mr Lupu argued that the resumption of proceedings before the EUIPO should have been conditional on the production of the reasoned decision of the High Court of Cassation and Justice by which his “extraordinary appeal” against that court's earlier decision declaring the Romanian word mark DJILI invalid had been rejected. Although his appeal had been dismissed, the grounds of that decision were unknown to the parties at the date of the Board of Appeal's decision. Accordingly, Mr Lupu submitted that the Board had infringed its own procedural rules on suspension. However, the General Court disagreed, and dismissed the action in view of the fact that the Romanian national courts had ruled definitively on the invalidity of the earlier mark which had been removed from the register.

Mr Lupu could not rely on an unregistered trade mark or another sign used in the course of business on the basis of Article 8(4) EUTMR, since the opposition had initially been brought pursuant to Article 8(1)(a) and (b) EUTMR, and he had failed to invoke any additional relative grounds in his statement of grounds in a timely fashion.

Nevertheless, as the General Court noted, the expiry of the deadline for filing a statement of opposition was without prejudice to the possibility of making an application for a declaration of invalidity within the meaning of Article 60 EUTMR.



In the last edition of Make Your Mark, we reported on protection wars involving colours as trade marks. In contrast, the General Court (in *Fissler v EUIPO; T-423/178*) wrestled with the question of whether or not words describing colours can be registered as trade marks.

Fissler, a company based in Germany that produces cookware items, applied to register the word VITA as a EUTM for “*food processors, electric; parts and accessories for the aforesaid goods*” (in Class 7); “*pressure cookers, electric; parts and accessories for the aforesaid goods*”, “*household or kitchen utensils and containers; cooking pot sets; pressure cookers, non-electric; parts and accessories for the aforesaid goods*” (in Class 11); and “*household or kitchen utensils and containers; cooking pot sets; pressure cookers, non-electric; parts and accessories for the aforesaid goods*” (in Class 21). However, the examiner refused registration of the mark applied for on the grounds that it was descriptive and devoid of any distinctive character.

Given that “vita” was the plural of the word “vit” (white) in Swedish, the examiner took the view that the targeted Swedish-speaking public would associate the colour name “vita” (white) with the goods applied for. The sign VITA was therefore descriptive and ineligible for protection.

Fissler appealed. The Fifth Board of Appeal agreed with the examiner, for the following reasons:

- given that white was a fairly usual colour for “electronic and non-electronic” pressure cookers and other household utensils, an average consumer would associate the goods concerned with the colour white;
- some kitchen utensils and household appliances were often referred to as

“white goods” in both English and Swedish (“vitvaror”)

- even if some of the goods concerned (e.g. electric food processors or electric pressure cookers) could not collectively be described as “white goods”, the colour white was nevertheless generally associated with household utensils;
- the relevant public would understand VITA as a simple statement of the fact that the goods concerned were available in white.

The Board concluded that that sign was purely descriptive and, consequently, had no distinctive character. In its view, any manufacturer of food processors and cooking pot sets could manufacture its goods in white, which meant that VITA was not capable of distinguishing the applicant’s goods from those of other undertakings.

However, in a fit of common sense, the General Court annulled the EUIPO’s decision.

First, the Court found that the colour white did not constitute an “intrinsic” characteristic “inherent to the nature” of the goods concerned (e.g. food processors, electric pressure cookers and household utensils) but rather a purely random and incidental aspect which only some of the goods might have and which did not, in any event, have any direct and immediate link with their nature. Such goods were available in a multitude of colours, including the colour white, which was no more prevalent than the others.

Second, as regards the common Swedish term “vitvaror” which the EUIPO claimed designated the goods concerned, the Court said that the link between the term “vita” (meaning “white”) and the term “vitvaror” (meaning “white goods”) was only an indirect one and required some

interpretation and thought on the part of the relevant public.

Consequently, the Board had erred in finding that the VITA sign was descriptive because it had failed to establish that there was a sufficiently direct and specific link between the term “vita” in Swedish and the goods concerned. The Board had not shown that the relevant public, when faced with the VITA sign, would immediately perceive it (without further thought) as a description of those goods or of one of the intrinsic characteristics of those goods that was inherent to their nature.

Furthermore, the Court found that the Board had erred in finding that - because the VITA sign could be understood as a simple statement of fact that the goods concerned were available in white - the VITA sign lacked distinctive character. The relevant Swedish-speaking public would not perceive a description of an intrinsic characteristic of the goods concerned in the VITA sign and so would not be able to associate it directly with those goods. On the contrary, in the view of the Court, the term “vita” required some interpretation on the part of Swedish and Finnish consumers. Those consumers would not understand the VITA sign as a simple statement of fact that those goods were available in white, but rather as an indication of their origin. That was particularly true given that the VITA sign would be affixed to goods of any colour, not just to those which were white.

This decision is hardly surprisingly given the relevant public chosen by the examiner, i.e. Swedish consumers, constitutes less than 2% of the entire EU population. For the remaining 98% of the EU population, the supposed meaning of the trade mark in the Swedish language is irrelevant. As the Muppets’ Swedish chef might say, “a vise-a deceesiu indeed. Bork Bork Bork!”.

This appeal (in *Koton v EUIPO, C-104/18*) has presented the CJEU with an opportunity to refine its case law on a couple of questions which have yet to be clarified: what constitutes bad faith and how it can be established?

Mr Nadal Esteban filed an application with the EUIPO for the registration of the figurative trade mark shown below in Classes 25, 35 and 39:



The Turkish clothing manufacturer Koton Mağazacılık Tekstil Ticaret ve Sanayi A.Ş. ("Koton") filed a notice of opposition on the basis of its own earlier figurative marks registered for Classes 25 and 35 (but not Class 39), which both took the following form:



The opposition was successful for Classes 25 and 35, and Mr Esteban's mark was registered for the services in Class 39.

In 2014, Koton applied to cancel Mr Esteban's EUTM registration on the ground that it had been applied for in bad faith (Article 52(1)(b) EUTMR). The EUIPO's Cancellation Division rejected the application and both the Board and General Court upheld that decision, based on the fact that Koton's earlier marks did not extend to the services in Class 39 for which Mr Esteban's EUTM had been registered.

Koton appealed again, this time to the CJEU. The CJEU decided to set aside the General Court's judgment, annulled the Board of Appeal's decision and rejected the claim that the contested mark should be declared invalid.

The problem was that the General Court had said that (within the meaning of Article 59(1)(b) of EUTMR) "*bad faith* on

the part of the applicant for registration presupposes that a third party is using an identical or similar sign for an identical or similar product or service capable of being confused with the sign for which the registration is sought". This led the General Court to rule that the Board had been fully entitled to conclude that Mr Esteban had not acted in bad faith when the contested mark was registered because it was registered for services dissimilar to those designated by Koton's earlier marks. However, the CJEU considered that to be a serious error in law.

In order to determine whether the applicant for registration was acting in bad faith, the correct approach involved taking into account all the relevant factors specific to the particular case which pertained at the time of filing the application for registration. There could not be any objection to this case-law of the CJEU on the basis of five arguments, which were as follows:

1. anyone can apply for a bad faith invalidation because the ground for invalidity in Article 52(1)(b) does not require that the applicant is the proprietor of a trade mark for identical or similar goods or services;
2. the need to take into account all the relevant factors is an inevitable consequence of the subjective nature of bad faith and the object of the bad faith;
3. case-law on finding abusive conduct can offer guidance in examining bad faith;
4. overlap with an already existing application is not required, e.g. bad faith can cover an application for registration of a trade mark filed by a person who applies for a trade mark with the sole aim of preventing an imminent trade mark application by others (so-called "trade mark squatting");
5. the Court had already recognised the possibility of an application made in bad faith by an applicant who wished to establish a basis for acquiring a descriptive domain name in *Internetportal und Marketing* (C-569/08). The extent to which

applications had already been filed for identical or similar goods or services was irrelevant in this regard.

If, as AG General Sharpston had suggested in *Chocoladefabriken Lindt & Sprüngli* (Goldhase; C-529/07), bad faith "constitutes a departure from accepted principles of ethical behaviour or honest commercial and business practices", then all the relevant factors would have to be taken into account. The CJEU said that it did not follow from the judgment in *Chocoladefabriken Lindt & Sprüngli* that the existence of bad faith, within the meaning of Article 52(1)(b) CTMR (now Article 59(1)(b) EUTMR), could only be established in the situation where there was use on the internal market of an identical or similar sign for identical or similar goods capable of being confused with the sign for which registration was sought.

The CJEU also confirmed that Article 52(3) CTMR (now Article 52(3) EUTMR) suggested the divisibility of a trade mark application filed partly in bad faith. Unlike the other grounds for invalidity, however, bad faith was not an inherent defect in the trade mark itself, but instead stemmed from the circumstances in which it was applied for. As the CJEU noted, Koton had applied for the contested mark to be declared invalid in its entirety and that the application for a declaration of invalidity should therefore be examined by assessing the intervener's intention at the time that he sought, for various goods and services, including textile products, registration of an EU trade mark containing the word and figurative element already used by Koton for textile products. However, as Advocate General Kokott had observed in her Opinion, dividing an application for registration into a part filed in bad faith and a part filed in good faith would be tantamount to offering an incentive for applicants to apply to register trade marks for a larger set of goods and services than justified by actual intended uses.

This issue is extremely interesting as it is currently also being considered in the referral for a preliminary ruling made by the High Court in *Sky v Skykick* (C-371/18),

which concerns whether the entire application was made in bad faith if and to the extent that the applicant had an intention to use the trade mark in relation to some of the specified goods or services, but no intention to use it in relation to other specified goods or services.

In the present case, there was ultimately no need to make definitive findings on whether an application for registration could or even must be split into a part filed in bad faith and a part filed in good faith, but it was of crucial importance that the applicant allayed doubts as to whether the application had been filed in good faith by showing that, by filing the application, he pursued a comprehensible and — at least to his knowledge — legitimate economic purpose or an ‘economic logic’. Although “*the commercial logic underlying the filing of the application for registration*” and “*the chronology of event leading to that filing*” had been mentioned in the judgment under appeal as factors which might be relevant, the CJEU found that the General Court had failed to fully examine those factors.

Unfortunately for Mr Esteban, the AG found his commercial logic unconvincing. According to Mr Esteban, he intended to offer certain services and, in this connection, use bags on which the trade mark at issue already appeared, because he had received those cotton bags as packing material for specific goods. The AG concluded that “*Mr Esteban’s motivation is thus limited to pure convenience*” and there was no indication of a legitimate interest in accepting the risks of his services being associated with Koton, or of Koton being impaired in future activities.

In view of the foregoing, the question of the overlap of the original application with the goods and services protected for the earlier trade marks did not need to be further analysed. This was somewhat disappointing because, as AG Kokott had observed, “*in view of the earlier practice of filing applications for trade marks for entire classes of goods and services (see C-307/10 IP TRANSLATOR) which the applicant was not even able to, let alone wished to cover comprehensively, this is a highly explosive issue*”.



In a recent decision of the General Court (*Torro Ent Ltd v EUIPO; T-63/18*), the “TORRO” (device) was held to be confusingly similar to “TORO” trade mark. In this particular case, the assessment of likelihood of confusion was limited to the English-speaking public in the EU.

The EUTM applicant, the Bulgarian company Torro Entertainment Ltd. (“Torro”) applied to the EUIPO to register the figurative mark shown on the right for a wide range of services in Classes 35 and 43, including (amongst others) management analysis, advertising, promotion, marketing services and the sale of alcoholic beverages.





The EUTM application was opposed by the Spanish company Grupo Osborne, based on their earlier EUTMs for the word "TORO" in Classes 35 and 43.

The Opposition Division upheld the opposition in respect of all of the services in question, on the ground of likelihood of confusion.

On appeal, the Second Board partially annulled the Opposition Division's decision. It found that some of the services that Torro had applied for in Class 35 were different from the services covered by the earlier TORO mark and, therefore, there was no likelihood of confusion in respect of the following: "*retail services in relation to disposable paper products; retail services in relation to tobacco; retail services in relation to articles for use with tobacco; wholesale services in relation to printed matter*". On the other hand, the Board took the view that there was a likelihood of confusion (including a risk of association)

for the remainder of the services applied for, at least for the English-speaking public in the EU.

Torro appealed to the General Court, who upheld the Board's decision. The dominant element of the earlier EUTM was "toro" (Spanish for bull). The dominant element of the contested mark was "toro grande" (Spanish for big bull). However, as the phrase "meat in style" had some meaning in English, the Board took the view that the assessment of likelihood of confusion should be restricted to the English-speaking public in the EU. That might seem a load of old bull but, as the Court explained, as the earlier marks were EU marks, any absence of a likelihood of confusion for the Spanish-speaking public could not exclude the existence of such a risk in another part of the EU (see, to that effect, *LG v OHIM*; T-160/15). In addition, the Court noted, for an EUTM to be refused registration, it was sufficient that a relative ground for refusal for the purposes

of Article 8(1)(b) existed in part of the EU (see *El Corte Inglés v EUIPO*; T-241/16).

The writer notes that the opponent's association with bulls is more well-known in Spain than the UK, due to the advertising activities of the Osborne Group. The company began to advertise their "*Brandy de Jerez*" back in 1956, by erecting large black silhouettes of bulls featuring the brand "*Veterano*" in red on advertising boards located near major roads throughout Spain. In 1994, regulation and restriction of advertising on Spanish secondary roads came into effect and the bulls were supposed to be removed. However, by this time the signs were nationally renowned and a public outcry resulted in the Osborne bulls being retained with all references to the original advertisers removed, on the grounds that they were considered part of the Spanish landscape and culture.

In contrast to its decision that apples are not similar to pears (Pear Technologies v EUIPO; T-251/17), the General Court found that apples is apples, in a decision confirmed by the Fifth Board of Appeal (R 2495/2018-5).

The Taiwan-based supplier of projector lamps Apo International Co. Ltd. ("Apo") filed a EUTM application in Classes 9, 11 and 35 for the following figurative mark:



The application was opposed by Apple Inc. under Article 8(1)(b)

and (5) EUTMR, based on its earlier EUTM registrations for the word APPLE and figurative EUTMs including its Apple logo, shown below:



The opposition was rejected by both the Opposition Division and the Fourth Board of Appeal, who found that the impressions of the signs were

different - the only common element was part of a fruit (apple) but that element was depicted differently – and, although the products were identical, there was no risk of confusion. The Board maintained that Apo's logo could just as easily have been an orange or perceived as the letter "c".

Apple appealed and, in a ruling that ought to astonish, but unfortunately does not, the General Court (in Case T-104/17) annulled the decision.

The Court held that:

- at least a significant part of the relevant public would perceive the element as a stylised representation of an apple;
- the figurative element was not negligible in the overall impression created by Apo's mark because constituted a distinctive element which contributed to the image of that mark;
- there was a certain degree of visual

similarity between Apo's mark and Apple's earlier figurative marks;

- there was a certain degree of conceptual similarity between Apo's mark and Apple's earlier figurative marks and word mark; and
- there was a certain degree of phonetic similarity between Apo's mark and Apple's earlier word mark.

The Court sent the case back to the Fifth Board of Appeal which found that, because of the uniqueness and high reputation of Apple's earlier mark, the figurative element of Apo's logo would trigger and establish a mental link with the earlier Apple logo. Accordingly, the EUTM was rejected.

Admittedly, it's a bit of a stretch to see the figurative element in Apo's logo as an orange or the letter "c" but would an EU moron in a hurry really confuse the two marks involved?



"MISS TO MRS. WITH ALL MY BITCHES" in respect of party supplies in Class 16. The application was opposed by Mr Glen Buchanan who owned an earlier UKTM registration for "MISS TO MRS".

Sterling James denied the grounds of opposition, arguing that the marks at issue differed in appearance (due to the type and colour of the font used) and also in meaning because the trade mark MISS TO MRS. WITH ALL MY BITCHES would be interpreted by consumers as *"an amusing way to celebrate bachelor parties and also linked with a youth concept, generating unique identity as a trade mark"*. Further, Sterling James stated that the UKIPO had authorised the mark with regard to public policy and principles of morality, denied any type of damage because of the lack of similarity or connection between the marks at issue and said *"it is clear therefore that there is no such profanity related to the opponent"*.

The Hearing Officer explained that the way that the parties used the marks was irrelevant and the correct approach was to conduct the comparison between the marks as they were registered and

Brand extension can either succeed - e.g. the extension of the VIRGIN mark to cover beverages, music products, air and railway services, and financial products - or fail spectacularly, as in the case of Colgate's beef lasagne, which failed to set the world of frozen TV dinners alight in the 1980s.

The phenomenon of "indirect confusion" occurs when the average consumer mistakenly believes a product to be a brand extension, as was the issue in a recent UK trade mark opposition, *The Sterling James Company LLC v Glen Buchanan* (Decision O/338/19).

Sterling James applied for the trade mark

applied for. In other words, any aspects of the marks not reflected in their graphic representation (either on the register or on the application filed) had to be disregarded.

In the Hearing Officer's view, the words "MISS TO MRS" would be perceived by the relevant public as referring to an unnamed female person getting married and changing her title from Miss to Mrs. The words "MISS TO MRS" formed a single identifiable unit with its own distinct meaning compared with that of the component elements taken separately. The words "WITH ALL MY BITCHES" did not alter the significance of the words "MISS TO MRS" as a unit.

Although she found "BITCHES" to be a derogatory reference to women, the Hearing Officer agreed with Sterling James that the average consumer was likely to see the phrase "WITH ALL MY BITCHES" as slang for "female friends" rather than a slur. That interpretation was emphasised by the significance of the words "MISS TO MRS" and by the nature of the goods at issue, all of which could be used for parties and celebrations.

As regards direct confusion, the Hearing Officer took the view that the average consumer would probably notice the differences between MISS TO MRS and MISS TO MRS. WITH ALL MY BITCHES, and so it was unlikely that the average consumer would mistake the applicant's mark for the opponent's mark.

In terms of indirect confusion, the Hearing Officer found that the average consumer would notice the striking juxtaposition created by the words WITH ALL MY BITCHES (in the later mark), contextualise those words and perceive the variation as indicating a brand extension of the earlier MISS TO MRS mark, i.e. a line of products of the MISS TO MRS brand for hen-do celebrations. There was a likelihood of indirect confusion and, therefore, the opposition under section 5(2)(b) succeeded in its totality.

In this infringement concerning a UK Registered Design and also a EUTM for the 3D-shape of a whisky glass, the effectiveness of Chinese walls in small law firms was considered.

In September 2018, Glencairn (a family business that designs, makes and sells premium crystal glassware) brought an action against Dartington Crystal for infringement of its UK Registered Design for the Glencairn Glass (the first specialist glass design for whisky to be endorsed by the Scotch Whisky Association, and now used by all Scottish and Irish distilleries).

Dartington were represented by Virtuoso. In *Glencairn v Dartington* [2018] EWHC 769 (Pat), the High Court refused to grant the interim injunction sought by Glencairn pending trial of the infringement. Mediation between Glencairn and Dartington took place just before Christmas 2018, under an agreement which expressly bound the parties and the solicitors present to keep confidential information disclosed at the mediation, and the parties ended up settling proceedings.

In September 2018, Glencairn became aware of another glass which they thought was too close to their design. That other glass was manufactured by Final Touch, who - aware that a similar issue had arisen between Glencairn and Dartington Crystal - also instructed Virtuoso to represent them.

In March 2019, Glencairn applied for an injunction to restrain Virtuoso from acting further for Final Touch, based on their concern that Virtuoso's involvement in the earlier litigation between Glencairn and Dartington meant there was a risk that information which was confidential to Glencairn and known to solicitors within Virtuoso would be inadvertently passed to Final Touch.

Despite reassurances from Virtuoso that a "Chinese wall" had been put in place, and that the relevant Virtuoso team based in Leeds were not aware of the earlier agreed settlement terms (which had involved the Virtuoso team based in London), Glencairn nevertheless sought

an injunction to prevent Virtuoso from acting for Final Touch.

His Honour Judge Hacon accepted that there was a higher risk that an information barrier in a small firm would be less developed and therefore less effective than one in a large firm. However, he said, it did not necessarily follow that a disclosure barrier in a small firm could never be effective - it depended on the actual facts. The question was whether the balance of justice favoured restraining Virtuoso from acting for Final Touch, which involved five principal issues:

- i. Did Virtuoso possess information confidential to Glencairn?
- ii. If so, was that information relevant to the present litigation between Glencairn and Final Touch?
- iii. Would Final Touch become aware of that information in the absence of an order?
- iv. Would there be any adverse effect on Glencairn if that information became known to Final Touch?
- v. Would there be any adverse effect on Final Touch if the order was made?

After carefully considering the issues, the judge decided not to grant the order restraining Virtuoso from acting as the solicitors for Final Touch. He found that, although the Dartington team at Virtuoso was aware of the contents of the Settlement Agreement and that at least some of this was confidential to Glencairn, the likelihood of any confidential information at all being passed to Final Touch was very low. In addition, "*any prejudice caused to Glencairn would only be significant if the entirety of the Settlement Agreement was disclosed and I believe that to be extremely unlikely, to the point of being fanciful.*"

Given that the balance of justice was in favour of refusing the order, Glencairn's application was dismissed.

This decision emphasises the importance of confidential information and provides useful guidance on setting up information barriers in small firms.

www.transportmedia.co.uk

www.transportmediaagency.co.uk

In a recent decision (*Media Agency Group Limited and Transport Media Limited v Space Media Agency Limited and Ors [2019] EWCA Civ 712*), the Court of Appeal has overturned a finding by the High Court and found that cybersquatting alone does not amount to passing off, as the requirements of goodwill, misrepresentation and damage still need to be satisfied.

The first claimant, Media Agency Group Limited ("MAG"), had been incorporated on 17 September 2009 as Transport Media Limited. The second claimant, Transport Media Limited ("TML") had been incorporated on 7 February 2012 as Agency Media Group Limited and was associated with the domain transportmedia.co.uk, but had remained dormant since incorporation. In February 2013, the two claimants swapped names to those that they currently hold.

The first defendant, Space Media Agency Limited (SMA), was set up by Mr Shafiq, a former employee of MAG. Mr Shafiq and Mr Buksh were the sole shareholders of SMA. MAG discovered that SMA was using the trading style "Transport Media Agency" and that Mr Buksh (the sole appellant) had acquired the internet domain name transportmediaagency.co.uk. In 2014, MAG applied for and was granted a UKTM for TRACCOUNTABLE for advertising and marketing services

in Class 35. Amongst the domain names registered by Mr Buksh was trackaccountableadvertising.com.

MAG and TML alleged that SMA had passed its business off as that of MAG and TML.

At first instance, Mr Buksh admitted that he undertook "cyber-squatting" domain names which might become valuable. During the course of the trial, the claimants accepted that any goodwill in the names Transport Media and the product "Traccountable" was held by MAG and not TML. Accordingly, no relief could be granted in favour of TML, which HHJ Hodge said "*now passes out of the picture*". He also said that he was satisfied by reliance on [British Telecommunications plc v One in a Million Ltd and Others \[1999\] 1 WLR 903](http://BritishTelecommunicationsplcvOneinamillionLtdandOthers[1999]1WLR903) "that registration of a domain name is capable of amounting to an actionable passing off". HHJ Hodge said he was also "satisfied that Mr Buksh's knowledge of the names Transport Media and Traccountable was clearly derived from Mr Shafiq" and he held that the passing off claim based on both Transport Media and the "Traccountable" word had been made out.

Mr Buksh appealed. The Court of Appeal allowed the appeal on the ground that there was no pleaded or factual basis for HHJ Hodge's finding that the word "Trackaccountable" had acquired any goodwill or reputation. It was an unused

trade mark and, therefore, incapable of supporting an action for passing off. Lord Justice Floyd said that the judge appeared to have treated cybersquatting as a comprehensive basis for an allegation of passing off and appeared to have misinterpreted the judgment in *One in a Million*, which had not done away with "*the need to show, in the case of a passing off action, relevant reputation and goodwill in the name or mark relied on.*" On the evidence, it was clear that no use had been made of the name, which effectively destroyed any possible claim to acquired goodwill in "Traccountable". Accordingly, the appeal was allowed in part.

As Floyd commented, "*It is unfortunate that, having taken the trouble to obtain a registered trademark for traccountable, the claimants did not think to sue Mr Buksh for threatened infringement of it, but, given no such action was raised, there is nothing we can do about that.*"

-IC NO BRAND EXTENSION



In what appears to be the first time that the UK courts have considered the effect of adding an adjectiveal suffix to an earlier trade mark, the High Court has found that indirect confusion can occur where a trade mark adds a non-distinctive element to an earlier mark such that the average consumer would be likely to think that mark was a brand extension, even if the principles laid down by Medion do not apply (Virgin Enterprises Ltd v Virginic LLC [2019] EWHC 672 (Ch)).

The natural organic health and beauty brand Virginic LLC applied to register VIRGINIC as a UK trade mark for cosmetics and related goods in Class 3. Virgin Enterprises Limited opposed the application on the basis of likelihood of confusion with its earlier UKTM and EUTM for VIRGIN. The Hearing Officer rejected the opposition. On appeal, Virgin argued that the Hearing Officer erred in finding that the trade marks were conceptually similar to only a medium degree, that the earlier marks had only a normal degree of distinctive character and that there was no likelihood of indirect confusion.

No such thing as “normal”

The Hearing Officer took the view that “*the common element “VIRGIN” has no link or association with the goods at issue and can be said to be an arbitrary choice when considering the nature of the*

goods. Consequently, the mark is found to have a normal degree of inherent distinctive character.”

However, as Virgin pointed out, there was no such thing as a “normal” degree of distinctive character and, even assuming that the Hearing Officer meant to say “average”, that conclusion did not follow from the (correct) premise that the word VIRGIN was arbitrary in relation to the goods in question. Arnold J accepted Virgin’s submissions. Given the Hearing Officer’s unchallenged finding that VIRGIN was arbitrary in relation to the goods in question, it followed that it had a fairly high degree of distinctive character (albeit not so high as would be the case if it were an invented word).

IC a similar concept

The Hearing Officer found that the average consumer would perceive the VIRGIN-element in VIRGINIC but, as Virgin pointed out, he had failed to go on to consider the -IC element. Moreover, Virgin argued, the Hearing Officer had failed to address their argument that -IC was a well-known suffix in the English language meaning “of” or “pertaining to” as in the examples that Virgin provided in written submissions, such as acid/acidic.

Arnold J agreed that the Hearing Officer had erred in not considering how the average consumer would perceive the -IC element. The judge found that the average consumer would perceive -IC to

be playing its usual role as a suffix and, therefore, would perceive VIRGINIC as a newly-minted adjective meaning “*of or pertaining to VIRGIN*”. It followed that there was a fairly high degree of conceptual similarity between the trade marks.

Confused?

Virgin argued that the Hearing Officer had misapplied the guidance as set out in *LA Sugar v Back Beat* (BL-O/375/10), which identified three types of variation that pointed towards a likelihood of indirect confusion:

- where the two marks share a common element that is so strikingly distinctive that the average consumer would assume that no-one other than the original brand owner would be using it in a trade mark (e.g. “26 RED TESCO”);
- where the later mark simply adds a non-distinctive element to the earlier mark, in a way that might be found in a sub-brand or brand extension (e.g. terms such as “LITE”, “EXPRESS”, “WORLDWIDE” or “MINI”, etc.); or
- where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension (e.g. “FAT FACE” to “BRAT FACE”).

Virgin argued that the Hearing Officer had considered category (a) but should have considered category (b) instead. In support, Virgin referred to a number of instances in which owners of well-known brands had deliberately adopted adjectiveal versions of their brands (e.g. NIKONIC) as well as a number of instances in which such terms had been used by members

of the public when referring to well-known brands (e.g. ROLEXIC).

Virgin's underlying point was that, because the average consumer would perceive VIRGINIC as a newly-minted adjective meaning "of or pertaining to VIRGIN", the average consumer would be likely to think that VIRGINIC was a brand extension of VIRGIN. Arnold J agreed. Re-assessing the likelihood of confusion, the judge concluded that indirect confusion was likely for the following reasons:

- the goods were identical;
- the level of attention paid by the average consumer would be average;
- the trade marks were visually and aurally similar to a high degree and conceptually similar to a fairly high degree; and
- the earlier marks were fairly highly distinctive.

Comment

Despite the term "VIRGINIC" being an invented word (the recognised adjectival form being VIRGINAL), the judge took the view that the average consumer would still perceive the -IC element as playing its common grammatical role as an adjectival suffix, thereby reinforcing the conceptual connection to the term VIRGIN. Arnold J also considered *Medion v Thomson* (C-120/04), in which the CJEU found that an average consumer of leisure electronic products confronted with the composite sign THOMSON LIFE could perceive both the whole and its constituent parts to have significance and thus could be misled into believing that there was a similar kind of connection between the respective undertakings. When the well-known pharmaceutical company Glaxo plc acquired the well-known

pharmaceutical company Wellcome plc, Arnold J had found that the average consumer of pharmaceutical goods confronted with the composite sign GLAXOWELLCOME would perceive the significance of both the whole and its constituent parts and conclude that this was an undertaking which combined the two previously separate undertakings (see *Glaxo Group Ltd v Glaxowellcome Ltd* [1996] FSR 388). However, in the present case he took the view that VIRGINIC wasn't a composite mark made up of two signs – rather, it was a single sign into which the VIRGIN-element had been subsumed to form a new, conceptually-related whole – and, in such a scenario, the *Medion* principle did not apply. Be that as it may, indirect confusion was still likely, on the basis that the later mark would be perceived as an adjectival version of the earlier brand.

HIGH COURT CONSIDERS “OVER-STICKERING” IN PARALLEL IMPORTS AND WHEN THE BMS CRITERIA APPLY

In a trade mark infringement action related to parallel imports of medical devices into the UK (*Dansac A/S & Anor v Salts Healthcare Ltd & Ors* [2019] EWHC 104 (Ch)), the High Court has held that importers do not need to provide notice to the original trade mark owner when parallel importing relabelled goods, provided that such relabelling does not obscure the guarantee of origin of the goods provided by the trade mark.

The claimants belonged to the major Hollister Group of companies, which manufacture and sell ostomy bags and related products worldwide under various UK and EU registered trade marks. There were a total of four defendants: Medik

Ostomy Supplies (a parallel importer of Hollister goods from elsewhere in the EEA); Mr Badiani (a director of Medik) and Salts Healthcare Limited and Moorland Surgical Supplies Limited (both customers of Medik, and actually sold the goods at issue to the relevant healthcare services and other entities in the UK).

Some of the imported goods were so-called "relabelled goods": products that Medik had parallel imported from elsewhere in the EEA and stuck labels on the outside but not opened the box. The other limb of the case concerned "unrelabelled goods": goods which Medik supplied by simply buying from elsewhere in the EEA and putting them on the market in the UK without opening the box and

without adding any new labels.

Hollister argued that Medik should have given notice to the trade mark owner before the repackaged product was placed on sale and, on demand, supply them with a specimen of the repackaged products (which was one of the *BMS* criteria established in Joined Cases C-427/93, C-429/93 and C-436/93 *Bristol-Myers Squibb* [1996] ECR I-3457). The defendants retorted that simply sticking a label on an unopened box, which did not obscure the originator's label or branding, did not engage the *BMS* criteria at all (in other words, the fact that no notice had been given did not matter), and the trade mark owner was not allowed to use trade mark rights to prevent sale of those parallel



imported goods. The defendants based their argument on the CJEU's judgment in *Junek v Lohmann & Rauscher* (C-642/16), which had been handed down after the present proceedings had commenced.

Hollister argued that the sale of the unlabelled goods was unlawful because the labelling and product information did not contain an English language translation of the information required under the Medical Device Directive (93/42/EC) and the Medical Device Regulations 2002/618. Hollister claimed such an offence was necessarily damaging to the reputation of their marks and, therefore, the exception to exhaustion applied and they could allege trade mark infringement. The defendants contended that claim should be struck out for being improbable given that there were language-free cartoon instructions. The defendants also said that the claim was all the more improbable because the test to be applied to bring such a claim into this area of law was that serious damage had to be caused to the mark's reputation.

Relabelled goods

Birss J found that *Junek* was not an authority for the proposition that (i) if the box had not been opened and (ii) if the new label did not cover an existing label, then necessarily (iii) any new label was free of the *BMS* criteria. The new label would still need to be considered, in order to determine whether or not the guarantee of origin was put at risk. For Hollister to succeed, they had to show that the relabelling at least risked harming the guarantee of origin provided by their trade mark. It was not enough to plead (as Hollister had originally) that because Medik's product wasn't in accordance with the notice, it necessarily infringed. That was because the *BMS* criteria might not apply. To rely on lack of notice alone in this particular case did not render the goods infringing under *BMS*. Accordingly, Birss J found that Hollister's original pleading did not disclose an arguable case.

The re-amended Particulars of Claim

The fact that the new label included one of Hollister's own trade marks made the facts of the present case different from *Junek*. Hollister contended that even if the broad proposition – namely that a mere lack of notice meant that there was infringement – was not enough for their claim, they were still entitled to oppose further commercialisation under the exhaustion rules and proposed some amendments to their Particulars of Claim. Birss J gave permission for Hollister's proposed amendments as follows:

- the new label included one of their own trade marks;
- the new labels contained inconsistent marks; or
- the new labels contained a confusing statement that Hollister's UK mark was the equivalent of the European mark.

Unlabelled goods

Although Birss J remarked that "*it is worth noting that, as one often sees today, the instructions for these goods are pictorial and do not use words at all*", he nevertheless held that the omission of English-language instructions from those goods arguably breached the Medical Device Directive and Regulations, which would constitute a criminal offence if proven. In his opinion, however, this strike out application was not the occasion to decide whether there was a test for the seriousness of any damage to the marks' reputation; if the sale of unlabelled goods amounted to a breach of consumer protection law, then it was a short step from that to say that the commission of a criminal offence could cause damage to the reputation of a mark, and that this might be a legitimate reason for the trade mark owner to oppose the marketing of the goods. Accordingly, Birss J found that Hollister's plea was not fanciful and declined to strike out the Particulars of Claim relating to these goods.

Comment

The famous five *BMS* criteria to be applied when repackaging (in the broadest sense) parallel imported goods are as follows:

- 1) reliance on trade mark rights by the owner in order to oppose the marketing of repackaged products under that trade mark would contribute to the artificial portioning of the market between Member States;
- 2) the repackaging does not affect the original condition of the product;
- 3) the new packaging clearly states who repackaged the product;
- 4) the presentation of the repackaged product is not liable to damage the reputation of the trade mark; and
- 5) the importer gives notice to the trade mark owner of the repackaged product.

This judgment brings some welcome clarity to the application of the *BMS* criteria in cases concerning over-stickered medical devices imported into the UK; hopefully, such criteria will no longer be applied without specific consideration of the nature of the particular labels which have been put on the packaging.

Out and about - external event attendance

Who	Details	When
Maucher Jenkins Team	AIPLA Annual Meeting, Arlington, USA	24-26 October 2019
Maucher Jenkins Team	APAA, Taipei, Taiwan	9-12 November 2019
Maucher Jenkins Team	MEDICA Düsseldorf, Germany	18-21 November 2019
Maucher Jenkins Team	INTA, Singapore	25-29 April 2020
Maucher Jenkins Team	BIO, San Diego, USA	8-11 June 2020

Maucher Jenkins hosted events

Who	Details	When
Maucher Jenkins Team	IP Showcase, Basel, Switzerland	8 October 2019
	IP Showcase, Tuttlingen, Germany	10 October 2019
Henrich Börjes-Pestalozza	Consultation for inventors, IHK Südlicher Oberrhein Freiburg, Germany	10 October 2019
Johannes Lange	Consultation for inventors, IHK Südlicher Oberrhein Freiburg, Germany	7 November 2019
Dr. Andreas Geißler	Consultation for inventors, IHK Südlicher Oberrhein Lahr, Germany	21 November 2019
Dr. Michael Nielsen	IP Showcase, Basel, Switzerland	3 December 2019
	IP Showcase, Tuttlingen, Germany	5 December 2019
Henrich Börjes-Pestalozza	Consultation for inventors, IHK Südlicher Oberrhein Freiburg, Germany	19 December 2019

London 26 Caxton Street London, SW1H 0RJ T: +44 (0)20 7931 7141 F: +44 (0)20 7222 4660 london@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	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
Farnham Broadmeade House Weydon Lane Business Park Farnham, GU9 8QT T: +44 (0)1252 711149 F: +44 (0)20 7222 4660 farnham@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	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

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