



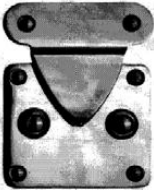
## TRADE MARKS





## Decisions of the GC and CJ

Ref no.	Application (and where applicable, earlier mark)	Comment
<p>CJ</p> <p><b>C-374/13</b></p> <p><i>Metropolis Inmobiliarias y Restauraciones SL v OHIM; MIP Metro Group Intellectual Property GmbH &amp; Co. KG</i></p> <p>(10.04.14)</p>	<p><b>METROINVEST</b></p> <p>- financial services and affairs relating only to real estate services, real estate affairs and services, property sales, leasing, management and investment services, real estate operations and transactions (36)</p>   <p>- insurance services, financial services, cash transactions, real estate services (36)</p> <p>(German and Community marks)</p>	<p>The CJ upheld the GC's decision to allow the opposition due to a likelihood of confusion between the marks under <b>Art 8(1)(b)</b> (<b>T-284/11</b>, reported in <i>CIPA Journal</i>, May 2013).</p> <p>The GC had not erred in its assessment of the similarity of the marks at issue. It had carried out a global assessment of the likelihood of confusion by comparing METROINVEST as a whole to the earlier marks.</p> <p>Metropolis' submission that there was no likelihood of confusion because there were many METRO Community marks that coexisted peacefully failed. The CJ held that Metropolis had failed to explain the error of law made by the GC and had merely annexed a list of marks which it had already produced before the GC. This ground of appeal was therefore rejected as inadmissible.</p>
<p>GC</p> <p><b>T-647/11</b></p> <p><i>Asos plc v OHIM; Roger Maier</i></p> <p>(29.04.14)</p>	<p><b>ASOS</b></p> <p>- various goods (3)</p> <p>- bumbags, sports bags, casual bags, briefcases, attaché cases, satchels, beauty cases, credit card cases and holders, wallets, purses, bags, handbags, shoulder bags, belts (18)</p> <p>- various items of clothing, footwear, headgear (25)</p> <p><b>ASSOS</b></p> <p>- bleaching preparations and other substances for laundry use, cleaning, polishing, scouring and abrasive preparations, soaps, perfumery, essential oils, cosmetics, hair lotions, dentifrices' (3)</p> <p>- vehicles, apparatus for</p>	<p>The GC upheld the BoA's decision that there was a likelihood of confusion between the marks under <b>Art 8(1)(b)</b>, save in relation to certain goods in Class 18 which were not similar to the goods in Class 25 covered by the earlier mark.</p> <p>The mark applied for was, like the earlier mark, conceptually neutral for the majority of the relevant public. The BoA was therefore correct to find that there was no reduction in the high degree of similarity of the marks arising from their visual and phonetic comparison.</p> <p>The BoA was also correct to reject Asos' submission that there had been peaceful coexistence of the marks which reduced the likelihood of confusion between them. The written declarations submitted as evidence were not corroborated by any other</p>

	locomotion by land, air or water (12) - clothing, footwear, headgear (25)	evidence. They also only related to 18 Member States so did not have the effect of excluding a likelihood of confusion in the EU as a whole. Whether there had been peaceful coexistence between the marks was also called into question by Assos' opposition of Asos' UK trade mark application which resulted in Asos withdrawing its application.  The BoA was correct to find that bumbags, sports bags, briefcases, beauty cases, wallets and purses in Class 18 were not similar to the Class 25 goods. Unlike clothing, footwear and headgear, those Class 18 goods had a utilitarian rather than aesthetic function and did not contribute to the external image of consumers. Purchasing decisions for each type of goods would also be independent.
GC <b>T-170/12</b> <i>Beyond Retro Ltd v OHIM; S&amp;K Garments, Inc.</i> (30.04.14)	<b>BEYOND VINTAGE</b> - jewellery, precious stones and watches (14) - clothing accessories, handbags, purses and wallets (18) - clothing (25) <b>BEYOND RETRO</b> - clothing, headgear and footwear (25)	The GC allowed an appeal from the BoA's decision that there was no likelihood of confusion between the marks under <b>Art 8(1)(b)</b> to the extent the marks concerned identical/similar goods.  The GC upheld the BoA's assessment that the goods in Class 14 were neither in competition with, nor complementary to, the goods in Class 25 of the earlier mark - there was therefore no likelihood of confusion in respect of these goods. The likelihood of confusion could only be assessed in respect of the goods applied for in Classes 18 and 25 as these were similar or identical to the goods of the earlier mark.  However, the GC disagreed with the BoA's assessment that the marks had low visual and phonetic similarity. While the two word elements in each mark were of equal overall importance, consumers were likely to take more note of a word placed at the beginning of a sign. The GC also disagreed with the BoA's assessment that the marks had no conceptual similarity for the non-English speaking public - the word elements 'vintage' and 'retro' were commonly used to refer to aesthetic styles of clothing from the past (a similar reasoning also applied to the English-

		speaking public).
<p>GC  <b>T-38/13</b>  <i>Pedro Group Pte Ltd v OHIM; Cortefiel, SA</i>  (08.05.14)</p>	<p><b>PEDRO</b>  - articles of clothing for men and women (25)</p> <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 10px auto;"> <p>Pedro del Hierro</p> </div> <p>- ready-made clothing for ladies, gentlemen and children, footwear (except orthopaedic) and headgear (25)</p>	<p>The GC upheld the BoA's finding that there was a likelihood of confusion between the marks under <b>Art 8(1)(b)</b>.</p> <p>The BoA was correct to find that there was sufficient evidence to establish that the earlier mark had been commercially exploited and thus put to genuine use and also that the earlier mark had acquired a highly distinctive character in Spain.</p> <p>The BoA was also correct to find that (i) the marks had a low degree of visual similarity due to the presence of the more dominant 'del Hierro' element contained in the earlier mark; (ii) the marks shared a low degree of phonetic similarity; and (iii) in terms of a conceptual comparison, there was a neutral degree of similarity between the marks because they did not convey any specific meaning.</p> <p>Owing to the highly distinctive character of the earlier mark and the identity of the goods, the BoA was correct to find that there was a likelihood of confusion irrespective of its finding that the marks were of similarity only to a low degree.</p>
<p>GC  <b>T-327/12</b>  <i>Simca Europe Ltd v OHIM; GIE PSA Peugeot Citroen</i>  (08.05.14)</p>	<p><b>SIMCA</b>  - vehicles, apparatus for locomotion by land, air or water (12)</p>	<p>The GC upheld the BoA's decision to invalidate the mark on the basis that the original proprietor acted in bad faith under <b>Art 52(1)(b)</b> when he applied to register the mark.</p> <p>The BoA was permitted to take into account matters other than those set out by the CJ in <i>Lindt (C-529/07)</i> reported in <i>CIPA Journal</i>, December 2008), including the origin of the mark applied for, the earlier use of that mark in business (particularly by competing undertakings) and the commercial logic underlying the filing of the application.</p> <p>The original proprietor had worked for Peugeot for an 18-month period prior to making the application and had specifically sought to register a mark that enjoyed a surviving reputation in relation to motor vehicles but had fallen into disuse. He knew that this was the case with Peugeot's pre-existing registrations,</p>

		<p>but had not attempted to revoke any of these before submitting his application.</p> <p>Applying the facts, the BoA was entitled to infer that the real purpose of the former proprietor's application was to 'free-ride' on the reputation of Peugeot's registered marks and to take advantage of that reputation. Accordingly, the appeal was dismissed.</p>
<p>CJ  <b>C-97/12</b>  <i>Louis Vuitton Malletier v OHIM; Friis Group International ApS</i>  (15.05.14)</p>	 <p>- optical apparatus and instruments, including spectacles, sunglasses and spectacle cases (9)</p> <p>- jewellery, including rings, keyrings, buckles and earrings, cuff links, bracelets, trinkets, brooches, necklaces, [tie] pins, ornaments, medallions; horological and chronometric instruments and apparatus, including watches, watchcases, alarm clocks; nutcrackers in precious metals, their alloys or coated therewith, candlesticks in precious metals, their alloys or coated therewith, jewel boxes in precious metals, their alloys or coated therewith (14)</p>	<p>In invalidity proceedings the CJ upheld the GC's finding (reported in <i>CIPA Journal</i>, January 2012) that the mark was devoid of distinctive character under <b>Arts 52(1)(a)</b> and <b>7(1)(b)</b> for some of the registered goods but was inherently distinctive in relation to others. Louis Vuitton had failed to prove acquired distinctiveness for those goods for which the mark was not inherently distinctive under <b>Art 7(3)</b>.</p> <p>The case law relating to the distinctiveness of 3D marks applied to a figurative mark which consisted of a 2D representation of the whole/a part of a product. The mark would therefore only be inherently distinctive if it departed significantly from the norms or customs of the sector of the goods for which it was registered.</p> <p>The mark's lack of distinctive character in relation to 'spectacle cases' meant it also lacked distinctive character in relation 'optical apparatus and instruments'. This was not inconsistent with the finding that the mark's lack of distinctive character in relation to 'jewel boxes in precious metals' did not mean that it lacked distinctive character in relation to 'jewellery'. The use of the term 'including' in the Class 9 specification indicated that 'spectacles, sunglasses and spectacle cases' were specific examples of 'optical apparatus and instruments'. However the semi-colon used in the Class 14 specification meant the GC was entitled to find that the mark was distinctive for some goods in that Class but not others.</p>

<p>GC <b>T-247/12</b> <i>Argo Group International Holdings Ltd v OHIM; Arisa Assurances SA</i> (20.05.14)</p>	<p style="text-align: center;"></p> <p>- insurance services, financial risk management services for the art and art-associated industries (36)</p> <p style="text-align: center;"></p> <p>- insurance and reinsurance (36)</p>	<p>The GC upheld the BoA's finding that there was a likelihood of confusion between the marks under <b>Art 8(1)(b)</b>.</p> <p>The BoA was correct to find that the relevant public comprised both average consumers of insurance services and also specialised consumers, such as art dealers and legal and fiscal bodies. The BoA was also correct to take into consideration the portion of relevant public with the lowest attention level (average consumers of insurance services).</p> <p>The word elements 'aris' and 'arisa' were the dominant elements of the mark applied for and the earlier mark respectively. The BoA did not err in finding the marks similar.</p> <p>Given further the identity or similarity of the goods (which was not disputed) there was a likelihood of confusion.</p>
<p>GC <b>T-61/13</b> <i>Research and production Company 'Melt Water' UAB v OHIM</i> (21.05.14)</p>	<p style="text-align: center;"></p> <p>- mineral and aerated water and other non-alcoholic beverages (32)</p>	<p>The GC deemed the appeal not to have been filed, where the appeal fee was paid late, due to Meltwater's misunderstanding of the Lithuanian translation of <b>Art 60</b>.</p> <p>Since a normally careful and diligent CTM applicant should have checked <b>Art 60</b> against <b>Rule 49(3)</b> of the CTM Implementing Regulation (<b>2868/95/EC</b>), the GC held that late payment of the appeal fee was not justified.</p>
<p>GC <b>T-599/11</b> <i>Eni SpA v OHIM; Emi (IP) Ltd</i> (21.05.14)</p>	<p><b>ENI</b></p> <p>- clothing, footwear, headgear (25)</p> <p style="text-align: center;"></p> <p>- the bringing together for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase clothing, footwear and headgear (35)</p>	<p>The GC upheld the BoA's decision to allow the opposition due to a likelihood of confusion between the marks under <b>Art 8(1)(b)</b>.</p> <p>The BoA was correct to find that the goods (clothing, footwear, headgear) and service (retail of those goods) at issue were similar.</p> <p>It was not disputed that the marks at issue were visually and phonetically similar. The BoA did not err in concluding that the signs at issue had no conceptual meaning for the general public of the EU (the part of the relevant public with the lowest level of attention).</p> <p>The BoA was correct to find a likelihood of confusion.</p>

## Independent distinctive role of words within a composite mark

### ***Bimbo SA v OHIM; Panrico (CJ (Second Chamber)); C-591/12; 08.05.14***

Bimbo filed an application for registration of BIMBO DOUGHNUTS as a CTM in Class 30 for 'pastry and bakery products, specially doughnuts'.

Panrico filed a notice of opposition under **Art 8(1)(b)** based on a number of earlier national and international marks, including the Spanish word mark DOGHNUTS registered for 'pastry products and preparations.....round-shaped dough biscuits...' in Class 30. The Opposition Division, the BoA and the GC upheld the opposition (reported in *CIPA Journal*, November 2012).

The CJ dismissed the appeal, thereby agreeing with the AG's opinion (reported in *CIPA Journal*, February 2014); there was a likelihood of confusion between the marks.

The CJ considered the attribution of an independent distinctive role to elements of a composite mark. The average consumer normally perceived a mark as a whole and did not analyse its various details. The comparison of marks therefore had to be made by examining each of the marks in question as a whole.

In relation to composite marks, it was only if all the other components of the mark were negligible that the assessment of similarity could be carried out solely on the basis of the dominant element (*OHIM v Shaker*, **Case C-334/05** reported in *CIPA Journal*, July 2007). A component of a composite mark did not retain an independent distinctive role if, together with the other component or components of a mark, that component formed a unit having a different meaning as compared with the meaning of those components taken separately.

In accordance with the AG's opinion, it was necessary to:

- (1) ascertain the overall impression made on the target public by the mark applied for, by means of, *inter alia*, an analysis of the relative weight of components of a mark in the perception of the target public,

before:

- (2) assessing the likelihood of confusion in the light of the overall impression provided by the marks and all factors relevant to the case; the individual assessment was not, therefore, subject to general presumptions.

It was clear from the case-law subsequent to *Medion* (**Case C-120/04**, reported in *CIPA Journal*, October 2005), that the CJ had not introduced a derogation from the principles governing the assessment of the likelihood of confusion.

The GC had found that, even if the element 'bimbo' was dominant in the mark applied for, the 'doughnuts' element was not negligible in the overall impression produced by the mark. Since the 'doughnuts' element was wholly meaningless for the relevant public, when combined with 'bimbo' it did not form a unit having a different meaning as compared with the meaning of those elements taken separately. Therefore the 'doughnuts' element still had an independent distinctive role in the mark applied for and this had to be taken into account in the global assessment of the likelihood of confusion.

Accordingly, the GC did not conclude that there was a likelihood of confusion merely from the finding that 'doughnuts' in the mark applied for had an independent distinctive role. The GC based its conclusion on a global assessment and had correctly applied **Art 8(1)(b)**.

## **Protection for a geographical designation which has not obtained a Community registration**

*Assica — Associazione Industriali delle Carni e dei Salumi and anr v Associazione fra produttori per la tutela del 'Salame Felino' ('AFP') and otrs (CJ (Ninth Chamber); C-35/13; 08.05.14)*

The CJ has given guidance on the circumstances in which **Article 2** of **Regulation 2081/92** will afford protection to a geographical designation that has not obtained a Community registration.

Salame Felino was a salami named after the town of Felino, in the province of Parma, Italy. AFP brought proceedings against Kraft Jacobs Suchard SpA ('KJS') before the Parma District Court for unfair competition on the ground that KJS had offered for sale a salami called 'Salame Felino', which had been produced in Lombardy, outside Parma. The Parma District Court found that AFP could not rely on **Regulation 2081/92**, as the name 'Salame Felino' did not constitute a protected designation of origin or a protected geographical indication within the meaning of that regulation. Nevertheless, AFP could rely on the provisions of **Article 31** of **Legislative Decree No 198/1996** (Italian national legislation). Consequently, given that the products marketed by KJS did not come from Parma and 'Salame Felino' had acquired a reputation among consumers with respect to its characteristics, resulting from a feature related to the geographical environment, the Parma District Court held that KJS' conduct constituted an act of unfair competition.

KJS appealed this decision to the Bologna Court of Appeal, which dismissed it, holding: (i) **Legislative Decree No 198/1996** and **Regulation 2081/92** did not conflict; and (ii) it was only necessary to register a name as a geographical designation if **Regulation 2081/92** was to be invoked, but it was not necessary for protection to exist under the national law.

KJS further appealed to the Italian Supreme Court of Cassation, which stayed the proceedings and referred questions to the CJ for a preliminary ruling, concerning (i) which set of rules should be applied within the EU and within a specific Member State to a geographical designation which has not obtained a Community registration; and (ii) whether **Article 2** of **Regulation 2081/92** precludes a producers association from exclusively using a geographical designation within a Member State without obtaining a legally binding measure from that Member State establishing the requirements and boundaries inherent in the protection of such a designation.

The CJ ruled that **Regulation 2081/92** (as amended by **Regulation 535/97**) must be interpreted as meaning that it did not afford protection to a geographical designation which had not obtained a Community registration. However, that geographical designation might still be protected under national legislation concerning geographical designations relating to products for which there was no specific link between their characteristics and their geographical origin, provided that the implementation of that legislation did not undermine the objectives pursued by **Regulation 2081/92** and did not contravene the principle of the free movement of goods under **Article 28 EC** (both matters which fall to be determined by the national court).

*Note: Article 28 EC has been replaced by Article 34 TFEU.*

## **JUMPSTART not devoid of distinctive character for car battery charger**

*Data Marketing & Secretarial Ltd & Anr v S&S Enterprises Ltd & Anr ('SSEL')\* (Judge Hacon; [2014] EWHC 1499 (IPEC); 16.05.143)*

SSEL's claim that Data Marketing's UK trade mark JUMPSTAR was invalid under **Articles 3(1)(b)**, **3(1)(c)**, and **3(2)(d)** was rejected, as was SSEL's defence under **Article 6(1)(b)**. In addition, despite SSEL being an aggrieved person, given that (i) SSEL admitted that its

acts amounted to trade mark infringement if the trade mark was valid and (ii) its defence was rejected, SSEL's claim for groundless threats pursuant to **Section 21** was also rejected.

The second claimant company, Winning Deals Ltd, marketed a product used to charge a vehicle's battery by connecting the product to a 12 volt power outlet of that vehicle. The device was sold under the JUMPSTAR trade mark. SSEL was an importer and wholesaler of a variety of goods which had imported battery chargers having the name JUMPSTAR into the UK and sold them along with its customer, which was the second defendant company. The defendants admitted that they had infringed Data Marketing's JUMPSTAR trade mark subject to the defence that it was invalidly registered.

**Judge Hacon** rejected SSEL's contention that the JUMPSTAR trade mark consisted exclusively of a sign which indicated a characteristic of the goods for which it was registered (which included batteries for vehicles and battery chargers). He agreed that "jumpstart" designated the activity of charging a vehicle battery, but found that the average consumer was unlikely to mistake JUMPSTAR for jumpstart. Referring to *Angenja Wydawnicza Technopol v OHIM C-51/10P* and *Europig v OHIM T-207/06* which both considered the issue in relation to **Article 7(1)(c)**, the court confirmed that the test for **Article 3(1)(c)** was that "*there must be a sufficiently direct and specific relationship*" between the mark and the goods for which they were registered so that the average consumer immediately perceived "*without a further thought*" a description of a characteristic of the goods. Judge **Hacon** did not think this was made out on the evidence.

For the same reason, SSEL's defence under **Article 6(1)(b)** that its use of JUMPSTAR was an indication in the trade to designate a characteristic of its battery chargers was also rejected.

SSEL's claim that the mark was invalid under **Article 3(1)(b)** because it was devoid of distinctive character at the time of its registration was also rejected. SSEL had not sufficiently shown that third parties had used the mark in the UK prior to Data Marketing's application to the extent that the average consumer of battery chargers was at that time aware of the mark. Consequently, it could not serve as a badge of origin for Data Marketing.

In relation to bad faith under **Article 3(2)(d)**, relying on **Arnold J's** decision in *Och-Ziff Managemen v OCH Capital* [2011] FSR 11, **Judge Hacon** confirmed that the test as to whether someone had registered a trade mark in bad faith was to consider the intention of the applicant at the time of the application, having regard to the objective circumstances at that time. In circumstances where, at the date of the application, Data Marketing believed it would have the exclusive right to use JUMPSTAR in the UK, the application was not made in bad faith merely because Data Marketing knew that others had been using the mark in the UK prior to that date.

### **Post judgment application to stay based on related actions in Italy**

#### ***Hearst Holdings In & Anr v A.V.E.L.A. Inc & Ots\** (Birss J; [2014] EWHC 1553 (Ch); 19.05.14)**

**Birss J** refused to decline jurisdiction or stay the proceedings pending the outcome of 3 actions in Italy and acceded to Hearst's summary judgment application, rejecting A.V.E.L.A.'s bad faith attack on the invalidity of Hearst's BETTY BOOP trade marks.

Hearst claimed that it was the successor of the originator of the cartoon character Betty Boop, first shown in 1930s America, and that it was the only legitimate source of Betty Boop merchandise in the UK. A.V.E.L.A. claimed that it was also a legitimate source of Betty Boop 'imagery' in the UK. It permitted its licensees, which included two of the other defendants, to use artwork from its library and similar images on t-shirts and bags. **Birss J** had previously held that A.V.E.L.A. had infringed Hearst's UK and Community trade marks for the word mark BETTY BOOP and a device depicting the Betty Boop character (reported in *CIPA Journal*, March 2014). Two issues had been separated to be tried in January 2015: namely,



Hearst's claim for copyright infringement and A.V.E.L.A.'s claim that the registered trade marks were invalid on bad faith grounds.

### Jurisdiction

After judgment, A.V.E.L.A had raised a new argument that when the claim began in the UK there were already 3 actions in Italy concerning Betty Boop merchandise. It contended that the UK court should therefore decline jurisdiction and stay the remainder of the claim on three grounds: (i) under **Article 109**, which applied where actions for infringement involving the same cause of action and between the same parties were brought in the courts of different Member States; (ii) under **Article 104**, which applied because A.V.E.L.A. brought an invalidity claim in Italy before the proceedings in the UK were started; and (iii) under **Article 28** of the **Brussels I Regulation**, i.e. where related actions were pending in two different Member States the second court could decline jurisdiction.

The Judge found **Article 109** did not apply because the Italian proceedings as compared to the English proceedings involved different defendants selling different goods with different images of Betty Boop. Although the acts were said to infringe the same law and the cases included the same parties, the facts were different.

Under **Article 104**, the only question was whether there were special grounds for continuing the hearing in the UK. The leading authority was *Starbucks v BskyB* [2012] EWCA Civ 1201. The Judge noted the policy behind **Article 104** was the avoidance of inconsistent decisions and that this was of particular importance in the context of Community trade marks. He stated that the presumption in favour of a stay under **Article 104** was a strong one and it would be a rare and exceptional case where there were special grounds within **Article 104**. The existence of a passing off claim was not regarded as a special feature since it was a commonplace in infringement claims. Since the UK court had already given judgment both on infringement and on the validity of the CTMs, the Judge held that raising the point at this stage in these proceedings was wholly unprecedented. He stated that both parties deserved serious criticism for allowing the situation to arise by failing to draw the matter to the court's attention earlier in the proceedings. Since the policy behind **Articles 104** and **109** was to avoid irreconcilable judgments or at least the risk thereof, the policy was wholly defeated if the point was only taken after a judgment in the court second seised has been given, as had happened in the present case. While the issues being considered in Italy and the issues considered in **Birss J's** earlier judgment were clearly related and it was possible that the Italian court might come to different conclusions on some or all of those related issues with the result that there could be an irreconcilable result, the risk could not be avoided or reduced by staying the current proceedings. Given his findings, the Judge also refused to stay the proceedings under **Article 28** of the **Brussels I Regulation**.

Finally, the Judge refused A.V.E.L.A.'s application to stay only the bad faith ground of invalidity on the basis that the Italian court had not yet pronounced on the question of bad faith and to that extent an irreconcilable result might be avoided if that aspect of the case were stayed. The Judge held that the right course in the circumstances was to address and decide the summary judgment point.

A.V.E.L.A had alleged that Hearst's marks were registered in bad faith contrary to **Section 3(6) (Art 52(1)(b))** because they represented an illegitimate attempt to obtain monopoly rights in the well-known Betty Boop character (and the name) despite Hearst having 'no rights' in the said character.

In the light of the earlier judgment in their favour on trade mark infringement and passing off, the Judge acceded to Hearst's summary judgment application and rejected A.V.E.L.A.'s bad faith attack. On the findings of fact made at the trial it could not be said that Hearst's marks were registered in bad faith; it could not be said that it had 'no rights' since it had been found to have rights in passing off. The Judge acceded to the claimants' summary judgment application and rejected the bad faith ground of invalidity of the trade marks.

***Cosmetic Warriors Ltd & Anr ('Lush') v Amazon.co.uk Ltd & Anr\** (Mr John Baldwin QC; [2014] EWHC 1316 (Ch); 02.05.14)**

In an earlier decision (reported in *CIPA Journal*, March 2014), **Mr John Baldwin QC** (sitting as a Deputy Judge) held that Amazon had infringed Lush's CTM for the word LUSH by: (i) bidding on certain keywords within the Google AdWords service which caused sponsored link advertisements containing the LUSH sign to be returned; and (ii) providing consumers who typed 'Lush' into its search facility with the opportunity to buy products equivalent to Lush products, but without any overt reference to the Lush item not being available. Following judgment, the parties were unable to agree the form of order.

**Mr John Baldwin QC** adjudicated on a number of issues including the form of the injunction, the territorial scope of the injunction, publicity of the judgment and the application of **Section 25(4)** (which provided that damages or an account of profits might not be awarded where a registrable transaction had not been registered within the prescribed period).

*Form and territorial extent of injunction*

Given that Lush had argued at trial that relief sought went to the core of its business model, that it attacked Amazon's philosophy of offering the widest and best possible choice to its consumers and that it placed a fetter on those customers' rights and freedoms to be informed, the Judge held that the injunction should be pan-European and in general form rather than by reference to specific forms of infringement or limited to the UK version of Amazon's website. The Judge rejected Amazon's submission that it did not know how, on a technical level, to prevent its web page reproducing the word 'Lush' above the offering of a range of products competitive to Lush products.

*Publicity of the judgment*

Following the guidance of **Sir Robin Jacob** in *Samsung v Apple* [2013] FSR 9, the Judge held that Amazon should display a notice on the beauty pages of its website which were displayed in response to a search for 'Lush', for one month. The notice was required to state 'Amazon infringed Lush trade marks (Judgment)' where 'Judgment' was a hyperlink to a copy of the judgment on liability.

*Section 25(4)*

The second Claimant entered into an exclusive licence agreement with the trade mark proprietor, the first Claimant, in 2001 but the transaction was not registered with the UK IPO until November 2011, and with OHIM until October 2011. Infringement proceedings were issued in February 2012. In determining the proper application of **Section 25(4)**, the Judge considered **Section 68** of the **Patents Act 1977**, as interpreted by the Supreme Court in *Schutz v Werit* [2013] RPC 16. Assuming that the purpose of the two provisions was the same, the Judge held that it would not be right to deprive Lush of its costs. The claim was primarily for injunctive relief, rather than damages, and the case for an injunction depended almost entirely on actions after registration of the transaction. The Judge left open the possibility that **Section 25(4)** could apply to the costs of any inquiry into damages/account of profits in respect of pre-registration activity.

The Judge refused Amazon permission to appeal, and ordered it to pay 55% of 90% of Lush's costs on an interim basis (higher than the 50% argued by Amazon but lower than 65% as submitted by Lush).

## PASSING OFF

### Initial interest confusion not sufficient for passing off

***Moroccanoil Israel Ltd ("MIL") v Aldi Stores Ltd\**** (Judge Hacon; [2014] EWHC 1686 (IPEC); 29.05.14)

**Judge Hacon** found that MIL had failed to establish that the sale by Aldi of its 'Miracle Oil' hair oil product amounted to passing off.

MIL made and sold hair products of which the most successful was a hair oil marketed under the name "Moroccanoil" and sold in the UK since 2009. Aldi was the well-known discount supermarket which began selling a hair oil under the name "Miracle Oil" on the UK market in 2012. MIL alleged that Aldi's sale of Miracle Oil under that name, in combination with its get-up, constituted passing off. Both parties' products are shown below:



The Judge had no doubt that MIL enjoyed goodwill in its business in Moroccanoil; he accepted expert evidence based on a corpus of English words gathered from the web (known as enTenTen12) that the name 'Moroccanoil' was distinctive of MIL. While he did not accept that MIL's product was identified by its get-up irrespective of what name appeared on the packaging, he found that the name and get-up in combination were distinctive of MIL, although the name played the greater role.

However, the Judge went on to find that the sale of Miracle Oil by Aldi did not amount to an actionable misrepresentation. There was no direct evidence of actual confusion, and blogs relied on by MIL showed that although some members of the public saw obvious similarities between the respective names and get-ups, their view went no further than thinking that Aldi had been cheeky in its choice of name and get-up for Miracle Oil; there was no evidence that they thought it was, or came from the same manufacturer as Moroccanoil.

While the Judge found that the evidence showed a conscious decision by Aldi to make the packaging for Miracle Oil reminiscent of Moroccanoil to some real extent, in particular with regard to colour, such 'living dangerously' did not amount to passing off. Firstly, the Judge referred to *Specsavers International Healthcare Ltd v Asda Stores Ltd* [2012] EWCA Civ 24 in which **Kitchin LJ** distinguished an intent to take the benefit of the claimant's goodwill from an intent to live dangerously, thereby appreciating the risk of confusion and endeavouring to adopt a sign which was a safe distance away. Secondly, **Judge Hacon** found that in the present case there was no evidence of a public belief in a common manufacturer or licensor and no basis for drawing such an inference.

Other relevant considerations were: (i) MIL's products were sold by salons to discerning customers educated in their use by their hairdresser; and (ii) the differences in get-up, namely the "striking" 'M' logo on the Moroccanoil box and label and the presence of the CARINO brand and a leaf motif on the Miracle Oil box and label.

The Judge rejected MIL's argument as to initial interest confusion and its reliance on the finding of **Arnold J** in his judgment in *Och-Ziff Management v OCH Capital* [2010] EWHC 2599 that initial interest confusion could be actionable in passing off. **Arnold J** had referred in his judgment to the third edition of Professor Wadlow's *The Law of Passing Off: Unfair Competition by Misrepresentation*. However, **Judge Hacon** agreed with the view expressed by Professor Wadlow in the fourth edition of his book that *Och-Ziff* should not be taken as standing for the proposition that initial interest confusion was sufficient for passing off. **Judge Hacon** held that confusion which was dispelled before it was acted upon, generally by making a purchase, in circumstances such that the claimant suffered no damage, was not sufficient to give rise to passing off.

As the Judge found no misrepresentation, and therefore no damage to MIL, the action was dismissed.

## COPYRIGHT

### CJEU's decision in *Svensson* distinguished in website blocking order case

#### ***Paramount Home Entertainment International Ltd & Ots v British Sky Broadcasting Ltd & Ots\** (Henderson J; [2014] EWHC 1686 (Ch); 18.02.14)**

In the latest application in a long line of cases seeking website blocking orders under **Section 97A** of the **CDPA**, **Henderson J** granted the injunction sought, finding that the decision of the CJEU in *Nils Svensson & Ots v Retriever Sverige AB Case C-466/12* did not impact in any relevant way upon the present case.

**Henderson J** stated that he took as read the jurisprudence developed and applied by **Arnold J** in number of previous cases in which major film studios had sought (mostly unopposed) orders under **Section 97A** against the six main internet service providers in the UK. While the CJEU's decision in *Svensson* had established that the mere provision of access by means of a hyperlink would normally amount to a communication to the public within the meaning of **Article 3(1)** of the **Information Society Directive**, the case had turned on the identification of the relevant public which was, in fact, the same public as that to which the material in issue had originally been communicated through the relevant newspaper's own website. There was, therefore, no further communication to a new public by the defendant in that case. *Svensson* could hardly be more removed from the facts of the present case where the films and TV programmes in issue were clearly subject to copyright, and the operators who made them available to the websites in question were intervening in a highly material way to make them available to a new audience. Applying the remaining jurisprudence established by **Arnold J**, he went on to grant the injunction sought.

### **Katharine Stephens, Zoe Fuller and Hilary Atherton**

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The reported cases marked \* can be found at <http://www.bailii.org/databases.html#ew> and the CJ and GC decisions can be found at [http://curia.europa.eu/jcms/jcms/j\\_6/home](http://curia.europa.eu/jcms/jcms/j_6/home)