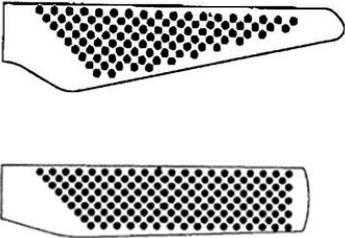


## TRADE MARKS

## Decisions of the GC and CJ

Ref no.	Application (and where applicable, earlier mark)	Comment
<p>GC <b>T-37/12</b> <i>Advance Magazine Publishers, Inc. v OHIM; Eduardo López Cabré</i> (27.02.14)</p>	<p><b>TEEN VOGUE</b> - umbrellas, parasols, parts and fittings for all the aforesaid goods (18)</p> <p><b>VOGUE</b> - all kinds of umbrellas, sunshades, handles, ribs and canes for these (28)</p> <p>(Spanish mark)</p>	<p>The GC upheld the BoA's decision that there was a likelihood of confusion between the earlier mark and the mark applied for under <b>Art 8(1)(b)</b>.</p> <p>Mr López Cabré had provided sufficient evidence to show use of the earlier mark. The BoA was entitled to consider the evidence as a whole rather than focusing on each individual document and had the discretion to consider additional evidence of use submitted out of time.</p> <p>Given that the goods were identical and the marks were visually and phonetically similar to an average degree the BoA had been correct to find a likelihood of confusion. The absence of the element 'teen' in the earlier mark did not remove the similarities between the marks.</p>
<p>GC <b>T-229/12</b> <i>Advance Magazine Publishers, Inc. v OHIM; Eduardo López Cabré</i> (27.02.14)</p>	<p><b>VOGUE</b></p> <p>- umbrellas, parasols and accessories (18)</p> <p><b>VOGUE</b> - umbrellas (28)</p>	<p>The GC partially upheld the BoA's decision that there was a likelihood of confusion between the earlier mark and the mark applied for under <b>Art 8(1)(b)</b>.</p> <p>Whilst the BoA had been correct to find that umbrellas were similar to parasols they fulfilled different needs meaning the BoA should have concluded that the similarity was low. The BoA had been incorrect to find similarity between umbrellas and accessories because the goods indicated by the term 'accessories' were not sufficiently identifiable from the specification to enable the BoA to conduct its analysis.</p> <p>Given the strong visual similarity and phonetic identity between the marks, the GC held that the BoA had been correct to find a likelihood of confusion in relation to umbrellas and parasols. However, the BoA had not</p>

		<p>been entitled to find a likelihood of confusion in relation to accessories as the specification did not sufficiently identify the goods in question to enable the BoA to conduct its analysis.</p> <p>The distinctive character of the mark applied for was irrelevant to the likelihood of confusion.</p>
<p>GC <b>T-509/12</b> <i>Advance Magazine Publishers, Inc. v OHIM; Nanso Group Oy</i> (27.02.14)</p>	<p><b>TEEN VOGUE</b> - clothing, footwear, headgear, parts and fittings for all the aforesaid goods (25)</p> <p><b>VOGUE</b> - hosiery (25)</p> <p>(Swedish mark)</p>	<p>The GC upheld the BoA's decision that there was a likelihood of confusion between the earlier mark and the mark applied for under <b>Art 8(1)(b)</b>.</p> <p>The goods had the common purpose of covering the human body. Hosiery and headgear came from the same family of goods, namely fashionable items of clothing, and may well be distributed through the same channels and sold in the same shops. Hosiery and footwear were complementary and consumers would often make choices about one item with reference to the other. The BoA had therefore been correct to find that hosiery was identical to clothing and similar to footwear and headgear.</p> <p>As in <b>T-37/12</b>, the marks were similar and the BoA had been correct to find a likelihood of confusion.</p>
<p>GC <b>T-225/12 and T-226/12</b> <i>Lidl Stiftung &amp; Co. KG v OHIM, Lidl Music spol. S r.o.</i> (27.02.14)</p>	<p> </p> <p>- musical instruments (15)</p> <p></p> <p>- musical instruments (15)</p> <p>(Czech mark)</p>	<p>The GC upheld the BoA's findings that there was a likelihood of confusion between the two marks applied for and the earlier mark under <b>Art 8(1)(b)</b>.</p> <p>The BoA was correct to find that that genuine use of the earlier mark had been established by way of photos and invoices even though the mark was used in a different form to that registered.</p> <p>The BoA was also correct to find that: (1) the signs applied for and the earlier mark were visually similar as each had 'lidl' at the beginning which was the dominant element in the marks and inherently distinctive in the field of music; (2) the 'music' element of the earlier mark and the 'express' element of one of the marks applied for only had weak distinctive character; (3) the distinctive elements of the marks were aurally similar; and (4) no conceptual comparison between the marks was</p>

		<p>possible because the word 'lidl' had no meaning for a Czech-speaking consumer.</p> <p>Given further the identity of the goods, the BoA was correct to find that there was a likelihood of confusion between the marks.</p>
<p>GC</p> <p><b>T-602/11</b></p> <p><i>Pêra-Grave - Sociedade Agrícola, Unipessoal L<sup>da</sup> v OHIM; Fundação Eugénio de Almeida</i></p> <p>(27.02.14)</p>	 <p><b>Q<sup>TA</sup> S. JOSÉ DE PERAMANCA</b></p> <p>- alcoholic beverages (except beers) (33)</p>  <p>- alcoholic beverages (except beers) (33)</p>	<p>The GC dismissed the appeal from the BoA's decision to uphold the opposition, finding a likelihood of confusion between the marks under <b>Art 8(1)(b)</b>.</p> <p>There was a very low degree of visual and phonetic similarity between the marks but what there was, was due to the elements 'peramanca' / 'pêra-manca'. The figurative elements in the mark alluded to the goods covered and the difference could not override the visual similarity.</p> <p>There could be some conceptual overlap since some consumers might perceive 'peramanca' / 'pêra-manca' as part of the same geographical name.</p> <p>As wines are usually described by consumers with reference to word elements and often sold in bars and cafes, the phonetic similarity bore greater importance. Given that the goods were identical, a likelihood of confusion could not be ruled out.</p>
<p>CJ</p> <p><b>Joined Cases C-337/12, C-338/12, C-339/12 and C-340/12</b></p> <p><i>Design and Others v Yoshida Metal Industry</i></p> <p><i>OHIM v Yoshida Metal Industry</i></p>	 <p>- cutlery, scissors, knives, forks, spoons, whetstones, whetstone holders, knife steels, fish bone tweezers (8)</p> <p>- household or kitchen utensils and containers (not of precious metal or coated therewith), turners, spatulas for kitchen use, knife blocks for holding knives, tart scoops, pie</p>	<p>The CJ set aside the GC's decisions to invalidate the two marks (representations of knife handles) and referred them back to the GC for re-consideration.</p> <p>The GC had invalidated the marks on the basis that the signs consisted exclusively of the shape of goods which was necessary to achieve a technical result under <b>Arts 52(1)(a)</b> and <b>7(1)(e)(ii)</b>. However, the GC had erred in holding that, in reaching its decision, it could not consider the actual use made of the marks following registration. It followed from <i>Lego Juris v OHIM (C-48/09)</i> reported in <i>CIPA Journal</i>, October 2010) that the competent authority could carry out a detailed examination that took into account material relevant to identifying appropriately</p>

	scoops (21)	the essential characteristics of a sign, in addition to the graphic representation and any descriptions filed at the time of the application for registration. Material subsequent to that date could lawfully be taken into consideration, if it allowed conclusions to be drawn with regard to the situation as it was at that date.
GC <b>T-71/13</b> <i>Anapurna GmbH v OHIM; Annapurna SpA</i> (06.03.14)	<b>ANNAPURNA</b> - essential oils (3) - bags, key-cases, trunks and travelling bags (18) - textile and textile goods, not included in other classes, bed and table covers, household linen (24) - clothing, footwear and headgear (25)	In revocation proceedings, the GC upheld the BoA's decision that Annapurna had established genuine use under <b>Art 51(1)(a)</b> in respect of bags, bed covers and bed linen, clothing, slippers and headgear.  The BoA provided sufficient reasons for its conclusion. There was no need for a statement of reasons to include an individual assessment of each item of evidence admitted. Further, Annapurna had shown use of the mark in relation to the goods for which it was still registered. It was not necessary that the mark at issue be fixed on the goods for there to be genuine use.  The BoA's introduction of the category 'bed linen' in Class 24 was not an extension of protection, it was a subcategory of 'household linen'; a category for which the mark was registered.  The GC dismissed the Anapurna's submission that the mark's protection regarding outerwear should be limited to cashmere goods. Categorisation of goods in the Nice Classification related to function or intended use, not the materials used in production.
GC <b>Joined Cases T-102/11, T-369/12 and T-370/12, T-371/12</b> <i>American Express Marketing &amp; Development Corp. v OHIM</i> (12.03.14)	<b>IP ZONE</b> <b>EUROPE IP ZONE</b> <b>IP ZONE EUROPE</b> <b>EUROPEAN IP ZONE</b>  - hosting an on-line portal for disclosing, selling, buying, licensing and general transactions for intellectual property (42)	The GC dismissed the appeal, upholding the BoA's decision to refuse registration of the marks under <b>Art 7(1)(c)</b> , finding the marks descriptive of the services.  The GC agreed with the BoA that the relevant public was English speaking professionals in a field which regularly uses the abbreviation 'IP' for 'intellectual property'.  Such public would find the marks descriptive as there was a sufficiently direct and specific relationship between the marks and the services.

		The GC agreed with the BoA that 'IP Zone' referred to an area dedicated to Intellectual Property. The fact that the term may have different meanings did not preclude a finding of descriptiveness.
<p>GC <b>T-348/12</b> <i>Globosat Programadora Ltda v OHIM; Sport TV Portugal, SA</i> (12.03.14)</p>	<p><b>SPORT TV INTERNACIONAL</b></p> <p>- various services relating to advertising and broadcasting in Classes 35, 38 and 41</p>  <p>- broadcasting of television programmes, broadcasting of television by cable, broadcasting of television (38)</p> <p>- television productions, television programmes, production of television shows (41)</p> <p>(Portuguese mark)</p>	<p>The GC upheld the BoA's decision to reject the opposition under <b>Art 8(1)(b)</b> on the basis that Sport TV Portugal had failed to prove genuine use of its mark under <b>Art 42(3)</b>.</p> <p>Evidence showing the availability in Portugal of Brazilian TV programs referring to 'SportTV' was not sufficient on its own to establish genuine use of the mark without being accompanied by evidence indicating the turnover or market share associated with that use. In addition the evidence submitted did not show use of the mark as registered and much of it was either outside the relevant 5 year period or concerned with use in Brazil or Angola.</p> <p>By referring to Sport TV Portugal's failure to provide information relating to its turnover or market share, the BoA had not set a <i>de minimis</i> threshold for use but had merely stated that the information provided was not solid and objective evidence of use. A sworn declaration of use could only be relied on where supported by other documentary evidence and the BoA was therefore correct to find that Sport TV Portugal had failed to establish genuine use of its mark.</p>
<p>GC <b>T-291/12</b> <i>Deutsche Bank AG v OHIM</i> (25.03.14)</p>	<p><b>PASSION TO PERFORM</b></p> <p>- advertising, business management, business administration, office functions (35)</p> <p>- insurance, financial affairs, monetary affairs, real estate (36)</p> <p>- telecommunications (38)</p> <p>- education, providing of training, entertainment, sporting and cultural activities (41)</p>	<p>The GC dismissed Deutsche Bank's appeal from the BoA's decision to refuse to register the mark because it lacked distinctive character pursuant to <b>Art 7(1)(b)</b>.</p> <p>The relevant public would perceive the mark only as a laudatory statement, therefore incapable of fulfilling its function of distinguishing the claimed services as to their commercial origin.</p> <p>The BoA was entitled to find that the relevant public, composed of average end consumers and, for certain services, commercial undertakings, had a low level of attention with respect to the proposed mark due to</p>

	<p>- scientific and technological services, research and design relating thereto, industrial analysis and research services, design and development of computer hardware and software (42)</p>	<p>its promotional nature.</p> <p>Further, the BoA had been correct in finding that the word combination of the proposed mark taken as a whole could only have one meaning - that Deutsche Bank promised its clients it would perform with passion.</p> <p>The existence of similar or identical registrations at national level did not constitute grounds for allowing the registration of CTMs devoid of distinctive character.</p>
<p>GC  <b>T-47/12</b>  <i>Intesa Sanpaolo SpA v OHIM; equinet Bank AG</i>  (27.03.14)</p>	 <p>- various goods and services in Classes 9,16, 35, 36, 38, 41 and 42</p> <p><b>EQUINET</b></p> <p>- various services in Classes 35, 36 and 38</p>	<p>In opposition proceedings under <b>Art 8(1)(b)</b>, the GC annulled the BoA's decision finding that genuine use of the EQUINET mark had been established for financial services, valuation and research services, public relations services and business consultancy services and advisory services under <b>Art 42(2)</b>.</p> <p>The GC held that the services for which the BoA had found genuine use to be established, with the exception of business consultancy and advisory services, were not included in the services for which the EQUINET mark was registered. Thus, the BoA's decision did not make it possible to determine the services for which the mark was registered and for which it had been put to genuine use.</p> <p>As regards business consultancy and advisory services in Class 35, the GC found that the BoA had failed to refer to any evidence produced which would demonstrate use of the mark with regard to those services.</p> <p>Furthermore, although the BoA had found that genuine use was established for 'financial services', this did not remedy the failure to state reasons in respect of Class 36 (on the basis that certain services in Class 36 could be described as financial services) as the BoA had not implied in its decision that by 'financial services' it was specifically designating all or even a part of the services in Class 36.</p>

## **Common names in the trade**

### ***Backaldrin Österreich The Kornspitz Company GmbH v Pfahnl Backmittel GmbH (CJ (Third Chamber); C-409/12; 06.03.14)***

The CJ has given guidance on the revocation of a trade mark which has become the common name in the trade for a product or service in respect of which it was registered.

Backaldrin owned the Austrian word mark KORNSPITZ registered for various baking goods in Class 30 and under that trade mark produced a baking mix which it supplied to bakers. The bakers turned the mix into an oblong bread roll with a point at both ends. Backaldrin consented to the use of that trade mark by those bakers and the foodstuffs distributors supplied by them.

Backaldrin's competitor, Pfahnl, filed an application at the Austrian Patent Office for revocation of the KORNSPITZ mark on the ground that it was perceived by end users as the common name for the particular oblong bread roll. The revocation was granted and Backaldrin appealed to the Supreme Patent and Trade Mark Court which stayed the proceedings and referred three questions to the CJ on the circumstances under which a trade mark can be revoked for having become a common name under **Article 12(2)(a)** of the **Trade Marks Directive**.

The CJ held that a trade mark was liable to revocation in respect of a product for which it was registered if that trade mark had become the common name for that product from the sole point of view of end users of that produce (i.e. although traders knew that the mark constituted an indication of origin, end users only understood it as a common name). End users of the product (the bread roll) perceived the sign as a common name for that product, and were therefore unaware that some of these had been made using a baking mix supplied by a particular undertaking, under the KORNSPITZ mark. This perception was due in particular to the sellers of the bread roll not informing their customers that the sign KORNSPITZ had been registered as a trade mark. Therefore the KORNSPITZ mark did not fulfil its essential function as an indication of origin and was liable to revocation if the loss of its distinctive character was due to the acts or inactivity of the proprietor. The fact that the sellers were aware of the existence of the trade mark and the origin that it indicated could not preclude such revocation.

The CJ also held that the trade mark proprietor's failure to encourage sellers to make more use of the mark in marketing the product could be classed as 'inactivity' under **Article 12(2)(a)**. The concept of 'inactivity' was not limited to the failure by the trade mark proprietor to bring proceedings against infringers. Thus the proprietor's failure to take any initiative to encourage the sellers to make more use of its mark may be classified as 'inactivity'.

Finally, the CJ held that the revocation of a trade mark did not presuppose that there must be other names by which a product was known. Alternative names were irrelevant as they could not alter the finding that the trade mark had lost its distinctive character as a result of it becoming the common name in the trade.

## **Examination of national laws by OHIM**

### ***OHIM v National Lottery Commission (CJ (First Chamber); C-530/12; 27.03.14)***

The CJ has given guidance on the circumstances in which the EU courts can examine matters of national law of their own accord and when the parties to proceedings must be given a proper opportunity to be heard on such matters.

The CJ followed the AG's opinion (reported in *CIPA Journal*, January 2014) and referred the case back to the GC after the GC had annulled a BoA decision to declare a figurative CTM owned by NLC invalid in light of an identical earlier Italian copyright protected mark under **Article 53(2)(c)**.



On point (ii), the CJ held the fundamental principle of a right to a fair trial implied a right for the parties to be appraised of the matters raised by the courts of their own motion, on which they intend basing their decision, and to discuss them. However, it was apparent that the parties were not given the opportunity to submit observations on the Italian Supreme Court of Cassation's judgment (which was crucial to the GC's line of argument). Therefore, the GC had infringed the principle that the parties should be heard.

### **Account of profits**

***Nigel Woolley & Anr v UP Global Sourcing UK Ltd ('UPL') & Anr\**** (Judge Pelling; [2014] EWHC 493 (Ch); 27.02.14)

**Judge Pelling** (sitting as a Judge of the High Court) assessed the account of profits to which Mr Woolley and the second claimant, Timesource Ltd, were entitled following an earlier finding of passing off in their favour at first instance (reported in *CIPA Journal*, April 2012) which was subsequently upheld on appeal (reported in *CIPA Journal*, September 2012).

Mr Woolley was the managing director of Timesource, which had become a successful business in the sale of watches. Timesource marketed watches under the brand name HENLEY, which had expanded its operations to jewellery and bags. The second defendant, HCL, was a clothing company which had in recent years expanded into the accessories market. HCL's products were marketed under the name HENLEYS. The first defendant, UPL, sold under licence from HCL watches and jewellery under the HENLEYS name. By using the name HENLEYS, the defendants, UPL and HCL, had been found liable for passing off their watches as goods of Mr Woolley and Timesource.

### Proportionality

UPL argued that when determining the account of profits to be awarded to Mr Woolley, those profits should be apportioned on the basis that some consumers would have purchased the watches thinking they were HCL's based on HCL's goodwill in its HENLEYS trade mark for clothing. **Judge Pelling** rejected this argument, stating that he could not look at the submissions regarding the account of profits in isolation from the previous decisions in the case. At first instance, the Deputy Judge had found that the misrepresentation was that the sale of watches under the HENLEYS brand caused consumers generally to believe they were associated with Mr Woolley's well known HENLEY watches.

**Judge Pelling** distinguished *My Kinda Town v Soll* [1982] FSR 147, relied on by UPL, on the basis that the Order made in that case specifically allowed for apportionment because it was found on appeal that the claimant had failed to establish passing off. This burden of proof on the claimant was the defendant's protection against injustice, but in this case Mr Woolley had met that burden. **Judge Pelling** also distinguished *Celanese International v BP Chemicals* [1999] RPC 203 stating that in patent cases it was often possible to apportion profit where only part of the product was infringing the patent in question. Therefore, given that the Order was for an account of profits made '*as a result of the passing off*' without limitation to the proportion of the public that was likely to have acted on that misrepresentation, and that Order was not challenged, no apportionment was made. On the same basis, it made no difference that the misrepresentation was not made intentionally nor that the watches were sold through middlemen.

### Discount for costs and losses

**Judge Pelling** agreed with the principles set out in *Hollister v Medik Ostomy Supplies* [2013] FSR 502, in which fixed overhead costs had been deducted from the account. However, he found that UPL had not met its evidential burden of proving that its overheads would have been lower had it not infringed and therefore no reduction was made for central overheads. However, **Judge Pelling** agreed that direct costs ought to be apportioned

between UPL's infringing and non-infringing watches. Again, UPL had not sufficiently proved that apportioning costs on the basis of purchase orders received for the watches was a sensible method, and the Judge instead preferred the more conventional method of allocating costs within a business based on volume of sales. He therefore took this as the basis for the apportionment.

In addition, the Judge agreed with UPL's submission that an account of profits should not be based on annual accounts, but rather the relevant period should be looked at as a whole. Therefore, losses made in the final year of selling the infringing watches were deducted from the profits made in the previous two years.

#### HCL's account of profits

In circumstances where (i) HCL had also licensed its HENLEYS trade mark (for clothing) to UPL on good faith grounds on an arm's length basis and (ii) HCL was not found to have conspired with UPL, the royalties which HCL received under the licence did not form part of the profits arising out of the passing off (i.e. they were not profits made as a result HCL misrepresenting that UPL's watches were those of Mr Woolley). In reaching this conclusion, **Judge Pelling** distinguished *Hotel Cipriani v Cipriani (Grosvenor Street)* [2010] EWHC 628 (Ch) where there were strong links between the various defendants and where there was a finding of joint liability. However, HCL was not entitled to apportion the profits it had made from its direct sale of UPL's HENLEYS watches between sales made based on its pre-existing goodwill and those sales made as a result of the misrepresentation, for the same reasons as those above.

#### **Genuine use in relation to goods about to be marketed**

#### ***Healey Sports Cars Switzerland Ltd v Jensen Cars Ltd\** (Henry Carr QC; [2014] EWHC 24 (Pat); 24.01.14)**

**Henry Carr QC** (sitting as a deputy judge of the Chancery Division) dismissed Healey's appeals from decisions of the Hearing Officer by which he had revoked Healey's five trade marks for non-use, concluded that Jensen's opposition to Healey's application for an international registration succeeded in part, and rejected Healey's application to invalidate a UK mark owned by Jensen.

Healey and Jensen both claimed entitlement to the trade mark JENSEN for motor vehicles. The Deputy Judge found that the Hearing Officer had been entitled to give little weight to witness statements filed by solicitors on Healey's behalf because the witnesses did not have any personal knowledge of the facts referred to in their statements. The Deputy Judge stated that there was no reason why such evidence should carry more weight in the Registry than in Court proceedings.

The Deputy Judge refused to interfere with the Hearing Officer's decision that Healey had not made more than token use of its marks. Healey had used its marks in a press release published 3 days before the applications for revocation were filed. However, the press release related to Healey's public unveiling of a new car which was planned for over a year in the future, with deliveries to customers due to start over a year after that. Although the Hearing Officer acknowledged that genuine use of the marks could be established by use in relation to goods 'already marketed or about to be marketed', he had found that (i) neither the press release nor Healey's website had provided sufficient information about the specification of the new car to permit potential customers to decide whether to register a serious interest in buying one, and (ii) there was no evidence, despite the passing of time, of anyone expressing any interest in purchasing the new car as a result of the press release, website or otherwise.

**Henry Carr QC** agreed with the Hearing Officer that the question of whether goods were 'about to be marketed' was to be decided in the context of the economic sector concerned, and that some goods would take longer to develop than others. However, he agreed that the

press release enabled no more than an initial interest in a future development to be registered and did not show that the goods were about to be marketed.

## **Collective marks**

### ***The National Guild of Removers and Storers Ltd ('NGRS') v Derek Milner & Anr\** (Judge Hacon; [2014] EWHC 670 (IPEC); 18.03.14)**

Mr Milner was found not to have infringed NGRS's trade marks or copyright in its logo, nor to have passed his business off as being associated with NGRS. NGRS's claim for breach of contract also failed. By way of counterclaim, certain of NGRS' trade marks were revoked for non-use, but the registration of certain other marks as trade marks rather than collective marks (as they were more widely used), was not fatal to the registrations.

NGRS was a trade body which represented and provided services to its members, firms and individuals in the removal and storage business. Mr Milner ran a removal and storage business. NGRS brought proceedings against Mr Milner for passing off and trade mark infringement in relation to the inclusion of an NGRS logo in 3 magazine advertisements which he had placed through Thomson Directories (which was a third party to the proceedings), and a reference to the 'National Guild of Removals' on a website for Mr Milner's business, after his membership with NGRS had come to an end.

#### Infringement

##### (i) *The directory*

The evidence showed that in the original ads which Mr Milner sent to Thomson Directories, no logos were included. The logos were only included in the amended proofs which the directory had sent back to Mr Milner for approval. However, Mr Milner had only recently settled a separate claim of trade mark infringement with NGRS and therefore, upon receipt of the proofs, telephoned and emailed Thomson Directories to specifically request that the logos were not used in its publication. On the facts, **Judge Hacon** found that Mr Milner did not himself do any act of advertising which directly infringed NGRS's trade mark or copyright or which was directly an act of passing off. Further, Mr Milner did not approve the use or purport to grant Thomson the right to use the logos and so was not in breach of **Section 16(2)** of the **CDPA**.

**Judge Hacon** also rejected NGRS's argument, based on the law of agency, that Mr Milner had given Thomson Directories ostensible authority to use the logos. He said that to find otherwise would effectively hold a principal liable for any act of his agent merely because the public might believe the agent was acting on the principal's behalf, even where the principal had given express instructions for the infringing act not to be done. Similarly, following *CBS v Amstrad* [1998] RPC 567, **Judge Hacon** held that the defendants were not jointly liable because Mr Milner had not induced or persuaded Thomson Directories to infringe the logos.

##### (ii) *The website*

The website was set up by BT as part of a package provided to Mr Milner. **Judge Hacon** accepted Mr Milner's evidence that he was unaware of the website until NGRS brought it to his attention. Mr Milner was therefore also found not to have passed off his business as being a member of NGRS through the BT website, nor had he procured BT to do so.

#### Invalidity counterclaim

Mr Milner argued that NGRS only ever intended to use the trade marks at issue as collective marks and that they were therefore invalid pursuant to **Section 3(6)**. The legislative intent behind imposing additional requirements and formalities for collective marks appeared to be to prevent the registration of trade marks which in fact functioned as collective marks, because to do so could mislead the public as to the character of the mark.

**Judge Hacon** considered the IPO's practice amendment notice PAN 2/01 which stated that a mark should not be registered as both a trade mark and a collective mark, because to do so would not enable the public to distinguish the goods of one party from those of another. As such, it would be contrary to **Section 3(1)(a)** and deceptive contrary to **Section 3(3)(a)** or **(b)**.

Despite this, **Judge Hacon** accepted NGRS's argument that, as held in *Scandecor Development v Scandecor Marketing* [2002] FSR 7, 'the direction of travel in the development of trade marks' was that customers were used to the licensing of trade marks, and used to goods or services bearing a trade mark to be either those of the trade mark owner or for the use of the mark to be with his consent. Therefore, the use made of the marks by NGRS was not deceptive nor against public policy under **Section 3**, nor were the trade marks registered in bad faith. However, two of NGRS's marks were revoked in their entirety for non-use, and another was partially revoked.

### **Misleading Advertising and Unlawful Comparative Advertising: Interpretation of the Directive**

#### ***Posteshop SpA – Divisione Franchising Kipoint v Autorità Garante della Concorrenza e del Mercato & Anr (CJ (Eighth Chamber); C-52/13; 13.03.14)***

The CJ has confirmed that misleading advertising and unlawful comparative advertising under **Directive 2006/114/EC** are two independent infringements.

Proceedings were issued in Italy against Posteshop for its advertising material which sought to promote its franchise network. At first instance, Posteshop's material was found to constitute misleading advertising under the Italian legislation. Posteshop's first appeal was dismissed. Posteshop further appealed, submitting that it followed from Recital 3 in the preamble to **Directive 2006/114** and **Article 5** that the purpose of that Directive was to impose penalties only in respect of acts constituting both misleading advertising and unlawful comparative advertising. The Italian Court referred the question to the CJ.

The CJ considered the linguistic inconsistencies between the Italian and French language versions of the Directive, the former which implied that the Directive applied to advertising which was both misleading and based on an unlawful comparison, and the latter which implied that these were two separate offences. The CJ referenced *Institute of the Motor Industry (C-149/97)* which held that where there was a divergence between different language versions, the provisions must be interpreted by reference to the general scheme and purpose of the provisions in question.

The Directive had the dual objective of protecting traders against misleading advertising and its unfair consequences as well as laying down the conditions under which comparative advertising was permitted. Further, it set out separate definitions for 'misleading advertising' and 'comparative advertising'. **Articles 5** and **6** of the Directive also made apparent that there must be the possibility of challenging misleading advertising or unlawful comparative advertising separately before the courts in each Member State. Further, the provisions concerning misleading advertising and those concerning comparative advertising pursued different aims. With these factors in mind, the CJ held that misleading advertising and unlawful comparative advertising each constituted a separate infringement, and in order to prohibit and penalise misleading advertising, it was not necessary that the latter should at the same time constitute comparative advertising.

## COPYRIGHT

### EU Court of Justice rules on site blocking injunctions against ISPs

#### *UPC Telekabel Wien GmbH v Constantin Film Verleih GmbH & Ots (CJ (Fourth Chamber)); C-314/12; 27.03.14)*

**Article 8(3)** of the **Copyright in the Information Society Directive** requires Member States to ensure that rightholders are in a position to apply for an injunction against intermediaries whose services are used by a third party to infringe copyright or a related right. In this case the Austrian Supreme Court referred questions to the CJ arising from an application by Constantin Films for an order requiring UPC Telekabel to block access to a particular website from which unauthorised copies of their films could be streamed or downloaded.

The first question concerned whether a person who made protected subject matter available on the internet without the rightholder's consent was using the services of the ISP of the persons seeking access to that material even though the website was not itself a customer of the ISP.

The CJ held that such a person does use the ISP's services. The CJ reasoned that a specific relationship between the person who made infringing material available and the ISP was not a prerequisite for such use to be established, as the requirement of such a specific relationship would be contrary to the objective of **Directive 2001/29**.

Given its answer to the first question it was not necessary for the CJ to respond to the second question referred to it (concerning reproduction for private use).

The third and fourth questions were interrelated. The Austrian Supreme Court asked whether it was compatible with EU law (in particular with the necessary balance between the parties' fundamental rights) to prohibit in general terms an internet access provider from allowing customers access to a certain website (without ordering specific measures), if the access provider could avoid coercive penalties for breach of the prohibition by showing that it had nevertheless taken all reasonable measures.

It also asked if it was compatible with EU law to require an internet access provider to take specific measures to make it more difficult for its customers to access a website containing material that was made available unlawfully if those measures required not inconsiderable costs and could easily be circumvented without any special technical knowledge.

In response, the CJ held that EU law did not preclude a form of injunction that did not specify the measures that the access provider must take, when the access provider could avoid incurring penalties for breach by showing that it had taken reasonable measures.

However, any such reasonable measures taken by the ISP must not unnecessarily deprive internet users of the possibility of lawfully accessing the information available and must also have the effect of preventing unauthorised access to the protected subject matter or, at least, of making it difficult to achieve and of seriously discouraging internet users who are using the services of that access provider from accessing the infringing material without authorisation.

The CJ was also concerned that the national court might not check that the measures adopted by the internet access provider complied with those requirements. In the type of injunction under consideration, the national court would not be able carry out such a review at the stage of the enforcement proceedings if there was no challenge. So as to allow this, national procedural rules should provide a possibility for internet users to assert their rights before the court once the implementing measures taken by the ISP are known.

**Reporter's note:** In England and Wales the practice is for the court to consider the competing fundamental rights at stake and to specify in the injunction the blocking method(s) to be implemented. As such, the issues with the type of injunction considered by the CJ do not arise. Even so, in the course of its judgment the Court elaborated to some degree the balance to be drawn between effectiveness and interference with fundamental rights. Its comments regarding transparency and procedures for internet users to assert their rights before the court also appear to have more general application than just to the particular type of injunction considered by the Court.

## **DATABASES**

### **Liens over electronic databases**

***Your Response Ltd ('YRL') v Datateam Business Media Ltd\** (Moore-Bick, Davis & Floyd LJJ; [2014] EWCA Civ 281; 14.03.14)**

The Court of Appeal (**Moore-Bick LJ** giving the lead judgment) allowed YRL's appeal, holding that a common law possessory lien could not be exercised over an electronic database; specifically, a data manager was not entitled to exercise a lien over a database pending payment of its outstanding fees.

YRL (a publisher of magazines) engaged Datateam (a data managing business) to hold and maintain its database of magazine subscribers. When the relationship broke down, Datateam refused to release the database to YRL until its fees were paid. At first instance, the District Judge found that a lien could apply to the electronic data in Datateam's possession. However, the Court of Appeal noted that the Deputy Judge's attention had not been drawn to *OBG V Allan* [2007] UKHL 21, from which it was clear that the common law drew 'a sharp distinction' between tangible and intangible property.

**Moore-Bick LJ** concluded that information of the kind that made up a database (usually, but not necessarily, maintained in electronic form), if it constituted property at all, did not constitute property of a kind that was susceptible of possession or of being the subject of the tort of conversion. The nature of the protection accorded to the makers of databases by the CDPA and the Copyright and Rights in Databases Regulations 1997 reflected a clear recognition that databases did not represent tangible property of a kind that was capable of forming the subject matter of the torts that were concerned with an interference with possession.

**Floyd LJ** added that an electronic database consisted of structured information. Although information could give rise to intellectual property rights, such as database right and copyright, the law had been reluctant to treat information itself as property. When information was created and recorded there were sharp distinctions between the information itself, the physical medium on which the information was recorded and the rights to which the information gave rise. Whilst the physical medium and the rights were treated as property, the information itself had never been.

**Moore-Bick LJ** stated that transfers of intangible property, whether in electronic or other forms, would almost invariably be covered by contracts which, if the parties so wished, may provide expressly for situations of the kind that arose in the present case.

YRL's appeal in relation to the lien was allowed, and Datateam was found to have been in breach of contract by refusing to provide YRL with a copy of the database.

## BREACH OF CONFIDENCE

### TV music show formats

#### ***Brian Wade & Anr v British Sky Broadcasting Ltd ('Sky')\**** (Birss J; [2014] EWHC 634 (Ch); 11.03.14)

**Birss J** held that Sky had not misused Wade's confidential information relating to an idea for a music talent television show, finding that Sky had developed their show 'Must be the Music' independently.

The two claimants, Mr Wade and Ms Perry had had successful careers in the music business. They conceived an idea for a television programme to be called 'The Real Deal', which was to be a primetime music talent show featuring artists who wrote and performed their own material. The emphasis was on singer-songwriters in the widest sense, that is to say artists who performed a song they had written but including bands and vocal groups as well as individuals. One of the key ideas underpinning The Real Deal was a reaction against the style of previous primetime music talent shows such as the 'X-Factor'.

Wade prepared a 'deck' of slides (the 'Deck') which was used to pitch the idea to Sky. He also sent a copy of the Deck to an individual at Sky following the pitch. Sky subsequently rejected the idea and a few months later announced that it was making a new music talent show called 'Must be the Music'. Must be the Music had some similarities to The Real Deal and was to have the same director as that proposed by Wade and Perry. Wade and Perry contended that Sky had misused confidential information contained in the Deck to create Must be the Music and that similarities between the two programmes and the timing of Must be the Music demonstrated that it was derived from the Deck.

#### Necessary quality of confidence

**Birss J** accepted that the Deck as a whole had the necessary quality of confidence to be protected by the law of confidential information. It contained a proposal worked out in some detail which was capable of being used as a firm basis on which to take the project forward, and was more than merely a set of vague aspirations. However, Wade and Perry's case was not that the Deck was copied in its entirety, but that ideas within it were copied, and **Birss J** held that the individual ideas alone lacked the necessary quality of confidence. Given his findings below, he did not go on to consider whether the elements of the Deck when combined had the necessary quality of confidence.

#### Circumstances of confidentiality

**Birss J** found that the Deck was imparted to Sky in circumstances whereby they regarded it as confidential. He considered that it was not necessary to discuss confidentiality at the meeting when the Real Deal was pitched to Sky and that all meetings of this nature would be considered confidential.

#### Unauthorised use of confidential information

In finding that there was no inference of copying from the eight similarities put forward by Wade and Perry, **Birss J** referred to a number of differences between the programmes, such as that the downloading of tracks on Must be the Music was immediate whereas on the Real Deal tracks were to be downloadable the day after the broadcast, and the fact that the profits from the downloads on Must be the Music went to the contestants and not to Sky.

Furthermore, **Birss J** accepted Sky's evidence detailing the independent creation of Must be the Music which showed that it came from sources other than the individual at Sky who had seen the Deck. He found that the evidence explained the origin of similarities between the ideas contained in the Deck and Must be the Music. Therefore, the inference that the ideas which Must be the Music shared with the Real Deal must have been derived from the Deck was not sufficiently strong.

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

**Reporters' note:** We are grateful to our colleagues at Bird & Bird LLP for their assistance with the preparation of this report: Ahalya Nambiar, Toby Bond, Mark Livsey, Tom Darvill, Henry Elliott, Mohammed Karim, Will Smith, Rebekah Sellars, Graham Smith, Rebecca O'Kelly and Emily Mallam.

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)