








## TRADE MARKS

## Decisions of the GC and CJ



Ref no.	Application (and where applicable, earlier mark)	Comment
<p>CJ  <b>C-581/13</b>  <b>C-582/13</b>  <i>Intra-Press SAS v OHIM; Golden Balls Ltd</i>            (20.11.14)</p>	<p><b>GOLDEN BALLS</b>            - paper, cardboard and goods made from these materials (16)            - household or kitchen utensils and containers (21)            - textiles and textile goods (24)            - slot machines, apparatus, sound and image carriers (9)            - games and playthings, gymnastic and sporting articles, decorations for Christmas trees, electronic games (28)            - education and entertainment activities (41)</p> <p><b>BALLON D'OR</b>            - goods and services in Classes 9, 14, 16, 18, 25, 28, 38, 41</p>	<p>The CJ set-aside the judgments of the GC (<b>T-437/11</b> &amp; <b>T-448/11</b>, reported in <i>CIPA Journal</i>, October 2013) and also annulled the decisions of the BoA to the extent that they dismissed Intra-Press's oppositions regarding certain goods under <b>Art 8(5)</b>.</p> <p>The GC held that there was no likelihood of confusion under <b>Art 8(1)(b)</b>. The CJ confirmed the GC's analysis and rejected Intra-Press's submissions regarding the GC's findings under <b>Art 8(1)(b)</b> as inadmissible or unfounded.</p> <p>However, since the GC found a low degree of conceptual similarity between the marks, it erred by not conducting an overall assessment of the marks for the purposes of <b>Art 8(5)</b> in order to decide if the low degree of similarity was sufficient to establish a link between the marks. The degree of similarity required under <b>Art 8(1)(b)</b> and <b>Art 8(5)</b> was different; a lesser degree of similarity may have been sufficient to establish a link under <b>Art 8(5)</b>. This part of the GC's judgment was set aside.</p> <p>The BoA had found a likelihood of confusion under <b>Art 8(1)(b)</b> for some of the goods/services applied for, however it failed to consider the remaining goods under <b>Art 8(5)</b>. The CJ therefore also annulled the BoA's decisions in relation to such goods.</p>
<p>GC  <b>T-297/13</b>  <i>Junited Autoglas Deutschland GmbH &amp; Co. KG v OHIM; Belron Hungary Kft – Zug Branch</i></p>	<p><b>UNITED AUTOGLAS</b>            - vehicles, parts for land vehicles, namely windscreens, glass for car windows, sunscreen films, headlamps and headlamp glasses, sun roofs and mirrors (12)</p>	<p>The GC dismissed the appeal from the BoA's decision 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 goods and services were similar or identical.</p> <p>Neither element of the mark applied</p>

<p>(16.10.14)</p>	<p>- repair, installation services, automobile glazing services, glazing (37)</p>  <p><b>AUTOGLASS</b></p> <p>- windshields, windscreens, windows, sunroofs, mirror glasses (12)</p> <p>- glass for vehicle windows, unworked and semi-worked glass, glassware, glass for vehicle lamp, glass fibres (21)</p> <p>- installation of windscreens, glass and glazing products, windows, body glass, maintenance and repair of vehicle glass (37)</p> <p>(Polish mark)</p>	<p>for was more distinctive than the other. Given the high degree of similarity between the earlier mark and the second element of the mark applied for, overall there was low degree of visual similarity and a medium degree of phonetic similarity.</p> <p>The relevant public (the general public in Poland) would not have associated 'autoglas(s)' with glass for automobiles, however, 'auto' might be associated to automobiles therefore the marks were considered conceptually similar to some degree.</p> <p>The relevant public required a certain level of English or German for 'autoglas(s)' to be considered descriptive. However, despite the 'united' element, even a highly attentive consumer might think that the mark sought was a variant of the earlier and a likelihood of confusion could not be precluded.</p>
<p>GC <b>T-53/13</b> <i>Vans, Inc. v OHIM</i> (06.11.14)</p>	 <p>- leather, animal skins, travelling bags, umbrellas, walking sticks, whips, harness, saddlery, wallets, bags, rucksacks, belt bags, briefcases, bags for school, bags for sport, beach bags, key rings, card holders, hip bags (18)</p> <p>- clothing, footwear, headgear, belts, gloves (25)</p>	<p>The GC upheld the BoA's decision that the mark was devoid of distinctive character pursuant to <b>Art 7(1)(b)</b>.</p> <p>The BoA had been correct to apply the same general reasoning to all the goods in question as they were all used by consumers to convey a particular image and were therefore all fashion items that formed the same homogenous group (rather than four sub-groups).</p> <p>The BoA had also been correct to find that the mark would be perceived by the relevant public as an exclusively ornamental element. There was no striking element capable of attracting the consumer's attention.</p> <p>Furthermore, the evidence submitted by Vans did not make it possible to establish that distinctive character had been acquired through use. Mere sales volumes were insufficient as they did not establish that the relevant public perceived the mark as an indicator of commercial origin.</p>
<p>GC <b>T-506/13</b> <i>Urb Rulmenti Suceava SA v OHIM; Harun Adiguzel</i></p>	<p><b>URB</b></p> <p>- various goods and services in Classes 6 and 7</p>	<p>The GC upheld the BoA's decision to reject an application for invalidity of the URB mark based on <b>Arts 53(1)(a)</b> and <b>8(1)(b)</b> and <b>Art 52(1)(b)</b>.</p>

<p>(07.11.14)</p>	<p><b>URB</b></p>  <p>- various goods and services in Classes 6, 7, 35 and 42 (collective marks and international marks)</p>	<p>The BoA was correct to hold that Urb Rulmenti was not authorised to file the application under <b>Art 53(1)(a)</b> as it was not the proprietor of the earlier collective marks, nor was it a licensee with proper authorisation.</p> <p>In relation to the application for bad faith under <b>Art 52(1)(b)</b>, the GC held that it could take into account matters other than those listed in <i>Lindt (C-529/07</i>, reported in the <i>CIPA Journal</i>, July 2009) including the commercial logic underlying the application and the chronology of events leading to that filing.</p> <p>The evidence submitted did not establish bad faith on the part of Adiguzel. When Adiguzel applied to register the CTM, Urb Rulmenti did not have the same rights over the earlier collective URB trade marks as Adiguzel, so the premise on which the bad faith submission was based was false. Furthermore, Urb Rulmenti failed to substantiate its claim that Adiguzel's application had been artificial in nature and devoid of logic in commercial terms, nor had it established that Adiguzel had intended to exclude Urb Rulmenti from the market.</p>
<p>GC <b>T-567/12</b> <i>Kaatsu Japan Co. Ltd v OHIM</i> (7.11.14)</p>	<p><b>KAATSU</b></p> <ul style="list-style-type: none"> <li>- scientific, life-saving and teaching apparatus and instruments, pre-recorded videos, DVDs and computer software (9)</li> <li>- surgical, medical, dental and veterinary apparatus and instruments (10)</li> <li>- paper, cardboard and goods made from these materials (16)</li> <li>- games and playthings, gymnastic and sporting articles (28)</li> <li>- education, training, entertainment, sporting and cultural activities (41)</li> <li>- medical services, veterinary services, hygienic and beauty care, physical therapy services (44)</li> </ul>	<p>The GC upheld the BoA's decision that the mark applied for was descriptive of the goods and services at issue under <b>Art 7(1)(c)</b>.</p> <p>The BoA's finding that the relevant public included the general public and also a specialist public (including professionals, companies specialised or operating in the medical field and trainers and fitness centres) was not challenged by the parties.</p> <p>The term KAATSU could be used to designate a particular method or technique of physical exercise and also to inform consumers that the goods or services in question concerned that method or technique of physical exercise. Given this, the GC found that the term KAATSU must, having regard to the public interest under <b>Art 7(1)(c)</b>, remain available for public use and not become the subject of a monopoly, even if the term was not yet commonly used.</p>

		Therefore the BoA was correct to find the mark descriptive under <b>Art 7(1)(c)</b> .
<p>GC  <b>T-524/11</b>  <b>T-525/11</b>  <i>Volvo Trademark Holding AB v OHIM; Hebei Aulion Heavy Industries Co., Ltd</i>  (12.11.14)</p>	<p><b>LOVOL</b></p>  <p>- harvesters, agricultural machines, road rollers, excavators, loaders, bulldozers, concrete mixers, cranes (7)</p> <p>- automobiles, vehicles for transport for agricultural use, motorcycles, derrick cars, cycle cars, bicycles, electric vehicles, engines for land vehicles, fork lift trucks, concrete mixing trucks, tractors (12)</p> <p><b>VOLVO</b></p>  <p>- various goods in classes 1 to 9, 11, 12, 14, 16 to 18, 20 to 22, 24 to 28 and services in classes 33 to 42</p> <p>(Community and UK marks)</p>	<p>The GC upheld the BoA's decision to reject the opposition under <b>Art 8(5)</b>.</p> <p>The BoA was correct to find that the marks were visually dissimilar. Whilst both marks contained the letter combination 'vol' it was located in different positions. Given that this letter combination was meaningless in itself, there was no evidence to suggest that the average consumer would contemplate switching its position within the mark applied for. Nor would the average consumer split up the mark applied for into the syllables 'lov' and 'ol' and consider reading the first of these backwards.</p> <p>The BoA was correct to find that the marks were aurally dissimilar. It was not the case that both marks were only composed of the syllables 'vol', 'vo' and 'lov', the mark applied for was LOVOL not LOVVOL. The fact that both marks contained the letters 'v', 'l' and 'o' and the letter combination 'vol' was not sufficient to make them aurally similar.</p> <p>The BoA was further correct to find that both marks were invented words and no conceptual comparison of similarity was possible.</p> <p>The marks were therefore dissimilar. The BoA had been correct to reject the opposition.</p>
<p>GC  <b>T-549/10</b>  <i>Natura Selection, SL v OHIM; Afoi Anezoulaki AE</i>  (13.11.14)</p>	<p><b>NATUR</b></p> <p>- table covers (24)</p> <p><i>natura</i> </p> <p><i>natura</i>  <i>casa</i></p> <p>- commercial retailing and via worldwide telematics networks, advertising services, all the above relating to textiles and textile goods, not included in other classes, bed and table covers (35)</p>	<p>The GC annulled the BoA's decision and held that there was a likelihood of confusion between the marks under <b>Art 8(1)(b)</b>.</p> <p>It was not disputed that there were visual and phonetic similarities between the marks, as well as a high degree of conceptual similarity.</p> <p>The BoA had erred in holding that table covers of the mark applied for and the Class 35 retail services of the earlier marks relating to table covers had a low degree of similarity. Accordingly to settled case law, such as <i>Oakley v OHIM</i> (<b>T-116/06</b> reported in <i>CIPA Journal</i>, October 2008), there was similarity between goods and retail services relating to</p>

		<p>those goods. Consequently, there was a similarity between table covers and retail services relating to table covers.</p> <p>Furthermore, this similarity was accentuated because the services of the earlier mark constituted one of the possible distribution channels for the goods of the mark applied for.</p> <p>The BoA therefore erred in finding that there was no likelihood of confusion between the marks.</p>
<p>GC <b>T-484/13</b> <i>Lumene Oy v OHIM</i> (18.11.14)</p>	<p><b>THE YOUTH EXPERTS</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>- pharmaceutical and veterinary preparations; sanitary preparations for medical purposes; dietary supplements for humans and animals; plasters, materials for dressings; material for stopping teeth, dental wax; disinfectants; preparations for destroying vermin; fungicides, herbicides (5)</p>	<p>The GC annulled the BoA's decision in so far as it declared the mark devoid of any distinctive character under <b>Art 7(1)(b)</b> in relation to the goods which were not the subject of the appeal. The remainder of the action was dismissed.</p> <p>The OHIM examiner had accepted registration of the mark in respect of certain goods (such as cleaning preparations, fungicides and herbicides - the 'non-contested goods'), but refused registration in respect of the remainder of the goods (the 'contested goods') under <b>Art 7(1)(b)</b>. On appeal, the BoA found the mark devoid of distinctive character in respect of all goods applied for. The GC held that the BoA had exceeded its powers under <b>Art 59</b> in re-opening the examination of the non-contested goods. This part of the BoA's decision was annulled.</p> <p>In relation to the contested goods, the GC agreed with the BoA's reasoning that the mark would be perceived by the relevant public as a promotional indication/slogan - the English words 'youth' and 'experts' were commonly used for marketing purposes in the cosmetics, pharmaceutical and healthcare services sectors in order to promote the desirable qualities of those goods. The mark was therefore devoid of any distinctive character for these goods.</p>
<p>GC <b>T-344/13</b> <i>Out of the blue KG v OHIM; Frédéric Dubois</i> (19.11.14)</p>	<p><b>FUNNY BANDS</b></p> <p>- jewellery; rings; bracelets (14)</p> <p>- rubber, gutta-percha, gum, asbestos, mica and goods</p>	<p>The GC upheld the BoA's decision to reject the opposition on the basis that use of more than local significance of the earlier unregistered mark had not been established under <b>Art 8(4)</b>.</p> <p>The BoA had not erred by finding that the economic dimension of the <b>Art</b></p>

	<p>made from these materials and not included in other classes; plastics in extruded form for use in manufacture; threads (17)</p> <p>- import-export agencies; procurement for others (purchasing of goods and services for other businesses); demonstration of goods; distribution of samples (35)</p> <p><b>FUNNY BANDS</b> <b>funny-bands.com</b></p> <p>(non-registered trade name and domain name)</p>	<p><b>8(4)</b> criteria had not been established by the mere presence of an earlier right such as a website. It was necessary to show the existence of actual and sufficient business activities.</p> <p>The BoA was also correct to find that WHOIS data and website screenshots alone could establish the presence of a website, but not the claimed intensity of trade. Invoices showing sales of a product named 'Funny Bands' did not refer to the trade name or domain name and therefore did not establish the intensity of use of the rights relied on.</p> <p>Finally, Out of the blue's submission that the BoA should take into account German national law (which set no threshold for intensity of commercial activity) was rejected; the criteria relating to use must be interpreted solely in the light of European Union law.</p>
<p>GC <b>T-556/12</b> <i>Royalton Overseas Ltd v OHIM; S.C.</i> <i>Romarose Invest Srl</i> (25.11.14)</p>	 <p>- goods in Classes 8 &amp; 21</p> <p><b>KAISERHOFF</b></p> <p>- goods and services in Classes 11, 21 and 35</p> <p>(Romanian mark)</p>	<p>The GC annulled the BoA's decision to refuse to suspend the opposition proceedings pending the outcome of Romanian proceedings concerning a cancellation action brought by Royalton Overseas in respect of the earlier mark. The BoA had failed in its duty of diligence and infringed <b>Art 76(1)</b>.</p> <p>The BoA did not examine carefully the evidence in the documents before it and was wrong to find that Royalton Overseas had not provided proof of the cancellation action.</p> <p>Filing the cancellation action while opposition proceedings were still pending was not evidence of bad faith by Royalton Overseas and therefore not a reason in an of itself on which to base a refusal.</p> <p>Finally, the BoA had failed to weigh up the competing interests involved and was wrong to assume the third cancellation action following two failed cancellation actions, had the objective of holding up the opposition.</p>
<p>GC <b>T-240/13</b> <i>Aldi Einkauf GmbH &amp;</i></p>		<p>The GC upheld the BoA's decision and rejected the opposition as unfounded under <b>Rule 19(2)(a)(ii)</b> of</p>

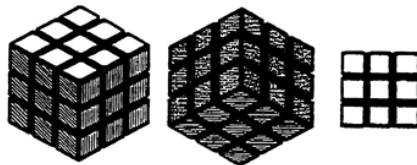
<p><i>Co. OHG v OHIM; Alifoods, SA</i> (26.11.14)</p> <p>[only extracts of this decision have been translated into English.]</p>	<p>- goods and services in Classes 29, 32 and 35</p> <p><b>ALDI</b></p> <p>- services in Class 35</p> <p>(International mark)</p>	<p><b>Regulation No. 2868/95.</b></p> <p>The GC confirmed the BoA's finding that Aldi had failed to prove the existence, validity and scope of protection of its earlier international mark for the purposes of <b>Rule 19(2)(a)(ii)</b>. Aldi had only submitted a printout of its earlier mark from the OHIM database; this did not constitute a copy of the relevant registration certificate or equivalent document from the administration which registered the mark (in this case WIPO).</p>
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## Shape marks

### *Simba Toys GmbH & Co. KG ('Simba') v OHIM; Seven Towns Ltd ('STL')* (GC; T-450/09; 25.11.14)

The GC upheld the BoA's decision, rejecting the action for invalidity of the shape of a 'Rubik's Cube' as a 3D shape mark under **Articles 52(1)(a), 7(1)(b) and 7(1)(e)(i)-(iii)**.

STL was the owner of a CTM consisting of the 3D shape of a Rubik's Cube (the CTM), registered in Class 28 for 3D puzzles:



Simba applied to invalidate the CTM under **Article 52(1)(a)** on the ground that it lacked distinctive character under **Article 7(1)(b)** and that it consisted exclusively of the shape of the goods necessary to obtain a technical result under **Article 7(1)(e)(ii)**. Simba additionally alleged infringement of **Articles 7(1)(e)(i) and (iii)**. OHIM rejected the application for invalidity. Simba's appeal to the BoA was dismissed. Simba further appealed to the GC, which upheld the decision of the BoA and rejected the invalidity action in its entirety for the reasons set out below.

#### Article 7(1)(b)

The GC agreed with the BoA that the CTM included sufficient characteristics to be inherently distinctive. The external appearance of the CTM did not constitute the 'norm' in relation to 3D puzzles and was not a commonplace design when compared to other goods in that area. A cube displaying a grid structure was just one of the possible structures such a puzzle may take. The shape would not be spontaneously perceived as representing a 3D puzzle without prior knowledge of its purpose. The grid structure gave the CTM the appearance of a 'black cage', which was specific and arbitrary enough to confer an original aspect on the CTM, enabling the average consumer to distinguish the goods it was registered for.

#### Article 7(1)(e)(ii)

The GC confirmed the BoA's finding that the essential characteristics of the CTM were the cubic grid structure, including the cube *per se*, and the grid structure on each surface (demarcated by black lines). The GC rejected Simba's submission that the black lines were a consequence of the rotating capability of the individual elements of the CTM. **Article**

**7(1)(e)(ii)** required that the essential characteristics of the mark at issue themselves performed the technical function of the goods and had been chosen to perform that function, not simply that those characteristics were the result of that function. In any event it was possible for a cube whose surfaces or other elements were rotatable not to contain visible separating lines. Furthermore, the CTM was not restricted to 3D puzzles having a rotating capability.

Simba's submission that the black lines performed the technical function of separating the individual elements of the CTM so that they could rotate was rejected since that capability resulted from an internal mechanism that was invisible on the graphical representations. The GC distinguished the case from the decisions in *Lego Juris v OHIM* (**T-270/06** reported in *CIPA Journal*, December 2008) and *Philips Electronics v Remington* (**C-299/99** reported in *CIPA Journal*, July 2002). In *Philips*, it was apparent from the graphical representation of an electric razor with three circular heads and rotating blades that the technical function was shaving. Similarly, *Lego* was a straightforward inference from the graphical representation of two rows of studs on a toy brick registered for 'construction toys' that they were designed for the assembly of toy bricks with secondary projections and a hollow underside, even though those elements were not visible on the graphical representation.

#### Article 7(1)(e)(i) and (iii)

The GC held that the nature of a 3D puzzle did not necessarily require that it be in the shape of a cube with surfaces that had a grid structure. This was supported by evidence that showed 3D puzzles, including those with a rotating capability, in a large variety of different shapes and sizes. Furthermore, Simba had not claimed that substantial value could be attributed to the aesthetic aspect of the shape. Therefore, **Articles 7(1)(e)(i) and (iii)** did not apply.

#### **CA allows INTERFLORA appeal and remits case for retrial**

#### ***Interflora Inc v Marks & Spencer plc ("M&S")\** (Patten & Kitchin LJJ & Sir Colin Rimer; [2014] EWCA Civ 1403; 05.11.14)**

The CA (**Kitchin LJ** giving the lead judgment) allowed M&S's appeal from the decision of **Arnold J** that it had infringed the INTERFLORA trade mark under **Article 5(1)(a)** by bidding on it as a keyword search term for its flower delivery service on Google AdWords (reported in *CIPA Journal*, June 2013). The CA remitted the case for retrial in the High Court.

#### Average consumer

The parties accepted that, in the context of internet advertising, the average consumer and the reasonably well-informed and reasonably circumspect internet user were one and the same. The CA rejected M&S's criticisms of **Arnold J's** application of the reasonably well-informed and reasonably observant internet user test, i.e. that he had wrongly converted what was a hypothetical person with an objectively defined standard of knowledge and perspicacity into a population of individuals with varying degrees of knowledge and perspicacity. The CA held that the Judge was entitled to have regard to the effect of the advertisements upon a significant section of the relevant class of consumers, and that he was not barred from finding infringement by a determination that the majority of consumers were not confused. The CA said that it did not understand **Lewison LJ** in the Court's previous judgment in the case ([2012] EWCA Civ 1501) to have been suggesting that the average consumer was some form of mathematical average. It made no difference whether the question of confusion was asked and answered from the perspective of the single hypothetical well-informed and reasonably observant internet user or whether that hypothetical person provided the benchmark or threshold for the purposes of identifying the population of internet users whose views were material.



### Onus of proof

The CA rejected **Arnold J**'s view that the CJ had, in *Google France*, imported a conventional likelihood of confusion test into the assessment of whether there was an adverse effect on the origin function of the mark in question, at least in the context of keyword advertising cases. It also rejected the Judge's finding that that decision imposed a reverse burden of proof requiring the alleged infringer to show that the use of the sign in context was sufficiently clear that there was no possibility of confusion. The CA held that the general position under EU and UK law was that the burden of proving an allegation of infringement lay on the person making the allegation, and it was not the purpose of trade mark law to protect the trade mark proprietor against fair competition. The CA was of the view that had the CJ intended to equate the test under **Article 5(1)(a)** with that under **Article 5(1)(b)** then it would have said so. Accordingly, the Judge had wrongly elided the burden of proof in legal proceedings with the need in practice for third party advertisers to craft their advertisements with appropriate clarity to enable normally informed and reasonably attentive internet users to ascertain whether the goods or services referred to in the advertisement originate from the trade mark proprietor.

### Initial interest confusion

The CA held that **Arnold J** had been wrong to introduce the concept of initial interest confusion into his analysis. It stated that it was not helpful to seek to import the US concept into EU law, at least in the present context, as it had the potential positively to mislead by putting a 'gloss' on the tests the CJEU has articulated.

As **Arnold J**'s decision had been 'finely balanced', the CA was satisfied that it depended in significant part upon those particular findings in relation to which he had fallen into error. Given that the case was of considerable importance to the parties and one in which they had invested substantial time and resources, the CA concluded that it had no choice but to remit the case for retrial, particularly as it had not been taken to all the documents and had not had the benefit of hearing the oral evidence of the witnesses. In a subsequent judgment ([2014] EWCA Civ 1448) the CA ordered that the case be remitted for retrial before a different judge of the Chancery Division.

## **Court of Appeal upholds finding of non-infringement of IDEAL HOME mark**

### ***IPC Media Ltd v Media 10 Ltd\** (The Master of the Roles, Kitchin & Bean LJJ; [2014] EWCA Civ 1439; 12.11.14)**

The CA dismissed both IPC's appeal and Media 10's cross-appeal from the decision of **Mr John Baldwin QC**, sitting as a deputy judge in the IPEC (reported in *CIPA Journal*, January 2013). It held that the Judge was right to find that Media 10's use of 'Ideal Home Show' did not infringe IPC's trade mark for IDEAL HOME, and that the mark was validly registered.

IPC was the publisher of the market-leading Ideal Home magazine which was launched in around 1920. It had sold mail order goods by reference to the 'Ideal Home' sign since the 1960s. Following the launch of its website in 2005, its IDEAL HOME mark was registered in 2006 in Class 35 for the sale over the internet of home interest products. In January 2009, IPC launched an online shop called the 'Ideal Home Shop', selling a range of home interest products via the internet.

The Ideal Home Show (a popular UK home wares exhibition run since 1908) had been operated by Media 10 since 2009. From 2008 the Ideal Home Show had an online shop selling third parties' goods and, in May 2012, it launched the Ideal Home Show Shop with a dedicated website under that name.

IPC brought trade mark infringement proceedings against Media 10 under **Sections 10(1), 10(2) and 10(3)** in response to its launch of its online shop. Media 10 counterclaimed for invalidity of IPC's mark under **Sections 3(1)(b), 3(1)(c) and 5(4)**. Neither party was

successful on any of its claims at first instance and both parties appealed. IPC's appeal was based only on infringement pursuant to **Section 10(2)** and Media 10's appeal was based only on invalidity of IPC's mark pursuant to **Section 5(4)(a)**.

#### Infringement appeal

The Court of Appeal (**Kitchin LJ** giving the lead judgment) considered that the essential issue in the appeal was whether the use made by Media 10 of IDEAL HOME in relation to online sales adversely affected the essential function of IPC's trade mark, i.e. to guarantee to consumers, without confusion, the origin of the goods as those of the trade mark owner and no one else's. The impugned use had to have an adverse effect on the functions of the mark in the particular circumstances of the case, which included the fact that both parties had used IDEAL HOME in respect of their respective businesses for very many years.

The Court referred to its decision in *Budvar v Anheuser-Busch* [2013] RPC 12 in which it held that where there was long-established honest concurrent use of a mark by two parties, the guarantee of origin of a mark was not that the mark indicated the goods of one user only, but rather the mark indicated that the goods originated from one or the other user. **Kitchin LJ** considered that because online retail services of home interest products was so closely related to both parties' core businesses (home interest magazines in the case of IPC and home interest exhibitions in the case of Media 10) the natural extension of use by Media 10 did not cause any greater confusion than already existed as a result of those years of honest concurrent use. Further, the fact that Media 10 offered online services a few years after IPC began offering online services did not cause any greater level of confusion than if each of the parties had offered them at the same time. In both circumstances, IPC's services had the same level of guarantee of origin as they always had, i.e. some consumers always had been and inevitably always would be confused as to whether the goods/services were those of IPC or of Media 10. Accordingly, IPC's appeal was dismissed.

#### Invalidity appeal

In order for Media 10 to be successful in its invalidity action it had to show that, at the date of IPC's trade mark application, Media 10 would have been able to prevent that registration on the basis of a claim for passing off. The CA held that in the same way that Media 10's extension into online sales was an entirely natural step for its business, so was IPC's extension. At the date of IPC's trade mark application the use of IDEAL HOME had always signified the business of either the show or the magazine or both of them; therefore by using IDEAL HOME, IPC was not misrepresenting its goods as those of Media 10 and a passing off claim brought by Media 10 would have been unsuccessful. IPC's trade mark was therefore not invalid.

#### **Site-blocking injunctions**

***Cartier International AG & Ots ("Richemont Group") v British Sky Broadcasting Ltd & Ots ("ISPs")\** (Arnold J; [2014] EWHC 3765 (Ch); 13.11.14)**

**Arnold J** held that injunctions against the ISPs requiring them to block access to websites which infringed the Richemont Group's trade marks could extend to other websites hosted at the same IP address, provided the website was engaged in unlawful activity.

The Richemont Group owned the well-known luxury brands Cartier, Montblanc and Richemont, including a broad portfolio of trade marks. The ISPs were five companies who together had a market share of approximately 95% of UK broadband users. In October 2014 the High Court granted injunctions against the ISPs requiring them to block access to websites which sold counterfeit goods under the Richemont Group's trade marks (reported in *CIPA Journal*, November 2014).

**Arnold J** gave judgment on the scope of the injunctions and, in particular, whether the ISPs were required to block access to websites which shared IP addresses with other websites against which no trade mark infringement has been established. He held that where a server

hosting the IP address of an infringing website hosted other sites, the ISPs were required to block the IP address provided the applicant certified that the sites (other than the infringing site) were all engaged in unlawful activity of some kind. In addition, where the site had a contact address, the applicant was required to give notice that an order had been made and invite the site to move to a different server or explain why its operation was lawful.

## COPYRIGHT

### Websites targeting the UK

#### ***Omnibill (Pty) Ltd v EGPSXXX Ltd (“EGPS”) & Anr\** (Birss J; [2014] EWHC 3762 (IPEC); 17.11.14)**

**Birss J** found that the defendants’ website ‘www.escortgps.xxx’ and the sub-domain at ‘www.southafrica.escortgps.xxx’ were communicating reproductions of Omnibill’s photographs to the public in the UK. As a result, the defendants were found to have infringed Omnibill’s copyright under **Section 20 CDPA**.

A large number of (mainly pornographic) photographs that appeared on a website operated by Omnibill for the provision of escort services in South Africa also appeared on a website providing similar escorting services at www.escortgps.xxx (the "Escortgps Website") which was owned by EGPS. There was no dispute that the copyright in the photographs belonged to Omnibill. EGPS was a UK company which went into liquidation after the proceedings were issued. Mr Carter was a UK resident and the sole director and shareholder of EGPS, and Omnibill claimed that Mr Carter was personally liable for the infringements. The technical work to set up the Escortgps Website was undertaken by Mr Van Tonder, a friend of Mr Carter resident in South Africa who was not an employee, director nor shareholder of EGPS. EGPS was incorporated after Mr Van Tonder received a letter before action from South African lawyers on behalf of Omnibill. The letter related to an earlier website, www.escortsouthafrica.xxx. The Escortgps Website was set up after receipt of the letter.

On instructing a web browser to go to the URL for the Escortgps Website, the user was presented with a page bearing the flags of seven countries including the UK and South Africa. The flags were presented under the heading "*Escort country websites click below to find escorts in the country of your choice*". On clicking on a country a user was taken to a sub-domain where they were presented with an advertisement for escort services. The reproductions of Omnibill's images appeared in the South African sub-domain.

The questions before the court were: (i) was EGPS legally responsible for the Escortgps Website; (ii) were the relevant parts of the EGPS Website targeting the UK; and, if so, (iii) was Mr Carter liable for the actions of EGPS.

#### Legal responsibility for the EGPS Website

In finding that EGPS had legal responsibility for the Escortgps Website, **Birss J** found that: (i) the domain name was supposed to have been registered in the name of EGPS rather than Mr Van Tonder; (ii) Mr Carter paid all the relevant costs so that the Escortgps Website would belong to EGPS; and (iii) any instructions given by Mr Carter to Mr Van Tonder were given on behalf of EGPS.

#### Targeting the UK

Since the relevant servers were not located in the UK, the Escortgps Website or relevant parts of it had to be targeting the UK in order for copyright infringement to have occurred. Referring to **Arnold J**'s analysis in *EMI v BSKyB* [2013] EWHC 379 (Ch), **Birss J** said that the question of whether a website was targeted to a particular country was a multi-factorial one which depended on all the circumstances. It was generally accepted that the primary country at which the EGPS Website was targeted was South Africa, however **Birss J** said that it was important to take into account the possibility that a website or webpage may be targeted at more than one state.

Considering the relevant visitor figures, **Birss J** found that between about 10% and 25% of the daily visitors to the South African sub-domain came from the UK. This was considered to be a substantial proportion of the total visitors and it was irrelevant that visitors from the UK might only be visiting the sub-domain for titillation; considering the structure and nature of the Escortgps Website, it was properly regarded as a global website with national elements and it was not correct to analyse the sub-domains as a series of national sites. Further, one could infer from the content of the EGPS Website that the operators intended that visitors from the UK would visit the South African sub-domain because they earned revenue from advertising by generating traffic to the site. It was therefore in their interests to attract traffic from anywhere in the world to any of the sub-domains. **Birss J** therefore concluded that the Escortgps Website and the South African sub-domain were communicating reproductions of Omnibill's photographs to the UK.

#### Liability of Mr Carter

**Birss J** found that the only rational explanation for registering EGPS as a company in the UK was that it was an attempt by Mr Carter and Mr Van Tonder to seek to avoid liability in South Africa, following receipt of the letter before action sent on behalf of Omnibill. He also found that when Mr Van Tonder transferred the content to the Escortgps Website he was acting on the personal authorisation of Mr Carter to carry out infringing acts under **Section 16**. When considering whether Mr Carter was liable for infringements committed by EGPS as a joint tortfeasor, **Birss J** found that Mr Carter was the only person through whom the company could act at all and, since he had agreed with Mr Van Tonder to set up the Escortgps Website in EGPS's name, Mr Carter was personally liable as a joint tortfeasor.

#### **No infringement of copyright or unregistered design right in fabric design**

***John Kaldor Fabricmaker UK Ltd v Lee Ann Fashions Ltd\** (Judge Hacon; [2014] EWHC 3779 (IPEC); 21.11.14)**

**Judge Hacon** held that a dress fabric supplied to Marks & Spencer by Lee Ann did not infringe the copyright or unregistered design right in John Kaldor's fabric.

John Kaldor was a design house which made and designed fabrics. Lee Ann made and designed garments for the fashion industry. Lee Ann was asked to pitch fabrics to Marks & Spencer ("M&S") for its upcoming clothing collection, and John Kaldor therefore supplied a sample of fabric (the "JK Fabric") to Lee Ann for that purpose. Although Lee Ann's pitch to M&S was successful, the JK fabric was not used in the M&S collection. However, John Kaldor alleged that Lee Ann had amended the design of the JK Fabric to create a design for a dress sold by M&S in the "LA Fabric". The JK Fabric and the LA Fabric are shown below:

JK Fabric



LA Fabric



### Copyright infringement

As the design of the JK Fabric was created on a computer, the artistic work in which copyright was claimed was the relevant computer file. The Judge considered the design corpus in relation to the copyright claim as well as the design claim in order to give him an objective idea of where the design features fell on the spectrum between commonplace and strikingly original in assessing whether there was a prima facie inference of copying. Assessing this also by reference to a list of similarities between the two designs pleaded by John Kaldor, the Judge concluded that there was a prima facie possibility of copying but that it was neither strong nor negligible. However, the Judge concluded that the evidence of Lee Ann's print designer as to how she had come to design the LA Fabric independently of the JK Fabric was credible on its face. Although Lee Ann accepted that she could have seen the JK Fabric, she said that she came up with the design herself having been given a general brief which included the requirement of a tribal look. Finally, the Judge rejected John Kaldor's alternative allegation of unconscious copying as the similarities between the two designs were not sufficiently compelling.

### Unregistered Community design right infringement

It was common ground that the question whether the design of the LA Fabric did not produce on the informed user a different overall impression to that produced by the JK fabric stood or fell with the copyright claim. Therefore, John Kaldor's claim for infringement of its unregistered Community design right was also dismissed.

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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)