


TRADE MARKS

Decisions of the GC and CJ




Ref no.	Application (and where applicable, earlier mark)	Comment
<p>GC  <b>T-41/12</b>  <i>LS Fashion, LLC v OHIM; Gestión de Activos Isorana, SL</i>                      (27.02.15)</p>	<p><b>L'WREN SCOTT</b>                      - various items of clothing, footwear and headgear (25)  <b>LOREN SCOTT</b>                      - clothes for ladies, men and children (25)                      (Spanish mark)</p>	<p>The GC upheld the BoA's decision that (i) Gestión had demonstrated genuine use of its mark under <b>Arts 42 (2) and (3)</b>; and (ii) the mark applied for should be rejected under <b>Art 8(1)(b)</b>.</p> <p>Whilst the invoices submitted by Gestión as proof of use only amounted to €600, the BoA was correct to find that genuine use had been established. The invoices were submitted by way of illustration only and indicated regular and continuous sales to a variety of third parties over the relevant period.</p> <p>The BoA had correctly found the visual similarity between the marks was only medium. It was also correct to find an average degree of phonetic similarity between the marks. The slight difference in the Spanish pronunciation of the first part of the marks was compensated for by the identical pronunciation of the remaining parts.</p> <p>LS Fashion had failed to establish that the mark applied for had a different conceptual meaning to the earlier mark by virtue of the fashion designer Ms L'Wren Scott having achieved celebrity status in Spain (such that the Spanish public would perceive the mark applied for as referring to her). The conceptual comparison between the marks was therefore neutral.</p> <p>Given the similarity of the marks and identical or similar nature of the goods, the BoA had been correct to find a likelihood of confusion.</p>
<p>GC  <b>T-227/13</b>  <i>Bayer Intellectual</i></p>	<p><b>INTERFACE</b>                      - preparations for destroying plants and</p>	<p>The GC upheld the BoA's decision that there was a likelihood of confusion between the marks under <b>Art</b></p>


<p><i>Property v OHIM; Interhygiene GmbH</i> (27.02.15)</p>	<p>vermin, insecticides, herbicides, fungicides (5)</p> <p><b>INTERFOG</b></p> <p>- pharmaceutical and veterinary preparations, sanitary preparations for medical purposes, dietetic substances adapted for medical use, food for babies, plasters, materials for dresses, material for stopping teeth, dental wax, disinfectants, preparations for destroying vermin, fungicides, herbicides (5)</p>	<p><b>8(1)(b).</b></p> <p>The goods at issue were aimed at both general end consumers and at horticultural and agricultural specialists. The relevant public had a high level of attention as the goods could contain toxic substances.</p> <p>The BoA correctly held that the goods were identical. The fungicides and herbicides covered by the earlier mark fell into the broader category of 'preparations for destroying plants' covered by the mark applied for.</p> <p>Visually and phonetically, the BoA correctly found there was an average degree of similarity between the marks. However, the BoA had erred in finding that the marks were conceptually neutral; as one mark had a meaning (INTERFACE) while the other did not (INTERFOG), the marks were deemed to be conceptually different.</p> <p>Overall, the conceptual difference was insufficient to neutralise the visual and phonetic similarities between the marks.</p>
<p>GC</p> <p><b>T-366/11 RENV</b></p> <p><i>Bial-Portela &amp; C<sup>a</sup> SA v OHIM; Isdin, SA</i> (03.03.15)</p>	<p><b>ZEBEXIR</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><b>ZEBINIX</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>The GC annulled the BoA's decision that there was no likelihood of confusion pursuant to <b>Art 8(1)(b)</b>.</p> <p>Contrary to the BoA's findings, the GC found that the marks, taken as a whole, were visually similar. The visual differences created by the central and end parts of the marks were not sufficient to cancel out the impression of similarity created by the common first part 'zeb' of the marks.</p> <p>The BoA was incorrect to find that the overall sound of the marks was different. The phonetic differences between the marks did not preclude a degree of phonetic similarity. Both marks contained three syllables with the first syllable being identical, the second syllables 'be' and 'bi' were close in their sounds and the third syllables 'xir' and 'nix' were different but contained some common letters.</p> <p>The BoA was correct to find that neither mark had a meaning in the relevant languages and therefore the</p>

		<p>conceptual comparison did not influence the comparison of the marks.</p> <p>The slight differences between the marks were not sufficient to offset the fact that the goods covered by the marks were identical. The relevant public could well believe that the goods came from the same undertaking. Therefore there was a likelihood of confusion between the marks.</p>
<p>GC <b>T-543/13</b> <i>Three-N-Products Private Ltd v OHIM; Munindra Holding BV</i> (04.03.15)</p>	<p><b>PRANAYUR</b></p> <ul style="list-style-type: none"> <li>- herbal preparations (medicinal), mineral food supplements, therapeutic herbs, medicinal oils, foods supplements (5)</li> <li>- herbal preparations (non-medical) (30)</li> </ul>  <ul style="list-style-type: none"> <li>- herbal preparations; dietetic, vitamin and mineral preparations and substances, health care products (5)</li> <li>- coffee, tea, cocoa, sugar, rice, tapioca, sago, coffee substitutes, confectionery, ices, honey, food additives and supplements, vitamin and mineral supplements, nutritional supplements (30)</li> </ul>	<p>The GC upheld the BoA's decision that there was no likelihood of confusion between the marks under <b>Art 8(1)(b)</b>.</p> <p>The goods at issue were aimed at both the general consumer and the professional public in the field of beauty and healthcare products. As none of the goods at issue were pharmaceutical products that required a prescription, the degree of attention of the relevant public was average.</p> <p>Although the marks shared a common word element, the differences between the marks (the presence of another word element in the mark applied for, different lengths and initial letters and the figurative elements of the earlier mark) meant they were overall visually different.</p> <p>The marks had a low degree of phonetic similarity, as only the last syllable of the two marks was identical. Conceptually, the relevant public would not have easily made the connection between 'ayur' and the word 'ayurveda' (designating a form of traditional Hindu medicine). While a conceptual comparison could have been made by the part of the relevant public constituting those specialising in alternative medicine, no conceptual comparison was possible for the general public.</p> <p>The overall impression of the two marks was therefore different and, despite the partial identity of the goods, there was no likelihood of confusion.</p>

<p>GC <b>T-558/13</b> <i>FSA Srl v OHIM;</i> <i>Motokit Veículos e</i> <i>Acessórios, SA</i> (04.03.15)</p>	<p><b>FSA K-FORCE</b> - cycle helmets (9) - bicycle and bicycle parts and accessories thereof, namely bicycle frames, bicycle rims, bicycle saddles, handlebars for bicycles, bicycle gears, axles for bicycles (12)</p> <p><b>FORCE-X</b> - goggles, protective face masks, helmets, headgear, clothing (9) - bicycles, parts and fittings for bicycles, including handlebars, seats, pedals, hubs, air pumps for bicycles (12)</p>	<p>In invalidity proceedings, the GC annulled the BoA's decision and found that there was no likelihood of confusion between the marks under <b>Arts 53(1)(a)</b> and <b>8(1)(b)</b>.</p> <p>In disagreeing with the BoA, the GC held that, given the Class 9 goods concerned customer safety and the specific technical characteristics of the Class 12 goods, the relevant public would possess a higher than average level of attention.</p> <p>The element 'force' (synonymous with strength and power) was descriptive of one characteristic of the goods concerned. Further, it was a word commonly used in trade marks in the field of cycling, rendering it banal. It therefore had a weak descriptive character.</p> <p>The GC held that the marks had a low degree of visual similarity and phonetic similarity. The marks also had a low degree of conceptual similarity, since the conceptual similarity resided in the 'force' element which had weak descriptive character. The GC therefore found that there was no likelihood of confusion between the marks, despite the identity of the goods.</p>
<p>GC <b>T-572/12</b> <i>Nissan Jidosha KK v</i> <i>OHIM</i> (04.03.15)</p>	<p></p> <p>- goods in Classes 7, 9 and 12</p>	<p>The GC found that the BoA erred in finding that the request to renew the mark in respect of the goods in Classes 7 and 12 but not the goods in Class 9 constituted an express and unequivocal partial surrender in relation to the goods in Class 9, but went on to hold that this did not result in the annulment of the contested decision.</p> <p>Nissan requested the renewal of its mark in relation to the Classes 7 and 12 goods before the initial deadline set by the first sentence of <b>Art 47(3)</b>. It then requested the renewal of its mark in relation to Class 9 goods after the initial deadline, but before the end of the further 6 month period set by the third sentence of <b>Art 47(3)</b>.</p> <p>The GC held that the partial renewal of the mark could not constitute an express and unequivocal surrender of</p>

		<p>the Class 9 goods, as it failed to comply with the formalities prescribed under <b>Art 50</b>.</p> <p>However, OHIM was justified in renewing the mark only in respect of the goods in Classes 7 and 12. It was clear from the wording of <b>Art 47(3)</b> that the possibility of submitting a request for renewal after the initial deadline was conditional upon no request for renewal having been submitted during that period. It was only by way of exception, where no request had been made during the initial period, that the proprietor may submit a request during the subsequent grace period, in return for the payment of a surcharge.</p>
<p>GC <b>T-250/13</b> <i>Naazneen Investments Ltd v OHIM; Energy Brands Inc</i> (18.03.15)</p>	<p><b>SMART WATER</b> - beverages, namely water with dietary supplements (32)</p>	<p>In revocation proceedings, the GC confirmed the BoA's decision that there had not been genuine use of the mark under <b>Art 51(1)</b>.</p> <p>The BoA was correct to find that the evidential value of the affidavits from the mark owner's CEO and an external consultant were lower than had they come from third parties and, in any event, did not prove genuine use. As the goods were for mass consumption aimed at the general public and the market was of a significant size, a quantity of 15,552 bottles was regarded as small and so modest that it could not constitute genuine use. Furthermore, the minimal use, amounting to transactions of €800, over the relevant period could not be regarded as sufficient. The GC also confirmed that certain evidence, such as advertisements and promotional activities, was not proof of imminent marketing as it was limited to 2006/2007 with no proof of marketing between 2007 and the end of the relevant period of 2 July 2009.</p> <p>The BoA had been correct to find that the problems encountered by the proprietor of the mark in 2007, concerning the defective manufacture of bottles and revocation proceedings brought by a third party, did not constitute proper reasons for non-use. 'Proper reasons' referred to circumstances unconnected with the</p>

		<p>proprietor rather than to circumstances associated with its commercial difficulties. As regards the revocation proceedings brought by a third party, it was up to the proprietor to conduct an adequate assessment of its chances of prevailing in the revocation proceedings and to draw the appropriate conclusions from that assessment as to whether to continue to use its mark.</p>
<p>GC  <b>T-384/13</b>  <i>Intermark Srl v OHIM; The Coca-Cola Company</i>  (18.03.15)</p>	 <p>- beer, non-alcoholic drinks and preparations for beverages (32)  - advertising, business management and office functions (35)</p>  <p><b>COCA-COLA</b>  - beer, non-alcoholic drinks and preparations for beverages (32)  - advertising, business management and office functions (35)</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>.</p> <p>The BoA was correct to find that the mark applied for and the earlier figurative mark were visually and phonetically similar because both marks included 'cola' which was the dominant element of the mark applied for and also a distinctive element of the earlier mark. As regards the conceptual similarity, the BoA was correct to find that the marks were similar because the relevant public would understand the word 'cola' to refer to cola nuts whereas the word 'rienergy' in the mark applied for had no particular meaning.</p> <p>It was not disputed that the goods and services were identical.</p> <p>The BoA also correctly took account of the earlier figurative mark's reputation and distinctiveness in finding that there was a likelihood of confusion.</p> <p>Finally, the BoA was correct in finding that there was a lower degree of visual similarity between the earlier word mark and the mark applied for, compared to the visual similarity between the earlier figurative mark and the mark applied for but that a likelihood of confusion nonetheless existed for similar reasons.</p>
<p>CJ  <b>C-182/14</b>  <i>Mega Brands International v OHIM; Diset SA</i></p>	 <p><b>MAGNEXT</b>  - toys and playthings, in</p>	<p>The CJ held that the GC had failed to substantiate its reasons for finding a likelihood of confusion between the earlier mark and the two marks applied for under <b>Art 8(1)(b)</b>. The GC's decision (reported in <i>CIPA Journal</i>, March 2014) was set aside</p>

<p>(19.03.15)</p>	<p>particular multi-part construction toys, its parts, its accessories and its fittings (28)</p> <p><b>MAGNET4</b></p> <p>- games, toys, gymnastic and sports articles not included in other classes; decorations for Christmas trees (28)</p>	<p>and the CJ referred the case back to the GC for final judgment.</p> <p>The GC had failed to provide any reasons for why it categorised the 'magnet' element of the earlier mark as dominant. However, the CJ dismissed Mega Brands' submission that, because the GC had found that the 'magnet' element had a purely descriptive character, it was precluded from categorising that word as the dominant element.</p> <p>The GC erred in law when assessing the likelihood of confusion as it only took the 'magnet' element of the earlier mark into account and not taking account of the figure '4'. The CJ noted that in exceptional circumstances, the assessment of similarity may be made solely on the basis of the dominant element. However, this is only if the other components of the mark have a negligible effect on the overall impression conveyed by the mark.</p> <p>As the GC had failed to take into account the presence of the figure '4' in its assessment of the marks at issue, the CJ held that the GC had failed to substantiate its reasons for finding a likelihood of confusion and set aside the operative part of the judgment.</p>
<p>GC</p> <p><b>T-378/13</b></p> <p><i>Apple and Pear Australia Ltd &amp; Anr v OHIM; Carolus C. BVBA</i></p> <p>(25.03.15)</p>	<p><b>ENGLISH PINK</b></p> <p>- agricultural, horticultural and forestry products (neither prepared nor processed) and grains not included in other classes, live animals, fresh fruits and vegetables, seeds, natural plants and flowers, foodstuffs for animals, malt (31)</p> <p><b>PINK LADY</b></p>  <p>- agricultural, horticultural products, including fruit, grains, plants and trees, in particular apples and apple</p>	<p>The GC annulled the decision of the BoA for failure to state reasons under <b>Art 75</b> in its decision that there was no likelihood of confusion between the marks.</p> <p>The BoA had infringed <b>Art 75</b> as it had failed to provide a statement of reasons in its judgment as to the inferences to be drawn from a decision of the Belgian court (delivered in respect of the same parties and relying on the same earlier word mark) which annulled the Benelux mark ENGLISH PINK and ordered Carolus C. to refrain from using it in the EU.</p> <p>The BoA had been notified of the Belgian decision several months before its decision, but after the decision of the Opposition Division, and was therefore a relevant factual aspect, the potential impact of which</p>

	trees (31)	<p>should have been assessed by the BoA. In failing to do so, the BoA failed to exercise the required diligence.</p> <p>Apple and Pear's submission that <i>res judicata</i> attached to the Belgian decision (such that the BoA was bound by it) failed. Furthermore, the subject matters and causes of action of the two proceedings differed. The GC could not determine what decision the BoA should have taken had the all the facts been assessed. The GC therefore rejected the request for an alteration of the BoA's decision.</p>
<p>GC <b>T-581/13</b> <i>The Royal County of Berkshire Polo Club Ltd v OHIM; Lifestyle Equities CV</i> (26.03.15)</p>	<div data-bbox="548 625 678 766" data-label="Image"> </div> <ul style="list-style-type: none"> <li>- watches, jewellery, precious stones, precious metals, goods coated in precious metals (14)</li> <li>- leather goods and imitations, trunks, travel bags, umbrellas, parasols, whips, harnesses, saddlery, walking sticks (18)</li> <li>- clothing, footwear and headgear (25)</li> </ul> <div data-bbox="540 1186 683 1304" data-label="Image"> </div> <ul style="list-style-type: none"> <li>- watches, goods in precious metals or coated therewith, jewellery, precious stones, horological and chronometric instruments (14)</li> <li>- leather and imitations of leather, animal skins, hides, trunks and traveling bags, umbrellas, parasols and walking sticks, whips, harness and saddlery (18)</li> <li>- clothing, footwear, headgear (25)</li> </ul>	<p>The GC partially annulled the BoA's decision that there was a likelihood of confusion between the marks pursuant to <b>Art 8(1)(b)</b>.</p> <p>The BoA was correct to find that there was some visual similarity between the marks and that the aural similarity was relatively low. The BoA was also correct to find that there was significant conceptual similarity between the marks as both marks would bring the idea of polo to the minds of the relevant public.</p> <p>With regard to 'whips, harness and saddlery', the similarity between the marks was reduced considerably by the fact that their common elements had low inherent distinctive character in relation to these goods. Furthermore, the likelihood of confusion was reduced because the earlier mark had low inherent distinctive character for these goods. In addition the relevant public was likely to purchase these goods with the help of a specialised seller with whom the purchaser might speak, so the aural similarity (which was weak) might gain importance. There was no likelihood of confusion between the marks for these goods and the BoA's decision was annulled in this regard. For the remaining goods (which were mostly sold in self service stores), the visual aspect played a greater role in the assessment of likelihood of confusion. The GC upheld the BoA's decision for these goods.</p>



## **Advocate General considers geographical scope of reputation of CTM**

### ***Iron & Smith Kft v Unilever NV* (AG Wahl for the CJ; C-125/14; 24.03.15)**

AG Wahl has given an opinion on questions relating to **Article 4(3)** of the **Trade Mark Directive** and whether the registrations of a national trade mark can be validly opposed on the basis of an earlier CTM with reputation, where the reputation was not enjoyed in the relevant Member State in question.

Unilever opposed an application by Iron & Smith for the registration of the colour figurative mark 'be impulsive' as a Hungarian trade mark on the basis of its earlier CTM, IMPULSE. The Hungarian Intellectual Property Office found that Unilever had sold large quantities of and publicised, goods designated by its CTM IMPULSE in the UK and Italy, with the mark having a 5% market share in the UK and a 0.2% market share in Italy. On the basis of the market share (which did not relate to Hungary) the Hungarian Intellectual Property Office found that the reputation of the earlier mark had been proved in a substantial part of the EU. It also found that a risk of the later mark taking unfair advantage could not be ruled out.

The Hungarian Intellectual Property Office refused registration of its mark and Iron & Smith appealed to the Fővárosi Törvényszék (Budapest Municipal Court). The Budapest Municipal Court stayed the proceedings and requested a preliminary ruling from the CJ on four questions regarding the interpretation of **Article 4(3)**.

The AG noted that **Article 4(3)** required that two conditions were met: (i) the earlier CTM must enjoy a reputation in a substantial part of the EU and (ii) the use of the later (national) trade mark must take unfair advantage of, or be detrimental to, the distinctive character or repute of the earlier mark. The proprietor of the earlier CTM was not, however, required to prove a likelihood of confusion between his mark and the later national mark.

The AG considered the two conditions of **Article 4(3)** and proposed that the CJ answer the questions as follows:

#### First condition: Substantial part of the EU

Case law determined that for a mark to have a reputation in a substantial part of the EU it must be well known by a significant part of the public concerned in a substantial part of that territory. A substantial part of that territory could consist of only a part of one of the countries in that territory (which did not necessarily have to be the same as the one in which opposition had been filed). It was for the national court to establish whether the Unilever mark enjoyed a reputation in a substantial part of the EU taking into account the public concerned by the goods or services covered by the mark.

Furthermore, the criteria for genuine use must be distinguished from those applicable when assessing reputation. The principles used to establish genuine use pursued a different objective than those relating to establishing reputation, therefore were not relevant.

#### Second condition: Detriment or unfair advantage

It was possible that an earlier CTM could fulfil the first condition of **Article 4(3)** but not the second and would depend on the situation within the country where the CTM owner sought to enforce its rights. The fact that the earlier mark did not have a reputation in Hungary did not mean that it was totally unknown to relevant Hungarian consumers; it was a question of fact for the national courts to decide.

In *General Motors Corp v Yplon SA (C-375/97)*, the CJ stated that there had to be a sufficient degree of knowledge of the earlier mark for the mark to cause detriment to its reputation. It would only be in these circumstances that the relevant public would be able to make an association between the marks when shown the later mark. Therefore the knowledge of the relevant public in the Member State was of paramount significance in determining whether the later national mark is capable of causing injury to the earlier mark.

The AG considered that in circumstances where the earlier CTM did not enjoy a reputation in the Member State in which **Article 4(3)** was relied on in order to prove that, without due cause, unfair advantage is taken of, or detriment is caused to the distinctive character or repute of the earlier mark, it was necessary to show that a commercially pertinent proportion of the relevant public in that Member State would make a link to the earlier mark. Especially in the free-riding situation, which was particularly relevant in this case, it would be difficult to argue that free riding had taken place where the local public was unaware of the early trade mark with reputation.

If the national court had established a link between the marks in the minds of a commercially pertinent proportion of the relevant public, it then had to decide whether there was sufficient evidence of a risk of damage, or actual damage, to that mark. The AG's opinion was that the national court should look, in particular, at how widely the later mark was known, the image it conveyed, and whether any advantage had been, or would be, transferred to the later mark. The knowledge of the relevant public in Hungary was important as the stronger the mark's reputation in Hungary, the more immediately and strongly it would be brought to mind by the later mark, and the greater the likelihood that the current or future use of the later mark would take unfair advantage of the distinctive character or repute of the mark or cause detriment to the mark.

### **Court of Appeal rules on SCRAMBLE / SCRABBLE infringement**

#### ***J.W. Spear & Sons Ltd & Ots ("Mattel") v Zynga Inc\* (Floyd, Patten & Tomlinson LJJ; [2015] EWCA Civ 290; 27.03.15)***

The CA (**Floyd LJ** giving the lead judgment) found that Mattel's CTM for SCRAMBLE was valid and infringed by Zynga's 'Scramble' word game App for Apple and Android devices.

Mattel was the owner of the rights in the well-known game SCRABBLE outside of North America. Zynga launched a digital word game called 'Scramble' or 'Scramble with Friends' in January 2012. Mattel brought proceedings against Zynga for infringement of its CTMs for the word SCRAMBLE, the word SCRABBLE, a figurative mark including the word SCRABBLE, and for passing off. Each of the CTMs were registered for, among other things, "computer programs" in Class 9 and "toys, games and playthings" in Class 28. Images of Zynga's Scramble App are shown below:



At first instance **Peter Smith J** held that Zynga's Scramble game did not infringe Mattel's SCRABBLE CTM and did not constitute passing off. The Judge also found that, if valid, Mattel's SCRABBLE CTM would have been infringed by Zynga's use of the name Scramble. However, he held that Scramble was an ordinary English word commonly used in word games and described a characteristic of such games, and had therefore been invalidly registered. He also held that it had become a common name for such games and was also liable to revocation.

The CA found that: (i) Mattel's SCRABBLE mark was valid and infringed under **Article 9(1)(b)**; (ii) Mattel's SCRABBLE marks were not infringed under **Article 9(1)(b)** because the secondary evidence adduced was not sufficient to justify allowing the appeal; (iii) for the same reason, Mattel's SCRABBLE marks were not infringed under **Article 9(1)(c)**; and (iv) accordingly, there was no passing off.

#### Validity of the SCRABBLE CTM

The CA rejected Zynga's argument that the SCRABBLE mark was invalid for reasons including that it was descriptive of the goods for which it was registered at the date of registration in 2007, i.e. designating a rushed activity or a requirement that a user make words from 'scrambled' letters. **Floyd LJ** said that not every word which alluded to or was suggestive of some aspect of the relevant goods or services will necessarily be unregistrable, and three considerations may determine which side of the line between allusion and descriptiveness the indication lay: (i) how factual and objective was the relationship between an indication and the product or one of its characteristics? (ii) how readily was the message of the indication conveyed; and (iii) how significant or central to the product was the characteristic? Although there was a degree of descriptive allusion in the mark SCRABBLE, applying the criteria above, its impact was not so far toward the descriptive end of the spectrum that it would have been unregistrable in 2007.

#### Reliance on contextual matter extraneous to the registered mark

In relation to infringement of the SCRABBLE mark, the CA rejected Mattel's argument that the context in which it had used its mark (including in the context of games using tiles with letters in the centre and numbers in the corner, a woodland green background colour, and premium squares of different colours with enhanced letter and word values) was relevant in considering the overall context given that Zynga's game also included these features. While (following the ruling of the CJEU in *Specsavers*) the trade mark owner's use of the mark in a particular colour could be taken into account because it affected how the average consumer perceived the trade mark itself, the CJEU's ruling did not go so far as to allow a trade mark owner to rely on matter routinely used merely in association with the mark.

#### Similarity as a threshold question under **Article 9(1)(b)**

The CA found that **Peter Smith J** had incorrectly applied a threshold of similarity which had led him to conclude that the SCRABBLE mark and the Scramble sign were not similar and that there was therefore no infringement under **Article 9(1)(b)**. The CA said that where there was at least some overall similarity between mark and sign it was necessary to carry out a global assessment taking account of all relevant circumstances, including any enhanced distinctive character of the mark. As there could be said to be a moderate degree of similarity between SCRABBLE and Scramble, the trial judge should have carried out a global assessment of likelihood of confusion.

#### Relevance of descriptive connotation of alleged infringing sign

Although Zynga did not rely on a descriptive use defence under **Article 12(b)** the CA held that, while the average consumer would not immediately understand Scramble as having a clear descriptive connotation, some loose descriptive allusion may still come across, thereby reducing to some extent the risk of confusion.

### Social media material as evidence of actual confusion

The CA found that, having held that survey evidence adduced by Mattel as evidence of confusion carried no weight, **Peter Smith J** was wrong to reject outright its reliance on reviews left by customers of Zynga's Scramble game on iTunes, and Tweets which recorded exchanges between users of the game, both of which provided spontaneous evidence of confusion. It found that the iTunes reviews and Tweets, being unsolicited, had some value. Although the full context in which the remarks were made, and their statistical significance, was not known, they did show that the process of downloading an app does not necessarily prevent some form of confusion occurring. Nevertheless, they were not sufficient to allow Mattel's appeal on the finding of non-infringement of its SCRABBLE marks.

## **PASSING OFF**

### **High Court rejects application to stay national proceedings pending final determination of CTM Opposition**

#### ***Pinterest, Inc. ("Pinterest") v Premium Interest Ltd and Anr ("Premium Interest")*\* (Arnold J; [2015] EWHC 738 (Ch); 24.03.15)**

Premium Interest's application for a stay of passing off proceedings pending a final determination of a CTM Opposition was refused. Pinterest was successful in an application to strike out a section of Premium Interest's Defence.

In January 2012, Premium Interest applied to register the word PINTEREST as a CTM. Pinterest opposed the application under **Article 8(4)** contending that it had an earlier right to use the sign in the UK under the law of passing off. The OHIM Opposition Division rejected Pinterest's opposition on the grounds that Pinterest did not have sufficient goodwill in the sign in the UK at the date of the application. Pinterest then brought a claim for passing off in the High Court. The BoA subsequently annulled the decision of the Opposition Division and remitted the case for further prosecution.

Premium Interest offered undertakings not to use the trade mark in the UK unless and until the CTM was registered and applied to stay the passing off proceedings pending a final determination of the Opposition proceedings (under **Section 49(3)** of the **Senior Courts Act 1981** which gave the Court power to stay any proceedings "where it thinks fit to do so").

### Stay

Citing the judgment of the CA in *IPCom v HTC* [2014] RPC 12, **Arnold J** drew an analogy with the principles applied to an application for a stay of a patent action pending a determination of parallel opposition proceedings in the European Patent Office.

Factors in favour of a stay were that it was inherently undesirable for the same issue to be litigated in two different tribunals concurrently, and that the English proceedings would be redundant if Pinterest's Opposition was ultimately upheld.

Factors in favour of dismissing the application were the prospect of commercial certainty being achieved in the UK if the passing off action was allowed to proceed, the possibility that this might promote a wider commercial settlement and, in particular, the relative timings of the two actions (the evidence showed that a final determination of the CTM application could take at least seven years, compared to a judgment of the English Court which would take around nine months). The Judge was also unimpressed by Premium Interest's argument that it was less able than Pinterest to bear the costs of the High Court proceedings.

Having considered the above factors, **Arnold J** dismissed the application for a stay.

### Strike Out Application

Premium Interest asserted in its Defence that registration of the CTM would afford it the right to use the mark PINTEREST in relation to the services for which it would be registered, and that it would therefore have a defence to Pinterest's passing off claim. **Arnold J** held that it was *acte clair* that registration of a CTM conferred no positive right to use the mark and provided no defence to a claim for passing off. Pinterest's application to have this section of Premium Interest's Defence struck out was therefore upheld.

### **Common design, vicarious liability & agency**

#### ***Vertical Leisure Ltd v Poleplus Ltd & Anr\** (Judge Hacon; [2015] EWHC 841 (IPEC); 27.03.15)**

**Judge Hacon** found that Poleplus was jointly liable with the second defendant, Mr Bowley, for passing off by reason of his registrations of several domain names because Poleplus was vicariously liable for those acts and because Mr Bowley was acting as Poleplus' agent.

**Judge Hacon** had earlier granted summary judgment in favour of Vertical Leisure in respect of its claim for passing off against Mr Bowley relating to his registration of several domain names and twitter accounts incorporating Vertical Leisure's SILKii and X- POLE trade marks (reported in *CIPA Journal*, July 2014).

The Judge reviewed the authorities on liability as joint tortfeasor through common design (including the recent judgment of the Supreme Court in *Sea Shepherd UK v Fish & Fish Ltd* [2015] UKSC 10) and went on to find on the evidence that Ms Colebrook (the sole director of Poleplus and Mr Bowley's fiancée) did not know in advance about Mr Bowley's registrations. Therefore, she could not have done anything intentionally to cause or encourage Mr Bowley to register the offending domain names and Poleplus could not be jointly liable by reason of a common design. However, as Mr Bowley's primary purpose in registering the domain names was to protect the interests of Poleplus and Ms Colebrook, and that the registrations were squarely within the type of acts he was employed by Poleplus to do, Poleplus was vicariously liable for Mr Bowley's acts of passing off. It was also jointly liable for those acts done in Mr Bowley's capacity as Poleplus's agent. It was irrelevant that the domain names were registered in Mr Bowley's name.

## **COPYRIGHT**

### **Paywall circumventing hyperlinks**

#### ***C More Entertainment AB v Linus Sandberg* (CJ (Ninth Chamber); C-279/13; 26.03.15)**

The CJ ruled on the question of whether Member States could legislate to categorise the provision of hyperlinks that circumvented paywalls and enabled free access to a broadcaster's content as unlawful communication to the public under **Article 3(1)** of **Directive 2001/29** (the Copyright Directive).

C More Entertainment was a pay-TV station that, *inter alia*, broadcasted ice hockey matches live on its internet site, which could be accessed for a fee. Mr Sandberg created hyperlinks on his own website that circumvented C More Entertainment's paywall, enabling internet users to watch the ice hockey matches for free.

C More Entertainment sued Mr Sandberg for copyright infringement in the Swedish courts. The Swedish Supreme Court stayed proceedings, and asked the CJ for guidance as to whether Member States could give wider protection to the exclusive right of authors by enabling "communication to the public" to cover a greater range of acts than provided for in **Article 3(2)**.

The CJ determined that **Article 3(2)** of the Copyright Directive did not preclude national legislation from extending the exclusive right of broadcasting organisations as regards communications to the public, provided that such an extension did not undermine the protection of copyright. It was therefore possible to extend broadcasters' right of communication to the public to cover acts such as linking to live internet broadcasts.

**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, Tom Darvill, Mark Livsey, Emily Mallam, Rebekah Sellars, Henry Elliott, Ning-Ning Li, Toby Sears and Will Smith.

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)