





TRADE MARKS



Decisions of the GC




Ref no.	Application (and where applicable, earlier mark)	Comment
<p>GC T-75/13 <i>Boehringer Ingelheim Pharma GmbH & Co. KG v OHIM; Nepentes Pharma sp. z o.o.</i> (02.12.2014)</p>	<p>MOMARID - various dermatological or hormone preparations or dietetic or sanitary products; chemicals for pharmaceutical use (5)</p> <p>LONARID - pharmaceutical preparations for the reduction of pain and fever (5)</p>	<p>The GC partially annulled the BoA's finding that there was no likelihood of confusion between the marks under Art 8(1)(b).</p> <p>The BoA had correctly found that the level of attention of the relevant public was above average and that the degree of phonetic and visual similarity was slightly above average.</p> <p>In relation to 'dermatological or hormone preparations or dietetic or sanitary products', the GC overturned the BoA's finding that their nature, method of use and intended purpose differed considerably from the goods of the earlier mark. However, this error had no effect on the BoA's conclusion that the goods had a low degree of similarity and that there was no likelihood of confusion.</p> <p>However, the BoA had erred in finding that 'chemicals for pharmaceutical use' were dissimilar to the goods of the earlier mark; the expression was too imprecise to conclude that the goods were solely raw materials and not finished goods or aimed only at pharmacists or laboratories and not at end consumers.</p> <p>'Chemicals for pharmaceutical use' may fall within the category of 'pharmaceutical preparations' insofar as they reduce pain and fever, such that the goods could be regarded as identical. The BoA had erred in ruling out the existence of a likelihood of confusion as regards those goods.</p>
<p>GC T-272/13 <i>Max Mara Fashion Group Srl v OHIM;</i></p>	<p>M&Co.</p>	<p>The GC upheld the BoA's decision that there was no likelihood of confusion between the marks under Art 8(1)(b).</p>

<p><i>Mackays Stores Ltd</i> (03.12.14)</p>	<ul style="list-style-type: none"> - articles of clothing (25) - the bringing together for the benefit of others, of a variety of goods enabling customers to conveniently view and purchase clothing, accessories and household goods (35) <p style="text-align: center;">MAX&Co.</p> <ul style="list-style-type: none"> - clothing, footwear, headgear (25) - advertising and business (35) - consultancy for the management of retail sales outlets for fashion items under franchise (42) <p>(Community & Italian marks)</p>	<p>The BoA was correct to find that the element '&co' had weak distinctive character. '& co' was frequently used as a symbol in the course of trade and used internationally so it would be easily understood by a European consumer irrespective of their knowledge of English.</p> <p>The BoA was correct to find that the marks were visually, phonetically and conceptually different, given the only common element of the marks, '&co' had weak distinctive character. The initial elements 'm' and 'max' were visually different, would be pronounced differently and were conceptually different (the word 'max' would be understood to be a boy's name and 'm' a letter of the alphabet). Furthermore because the signs were short, the relevant public would perceive the differences between them more clearly.</p> <p>Therefore, despite the distinctive character of the earlier marks and the similarity or identity of the goods and services, there was no likelihood of confusion.</p>
<p>GC T-278/12 <i>Inter-Union Technohandel GmbH v OHIM; Gumersport Mediterranea de Distribuciones, SL</i> (25.09.14)</p>	<p style="text-align: center;"></p> <ul style="list-style-type: none"> - protective helmets for sports, sunglasses; speed indicators, automatic indicators of low pressure in vehicle tyres (9) - vehicles for locomotion by air, land or water; bicycles and bicycle accessories (12) - shirts, parkas, jackets, trousers, gloves (clothing), underwear, pyjamas, swimsuits, sportswear; (25) <p>PROFEX</p> <ul style="list-style-type: none"> - chain locks, thermometers, accessories for luggage and small items; notepads, adhesive signs, accessories for land vehicles, specifically foils, blinds and screens made of plastic for use as sun shields (various Classes) 	<p>The GC annulled the BoA's decision that Inter-Union had not proven genuine use of its German mark PROFEX under Arts 42(2) and (3).</p> <p>The GC agreed with the BoA's conclusion that an affidavit submitted by one of Inter-Union's representatives was not sufficient proof of genuine use of the PROFEX mark. Given the clear links between Inter-Union and the signatory of the affidavit, probative value could not be attributed to the affidavit, unless it was supported by other evidence.</p> <p>However, the BoA had erred by considering the other evidence produced by Inter-Union (advertisements, catalogues and magazine articles) alone in assessing genuine use of the PROFEX mark, rather than assessing whether these pieces of evidence substantiated the content of the affidavit. The fact that the affidavit was from an employee of Inter-Union could not, by itself,</p>

	(German mark)	deprive the statement of all value. The GC held that the BoA had also erred in holding that the magazine articles on product testing could not prove extent of use of the PROFEX mark.
GC T-605/11 <i>Novartis AG v OHIM;</i> <i>Dr Organic Ltd</i> (10.12.14)	BIOCERT - medicinal and herbal products, food supplements (5) BIOCEF - pharmaceutical preparations (5) (Austrian mark)	The GC annulled the BoA's decision that there was no likelihood of confusion between the marks under Art 8(1)(b) . The BoA was correct in finding that the average consumer showed a heightened level of attention when choosing pharmaceutical products. Environmental elements likely to distract the consumer could not be taken into account when assessing the level of attention of the relevant public. Whilst the BoA was correct to conclude that the common element 'bio' was descriptive of the products at issue, this did not mean that the 'bio' part of the marks should not be taken into account when considering their similarity. The element 'bio' determined, to a significant extent, the overall impression produced by the two marks. Furthermore, it was located at the beginning of the two marks, which was, in principle, more likely to catch the public's attention. Therefore the marks had at least an average degree of visual and phonetic similarity, and a degree of conceptual similarity. The similarities between the marks had to be considered in light of the fact that 'bio' had a weak distinctive character. However, the similarities between the marks did not only arise from the presence of 'bio' and, despite the heightened level of attention of the public, there was a likelihood of confusion between the marks.
GC T-498/13 <i>Nanu-Nana Joachim Hoepf GmbH & Co. KG v OHIM; Vincci Hoteles SA</i> (11.12.14)	NAMMU - bleaching preparations and other substances for laundry use, abrasive preparations, soaps, perfumery, essential oils, cosmetics, hair lotions, dentifrices (3)	In invalidity proceedings, the GC upheld the BoA's decision that the evidence of the use of the earlier mark was insufficient to prove genuine use under Arts 57(2) and (3) . Nanu-Nana's evidence of use was based on two affidavits from employees within its group of

	<p>- hygienic and beauty care for humans or animals, beauty salons, physiotherapy, massage and manicure (44)</p> <p>NANU</p> <p>- preparations for beauty care and personal hygiene, essential oils and perfume oils (3)</p> <p>(German mark)</p>	<p>companies (a third affidavit submitted for the first time before the GC and its accompanying data were not admissible).</p> <p>The GC held that the particulars in an affidavit by a person linked to the company relying on it must be supported by other evidence. In particular, neither affidavit proved that the earlier mark was put to genuine use in Germany. Genuine use of a trade mark could not be proved by means of probabilities or suppositions, but had to be demonstrated by solid and objective evidence. The BoA was correct in declining to rely on such suppositions. The BoA was also correct to find that proof of genuine use had not been established and to conclude that the application for a declaration of invalidity based on the earlier mark would fail.</p>
<p>GC T-10/09 <i>Formula One Licensing BV v OHIM; ESPN Sports Media Ltd</i> (11.12.14)</p>	 <p>- magazines, pamphlets and books (16)</p> <p>- communication of books, magazines and newspapers via computer terminals (38)</p> <p>- electronic publication of books, journals and periodicals and entertainment information (41)</p>  <p>F1</p> <p>- goods and services in Classes 16, 38 and 41 (International, Community, German and UK marks)</p>	<p>The GC annulled the BoA's finding that there was no likelihood of confusion between the marks under Art 8(1)(b).</p> <p>The GC's decision followed the remittance of this case back from the CJ (C-196/11, reported <i>CIPA Journal</i>, June 2012).</p> <p>The BoA was correct to find that the goods and services covered by the marks at issue were identical or similar.</p> <p>The GC held that contrary to the BA's finding, there was a certain degree of overall similarity between the marks at issue as a result of the inclusion of the word element of the earlier marks in the mark applied for.</p> <p>The GC noted that the weak distinctive character of the earlier marks did not preclude a finding of a likelihood of confusion.</p> <p>Therefore the BoA was incorrect to find that there was no likelihood of confusion under Art 8(1)(b).</p>
<p>GC T-12/13 <i>Sherwin-Williams Sweden AB v OHIM;</i></p>		<p>The GC upheld the BoA's decision that there was a likelihood of confusion between the marks under Art 8(1)(b).</p>

<p><i>Akzo Nobel Coatings International B V</i> (11.12.14)</p>	<p>(colour indication: Red HKS 23)</p> <p>- paints including industrial paints; varnishes and lacquers; coatings (paint), primers, enamels for painting; preservatives against rust and against deterioration of wood; colorants; mordants; metals in foil and powder form for painters; powder coatings (2)</p> <p>ARTITUDE</p> <p>- paints, varnishes, lacquers; preservatives against rust and against deterioration of wood; dyes; stains (2)</p> <p>(Benelux and international marks)</p>	<p>The BoA was incorrect to find the relevant public had an average level of attention. Where the average consumer did not regularly buy certain goods the degree of attention required was higher than average. Furthermore, considerations requiring a comparison and some reflection before a choice was made (e.g. the suitability of the paint for the particular surface) required a high level of attention.</p> <p>Visually, the marks were weakly similar, due to the common element 'arti'. Phonetically, the marks were similar to an average degree for the relevant French speaking public. The marks were weakly similar conceptually. The 'art' root of the marks would be perceived as an abbreviation of 'artistic' or 'artist' and was therefore not very distinctive.</p> <p>However, the identity / high similarity between the goods offset the weak similarity between the marks. There was therefore a likelihood of confusion, despite the public's high level of attention.</p>
<p>GC T-235/12 <i>CEDC International sp. z o.o. v OHIM; Underberg AG</i> (11.12.14)</p>	<p></p> <p>- spirits and liquors (33)</p> <p></p> <p>- alcoholic beverages (33) (French mark)</p>	<p>The GC annulled the BoA's decision to reject the opposition on the basis that the BoA had failed to give its reasons (as required by Art 75) for not considering certain supplementary evidence of use provided for the earlier mark.</p> <p>The BoA held that CEDC had failed to prove the use of the earlier mark as it had only submitted evidence of use in which the diagonal line element of the mark (described as 'a blade of grass placed almost diagonally in the body of the bottle') was mostly obscured by a non-transparent label.</p> <p>In reaching its decision the BoA had not considered supplementary evidence of use showing different perspective views of the same bottle (in which the diagonal element was not obscured by the label) or articles in the French press stating that the brand was 'easily identified thanks to the aromatic blade of grass present in the bottle'. Whilst this evidence was only presented for the first time before</p>

		<p>the BoA, it was supplementary to the evidence of use which had been before the Opposition Division.</p> <p>The BoA had failed to exercise its discretion under Art 76(2) in an objective and reasoned manner and had also infringed Art 75 by failing to give reasons for its decision.</p>
<p>GC T-480/12 <i>The Coca-Cola Company v OHIM; Modern Industrial & Trading Investment Co. Ltd (Mitico)</i> (11.12.14)</p>	 <p>- various food and drink goods in Classes 29, 30 and 32</p>   <p>- various food and drink goods in Classes 30, 32 and 33</p> <p>- providing of food and drink; temporary accommodation (43) (CTM and UK marks)</p>	<p>The GC annulled the BoA's decision which dismissed Coca-Cola's appeal after its opposition under Art 8(5). The GC remitted the opposition was rejected back to the BoA for re-consideration.</p> <p>It was not disputed that the goods covered by the marks at issue were identical.</p> <p>The BoA had erred in finding that the COCA-COLA marks were not visually similar to the mark applied for. In fact, a low degree of visual similarity arose due to (i) the 'tail' flowing from the first letters of the marks in a signature flourish, and (ii) their shared use of a font uncommonly used in business (Spenserian script). In addition, the goods in question were usually sold in self-service stores, and so the elements of visual similarity were of greater importance on a global assessment.</p> <p>Overall, there was a low degree of similarity, which led to a risk that the relevant public could make a link between the marks.</p> <p>The earlier UK C mark was dissimilar to the mark applied for.</p> <p>The BoA had also erred in refusing to take into account Coca-Cola's evidence showing commercial use of the mark applied for by Mitico. This constituted relevant evidence for establishing a risk of free-riding when applying Art 8(5).</p>
<p>GC T-618/13 <i>Oracle America, Inc. v OHIM; Aava Mobile Oy</i> (11.12.14)</p>	<p>AAVA CORE</p> <p>- various goods and services in Classes 9, 38 and 42 including electronic goods and services</p> <p>JAVA</p>	<p>The GC upheld the BoA's decision to reject the opposition under Arts 8(1)(b) and 8(5).</p> <p>The BoA was correct to take into account the overall impression of the mark applied for and avoid making the comparison based solely on the</p>

	<p>- various goods and services in Classes 9, 38 and 42 (earlier Community and well-known marks)</p>	<p>word 'aava'. Whilst some English speakers with specialist knowledge of electronics might perceive the word 'core' as descriptive for some of the goods, this did not mean this element could be completely disregarded when comparing the marks.</p> <p>The BoA had been correct to find that the marks were not visually similar. The BoA was also correct to find that the marks were not phonetically similar. The marks were also not conceptually similar. For the majority of the relevant public the mark applied for would have no meaning, although Finnish speakers would recognise 'aava' as meaning 'open'. In both cases, this differed from the earlier mark which would be understood to refer to the island of Java. The fact the JAVA trade mark was well known had no impact on this conceptual comparison.</p> <p>Given that the marks were not similar, the BoA was correct to find that there was no likelihood of confusion under Art 8(1)(b) and no link between them under Art 8(5).</p>
<p>GC T-712/13 <i>Monster Energy Company v OHIM</i> (11.12.14)</p>	<p>REHABILITATE</p> <p>- nutritional supplements (5)</p> <p>- ready to drink tea, iced tea and tea-based beverages, ready to drink flavoured tea, iced tea and tea-based beverages (30)</p> <p>- non-alcoholic beverages (32)</p>	<p>The GC upheld the BoA's decision that the mark was descriptive of the goods contrary to Art 7(1)(c).</p> <p>The GC held that the BoA was correct to find that one of the meanings of 'rehabilitate' was to bring a person back to a good state of health or to enable him to return to a good physical condition, which was something that nutritional supplements and the drinks in Classes 30 and 32 were supposed to help to do.</p> <p>The GC also held that the BoA was correct to find that for the relevant public engaged in intense physical pressure, the word 'rehabilitate' contained obvious and direct information on the purpose of the relevant goods rather than a general reference to the concept of improving health.</p> <p>Finally, the GC held that the BoA was correct to find that consumers, faced with the mark REHABILITATE understood immediately and without</p>

		further reflection that the goods at issue could help them to return to a good or healthy condition.
GC T-43/14 <i>Heidrick & Struggles International Inc. v OHIM</i> (12.12.14)	THE LEADERSHIP COMPANY - executive recruitment services, recruitment consultation services (35)	The GC upheld the BoA's decision that the mark was descriptive of the services contrary to Art 7(1)(c) . The BoA was correct to consider that the word 'leadership' meant 'the action or influence necessary for the direction or organisation on effort in a group undertaking' which established a relevant connection with the services at issue, given that HR consultancy service companies, executive recruitment companies and HR provision companies look for the most talented and skilled professionals in order to meet the needs of their clients. The BoA was also correct to find that the expression 'the leadership company' would be perceived by the relevant public as referring to an undertaking which provided recruitment and coaching, particularly by recruiting executives with leadership skills and by offering consultancy and recruitment services involving leadership skills. Therefore there was a sufficiently direct and specific relationship between the mark and the services.

Consent to renounce trade mark rights need not be in writing

***Dalsouple Societe Saumuroise du Caoutchouc ("Dalsouple France") v Dalsouple Direct Ltd and Anr ("the Opponents")** (Arnold J; [2014] EWHC 3963 (Ch); 1.12.14)**

Arnold J dismissed Dalsouple France's appeal from a decision of the Hearing Officer to uphold an opposition to its trade mark application.

Dalsouple France produced rubber floor tiles which it marketed under the trade mark DALSOUPLE. It applied to extend its International Registration for the word DALSOUPLE to the UK. However, the Opponents, who were Dalsouple France's agents in the UK, opposed the application as they had already registered a UK mark and a CTM for DALSOUPLE for the same classes and goods.

Dalsouple France commenced invalidity proceedings against the Opponents' UK mark relying on **Sections 3(6), 5(4) and 60(3)(a) / Articles 3(2)(b), 4(4)(b) and 4(5)**. Finding that Dalsouple France had consented to the registration of the UK mark by the Opponents, the Hearing Officer refused to declare the Opponent's UK mark invalid and upheld the opposition. Dalsouple France appealed.

It was common ground that if Dalsoupe France consented to the registration of the UK mark it would not have been registered in bad faith. **Arnold J** considered the meaning given to "consent" under **Article 7(1)** in *Zino Davidoff v A&G Imports* **C-414/99** to **C-416/99** and held that "consent" under **Article 4(5)** should be interpreted in the same way, i.e. consent must be expressed as an unequivocal intention to renounce the rights in question, whether in writing or not. **Arnold J** also held that the burden of proof lay on the party alleging consent, for which there was no higher standard of proof to be met beyond the ordinary civil standard of the balance of probabilities.

Arnold J therefore concluded that, on the Hearing Officer's findings of fact, Dalsoupe France had unequivocally demonstrated an intention to renounce its rights to prevent the Opponents from registering the UK mark. Rejecting Dalsoupe France's other grounds of appeal, the appeal was dismissed.

PASSING OFF

Inquiry as to damages

The National Guild of Removers and Storers Ltd ("NGRS") v George Anthony Statham & Anr (T/A Marubbis Removals & Storage)* (Judge Hacon; [2014] EWHC 3572 (IPEC); 05.11.14)

Following an order of **Judge Birss** entering summary judgment in favour of NGRS, **Judge Hacon** ordered Mr Statham and the second defendant (his wife) to pay damages to NGRS in the sum of £5,400 plus interest in respect of their passing off by reason of two representations they had made that they were members of NGRS after they had ceased to be so.

NGRS was a trade body which represented and provided services to its members, firms and individuals in the removal and storage business. The Stathams ran a removal and storage business which had been a member of NGRS. When the membership ceased, references to membership of NGRS were removed from the Stathams' business papers, vehicles, website and advertising. However, they claimed to have overlooked a listing on a third party website which contained two references to their business identifying it as a NGRS member.

It was common ground that the user principle was a legitimate basis on which to assess damages. The Judge therefore began with the hypothesis that, immediately before termination of their membership, the Stathams had willingly entered into negotiations with NGRS for a licence to cover the use which they had made of the NGRS name over the next two and a half years. In his view, the realities of the negotiation which could be taken into account (according to **Newey J** in *32Red OKC v WHG (International) Ltd* [2013] EWHC 815 (Ch)) could require the term of the licence to be for a fixed period rather than expiring on the very day that the defendant stopped infringing. He therefore found that the best NGRS would have offered was full membership for three years. The Judge refused to take into account the Stathams' claim that the listing in question had received only 4 unique hits in the relevant period. He said that to do so would be to take hindsight too far, and found that the parties would have contemplated a reasonable number of expected hits on the Stathams' page of the website.

As NGRS had not applied for permission to adduce further evidence contradicting the Stathams' evidence that annual membership at the relevant time was £1,500-£1,800, the Judge adopted £1,800 as the relevant annual fee. Three years' hypothetical membership made a total fee of £5,400 payable. The Judge distinguished two previous judgments of **Judge Birss** in damages inquiries in the PCC in which NGRS had been the claimant; while **Judge Birss** had awarded higher sums of damages by reference to post-termination obligations on NGRS members contained in its rules of membership, unlike the present case there had been no evidence that the putative licensees would have been willing to take full membership for the relevant period.

DESIGNS

Gilet infringes UK and Community unregistered design right

***DKH Retail Ltd v H Young (Operations) Ltd** (Judge Hacon; [2014] EWHC 4034 (IPEC); 08.12.14)**

Judge Hacon held that H Young had infringed the UK and Community unregistered design right in parts of DKH's men's hooded gilet by importing and selling its own gilet in the UK.

DKH claimed UK unregistered design right and unregistered Community design in relation to (i) the front central portion and hood of its 'Academy' gilet sold under the SUPERDRY brand name (the "First Design"), and (ii) the hood alone (the "Second Design"). DKH claimed that H Young had infringed those rights by the importation and sale of its 'Glaisdale' gilet sold under the ANIMAL brand name.

UK unregistered design right

The Judge considered the effect of **Section 1(1)** of the **Intellectual Property Act 2014** and was of the view that, for policy reasons of consistency, there was much to be said for treating the amended definition of "design" in **Section 213(2)** as having a meaning as close as possible to "the appearance of the whole or part of an article", i.e. the definition of a Community design set out in **Article 3 of Council Regulation (EC) 6/2002 (the Design Regulation)**. However, the Judge went on to conclude that **Section 1(1)** made no difference on the present facts.

The Judge rejected H Young's contention that the First and Second Designs lacked originality. While they had been designed in reliance on a recollection of a previous SUPERDRY hooded shirt, the designer was found to have expended sufficient skill, effort and aesthetic judgment in creating the Academy gilet designs. The Judge also rejected H Young's claim that the Academy gilet designs were commonplace within the meaning of **Section 213(4)** (the amendment to which made by **Section 1(3)** of the **Intellectual Property Act 2014** did not apply because the designs in issue were created after 1 October 2014). Prior art referred to by H Young's expert witness was held to be either too obscure or not extremely well known so as to be taken into account in relation to DKH's specific listed features of the First Design. As regards DKH's specific listed features of the Second Design, while the prior art showed that zip-off hoods in the general sense were commonplace, it did not show that the particular design of the Academy zip-off hood was commonplace. As regards the designs as a whole, the Judge found no basis in law for H Young's suggestion that some of the features pleaded by DKH were commonplace because they could serve a technical function. He also rejected H Young's submission that some of the design features pleaded could be ignored because they were not significant. Finally, he rejected the submission that it was not necessary to cite prior art displaying the arrangement of the features of DKH's designs if all those features were shown individually to be commonplace (not least because all the features were not shown to have been commonplace).

Only secondary infringement was alleged. The Judge found that, with one exception, the features of the First and Second Designs were present in the front and hood of the Glaisdale gilet. Disregarding stitching differences as surface decoration pursuant to **Section 213(3)(c)**, he found that the similarities relied on by DKH had more visual significance than, and significantly outweighed, the differences pleaded by H Young. Therefore, he held that the relevant parts of the Glaisdale gilet were made substantially to the First and Second Designs. However, he found that H Young did not have reason to believe that the Glaisdale gilets were in part infringing articles before receipt of DKH's letter before action; DKH had adduced no evidence to show that those in the clothing industry would have known that copying a garment would constitute an infringement of IP rights and that the relevant individuals therefore must have known. Therefore, H Young was only imputed with the requisite knowledge from the date of receipt of the letter before action and for a reasonable period for investigation thereafter, which the Judge said was 14 days. Nevertheless, a belief, however honest, held after that date

that the extent of the copying did not amount to infringement did not prevent H Young from having reason to believe that the Glaisdale gilets were in part infringing articles.

Community unregistered design right

The Judge rejected H Young's argument that certain features of the First and Second Designs were solely dictated by their technical function, accepting expert evidence that they also had an aesthetic purpose and that the designer had choices which affected the look of the garment. On the question of individual character of the First Design, none of the prior art relied on by H Young had a hood, which on the Academy gilet the Judge found had significant visual impact. As for individual character of the Second Design, there was no one item in the design corpus which did not lack significant elements of the Second Design. Both designs therefore had individual character.

While the Judge was able to take into account the stitching differences in assessing infringement of the First Design, he found that the overall impression of the informed user of the First Design and the corresponding part of the Glaisdale gilet would be that they shared the same design concept, and that the differences would not be sufficient to dislodge that recognition. The hoods of the Academy and Glaisdale gilets were found to share all the same features, except for a white tape on the front inside of the Glaisdale hood which the Judge found would not produce on the informed user an overall different impression to that produced by the Second Design.

Damages

The Judge ordered that no damages be awarded pursuant to **Article 13(1)** of the **Enforcement Directive (2004/48/EC)** because knowledge was not established until after receipt by H Young of the letter before action; he expressed the view that a successful claim for secondary infringement did not automatically lead to bonus damages under **Article 13(1)**.

UK Registered Design and unregistered designs rights for ice cream van design found valid and infringed

***Whitby Specialist Vehicles Ltd v Yorkshire Specialist Vehicles Ltd ("YSVL") & Ots** (Arnold J; [2014] EWHC 4242 (Pat); 17.12.14)**

Arnold J held that the defendants had infringed Whitby's UK Registered Design and its UK unregistered design rights relating to its ice cream van design. Two of the defendants were also found to have infringed Whitby's UK trade mark for WHITBY MORRISON.

Whitby was the largest manufacturer of ice cream vans in the UK. Its business involved the design, manufacture, repair, maintenance and restoration of ice cream vans. The second and third defendants were brothers ("Amer" and "Omar"), and the fourth defendant was their father ("Ghulam"). Ghulam had operated an ice cream van for many years, assisted by Amer and Omar. Amer subsequently went into the business of making ice cream vans, eventually trading through the first defendant, YSVL, of which he was a shareholder. Omar had worked for Amer and YSVL.

Whitby designed a new model of ice cream van known as the Mondial, creating moulds for the manufacture of various fiberglass panels which formed the body and interior fittings. Whitby accepted that the design of the Mondial was not revolutionary but an evolution of earlier Whitby ice cream van designs, notably a model called the Millenium. Amer and Omar admitted that they had physically copied a Mondial by using panels from a Mondial to produce moulds from which further fiberglass panels were made and by copying the mechanical components. Whitby claimed for infringement of its UK Registered Design in respect of the external appearance of the Mondial, its UK unregistered design rights, and its UK trade mark for WHITBY MORRISON. The trade mark appeared on the drive shaft cover on the Mondial, and in reverse on one of the defendants' moulds (as a result of their use of a Whitby cover to make

the mould). The First to Third defendants counterclaimed for revocation of the Registered Design on the basis that it lacked individual character.

Arnold J found that many of the similarities between the Mondial and the Millenium were due to technical, cost, regulatory and practical constraints. However, he acknowledged that the informed user (an ice cream van operator) would be aware of this, and found that the differences which did exist combined to produce a different overall impression. He went on to find that, while Whitby was right to accept as it did that the Registered Design had a relatively narrow scope of protection given that it did not represent a significant departure from the design corpus and the constraints on the designer's freedom, the defendant's van produced the same overall impression as the Registered Design, and therefore infringed.

In considering Whitby's unregistered UK design rights, the Judge began by noting that he had doubts as to the correctness of **Judge Hacon's** comments in *DKH Retail Ltd v H Young (Operations) Limited* (reported above) that the amendment to **Section 213(2) CDPA** made by the **Intellectual Property Act 2014** was fully retrospective. However, he was likewise of the view that it made no difference on the present facts. Whitby relied on (i) the overall appearance of the exterior of the Mondial van, (ii) a group of designs making up the overall appearance of the interior of the Mondial, excluding the cab and other components such as the temperature gauge, and (iii) a group of designs consisting of the shape and configuration of the base frame and direct drive bracket. The Judge concluded that none of the designs were commonplace, with the exception of the base frame, although some were excluded from protection on "must-match" grounds since they amounted to designs of individual fiberglass panels. As the defendant's van was substantially to the valid designs, Whitby's unregistered design rights in those designs were infringed.

The Judge also found, on the balance of probabilities, that Amer and Omar had used the mould which they admitted creating from a Whitby cover to make their own cover. Accordingly, they had infringed Whitby's trade mark pursuant to **Sections 10(1) and 10(4)**.

The Judge went on to find that Ghulam had also infringed the Registered Design and Whitby's unregistered design rights, and that he was jointly liable for Amer and Omar's infringements of the Registered Design, unregistered design rights, and the UK trade mark, since he had funded the purchase of at least two vans, participated in the copying of the Mondial, and sold at least one of the infringing vans.

Inquiry as to damages

Uwug Ltd & Anr v Derek Ball (T/A Red)* (Judge Hacon; [2014] EWHC 4019 (IPEC); 09.12.14)

In an earlier judgment ([2013] EWPC 35, reported in *CIPA Journal*, September 2013) **Miss Recorder Michaels** held that UWUG's UK Registered Design for a portable frame, from which a sling could be hung for use during sexual activities involving bondage, was infringed by Red's frame. **Judge Hacon** held that UWUG was entitled to damages on the user principle equivalent to 10% of Red's sales prices on each infringing frame it had sold to a third party.

UWUG asked Red to produce a new, custom-made frame suitable for use with UWUG's sling. A design for a frame was made and a number were ordered by UWUG from Red. The parties subsequently fell out and UWUG informed Red that it was not willing to purchase any more frames. Red subsequently sold the frames to third party retailers and UWUG successfully brought proceedings for design infringement. It subsequently brought a claim for damages under the following heads:

Loss of profit from sales of frames that UWUG would have made had Red not supplied third parties with infringing frames

This was a claim that if Red had not sold the infringing products to third parties, it would have sold them to UWUG which would have sold them on and made a profit. However, the Judge found that the reason UWUG was not prepared to buy frames from Red after the first batch had been delivered was not due to any issue about quality but the breakdown of the business relationship to such an extent that UWUG no longer wished to do business with Red. It followed that Red's lack of supply of frames to UWUG, and thus its loss of profit from sales of such frames, was not caused by Red.

Loss of profit from sales of convoyed goods that would have accompanied such sales of frames by UWUG

In light of the above finding, there was found to be no loss of sales of convoyed goods caused by Red.

To the extent that Red made sales of infringing frames which did not affect UWUG's sales, damages on the 'user principle'

In reaching a figure that the parties would have settled on had hypothetical negotiations for a licence from UWUG to Red taken place, the Judge referred to a draft licence agreement which UWUG had prepared but not sent to Red which provided for a royalty of 10% on Red's sales price for all frames sold by Red which were not related to any efforts by UWUG. Acknowledging that Red might have negotiated a lower percentage, and that the draft proposal formed part of a larger draft proposal from UWUG, the Judge still concluded that damages payable to UWUG on the user principle were the equivalent of 10% of Red's sales price for the infringing frames.

Damages from UWUG's loss of opportunity to make sales of frames in the future

This was a claim that, had Red sold the frames to UWUG, UWUG would have built up a business which would have continued to be profitable. However, following the Judge's earlier findings, the failure of UWUG to build up a frame business during the period of infringement was not caused by Red. In addition, there was no evidence of an alternative source of frames waiting to take over as a supplier to UWUG. The Judge therefore rejected UWUG's claim under this head.

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Infringer's state of mind considered in relation to limitation period and additional damages

***IT Human Resources Plc ("ITHR") v David Land** (Morgan J; [2014] EWHC 3812 (Ch); 17.11.14)**

Morgan J held that Mr Land had infringed ITHR's copyright in a software system by providing it to a third party without permission (and in doing so had breached his fiduciary duties to ITHR).

Mr Land was an IT consultant and computer programmer and had been a director of ITHR. ITHR claimed that Mr Land had infringed its copyright in software known as 'Interact' when he, on a number of separate occasions, made Interact available to a recruitment company called Nationwide Technology Recruitment Ltd ("Nationwide"). Interact was a multi-user software system designed to assist in the conduct of a recruitment business for IT technical staff. Mr Land accepted that he did, on a limited number of occasions, make Interact available to Nationwide but claimed that he had been given oral permission by ITHR to do so. Further, he claimed that, in any event, ITHR's claim was statute barred because the occasions on which he had provided Interact to Nationwide were more than 6 years ago. ITHR claimed that Mr Land knew he was acting wrongly in providing Interact to Nationwide and that the case therefore came within **Section 32** of the **Limitation Act 1980** with the result that its claim was not outside the limitation period; if applicable, the limitation period would have been postponed under **Section 32** until ITHR discovered Mr Land's alleged concealment or could with reasonable diligence have discovered it.

Morgan J found that the copyright in the relevant parts of the Interact software was owned by ITHR and that Mr Land had failed to prove that he had ITHR's permission to provide Interact to Nationwide. On the evidence he found it likely that Mr Land had expected that Nationwide would at some time be able to buy a version of Interact from ITHR, and told Nationwide that this was the position. He had anticipated the making of some such agreement to buy Interact by providing versions of it to Nationwide without informing ITHR's CEO. When Mr Land was later considering leaving ITHR, he realised that he would have to do something to help Nationwide acquire Interact. After negotiations between Nationwide and ITHR broke down, Nationwide and Mr Land went ahead and adopted Interact regardless, even though Nationwide had no right to do so. Nationwide changed the name of the software it was using to 'Impact', which the Judge found was probably to conceal the fact that it was using a version of Interact. The Judge also found that Mr Land had provided further versions of Interact to Nationwide, knowing that he did not have the licence of ITHR to do so.

Concluding that Mr Land had infringed ITHR's copyright in the Interact software, the Judge went on to consider Mr Land's state of mind at the time of the infringements. He found that Mr Land had known, both before the failed negotiations and after, that he did not have the necessary permission of ITHR even though, in the first period, he had hoped that no real harm would flow from his actions. As a result, **Sections 32(1)(b) and 32(2) of the Limitation Act 1980** applied and ITHR's claims were not statute barred. The Judge stated that his findings as to Mr Land's state of mind should enable the parties to know where they stood as regards additional damages under **Section 97(2) CDPA**, and indicated that they would also be relevant to an assessment under **Regulation 3 of the Intellectual Property (Enforcement etc) Regulations 2006**.

Katharine Stephens, Zoe Fuller and Hilary Atherton

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