

# Bird & Bird & Reports of Trade Mark Cases for CIPA Journal

May 2019



# Trade mark decisions

## Decisions of the General Court (GC) and Court of Justice (CJ)

| Ref no.   | Application (and where applicable, earlier mark)   | Comment   |
|---|--|---|
| GC<br><b>T-555/18</b><br><i>Medrobotics Corp. v EUIPO</i><br><br>3 April 2019<br>Reg 2017/1001<br><br><b>Reported by:</b><br><i>William Wortley</i> | <b>See More. Reach More. Treat More</b><br><br>- medical devices, namely, surgical devices for diagnostic and surgical use; articulated arms for medical diagnostic and surgical use; probes used concurrently therewith for medical purposes with one or more positionable tools coupled thereto (10) | <p>The GC upheld the BoA's decision that the mark was descriptive pursuant to Art 7(1)(b).</p> <p>It was undisputed that the goods covered by the mark were intended for a professional public, made up of English-speaking consumers within the EU. The BoA was correct in its assessment that, having regard to the fact that the mark was an ordinary advertising message, the level of attention of that public would be relatively low.</p> <p>The GC further agreed with the BoA that the relevant public would perceive the mark as a promotional slogan with laudatory meaning as to the function of the goods.</p> <p>The GC found that the mark lacked any unusual syntax or grammar from an English language perspective. Furthermore, the GC stated that the combination of concise formulations and repetition is commonly used in advertising. The mark therefore lacked any striking features which would make it easier for the relevant public to remember it.</p> |
| Ref no.   | Application (and where applicable, earlier mark)   | Comment   |
| GC<br><b>T-463/18</b><br><i>Novartis AG v EUIPO</i><br><br>12 March 2019<br>Reg 2017/1001<br><br><b>Reported by:</b><br><i>Katie Tyndall</i>        | <b>SMARTSURFACE</b><br><br>- contact lenses (9)  | <p>The GC upheld the BoA's decision that the mark lacked distinctive character and was descriptive pursuant to Arts 7(1)(b) and 7(1)(c).</p> <p>The BoA was correct in its assessment that the relevant public was English speaking and would perceive instinctively without any interpretive effort that, in the context of contact lenses, the mark referred to the surface of the contact lens having sophisticated characteristics and was descriptive.</p> <p>The GC found that the mark merely conveyed information signifying an essential feature of the contact lens in question. The mark was a simple juxtaposition of two commonly used English words, and was not creative or a play on words. As such, it was devoid of distinctive character within the meaning of Art 7(1)(b).</p>  |

| Ref no.  | Application (and where applicable, earlier mark)   | Comment  |
|--|--|--|
| <p>GC<br/><b>T-34/18</b><br/><i>Giove Gas Srl v EUIPO;</i><br/><i>Compagnie des gaz de pétrole Primagaz</i></p> <p>14 February 2019<br/>Reg 2017/1001</p> <p><b>Reported by:</b><br/><i>Aaron Hetherington</i></p> |  <p>- regulating and safety accessories for water and gas installations; food and beverage cooking, heating, cooling and treatment equipment; heating, ventilating, and air conditioning and purification equipment (ambient); refrigerating and freezing equipment; burners, boilers and heaters; flues and installations for conveying exhaust gases; lighting and lighting reflectors (11)</p> <p><b>CALOON</b></p> <p>- apparatus for lighting, heating, steam generating, cooking, refrigerating, drying, ventilating, water supply and sanitary purposes; air conditioning apparatus and installations; freezers; pocket searchlights; coffee machines, electric; cookers; lighting apparatus for vehicles; heating or air conditioning installations for vehicles; air and water purifying apparatus and machines; sterilisers (11)</p> <p><b>(EUTM)</b></p> | <p>The GC upheld the BoA's decision that there was a likelihood of confusion between the marks pursuant to Art 8(1)(b).</p> <p>Giove submitted that it only intended to market pellet stoves under the mark, unlike Primagaz, such that there would be no likelihood of confusion. The GC held that marketing intentions were irrelevant, and the comparison was thus based solely on the list of goods in the application.</p> <p>The stylisation of the applied for mark was not enough to preclude visual similarity since KALON was the dominant element due to its size, and most of the letters were the same as the earlier mark.</p> <p>The marks were phonetically identical. The 'OO' and 'O' elements would have been pronounced the same by the German speaking public.</p> <p>Due to these similarities and identity of the goods, there was a likelihood of confusion.</p> |

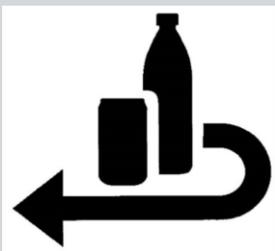
| Ref no.  | Application (and where applicable, earlier mark)   | Comment   |
|--|--|---|
| <p>GC<br/><b>T-63/18</b><br/><i>Torro Entertainment Ltd v EUIPO; Grupo Osborne, SA</i></p> <p>14 February 2019<br/>Reg 2017/1001</p> <p><b>Reported by:</b><br/><i>Daniel Anti</i></p> |  <p>- business analysis; research and information services; advertising, marketing and promotional services; business assistance, management and administrative services (35)</p> <p>- providing temporary accommodation; services for providing food and drink (43)</p> <p><b>TORO</b></p> <p>- advertising services; management of business affairs; commercial</p> | <p>The GC upheld the BoA's decision that there was a likelihood of confusion between the marks under Art 8(1)(b) and that the BoA did not breach its duty of care under Arts 94 and 95.</p> <p>It was noted that the BoA did not err in deciding to assess the likelihood of confusion having regard to the English-speaking public.</p> <p>The BoA was also correct in finding the term 'TORRO' was sufficiently important to be regarded as the dominant element of the mark and that there was phonetic and visual similarity between the marks.</p> <p>The GC further held that the BoA's statement of reasons in the contested decision was adequate. As such the applicant failed to establish that the BoA disregarded its duty of care.</p> |

administration; office work; retailing of food and drink (35)

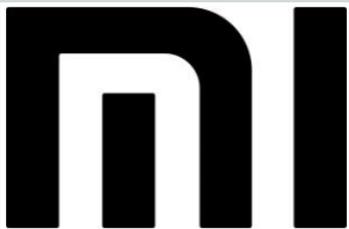
**TORO**

- services for providing food and drink; temporary accommodation services (43)

**(EUTMs)**

| Ref no.   | Application (and where applicable, earlier mark)  | Comment  |
|---|---|--|
| GC<br><b>T-477/18</b><br><i>Užstato sistemos administratorius VŠĮ ("USAVSI") v EUIPO; DPG Deutsche Pfandsystem GmbH ("DPG")</i> |  <ul style="list-style-type: none"> <li>- various services in classes 35, 40 and 42 including waste management services and recycling</li> </ul> | <p>The GC upheld the BoA's decision that a likelihood of confusion under Art 8(1)(b) could not be excluded on the basis that the earlier mark had weak distinctive character.</p> <p>The GC held that the marks contained symbols recognised throughout the EU to denote recycling. The BoA was therefore correct in finding the marks had weak distinctive character.</p> |
| 11 April 2019<br>Reg 2017/1001  |  <ul style="list-style-type: none"> <li>- various services in classes 35, 40 and 42 including recycling of waste and rubbish</li> </ul>         | <p>The GC agreed with the BoA that a likelihood of confusion could not be precluded on the basis that the earlier mark has weak distinctive character; for a finding of likelihood of confusion consideration must be had of all relevant factors in a global assessment.</p>  |
| <b>Reported by:</b><br><i>Robert Milligan</i>   | <p><b>(EUTM)</b></p>  | <p>On a comparison of signs, the GC affirmed the BoA's decision that the marks were visually and conceptually similar to an average degree.</p> <p>The GC affirmed the BoA's decision to refer the opposition back to the Opposition Division to undertake a comparison of the services.</p>   |

| Ref no.  | Application (and where applicable, earlier mark)   | Comment   |
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| CJ<br><b>C-505/17</b><br><i>Groupe Léa Nature SA v EUIPO; Debonair Trading Internacional Lda</i> |  <ul style="list-style-type: none"> <li>- cosmetic and cleaning products (3)</li> <li>- organic clothes (25)</li> </ul> | <p>The CJ upheld the GC's earlier decision that there was no likelihood of confusion between the marks under Art 8(1)(b) and there was no infringement of Art 8(5).</p> <p>The CJ confirmed that it was possible to conclude that there was similarity between signs without assessing whether the element common to the signs at issue was dominant or negligible. It was the overall impression of the various elements making up the sign at issue which the court had to take into account.</p> |
| 28 February 2019<br>Reg 207/2009   | <p><b>SO...?</b></p> <ul style="list-style-type: none"> <li>- toiletries (3)</li> </ul> <p><b>SO...?</b></p> <ul style="list-style-type: none"> <li>- clothing (25)</li> </ul>                             | <p>Furthermore the CJ observed that the concept of similarity had the same meaning for the purposes of Art 8(1)(b) and Art 8(5). Therefore a finding of similarity under Art 8(1)(b) meant that that condition was automatically satisfied under Art 8(5).</p>  |
| <b>Reported by:</b><br><i>Alexander Mullins</i>  | <p><b>(EUTM and UK TM)</b></p>   |   |

| Ref no.  | Application (and where applicable, earlier mark)  | Comment  |
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| <p>GC<br/>T-799/16<br/><i>Xiaomi Inc. v EUIPO, Dudingens Develops SL</i></p> <p>12 March 2019<br/>Reg 207/2009</p> <p><b>Reported by:</b><br/><i>Antonia Boyce</i></p>   |  <ul style="list-style-type: none"> <li>- electric cables; sheaths for electric cables; cable covers [conduits]; electrical power extension cords; enamelled electric wires; ignition cables; helmets for use in sports; plug adaptors (9)</li> <li>- rucksacks; bags for climbers (18)</li> </ul>  <ul style="list-style-type: none"> <li>- computer monitors; hands-free kits for phones; loudspeakers; cabinets for loudspeakers; microphones; televisions; camcorders; headphones; DVD players; portable media players; cameras (9)</li> <li>- radio broadcasting; mobile telephone services; local and long-distance telephone services; communications by telephone (38)</li> </ul> <p>(EUTM)</p> | <p>The GC partially annulled the BoA's decision that there was no likelihood of confusion in respect of certain goods pursuant to Art 8(1)(b).</p> <p>The GC held that the applicant was not justified in claiming that the goods designated by the earlier mark and the contested goods had the same nature. The GC further held that the BoA was correct to find that a similarity in distribution channels did not support a conclusion that there was a similarity between the goods themselves.</p> <p>However, the GC held that the BoA was mistaken in finding that the relevant public would believe that the goods were manufactured by independent undertakings. In addition, the BoA was mistaken in finding no complementarity. It was apparent that the goods covered by the earlier mark were complimentary to goods falling within the contested goods e.g. DVD players needed electrical cables in order to function. Consequently, the decision of the BoA was annulled in relation to cables and plug adapters but dismissed as to the other goods in Class 9.</p> <p>The BoA had failed to provide reasons for their rejection of Xiaomi's opposition with respect to the goods in Class 18. The decision was therefore vitiated by a failure to state reasons.</p> |
| Ref no.  | Application (and where applicable, earlier mark)  | Comment  |
| <p>GC<br/>T-655/17</p> <p><i>Industria de Diseño Textil, SA ("Inditex") v EUIPO; Zainab Ansell and Roger Ansell</i></p> <p>11 April 2019<br/>Reg 207/2009</p> <p><b>Reported by:</b><br/><i>Francesca Rivers</i></p> |  <ul style="list-style-type: none"> <li>- various services relating to travel and tourism in Classes 39, 41 and 43</li> </ul> <p><b>ZARA</b></p> <ul style="list-style-type: none"> <li>- various goods and services in Classes 3, 9, 14, 16, 24, 25, 28, 37, 39, 40 and 42</li> </ul> <p><b>ZARA</b></p> <ul style="list-style-type: none"> <li>- various goods and services in Classes</li> </ul>  | <p>The GC partially annulled the BoA's decision that the mark be allowed to proceed to registration for services in Classes 39 and 43 despite the opposition under Arts 8(1)(b) and 8(5).</p> <p>The GC found the BoA had not correctly assessed the existence of a risk of injury to the earlier marks under Art 8(5) due to unfair advantage being taken of their distinctive character or reputation. It had failed to take due account of specific allegations made by Inditex regarding the risk of unfair advantage, including evidence of a current trend for marks in the fashion market to evolve towards adjacent markets. It had also failed to acknowledge and consider that the earlier marks had enhanced distinctiveness through use (<i>Intel (C-252/07)</i>). The BoA had thus erred in concluding that no such risk of injury had been shown. It was therefore</p>   |

1, 2, 4, 6-8, 10-13, 15, 17, 19-23, 26, 27,  
34-36, 38 and 41  
(EUTMs)

necessary to annul the BoA's resultant decision to allow the mark applied for to proceed to registration in respect of the services in Classes 39 and 43.

The GC rejected Inditex's further plea that the application for the contested mark be rejected. The BoA had not adopted a position on this; therefore the conditions for the GC to exercise its power to alter decisions (*Edwin v OHIM*, Case C-263/09 reported in *CIPA Journal*, August 2011) were not satisfied.

## Shapes necessary to obtain a technical result

***Pirelli Tyre SpA v EUIPO; The Yokohama Rubber Co. Ltd* (GC (Seventh Chamber); T-447/16; 24.10.18)**

*In assessing whether a sign consisted exclusively of a shape which was necessary to obtain a technical result under Article 7(1)(e)(ii), the BoA could not take account of the use and function of a 2-D mark where these were not apparent from the graphic representation. Charlotte Peacock reports.*

Yokohama applied under Articles 52(1)(a) and 7(1)(e)(ii) for a declaration of invalidity in relation to Pirelli's figurative mark (see below) registered in relation to tyres, solid, semi-pneumatic and pneumatic tyres for vehicle wheels of all kinds in Class 12.



The Cancellation Division declared the mark invalid and the Board of Appeal upheld the decision. Pirelli appealed the decision.

The GC confirmed that Article 7(1)(e)(ii) reflected the balancing of two considerations. The first was to ensure that undertakings did not indefinitely obtain exclusive rights relating to technical solutions. The second was to restrict the ground of refusal to marks which consisted 'exclusively' of the shape of goods 'necessary' to obtain a technical result, rather than refusing any shape mark with a functional characteristic.

The GC considered that Pirelli's 2-D mark resembled an inclined hockey stick rather than the shape of a tyre or a tyre tread. Furthermore, its use and function were not apparent from the graphic representation. The BoA was not entitled to go beyond that representation and qualify it 'as a representation of a tyre tread'. In doing so, it had wrongly added elements which did not form part of the mark. It did not matter that the applicant had described the mark as a 'tread pattern design'; an objective view had to be taken.

In principle, Article 7(1)(e)(ii) was applicable to marks consisting of the shape of part of a product, for example, in cases where the shape represented a quantitatively and qualitatively significant part. However, in this case, the mark represented a single groove on a tyre tread, constituting only a very limited part of a tyre tread, which was itself only one part of a tyre. Further, the evidence showed that it was the whole tread that performed the technical function and not the shape identical to the mark.

It followed that the registration, the protection of which was limited to the shape which it represented, would not prevent the applicant's competitors from making and marketing tyres which incorporated an identical or similar shape when combined with other elements of a tyre tread as it would not be a necessary feature on a tyre tread in a manner enabling the mark to be identified.

The BoA was therefore wrong to find that the mark represented a tyre tread and that the mark consisted of the shape of the goods (namely, tyres).

Reporter's note: This decision is under appeal.

## Establishing notification timelines

***The Green Effort Ltd ('GE') v EUIPO, Fédération internationale de l'automobile (CJ (Sixth Chamber); C-282/18; 10.04.2019)***

*A trade mark owner could not appeal against the finding of the GC after missing the deadline for filing an appeal. The time limits for bringing an action and the circumstances governing purported notification were considered by the CJ. Megan Curzon reports.*

GE appealed against the decision of the BoA revoking its mark, FORMULA E registered in Classes 25, 38 and 41, in its entirety for non-use. GE appealed the decision.

During the course of the proceedings, before the GC, it transpired that GE had filed its appeal out of time. The GC therefore dismissed the action as manifestly inadmissible.

GE appealed on the basis that the GC had wrongly calculated the time limits for bringing an action against the BoA's decision. GE submitted that Article 65(5) of Reg No 207/2009 which provided a two month deadline from the date of notification of the BoA's decision should be read in conjunction with Article 4(4) of the decision of the Executive Director of EUIPO in EX-13-2 dated 26 November 2013, which provided that notification was deemed to have taken place on the fifth calendar day following the date that a document was placed in the user's inbox. As a result, it was GE's position that the time limit should be extended by a further five days.

The CJ found that where no access to the document was requested before this five day limit, notification was deemed to have taken place on the fifth calendar day after being so placed, but this provision was without prejudice to accurately establishing the date of notification. The CJ held that it was common ground that the BoA's decision was downloaded by GE on the same day that it had been sent. Therefore, time started running from that date and the time limit had been correctly established by the GC. The appeal was dismissed in its entirety.

## Parallel imports of medical devices

***Dansac A/S & Hollister Inc. v Salts Healthcare Ltd & Ots\* (Birss J; [2019] EWHC 104 (Ch); 21.01.19)***

*Birss J struck out various parts of Hollister's case, disallowed certain amendments, but allowed other amendments to the Re-Amended Particular of Claim. In doing so, he considered the effect of the CJ's decision on the BMS criteria in Junek v Lohmann & Rauscher (Case C-642/26) (reported in CIPA Journal September 2018). Katharine Stephens reports*

The third defendant, Medik, parallel imported the claimant's ostomy bags and related products which were on sale elsewhere in the EEA into the UK. Some of the goods were relabelled – labels were stuck on the boxes, but the boxes were not opened – and some were "unrelabelled goods", in other words, the goods had been bought in the EEA and imported into the UK without any labels being stuck on them and without the boxes being opened.

The defendants contended that, in relation to the relabelled products, the case was just like that in *Junek* and Hollister's case should be struck out. In *Junek*, the parallel importer had simply stuck a label on the box and

not opened the box when importing medical devices from Austria to Germany. The label did not obscure the originator's label on the box. No notice was given (i.e. the 5<sup>th</sup> of the *BMS* criteria was not followed). The CJ held that the *BMS* criteria were not engaged at all and therefore it did not matter that no notice had been given.

The principle that Birss J derived from *Junek* was that, if there was no risk to the guarantee of origin, then there was no contravention of the *BMS* criteria. Therefore, if the box had not been opened and if the new label did not cover an existing label, then the new label might not put at risk the guarantee of origin. However, one still needed to look at the label in order to make a determination as to whether the new label gave rise to a risk of harming the guarantee of origin provided by the trade marks. If there was such a risk (note not a risk of *serious* harm following *L'Oréal v eBay* (Case C-324/09)), then the *BMS* criteria would apply and notice would have to be given.

Hollister had originally pleaded that, because no notice had been given, its trade mark was infringed. This pleading did not disclose an arguable case and was struck out. However, in stating that the new label included one of Hollister's own marks (and so differed from the facts in *Junek*), the amended pleading contained an issue that should be decided at trial, even though Birss J considered it likely to be unobjectionable.

In relation to the unrelabelled goods, Hollister objected to the parallel importation on the basis that their sale in the UK was an offence under consumer legislation, namely the Medical Device Regulation (SI 2002 No 618). The specific complaint related to the lack of English language version of the product information.

The case as had been originally pleaded on this point was struck out following the CJ's decision in *L'Oréal* where it was held that the application of trade mark law was not affected by whether the sale of the goods was a criminal offence under national law. However, in its amended pleading, Hollister claimed that presence on the UK market of their ostomy products without information in English would be liable to damage their reputation and/or the reputation of their trade marks, in particular in the mind of patients who legitimately expected to have such information provided to them in English. This was allowed on the basis that the issues it raised should be dealt with at trial. As the judge noted, if the sale of the goods was a breach of consumer protection law then it was a short step to say that the specific reasons why that was the case were also damaging to the reputation. The damage was not because it was a criminal offence, but because the reasons why an offence was committed were themselves damaging.

## Likelihood of indirect confusion between VIRGIN and VIRGINIC

### *Virgin Enterprises Ltd v Virginic LLC\** (Arnold J; [2019] EWHC 672 (Ch); 22.03.2019)

*Virgin's appeal from the decision of the Hearing Officer dismissing its opposition was allowed. Virgin's opposition to Virginic's application for VIRGINIC was therefore upheld. Hilary Atherton reports.*

Virgin opposed Virginic's application to register VIRGINIC in Class 3 under Section 5(2)(b) on the basis of its earlier EU and UK trade marks for VIRGIN in Class 3. It elected for a fast-track opposition, and accordingly neither party filed any evidence or requested a hearing and the Hearing Officer decided the case on the papers.

#### Inherent distinctiveness of the earlier VIRGIN marks

As the Hearing Officer had found that VIRGIN was arbitrary in relation to the goods in question, Arnold J concluded that it followed that it had a fairly high degree of inherent distinctive character, albeit not so high as would be the case if it were an invented word. The Hearing Officer had therefore erred in finding that the earlier marks had a "normal" degree of inherent distinctive character.

#### Conceptual similarity

Arnold J rejected Virgin's submission that the Hearing Officer's finding of medium conceptual similarity was inconsistent with his assessment that there was a high degree of visual and aural similarity. However, he went on to find that the Hearing Officer fell into error in failing to consider how the average consumer would perceive the –IC element in VIRGINIC. The Judge considered that the average consumer, having perceived the common VIRGIN- element, would go on to perceive –IC to be playing its usual role as a suffix (as in acid/acidic, atmosphere/atmospheric, hero/heroic, impressionist/impressionistic, opportunist/opportunistic and symbol/symbolic). Therefore, the average consumer would perceive

VIRGINIC as a newly-minted adjective meaning of or pertaining to VIRGIN. It followed that there was a fairly high degree of conceptual similarity between the marks.

#### Independent distinctive role

The Judge rejected Virgin's submission that the Hearing Officer had failed to conclude that the VIRGIN element played an independent distinctive role in VIRGINIC in accordance with the decisions of the CJ in *Medion AG v Thomson Sales Germany & Austria GmbH* (Case C-120/04) and *Bimbo SA v OHIM* (C-591/12). In Arnold J's judgment, the relevant principle set out in that line of cases did not apply because VIRGINIC was not a composite mark consisting of two signs, one of which had a distinctive significance independent of the significance of the whole. As he had accepted (see above), the average consumer would perceive VIRGINIC as a newly-minted adjective. Thus it was not even a case where the meaning of one (separate) component was qualified by another (separate) component; rather it was a case of a single sign into which the VIRGIN- element has been subsumed to form a new, conceptually-related whole.

#### Likelihood of indirect confusion

The Hearing Officer was wrong to find no likelihood of indirect confusion merely because he had found that the word VIRGIN was not strikingly distinctive when applied to the goods at hand. In doing so, he had misapplied the guidance on indirect confusion given by Mr Iain Purvis QC sitting as the Appointed Person, in *L.A. Sugar Limited v By Back Beat Inc*, (O/375/10). Reassessing the likelihood of confusion, Arnold J held that the conclusions that the goods were identical, that the level of attention paid by the average consumer would be average, that the trade marks were visually and aurally similar to a high degree and conceptually similar to a fairly high degree and that the earlier VIRGIN marks were fairly highly distinctive, all pointed towards a likelihood of confusion. There was no challenge to the Hearing Officer's conclusion that direct confusion was not likely, but Arnold J concluded that indirect confusion was likely.

## Opposition to trade mark application based on unregistered rights

***Jaguar Land Rover Ltd v Twisted Automotive Ltd\** (Rose J; [2018] EWHC 3536 (Ch); 20.12.2018)**

*Jaguar's appeal from the decision of the Registrar allowing Twisted's opposition to Jaguar's trade mark application was dismissed. Twisted would have succeeded in a passing off action against Jaguar at the date of application of the trade mark. Adeena Wells reports.*

Jaguar applied to register the mark 'LR' for a range of goods in Class 12 including motor land vehicles and related accessories and fittings as well as bicycles and scooters. Jaguar already owned the well-known and established marks 'Jaguar' and 'Land Rover' and the company was commonly referred to as Jaguar Land Rover or JLR. Twisted opposed Jaguar's application relying on Section 5(4)(a). Twisted submitted that it had been selling the same goods in Class 12 using the unregistered sign 'LR Motors' since November 2015 operating a company (as a division of Twisted) called LR Motors which sold second hand Land Rover Defender vehicles, parts and accessories. Twisted submitted that it had acquired goodwill under the sign and the use of the mark applied for by Jaguar would be a misrepresentation to the public amounting to passing off. The Hearing Officer held that Jaguar's application for 'LR' should be refused in relation to all goods with the exception of bicycles, scooters and related goods. Jaguar appealed.

Jaguar submitted that the Hearing Officer had failed to consider the unusual feature of the case, in that the letters 'LR' as used by LR Motors, referred to Land Rover, and as Twisted's customers would understand this to be the case, there was no misrepresentation. In so far as customers thought there was a connection between the initials 'LR' as used by Land Rover if the mark was registered and the initials used in 'LR Motors' that connection was not a misrepresentation but a true representation; the connection was that the cars and accessories being sold by both businesses were all made by Jaguar Land Rover. Rose J held that this submission was unfounded and not proven by any evidence. In fact, the undisputed evidence was that Jaguar had never used the 'LR' initials as a sign for their goods and therefore there was no basis for submitting that LR Motors customers would think that the 'LR' initials used by Land Rover (if they were) referred only to Jaguar Land Rover and were not connected with LR Motors.

Jaguar accepted that Twisted had built up goodwill in its sign. Twisted operated from a showroom in North Yorkshire, owned a domain name from which it sold its goods and was active on third party motor-related websites such as AutoTrader. Twisted operated several social media accounts, placed its goods on eBay, and

specifically referred in its advertising and marketing materials to the fact that it is "really fanatical about the iconic Defender and have combined knowledge and experience in excess of 50 years". As to the question of the extent of Twisted's goodwill, although it only had one showroom, it operated an online business which did not geographically restrict the extent of their services. Therefore, given that Twisted's business was not localised, Rose J held that Twisted was not prevented from opposing the national use of the LR mark, if registered, by Jaguar.

Despite the distinction between the manufacture of the goods by Land Rover and the retail service provided by Twisted, there was sufficient overlap in the fields of activities in which both businesses wished to use the sign. There was reason for members of the public to assume that LR branded goods sold by Jaguar emanated from LR Motors as Twisted had established goodwill in the sign, there was no concurrent use by Land Rover, and there was sufficient overlap between LR Motors' activities and those of Jaguar.

The Hearing Officer had therefore been entitled to find that LR Motors would have succeeded in a passing off claim against Jaguar as at the filing date.

## High Court provides guidance to IPO on bad faith applications

***Trump International Ltd v DTTM Operations LLC\** (Carr J; [2019] EWHC 769 (Ch); 29.03.19)**

*Trump International's appeal from the decision of the Hearing Officer upholding DTTM's opposition was dismissed. Trump International's trade mark application had been correctly refused for bad faith. The Comptroller intervened in this appeal seeking guidance on how the IPO should deal with applications for well-known trade marks with which the applicant had no apparent connection. Louise O'Hara reports.*

### Facts

Trump International had applied to register TRUMP TV in respect of certain services in Classes 38 and 41 (the 'Application'). Trump International had no connection with Mr Donald Trump. DTTM held and administered trade mark registrations previously owned by Mr Trump and opposed the Application based on the following grounds: (i) it had been filed in bad faith pursuant to Section 3(6); (ii) it was similar to DTTM's earlier EU marks and registered in respect of goods and services that were identical or similar to the goods and services applied for and there was a likelihood of confusion pursuant to Section 5(2)(b); (iii) DTTM's earlier TRUMP mark had substantial reputation in relation to certain of the goods and services covered by the Application pursuant to Section 5(3); and (iv) DTTM had earlier unregistered rights in relation to the word mark TRUMP used throughout the UK since at least 2007 and that the use of the Application by Trump International would constitute passing off.

### Evidence before the Registrar

DTTM provided evidence that (amongst other things):

- i. Trump International was incorporated the day after filing the Application;
- ii. Mr Gleissner was the sole director of Trump International and also the sole director of over 1000 UK companies, almost all of which were believed not to be trading;
- iii. Mr Gleissner, through the companies that he controlled, had been involved in numerous trade mark proceedings in the UK and elsewhere. Reference was made to a decision in *Sherlock Systems CV v Apple Inc* [2017] FSR 30 which concerned 68 applications by companies under the control of Mr Gleissner to revoke trade marks for non-use which were owned by Apple. It was held that the proceedings had been bought for an ulterior and improper purpose and should be struck out as an abuse of process with an order for off-scale costs in favour of Apple of £38,085.

The Hearing Officer referred to the decision of Mr Geoffrey Hobbs QC sitting as the Appointed Person in Decision O/036/18, which was analogous to the present case, and which set out the key questions (the *Alexander* questions) to determine whether an applicant had been acting in bad faith, namely:

- (1) What, in concrete terms, was the objective that the applicant had been accused of pursuing?
- (2) Was that an objective for the purposes of which the contested application could not properly be filed?
- (3) Was it established that the contested application was filed in pursuit of that objective?

Based on the answers to these questions, the Hearing Officer found that Trump International had acted below the standards of acceptable commercial behaviour judged by ordinary standards of honest people and the Application was accordingly refused for bad faith. He considered that there was no need to consider the other grounds of opposition (although noted he would have no doubt found in favour of DTTM in other aspects of its claims). Trump International appealed this decision on the basis that the Hearing Officer had made errors of law or principle in reaching his decision and requested permission to adduce additional evidence on appeal to demonstrate that the Application had not been filed in bad faith.

#### Errors of Law or Principle: Actual or Apparent Bias

Carr J rejected DTTM's allegation that the Hearing Officer was actually biased as "obviously unsustainable". The Hearing Officer was right to find that the evidence brought by DTTM was admissible and relevant. Trump International had applied to register a trade mark which was plainly associated with Mr Trump, with whom it had no connection. That, of itself, required a very clear explanation to refute an inference of bad faith, as did the similar fact evidence. The fact that other companies owned by Gleissner had made numerous other applications to register well-known trade marks with which they had no connection was potentially probative of the issue of bad faith. No evidence as to reasons why Trump International had applied for the mark was provided in order to refute the allegation of bad faith or refute the inference drawn from similar fact evidence.

#### Permission to adduce Additional Evidence

Carr J rejected Trump International's application to adduce further evidence on the basis that the evidence that was sought to be brought could easily have been obtained with reasonable diligence for use at the Trade Mark Registry. Furthermore, the evidence, if given, would not have had an important influence on the result of the case. The evidence went to the company's intention to use the mark, but the Hearing Officer's decision was not dependent on that. The evidence also appeared to be based on a number of misconceptions of law, namely that protection for earlier third party marks was limited to identical goods or services to those in respect of which it had been used and that an assertion of a satirical purpose would provide a defence to the grounds of opposition in the present case. Finally, the evidence was not credible; no details were given as to how the business using the mark TRUMP TV would be operated.

#### Guidance for the IPO

The Comptroller intervened in the appeal to seek guidance on how to deal with cases of this type. The Comptroller noted that Mr Gleissner was involved in a vast number of cases of this type (97 live contested trade mark cases were ongoing as at 30 November 2017) and submitted that such "gaming of the system" was an abuse of process and, left unchecked, would "bring the trade mark system into disrepute". This was the first time a case involving Mr Gleissner had come before the Court.

Carr J gave the following guidance to the IPO on how to deal with such applications in the future:

- i. Where an application is made for a well-known trade mark with which the applicant has no apparent connection, explanation and justification by the applicant is required;
- ii. Other instances of such applications by the applicant (or persons or companies connected to the applicant) may be admissible as fact evidence;
- iii. It is necessary to distinguish between unsubstantiated allegations and established facts of direct relevance to the case before the IPO;
- iv. The *Alexander* questions provide a useful structure for considering allegations of bad faith, but are not compulsory;
- v. The Registrar may strike out proceedings brought for an ulterior and improper purpose as an abuse of purpose; and
- vi. The power to strike out should be exercised with caution. However where a prima facie case of bad faith is established, and no evidence in answer is filed on behalf of the applicant, it may well be appropriate to exercise that power.

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

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*This report was first published in the [CIPA Journal](#), May 2019*