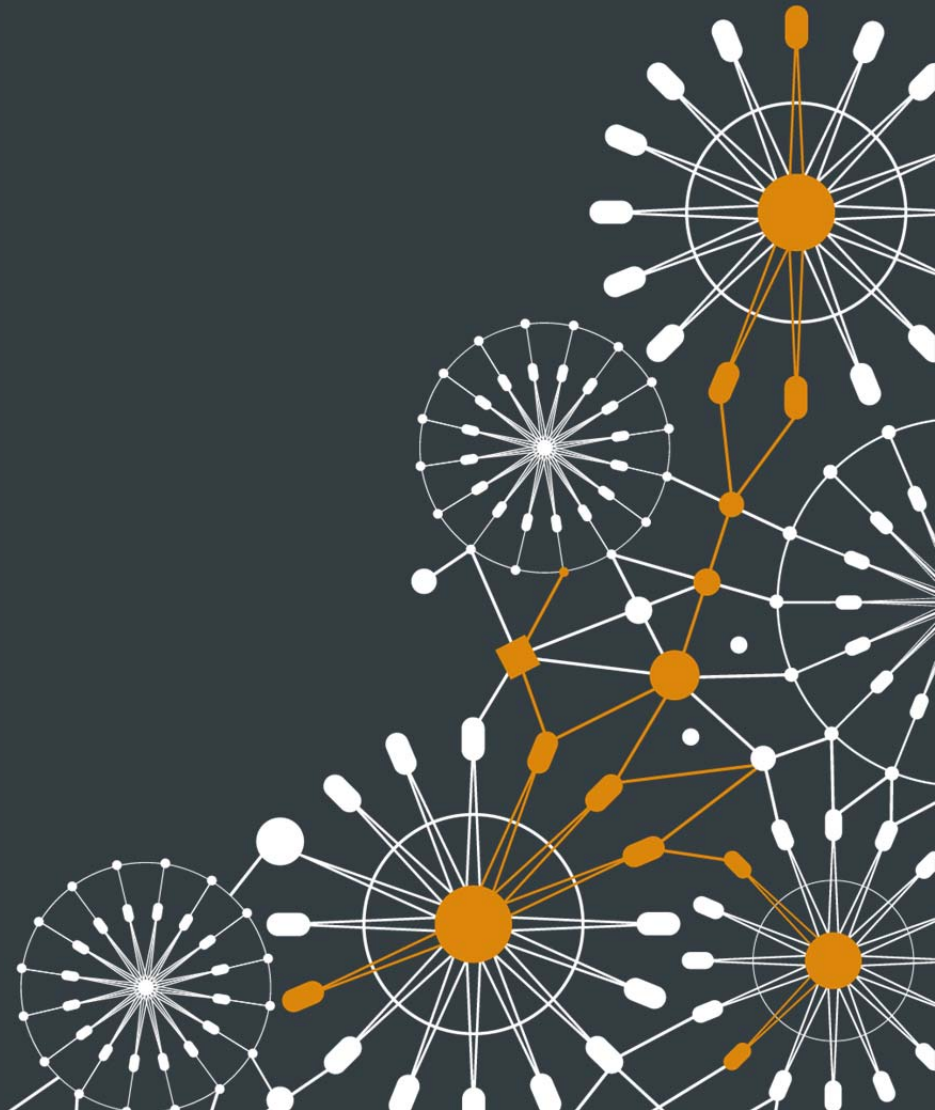



# Bird & Bird & Reports of Trade Mark Cases for CIPA Journal

February 2020




# Trade mark decisions

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

Ref no.	Application (and where applicable, earlier mark)	Comment
<p>GC <b>T-213/18</b> <i>Brita GmbH v EUIPO</i></p> <p>19 June 2019 Reg 2017/1001</p> <p>Reported by: <i>Louise O'Hara</i></p>	 <ul style="list-style-type: none"> <li>- beverage-making machines and installations consisting thereof (7)</li> <li>- apparatus and installations for water treatment, water filtering apparatus, water dispensers (11)</li> <li>- household non-electric apparatus for the production of carbonated water and beverages (21)</li> <li>- filtered water, preparations for making mineral water (32)</li> <li>- rental of vending machines for coffee, tea and sugar (35)</li> <li>- maintenance and cleaning of water filters, water filter apparatus (37)</li> <li>- rental of water filters, water filtering apparatus (40)</li> </ul>	<p>The GC upheld the BoA's decision that the mark was devoid of distinctive character in relation to a large number of the claimed goods and services pursuant to article 7(1)(b).</p> <p>The GC held that the relevant public had an average degree of attention and noted that even if the public had a particularly high level of attention, this would not automatically confer a sufficiently distinctive character on the mark. In fact, a discerning public would be fully aware of all innovative shapes used for the goods at issue, with the result that the sign would not depart significantly from the norm of the sector.</p> <p>The GC confirmed the BoA's finding that, whilst not all water beverage dispensers are identical, the relevant public would recognise different designs as mere variations of the standard shape to be found in all water dispensers. It was not sufficient that certain features of the shape applied for differed from the norm: these features had to be sufficiently marked to enable customers to distinguish the faucet offered under the sign from those of other undertakings solely on the basis of the shape.</p>
Ref no.	Application (and where applicable, earlier mark)	Comment
<p>GC <b>T-268/18</b> <i>Luciano Sandrone v EUIPO; J. García Carrión, SA</i></p> <p>27 June 2019 Reg 2017/1001</p> <p>Reported by: <i>Megan Curzon</i></p>	<p><b>LUCIANO SANDRONE</b></p> <ul style="list-style-type: none"> <li>- alcoholic beverages (except beer); preparations for making alcoholic beverages (33)</li> </ul> <p><b>DON LUCIANO</b></p> <ul style="list-style-type: none"> <li>- alcoholic beverages (except beer)(33)</li> </ul>	<p>The GC annulled the BoA's decision that there was a likelihood of confusion between the marks under article 8(1)(b).</p> <p>The GC held that the names within the signs at issue did not convey any concept so it was not possible to carry out the conceptual comparison and as such the BoA had erred in finding that there was an average degree of conceptual similarity between the marks.</p> <p>In carrying out its global assessment, the BoA failed to consider the low degree of distinctiveness of the 'Luciano' element and the 'higher intrinsic value' of the 'Sandrone' element which the GC regarded as an uncommon surname. Additionally, the BoA had not</p>

adequately considered the specific characteristics of the goods: French and Spanish names were highly prevalent in the wine market and goods with the same name would not necessarily be perceived by consumers as originating from the same undertaking.

Ref no.	Application (and where applicable, earlier mark)	Comment
<p>GC <b>T-533/18, T-542/18</b> <i>Wanda Films, SL and Wanda Visión, SA v EUIPO; Dalian Wanda Group Co. Ltd</i></p> <p>3 October 2019 Reg 2017/1001</p> <p>Reported by: <i>Matthew Vance</i></p>	<p><b>WANDA FILMS</b></p>  <ul style="list-style-type: none"> <li>- apparatus for electricity; information technology and audiovisual equipment (9)</li> <li>- services of a film distributor; entertainment; sporting and cultural activities; audio and visual entertainment services; production of motion picture films and television programmes; providing entertainment news and information (41)</li> </ul> <p><b>WANDA</b></p> <ul style="list-style-type: none"> <li>- apparatus for electricity; apparatus for recording, transmission or reproduction of sound or images; computers (9)</li> <li>- entertainment; sporting and cultural activities; providing on-line electronic publications (41)</li> </ul>	<p>The GC upheld the BoA's decision that there was a likelihood of confusion between the marks under article 8(1)(b). The BoA correctly found that the marks were similar, at least to an average degree, and that the goods and services were identical.</p> <p>The GC rejected Wanda Films' submissions that the use and reputation of their earlier Spanish marks including the word element 'wanda films' prevented the relevant public from confusing the marks in question, noting that earlier rights should be asserted under an application for a declaration of invalidity.</p> <p>The GC further noted that although prior use could indicate coexistence on the market and reduce the likelihood of confusion, Wanda Films' had failed to establish that the marks coexisted peacefully throughout the whole of the EU and that such coexistence was due to an absence of likelihood of confusion between such marks.</p>
Ref no.	Application (and where applicable, earlier mark)	Comment

<p>GC <b>T-428/18</b> <i>McDreams Hotel GmbH v EUIPO; McDonald's International Property Co. Ltd ("McDonald's")</i></p> <p>10 October 2019 Reg 2017/1001</p> <p>Reported by: <i>Tom Hooper</i></p>	 <p><i>Träumen zum kleinen Preis!</i></p> <ul style="list-style-type: none"> <li>- providing temporary accommodation (43)</li> </ul> <p><b>McDONALD'S</b> <b>BIG MAC</b> (and the family of Mc trade marks)</p> <ul style="list-style-type: none"> <li>- foods prepared from meat, pork, fish and poultry products, preserved and cooked fruits and</li> </ul>	<p>The GC upheld the BoA's decision that the mark applied for would take unfair advantage of the reputation of McDonald's earlier marks under article 8(5).</p> <p>The GC agreed with the BoA that there was at least a low degree of overall similarity between the marks and that the structure of the dominant 'mc dreams' element of the mark applied for was similar to that of McDonald's family of marks. In addition, the GC found a 'significant degree of closeness' between services applied for and the services covered by the earlier marks in class 43.</p> <p>As the McDONALD'S mark had an exceptionally high reputation,</p>
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- vegetables (29)
- edible sandwiches, meat sandwiches, pork sandwiches, fish sandwiches, chicken sandwiches, confectionary (30)
- non-alcoholic beverages (32)
- provision of food and drink (43)

particularly for fast food restaurants, the GC considered there to be an obvious risk of unfair advantage being taken of the earlier mark. The GC also noted that the colour combinations of the mark applied for were similar to those used frequently by McDonald's and that the slogan in the mark applied for (which translated to "sweet dreams at low prices") was of a similar notion to the idea of low-cost meals conveyed by the earlier marks.

Ref no.	Application (and where applicable, earlier mark)	Comment
GC <b>T-361/18</b> <i>Agricultural and Processed Food Products Export Development Authority (APEDA) v EUIPO; Burraq Travel &amp; Tours General Tourism Office SA</i>	 <ul style="list-style-type: none"> <li>- various rice related goods including: rice; sago; artificial rice [uncooked] (30)</li> <li>- unprocessed rice; paddy; rice bran [animal feed]; natural rice for use as animal fodder (31)</li> <li>- rice alcohol (33)</li> </ul>	<p>The GC partially annulled the BoA's decision and held that the mark was invalid in relation to all goods under article 59(1)(a) as it was descriptive within the meaning of article 7(1)(c).</p> <p>The GC noted that the word element 'basmati' indicated a specific type of rice to the relevant public which was known to be grown in India and was therefore descriptive of the geographical origin and nature of the goods. Further the word element 'rice' was descriptive.</p> <p>Contrary to APEDA's submissions, the GC held that the image of the turbaned man suggested an inhabitant of an oriental country, but not specifically an inhabitant of India or Pakistan, so did not indicate the origin of the goods. However, the GC held that the figure was not dominant and the combination of this with the decorative elements and the word element 'sir' was not sufficient to confer distinctive character on the mark as a whole.</p>
5 November 2019 Reg 2017/1001		
Reported by: <i>Katie Rimmer</i>		
Ref no.	Application (and where applicable, earlier mark)	Comment
GC <b>T-642/18</b> <b>T-643/18</b> <b>T-644/18</b> <i>Dr August Wolff GmbH &amp; Co. KG Arzneimittel v EUIPO; Faes Farma, SA</i>	<p><b>DERMOFAES ATOPIMED</b> <b>DERMOFAES</b> <b>DERMOFAES ATOPIDERM</b></p> <ul style="list-style-type: none"> <li>- chemicals used in science, agriculture, horticulture and forestry (1)</li> <li>- perfumery, including cosmetics, soaps, lotions, essential oils, dentifrices, washing preparations and other substances for laundry use (3)</li> <li>- pharmaceutical, veterinary and sanitary preparations; baby food; materials for dressings; disinfectants; fungicides (5)</li> </ul> <p><b>DERMOWAS</b></p> <ul style="list-style-type: none"> <li>- soaps; perfumery; essential oils;</li> </ul>	<p>The GC upheld the BoA's decisions that there was no likelihood of confusion between the marks applied for and the earlier mark under article 8(1)(b).</p> <p>Concluding that the earlier mark and the 'DermoFaes' mark were visually and aurally similar 'only to a certain degree', the GC noted that the 'Dermo' element was weakly distinctive, so the attention of the public would focus on the endings of the marks; as these endings were short, the differences between them would be immediately perceived by the relevant public. The second word elements 'Atopimed' and 'Atopiderm', were weakly distinctive for medical professionals, however they significantly increased the length and syllable count of the marks applied for resulting in a low degree of visual and aural similarity.</p>
28 November 2019 Reg 207/2009		
Reported by: <i>Louise O'Hara</i>		

- cosmetics; hair lotions (3)
- pharmaceutical and veterinary preparations; food for babies; materials for dressings; disinfectants; fungicides (5)

The GC agreed with the BoA that the suffixes 'Faes' and 'was' should be ignored for the purpose of conceptual comparison, as they had no meaning for the relevant public. Whilst the 'Atopi', 'Med' and 'Derm' elements would be understood by medical professionals, the general public would likely consider 'Atopimed' and 'Atopiderm' to be imaginary words, so a conceptual comparison was not possible. The conceptual similarity between the marks was thus limited to the 'Dermo' element which only had a limited impact given its weakly distinctive character.

Ref no.	Application (and where applicable, earlier mark)	Comment
GC <b>T-524/18</b> <i>Billa AG v EUIPO; Boardriders IP Holdings LLC</i>	<b>BILLA</b>	The GC partially annulled the BoA's decision that there was a likelihood of confusion between the marks under article 8(1)(b) insofar as it related to 'games' in class 28 of the mark applied for.
4 December 2019 Reg 2017/1001	<ul style="list-style-type: none"> <li>- precious metals and stones; jewellery; ornaments; horological and chronometric instruments (14)</li> <li>- leather and imitation leather goods; trunks and travelling bags (18)</li> <li>- outerclothing and underwear; footwear; headgear; heated clothing (25)</li> <li>- games; toys; gymnastics and sports articles (28)</li> <li>- bringing together of a variety of goods, for advertising purposes; enabling customers to conveniently view and purchase those goods (35)</li> </ul>	The BoA was correct to find that the marks were visually and phonetically similar, as the mark applied for was identical to the first five letters of the earlier marks.
Reported by: <i>Olivia Bowden</i>	<ul style="list-style-type: none"> <li>- games; toys; gymnastics and sports articles (28)</li> <li>- bringing together of a variety of goods, for advertising purposes; enabling customers to conveniently view and purchase those goods (35)</li> </ul>	As the BoA had not ruled on the identity or similarity of the services applied for in class 35, the GC did not assess this, however the GC confirmed that the goods applied for in classes 14, 18 and 25 and 'gymnastics and sports articles' and 'toys' in class 28 were identical or similar to the goods covered by the earlier mark and that there was a likelihood of confusion in relation to these goods.
	<b>BILLABONG</b>	However, the GC held that the 'retailing of sporting goods' in class 35 was dissimilar to 'games' in class 28 as they were not complementary, 'sporting goods' themselves were different to 'games' and there was no evidence to support the finding that the goods and services shared the same distribution channels.
	<ul style="list-style-type: none"> <li>- jewellery; charms; ornaments; precious and semi-precious gem stones; watches; clocks; watch accessories; key rings (14)</li> <li>- chamois leather; bags (18)</li> <li>- clothing; footwear; headgear (25)</li> <li>- sporting goods; sporting parts and accessories (28)</li> </ul>	
	<b>BILLABONG</b>	
	<ul style="list-style-type: none"> <li>- retailing of the aforementioned goods (35)</li> </ul>	



Ref no.	Application (and where applicable, earlier mark)	Comment
GC <b>T-747/18</b> <i>Refan Bulgaria OOD v EUIPO</i>		The GC upheld the BoA's decision that the mark was descriptive pursuant to article 7(1)(c).  Although the goods concerned did not necessarily have the fragrance of a flower, the GC noted that they could all be used with such a fragrance. This was sufficient for registration to be refused based on article 7(1)(c).  Further, the GC held that any decorative purpose of the mark applied for did not preclude it from designating another characteristic of the goods, such as fragrance.
12 December 2019 Reg 2017/1001	<ul style="list-style-type: none"> <li>- soap products, sponges impregnated with soaps, toiletries, cleaning and fragrancing preparations (3)</li> <li>- candles, tealights (4)</li> <li>- medicated soap, disinfectant soap, antibacterial soap (5)</li> </ul>	
Reported by: <i>Henry Elliott</i>		
Ref no.	Application (and where applicable, earlier mark)	Comment
GC <b>T-648/18</b> <i>Super bock group, SGPS SA ("SBG") v EUIPO; Agus sp. z o.o.</i>	<b>CRYSTAL</b> <ul style="list-style-type: none"><li>- various food and drink products, including tea, coffee, drinking chocolate, cocoa and related beverages, crisps and biscuits (30)</li></ul>	The GC upheld the BoA's decision that there was no likelihood of confusion between the marks under article 8(1)(b).  As SBG had only been able to prove genuine use of the earlier mark in relation to 'beers', the BoA correctly held that the drink products applied for were dissimilar: the public perceived alcohol content as a significant difference in the nature of the beverages, so non-alcoholic drinks such as tea and coffee were not in competition with alcoholic drinks such as beer. In addition the GC noted that such drinks were consumed on different occasions, for the satisfaction of differing social needs, and attracted different levels of regulation.  The foodstuffs applied for were not complementary to 'beers' as they were not indispensable or important for the consumption of beer.
12 December 2019 Reg 2017/1001	<b>CRISTAL</b> <ul style="list-style-type: none"><li>- non-alcoholic beverages and beers (32)</li></ul>	
Reported by: <i>Jonathan Edwards</i>	<b>(Portuguese mark)</b>	
Ref no.	Application (and where applicable, earlier mark)	Comment
GC <b>T-729/18</b> <i>El Corte Inglés, SA v EUIPO; Lloyd Shoes GmbH</i>		The GC upheld the BoA's decision that there was no likelihood of confusion between the marks under article 8(1)(b) in respect of the services in class 35 relating to clothing, footwear and headgear. The BoA's decision that there was a likelihood of confusion in respect of the goods in classes 3, 14, 18 and 25 was not under appeal.  The GC noted that although goods such as shoes, clothing and hats in class 25 and handbags in class 18 shared common aesthetic function, and were therefore similar to one another, this was not sufficient to establish similarity between the goods in class 18 and sales services in class 35 relating to the goods
19 December 2019 Reg 2017/1001	<ul style="list-style-type: none"> <li>- perfumery; cosmetics (3)</li> <li>- jewellery; costume jewellery; tie pins and clips; horological and chronometric instruments (14)</li> <li>- leather and imitations of leather and goods made of these materials; travelling bags; briefcases and attaché cases (18)</li> <li>- clothing, footwear, headgear (25)</li> <li>- sales services relating to the goods in classes 14, 18 and 25 (35)</li> </ul>	
Reported by: <i>Rebecca Slater</i>		



- bleaching preparations; abrasive preparations; soaps; perfumery; cosmetics (3)
- precious metals; jewellery; precious stones; horological and chronometric instruments (14)
- leather and imitations of leather and goods made of these materials, (excluding footwear); travelling bags; umbrellas and walking sticks; saddlery (18)

in class 25: these goods and services were dissimilar on account of their different nature, intended purpose and method of use.

Ref no.	Application (and where applicable, earlier mark)	Comment
GC <b>T-28/19</b> <i>Karlovarské minerální vody a.s. v EUIPO; Aguas de San Martín de Veri, SA</i>	<b>VERITEA</b> - iced tea and tea-based beverages (30) - mineral waters and other non-alcoholic drinks (32)	The GC upheld the BoA's decision that there was likelihood of confusion between the marks under article 8(1)(b). The GC confirmed the BoA's finding that the expression 'agua pura del pirineo' ('pure water from the Pyrenees') in the earlier mark was of weak or no distinctive character, as it would be understood by the Spanish-speaking part of the relevant public as describing the nature, characteristics and qualities of 'non-alcoholic beverages', so the 'veri' element was the most distinctive element of the earlier EUTM.
19 December 2019 Reg 2017/1001	<b>VERI – AGUA PURA DEL PIRINEO</b> - non-alcoholic beverages	Likewise, the BoA correctly noted that although the mark applied for, as a whole, was distinctive, it was possible that some of the Spanish-speaking public would artificially isolate the English word 'tea'. In this scenario the 'veri' element was distinctive whereas the 'tea' element was descriptive.
Reported by: <i>Justin Bukspan</i>	<b>VERI</b> - all types of table water (32) <b>(EUTM and Spanish mark)</b>	Given the coincidence of the distinctive elements at the start of both marks, the GC upheld the BoA's finding that the marks were visually and phonetically similar to an average degree.
Ref no.	Application (and where applicable, earlier mark)	Comment

GC  
**T-589/18**  
*Vins el Cep, SL ("Vins el Cep") v EUIPO; Rotkäppchen-Mumm Sektkellereien GmbH*



- alcoholic beverages (except beers) (33)

The GC upheld the BoA's decision that there was a likelihood of confusion between the marks under article 8(1)(b).  
The BoA was correct to find that the word elements in the mark applied for were more distinctive than the figurative elements, in particular as a crown element was one commonly used in the beverages sector, and that the term 'MIM' was dominant due to its central

19 December 2019

Reg 2017/1001

**MUMM**

- alcoholic beverages, except beers and champagne (33)

Reported by:

*Katie Tyndall*

**(Germany)**

position.

The GC upheld the BoA's finding that the marks were visually and phonetically similar. The latter was of particular importance as the goods were likely to be ordered orally, often in noisy places, so differences in the pronunciation of an 'I' or a 'U' were less likely to be perceived.

Contrary to the BoA, the GC found that a conceptual comparison was possible and that the marks were not conceptually similar, but that this was not sufficient to counteract the similarities.

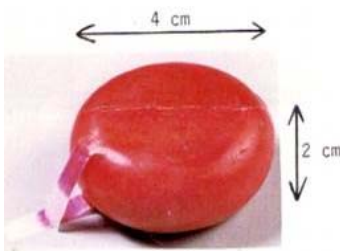
## Invalidity under Section 3(1)(a)

***Fromageries Bel SA ("FBSA") v J Sainsbury plc\* ("Sainsbury") (Hacon J; [2019] EWHC 3454 (Ch); 9 October 2019)***

*Judge Hacon invalidated FBSA's three dimensional "Babybel" shape mark registration as the colour indication was not sufficiently clear or precise. Robert Milligan reports.*

### Facts

FBSA owned a UK trade mark registration for the three dimensional shape mark pictured below:



registered in class 29 in relation to cheese. The registration had the description – "*The mark is limited to the colour red. The mark consists of a three dimensional shape and is limited to the dimensions shown above*".

Sainsbury brought an invalidity action against the registration pursuant to Section 47(1) on the basis that the mark did not satisfy the requirements in Sections 3(1)(a) or 3(2). At first instance, the Hearing Officer dismissed the argument under Section 3(2), but found that the trade mark was invalid pursuant to Section 3(1)(a) on the basis that the reference to "*the colour red*" in the description of the trade mark was not sufficiently clear and precise. FBSA appealed to the High Court.

### Application of the *Sieckmann* criteria

FBSA argued that, since the colour red was not the only essential characteristic of the mark, the mark need not be defined with any greater precision than that contained within the mark's description. However, Judge Hacon disagreed with FBSA in finding that "*where a mark contains colour but is not a colour mark per se, the need for precision as to hue will depend on the extent to which other elements of the mark serve to make the mark capable of distinguishing*". The question therefore was whether the mark was capable of distinguishing the cheese of FBSA from the cheese of other undertakings on the assumption that the hue used in the mark was any hue of red which FBSA cared to use.

Judge Hacon found that the trade mark could be capable of distinguishing the cheese of FBSA from the cheese of other undertakings only if a particular hue of red used on the main body of the product was associated with FBSA's cheese. In other words, the mark had to be limited to a single hue of red.



### Is the mark limited to the colour red shown in the pictorial representation?

FBSA argued that where a mark was filed with a description referring to a colour and pictorial representation, the description would be taken to mean the hue of the colour shown in the picture. Judge Hacon disagreed as the absence of any statement about hue (such as a Pantone number) was all the more striking in light of the fact that the description expressly limited the shape to particular dimensions.

Judge Hacon agreed with the Hearing Officer that had the mark been filed with no description then the consumer would have assumed that the colour was the hue shown in the pictorial representation. Alternatively, if the description had said "*the colour red as shown in the representation*", the result would have been the same. However, as the description was for "*the colour red*" a consumer would conclude that the mark encompassed any red hue.

### Should FBSA be allowed to retrospectively specify the Pantone?

Judge Hacon rejected FBSA's application pursuant to Section 13 to limit the rights of the mark by specifying that the colour red was Pantone 193C on the basis that the clarification would introduce an additional feature into the content of the mark in order to make it distinctive and would affect the description of the mark itself.

## Survey evidence

### ***Glaxo Wellcome UK Ltd & Anr v Glenmark Pharmaceuticals Europe Ltd & Ors\** (Arnold LJ; [2019] EWHC 3239 (Ch); 13 November 2019)**

*Arnold LJ dismissed an application by GSK adduce additional survey evidence in response to criticism of survey evidence it had adduced in a separate trial. Mark Day reports.*

#### Facts

GSK issued proceedings in November 2018 alleging infringement of EU and UK trade marks and for passing off. In June 2019, Arnold LJ made an order on an application of the Defendants to expedite the trial.

GSK then applied for and were granted permission to adduce survey evidence. However, two days before the hearing of that application, judgment in the *Glaxo v Sandoz* [2019] EWHC 2545 (Ch) litigation was sent to the parties in draft. The judgment was subsequently handed down on 4 October. In that judgment, Arnold LJ criticised the survey evidence adduced by GSK for not complying with the Whitford guidelines. Further, he ruled that the surveys were useless as they invited speculation and certain questions were '*both leading and misleading*'.

GSK subsequently sought permission to vary the order in the present litigation to allow for further surveys to be carried out. GSK freely admitted that the criticism in the Sandoz judgment prompted it to make the present application.

#### The seriousness and significance of GSK's failure to comply

GSK conceded that the admission of the further survey evidence would make it impossible to achieve the trial date. The original deadline for applying to adduce survey evidence was agreed and ordered precisely to avoid this and failure to comply with the deadline was a significant and serious one. This was particularly so as the trial had been fixed following a successful application by the Defendants.

#### Why the default occurred

Arnold LJ thought it was difficult for GSK to seek to vary an order that was made at a time when they were well aware of the criticisms in the *Sandoz* judgment. GSK were on notice of the criticisms put forward in *Sandoz* well before the handing down of the judgment. The same firm of solicitors and 2 of the same barristers were instructed by GSK in relation to both the *Glenmark* and *Sandoz* proceedings and, in Arnold LJ's view, the judgment could not have come as a surprise to GSK. There was no good reason for the default.

### Consideration of 'all the circumstances'

Arnold LJ stated that the overriding objective went beyond achieving allegedly correct decisions on the merits; such decisions should also be just and procedurally fair in a proportionate way. He was not prepared to overturn his earlier order to expedite the trial and commented that this in itself would be a good reason for dismissing the application. GSK knew the rules relating to survey evidence and the criticism from the *Sandoz* litigation, yet made a conscious and deliberate choice to apply to adduce further survey evidence in the *Glenmark* litigation. The consequences were of GSK's own making.

Dismissing GSK's applications, Arnold LJ ordered GSK to pay 88% of the costs of the first and second Defendants and 85% of the costs of the third Defendant.

### ***TJX UK ("TJX") (2) NBC Fourth Realty Corp v Sportsdirect.com Retail Ltd\* ("Sportsdirect") (Deputy Judge Treacy; [2019] EWHC 3246(Ch); 29 November 2019)***

*TJX succeeded in an application to adduce survey evidence in a claim for trade mark infringement and passing off to assist the court in issues relating to acquired distinctiveness and recognition of a component part of a composite mark. Louise Vaziri reports.*

### Facts

TJX is part of the TJX Group of companies which operate online and physical retail stores under the TK Maxx brand. TJX sells a range of goods under the TK Maxx brand, including clothing and accessories. Sportsdirect is a well-known sportswear retailer that operates online and physical retail stores.

Sportsdirect opened stores under the name BRAND MAX. TJX issued proceedings for trade mark infringement and passing off of its TK MAXX sign and logo. It applied to adduce survey evidence to assist the Court in determining the acquired distinctiveness of MAXX which was component part of a composite mark.

### Whitford Guidelines

The Deputy Judge held that the proposed survey was not leading and that the answers provided were sufficiently captured by the interviewers. Accordingly the Deputy Judge held that the survey satisfied the Whitford guidelines.

### Real value and cost

Composite marks were considered to be a special factor when determining whether or not a survey would give real value to at trial. In this case the Deputy Judge found that the survey could be of real value in assisting the trial judge understand the distinctiveness of a mark which is a made up word in a composite mark. It was accepted that the survey of itself was unlikely to prove that MAXX had acquired distinctiveness but this did not mean the survey could not have real value.

The Deputy Judge held that the survey evidence would contribute to pleaded issues that were not admitted and that, whilst not central to the case, were still of such importance that the evidence would add real value. Since, the costs of adducing the survey evidence were proportionate to the likely value of the evidence at trial, permission was granted for it to be adduced.

## Non-use: Relevance of Nice Classification to interpretation of specification

***Multi-Access Ltd ("MAL") v Guangzhou Wong Lo Kat Great Health Business Development Co Ltd\* (Mr David Stone; [2019] EWHC 3357 (Ch); 12 December 2019)***

*Mr David Stone (sitting as a Deputy High Court Judge) dismissed MAL's appeal from a decision of the Hearing Officer to revoke its two UK trade marks on grounds of non-use. Hilary Atherton reports.*

### Background

MAL's two UK trade mark registrations were for the following sign, one registered in Class 5 for "Beverages for medicinal purposes; all included in Class 5" and the other registered in Class 32 for "Beverages; all included in Class 32":



Each of the registrations included the description "The transliteration of the Chinese characters appearing in the mark is "Wong Lo Kat" meaning "King Old Lucky".

The Hearing Officer found that the registrations had not been put to genuine use in the UK for the relevant goods and ordered that they be revoked from 3 and 10 July 1998 (five years from their respective registration dates).

### Appeal

The Deputy Judge rejected each of MAL's grounds of appeal, finding that the Hearing Officer: (i) had not erred in law by substituting an arbitrary period of less than five years in place of the correct five-year period, or by misdirecting himself to consider whether use of the marks stopped during the relevant period as opposed to whether or not use occurred during that period; (ii) had not erred in considering whether the evidence created an "overall picture" that the registrations had been put to genuine use; (iii) had not failed to take proper account of the evidence; (iv) had not erred in finding that MAL had not shown use of the marks in relation to the goods for which they were registered; and (v) was not therefore wrong in his overall findings of no use.

The Deputy Judge acknowledged that it was not necessary, in light of his findings on the other grounds of appeal, to deal with the ground of appeal at (iv) above (use in relation to the goods for which the mark was registered). However, he did so given that it had been argued and given the possibility of a further appeal. The Hearing Officer had concluded (*obiter*, given his other findings) that the specifications "beverages for medicinal purposes; all included in Class 5" and "beverages; all included in Class 32" did not cover herbal tea either in bag or instant form (which was what most of MAL's evidence related to). He went on to state that, even if he was wrong on that point, the restrictions "all included in Class 5" and "all included in Class 32" meant that use in relation to herbal tea was irrelevant given that it was proper to Class 30.

The Deputy Judge found that the Hearing Officer did not err in reaching his conclusions in relation to tea bags, instant tea or tea extracts (dry goods). However, the Deputy Judge found that the Hearing Officer ought to have addressed canned (liquid) herbal tea in his analysis, even though it would not have changed his overall conclusions in relation to revocation. The Deputy Judge therefore went on to consider whether proof of genuine use of the mark on those goods would constitute use of the mark for which it was registered. Referring at length to the decision of Henry Carr J in *Pathway IP Sarl v Easygroup Ltd* [2018] EWHC 3608 (Ch) which found that the Nice Classification is relevant to interpretation of a trade mark specification, the Deputy Judge went on to apply that principle to the relevant specification.

As there was no evidence to demonstrate the medicinal qualities of the canned herbal tea product, the Deputy Judge was not satisfied that the notional consumer of canned (liquid) herbal tea, whether at the filing date in 1992 or now, would consider it a "beverage for medicinal purposes" or a "dietetic substance adapted for medical use" which was the relevant part of the Class 5 heading when the mark was applied for. Therefore, even if MAL has been able to prove genuine use of canned (liquid) herbal tea, it would not have been use to support the registration in Class 5.

In relation to the Class 32 specification, the Deputy Judge was of the view that it was essential to look at the classification to resolve the ambiguity caused by the fact that beverages are registrable in multiple classes. As now, in 1992 tea was classified in Class 30 and therefore canned (liquid) herbal beverages were not "beverages" within Class 32. The Deputy Judge noted that the reference in the specification to "all included in Class 32" further served to underline this finding in accordance with *Altenic Ltd's Trade Mark Application: Reliance Water Controls Ltd v Altenic Ltd* [2001] EWCA Civ 1928. Therefore, even if MAL has been able to prove genuine use of canned (liquid) herbal tea, it would not have been use to support the registration in Class 32.

MAL's appeal was dismissed.

## The importance of full and frank disclosure

***easyGroup Ltd v Empresa Aérea de Servicios y Facilitación Logística Integral S.A. ("Easyfly") & ors\** (Nugee J; [2020] EWHC 40 (Ch); 14 January 2020)**

*The Judge set aside an earlier order of Morgan J granting permission to serve proceedings out of the jurisdiction on the Colombian company, Easyfly. Although there were serious issues to be tried, there had been a failure by easyJet to give full and frank disclosure to Morgan J. Katharine Stephens reports.*

### Introduction

The first defendant, was a Colombian company operating an airline providing domestic flights in Colombia. Although, as the judge pointed out, its full name was Empresa Aérea de Servicios y Facilitación Logística Integral S.A., it traded under the name Easyfly which, was almost, but not quite, an abbreviation of its full name. The second defendant was the founder and President of Easyfly. easyGroup complained of infringement of various of its trade marks and passing off and applied without notice to serve the first two defendants (both based in Colombia) out of the jurisdiction. Permission was granted by Morgan J in February 2018. easyGroup then applied to join the third defendant, a French entity trading as ATR Aircraft, which manufactured turboprop aircraft. The first two defendants applied to set aside the permission to serve out of the jurisdiction and ATR opposed the joinder.

### easyGroup's complaints

easyGroup made the following complaints concerning Easyfly's use of "Easyfly":

- Easyfly's website, [easyfly.com.co](http://easyfly.com.co), (which was in Spanish and recorded prices in Colombian pesos) allowed customers to buy tickets from the UK. The tickets had the Easyfly logo (see below) on them;
- Easyfly sent marketing emails to UK customers who provided their email addresses. They also included the Easyfly logo;
- The website itself, which was predominantly in the colours blue and orange, also included the logo;
- A press release in which ATR announced the deal to supply Easyfly with 5 aircraft. About 15 copies of the press release were made available in hard copy at ATR's stand at the Farnborough Air Show 2018 for distribution to journalists. There was no evidence that any of them had been picked up; and
- The branding of the new aircraft and the test flights made in France before their delivery.



### Was the website targeted at the UK?

By CPR rule 6.36, a claim form can be served out of the jurisdiction with the permission of the Court if one of the gateways set out in PD 6B apply. The first question was whether there was a serious issue to be tried. The basis of the claim was that both UK and EU marks were infringed. However, the judge noted that the fact that a website can be accessed anywhere in the world does not mean that, for trade mark purposes, the law regards it as being used everywhere in the world. It was necessary to consider whether the website was "targeted at" the UK or EU (*easyGroup Ltd v Easy Fly Express Ltd* [2018] EWHC 3155 (Ch)). easyGroup submitted that the website was targeted at the UK and the EU, relying on the fact that Easyfly was not a Spanish word and it was likely that Easyfly had deliberately adopted it to take advantage of easyGroup's reputation. Further, Easyfly was willing to serve international customers through the website.

Easyfly's defence was that its services were all provided in Colombia. It submitted that, whether one considered the website or the marketing e-mails or the tickets sent to the UK, no-one would see this as relevant to anything other than services in Colombia. That meant that there was no infringing use in the UK. Nugee J was not persuaded, finding that, at the very least, there was a serious issue to be tried in relation to the trade mark infringement claim, despite the fact that Easyfly's website did not use a language or a currency other than that used in Colombia; it did not provide facilities for making reservations other than in Spanish; it did not use a top-level domain name other than that of Colombia; and it was not suggested that it mentioned an international clientele.

### Other uses

Having come to his conclusion on the website, Nugee J also found that there was a serious issue to be tried in relation to the sending of the electronic tickets and the direct marketing. In relation to the press release, he did not accept the submission that the reference to Easyfly was a purely descriptive statement of who they were and what they were doing and therefore its use could not affect the essential function of easyGroup's marks. He distinguished *Céline* (C-17/06) on the facts. He also decided that the issue of branding the aircraft was potentially another form of advertising and that there was a serious issue to be tried as to whether Easyfly were responsible for it.

### Full and frank disclosure

There were a number of procedural points which Easyfly raised in support of their application to set aside the order of Morgan J granting permission to serve out of the jurisdiction. Of these, the most serious was the easyGroup's failure to make full and frank disclosure to Morgan J when applying for the order. The solicitor's supporting witness statement did not make clear that the flights offered by Easyfly were domestic flights in Colombia. Indeed, he stated that "the Defendants' Services are offered for sale ... to persons wishing to travel from London ... to Colombia". Furthermore, although a letter from Easyfly's Colombian lawyers was exhibited, he failed to draw attention to their explicit denial of marketing directed at the UK and EU. As a consequence, Nugee J set aside Morgan J's order.

### The claim against ATR

Since the judge had decided to set aside the order of Morgan J, there were no extant proceedings into which ATR could be joined. Nevertheless, the judge went on to consider the issues. The only acts relied upon against ATR were the issue of the press release and the branding of the aircraft. In relation to the latter, the UK court did not have jurisdiction as ATR was a French company and all the acts complained of had taken place in France. That left the issue of press release. Although the court had jurisdiction, the use was de minimis and no threat had been made to repeat it. Therefore, had it been an issue, the judge would have refused to allow ATR to be joined into the action.



## Lack of clarity and precision/Lack of intention to use

### ***Sky plc & ors v SkyKick UK Ltd & anr (CJ; C-371/18; 29 January 2020)***

*The CJEU ruled that Regulation 40/94 and Directive 89/104 do not mean that a CTM (now an EUTM) or national TM could be declared wholly and partially invalid because some of its goods and services lacked clarity or precision. Conversely, a TM application made without any intention to use the goods and services constitutes bad faith only if the applicant intended to undermine the interests of third parties or obtain rights for other purposes than fulfilling the essential function of a trade mark. Justin Bukspan reports.*

#### Background

SkyKick is a global provider of cloud management software for IT companies. Sky, the satellite TV and home broadband and telephone provider, brought an action for trade mark infringement in the High Court on the basis of its (then) CTMs and a UK mark registered for the word SKY in inter alia class 9, all originally filed when Regulation 40/94 and Directive 89/104 were in force. The goods listed in class 9 included "computer software".

SkyKick filed a counterclaim for a declaration of invalidity of Sky's CTMs on the basis that they had been registered for goods and services that lacked sufficiently clarity and precision. It was also argued that Sky's marks had been filed without the intention to use them for all the goods and services covered, and therefore that they ought to be invalidated for bad faith.

The High Court referred various questions to the CJEU.

**Can a trade mark be invalidated if its specification lacks clarity and precision? If yes, is a term like "computer software" too general to be regarded as sufficiently clear and precise?**

The Court noted that the list of grounds for invalidity in Article 3 of the Directive and Articles 7(1) and 51(1) of the Regulation were exhaustive. Thus, lack of clarity and precision of goods or services could not be deemed to be a ground for invalidity, totally or partially, of a CTM or national TM.

The argument for invalidity was based on the decision in IP Translator (C-307/10). However, that judgment could not be interpreted as meaning that the Court intended to recognise additional grounds of invalidity. It only provided clarifications on the requirement for the registration of new EU trade mark applications, not trade marks registered at the time of that decision (which included Sky's marks).

The Court considered and rejected the argument that a lack of clarity and precision in the specification could be captured by the Sieckmann (C273/00) requirements relating to the graphical representation of a mark. The Court held that those requirements were to enable operators to identify the signs of which a trade mark consisted, not the goods and services.

Finally, the Court added that a requirement for clarity and precision of the goods or services could not be dictated by public policy within the meaning of Article 7(1) of the Regulation and Article 3(1)(f) of the Directive. Those provisions did not relate to characteristics concerning the trade mark application itself regardless of the characteristics of the sign for which the registration was sought. In this respect, the Court differed from the Advocate General who found that, for example, registration of "computer software" was unjustified and contrary to the public interest because it conferred on the proprietor a monopoly of immense breadth which could not be justified by any legitimate commercial interest.

**Can it constitute bad faith to apply to register a trade mark without any intention to use it in relation to the specified goods and services? If so, is the trade mark application deemed wholly or partially invalid?**

The Court pointed out that neither Article 51 (1)(b) of the Regulation nor Article 3(2)(b) of the Directive, provide a definition of what constitutes bad faith. Applying its decision in Koton Mağazacılık Tekstil ve Ticaret v EUIPO (C-104/18), the Court emphasised that EU rules on trade marks aimed to prevent the distortion of competition across the EU and thus enabled consumers to distinguish clearly the origin of goods and services of one undertaking from those of its competitors. Therefore, there would be a finding of bad

faith where a proprietor had filed an application, not for the purpose of engaging in fair competition, but instead:

- either intending to undermine, in a manner inconsistent with honest practices, the interest of third parties;
- or intending to obtain, even without targeting any specific third party, an exclusive right for purposes other than those falling within the functions of a trade mark (in particular the origin function).

However, bad faith could only be established if there were "objective, relevant and consistent indicia". The bad faith of an applicant could not be presumed because the latter had, at the time of making the application, no economic activity related to the goods and services referred to in the application.

If such bad faith was established in relation to some of the goods and services in the application, then the mark would only be held partially invalid in respect of those goods and services.

**Does Directive 89/104 preclude the inclusion at national level of a requirement that applicants declare that they use or have a bona fide intention to use the mark in relation to the goods or services?**

The Court pointed out that the Directive prevented Member States from adding grounds for invalidity or refusal to the list provided, but it gave them freedom in relation to the registration, revocation and invalidity procedure. The requirement under Section 32(3) of the Trade Marks Act 1994 that applicants declare that they either use or have a bona fide intention to use a trade mark in UK was a matter of procedure; it did not add a ground that was not already listed in the Directive. Therefore, Section 32(3) was not incompatible with the Directive.

## **Exhaustion; selling component parts**

***Sebastian Brealey & Anr v Nomination Di Antonio e Paolo Gensini SNC & Anr\** (LJJ Patten, Floyd and Arnold; [2020] EWCA Civ 103; 5 February 2020)**

*The Court of Appeal upheld the judge's finding that the defendants (appellants) had infringed Nomination's trade marks. Nomination had legitimate reasons to oppose further sales of its genuine products because the packaging in which those products were re-sold by the appellants was liable to damage the reputation of its trade marks. The finding of passing off was also upheld. Katharine Stephens reports.*

Nomination was an Italian partnership which dealt in charm bracelets. One of its products was a 'composable bracelet' consisting of a number of individual links which could be detached from each other and rearranged by the wearer. Some of these links, referred to by Nomination as 'base links', were stainless steel links bearing Nomination's mark.

The appellants, trading as JSC Jewellery ("JSC"), purchased Nomination base bracelets disassembled them to separate out the base links. JSC sold single Nomination base links bundled together with a single JSC link. The bundles of two links were sold by JSC on ebay.

At first instance [2019] EWHC 599 (IPEC), Judge Hacon held that JSC's sales of the bundled links infringed Nomination's EU marks for NOMINATION registered in Class 14 for, amongst other things, jewellery. He found that, whilst Nomination sold its products in elegant packaging which gave the impression that the goods were of a high quality, JSC sold Nomination-branded base links either in blister packets or in small transparent plastic bags. This was likely to damage the reputation of Nomination's mark. Nomination therefore had legitimate reasons to oppose such sales. He also found that, the advertising of the bundles in a manner which amounted to the use of the NOMINATION trade mark in relation to the JSC links in the bundles, constituted infringement of the marks and passing off.

Arnold LJ, giving judgment for the Court, dismissed the appeal. JSC claimed that the judge failed to take into account evidence showing that the Nomination bracelets were not always sold in the luxury packaging provided by Nomination. There was evidence that the judge had not referred to in his judgment that JSC's solicitor had purchased a Nomination base bracelet from Amazon SARL which had arrived in a clear plastic sleeve inside a clear grip-seal plastic bag and without any luxury packaging. Arnold LJ found that this did not undermine Judge Hacon's judgment. It post-dated the relevant period, did not reveal whether Amazon's source was Nomination, an authorised retailer or an unauthorised retailer, said nothing about the frequency of such sales and did not negate the fact that many of Nomination's customers bought their bracelets from bricks-and-mortar retailers which would have been supplied in luxury packaging.

JSC also criticized the judge's finding that, where customers had never purchased or received a Nomination bracelet, Nomination would be deprived of the opportunity of conveying its desired luxury image to them through the sale of a base link if those links were sold in plastic bags and in that sense the reputation of the trade marks had been damaged. Whilst Arnold LJ saw some force in this submission, the Court of Appeal was not justified in substituting its own evaluation of the issue. The judge had heard oral evidence from three witnesses and had the opportunity of examining some physical exhibits. The Court of Appeal was not afforded the same opportunity, nor was it provided with transcripts of the oral evidence.

As argued at first instance, the question of whether JSC's advertising of the bundles of mixed links amounted to trade mark infringement stood or fell with the passing off case. JSC submitted that the judge had been wrong to find that there had been a misrepresentation and therefore passing off. This being a question of fact, JSC faced an uphill challenge which they did not overcome. The judge had not been wrong to place weight on a letter and an email evidencing actual confusion even though they had been prompted by Nomination. JSC had not sought to apply to cross-examine the authors which they could have done had they reason to believe that the statements were untrue.

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)

# Editorial team

**Katharine Stephens**

Partner, IP

Tel: +44 020 7415 6104  
katharine.stephens@twobirds.com



**Thomas Pugh**

Associate, IP

Tel: +44 020 3017 6873  
thomas.pugh@twobirds.com



**Ciara Hughes**

Trainee Trademark Attorney

Tel: +442074156193  
ciara.hughes@twobirds.com



## Reporters

*Louise O'Hara; Megan Curzon; Matthew Vance; Tom Hooper; Katie Rimmer; Olivia Bowden; Henry Elliott; Jonathan Edwards; Rebecca Slater; Justin Bukspan; Katie Tyndall; Robert Milligan; Mark Day; Louise Vaziri; Hilary Atherton*

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