

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

October 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 T-106/19</p> <p><i>Abarca-Companhia de Seguros SA v EUIPO; Abanca Corporación Bancaria, SA</i></p> <p>29 April 2020 Reg 2017/1001</p> <p>Reported by: <i>Katie Tyndall</i></p>	 <ul style="list-style-type: none"> – insurance agencies; insurance underwriting; banking insurance; administration of insurance business; insurance agency and brokerage; insurance and financial information and consultancy services; financial and monetary services and banking; real estate services (36) <p>ABANCA</p> <ul style="list-style-type: none"> – insurance services; finance services; monetary affairs; credit leasing; debt collection agencies: banking, information (financial -); credit & debit card services (36) 	<p>The GC upheld the BoA's decision that there was a likelihood of confusion between the marks under article 8(1)(b).</p> <p>The GC agreed with the BoA that the word "ABARCA" was the visually dominant element of the mark applied for due to its size and positioning. But for one letter, the earlier mark was reproduced in the dominant element of the mark applied for, so the marks were visually similar to an average degree.</p> <p>The BoA had been correct in finding that the "ABARCA" and "ABANCA" elements of the marks would be pronounced almost exactly the same, resulting in an average degree of aural similarity.</p> <p>Noting that the BoA had carried out its assessment from the perspective of the Swedish and Danish speaking parts of the relevant public, the GC confirmed that the marks had no conceptual meaning for this public and rejected Abarca's argument that all EU consumers would identify the earlier mark as a translation of the word "bank".</p>
Ref no.	Application (and where applicable, earlier mark)	Comment
<p>GC T-49/19</p> <p><i>View, Inc. v EUIPO</i></p> <p>13 May 2020 Reg 2017/1001</p> <p>Reported by: <i>Jon Edwards</i></p>	<p>CREATE DELIGHTFUL HUMAN ENVIRONMENTS</p> <ul style="list-style-type: none"> – electronic controller for adjusting and controlling the tinting of insulated glass window units; computer programs, downloadable computer programs and mobile device software, all for use in adjusting and controlling the tinting of insulated glass window units (9) – insulated glass window units with electrochromic coating for windows used in building construction (19) – installation, maintenance and repair services for glass units for windows; providing information regarding the care, installation, maintenance and repair of glass units for windows; consultation services regarding the 	<p>The GC upheld the BoA's decision that the mark was devoid of distinctive character pursuant to article 7(1)(b).</p> <p>The GC held that the mark constituted a simple and grammatically correct message that by purchasing the goods and services the customer would enjoy the benefits promised by the mark, e.g. using them would have created pleasant and comfortable living conditions, particularly because the goods and services were all aimed at controlling indoor lighting. The mark therefore had a clear, ordinary meaning in everyday language, and would have been solely and immediately perceived as a laudatory and promotional message designed to highlight the positive aspects of the goods and services.</p> <p>The GC also confirmed that promotional formulas should not be subject to a more favourable analysis of distinctive character merely because of their</p>

installation, maintenance and repair of glass units for windows (37)

presentation as advertising slogans, which the relevant public have allegedly been 'conditioned' to perceive as badges of origin.

Ref no.	Application (and where applicable, earlier mark)	Comment
<p>GC T-800/19</p> <p><i>Austria Tabak GmbH v EUIPO; Mignot & De Block BV</i></p> <p>8 July 2020 Reg 2017/1001</p> <p>Reported by: <i>Lauren Kourie</i></p>	<p>AIR</p> <ul style="list-style-type: none"> – Tobacco, cigarettes, cigars, smokers' articles (34) <p>Marks used by owner: MEMPHIS AIR BLUE MEMPHIS AIR BLUE 100</p> 	<p>In revocation proceedings, the GC upheld the BoA's decision that that the variations of the mark used by the trade mark owner altered the distinctive character of the registered mark. The mark was therefore revoked pursuant to article 58(1)(a) on the basis that it had not been put to genuine use for a continuous period of five years.</p> <p>None of the evidence of use relied on by the owner showed AIR used in isolation nor clearly apart from the element BLUE or BLUE 100. Both AIR and BLUE always appeared close together, forming a unit, and possessed distinctive character in relation to the goods. BLUE was also as visually important as AIR. Further, AIR BLUE was always subordinated to the element MEMPHIS on the packaging of the goods, such that MEMPHIS gave a dominant overall impression.</p> <p>The relative position and distinctive and dominant character of the added elements therefore altered the distinctive character of the mark, meaning that the mark as used differed in more than insignificant respects from the registered mark.</p>
<p>GC T-696/19; T-697/19</p> <p><i>Teva Pharmaceutical Industries Ltd v EUIPO</i></p> <p>8 July 2020 Reg 2017/1001</p> <p>Reported by: <i>Thomas Hooper</i></p>	<p>Moins de migraine pour vivre mieux</p> <p>Weniger Migräne. Mehr vom Leben</p> <ul style="list-style-type: none"> – printed materials relating to the treatment of migraines (16) – providing information relating to the treatment of migraines (44) 	<p>The GC upheld the BoA decisions that the marks lacked distinctive character pursuant to article 7(1)(b).</p> <p>The BoA correctly refused the marks on the basis that they would be perceived by the relevant public as promotional slogans, indicating that the goods and services in question could be useful in alleviating migraines and thus improve quality of life.</p> <p>The GC rejected Teva's argument that the BoA infringed the principle of equal treatment by departing from its decision-making practice since "LESS MIGRAINE, MORE MOMENTS" (the English equivalent of the French and German marks applied for, according to Teva) was a registered EUTM.</p> <p>The GC noted that the BoA had considered the aforesaid registration and found that the English version of the mark was vaguer and more unusual than the German and French equivalents. Therefore the BoA could not be criticised</p>

for not having considered with special care whether or not it should have decided the German and French applications in the same way.


Ref no.	Application (and where applicable, earlier mark)	Comment
GC T-686/19 <i>Euroapothea UAB v EUIPO; General Nutrition Investment Company ("GNIC")</i>	GNC LIVE WELL – dietetic substances adapted for medical use; including dietary food supplements, especially nutritional food supplements containing vitamins, minerals and herbs in the form of capsules, tablets, powders and liquids (5)	In revocation proceedings under article 58(1)(a), the GC upheld the BoA's decision that the mark had been put to genuine use in respect of the goods in class 5. The GC confirmed that, on a global assessment, the evidence provided was sufficient to establish genuine use in relation to the relevant goods. In particular, invoices relating to territories outside the EU were relevant, as the affixing of the EUTM to goods or their packaging in the EU, solely for export purposes, constituted use of the trade mark. Likewise, undated documents showing the range of goods on which the mark was used and how that mark was displayed, as well as invoices which post-dated the relevant period by a few weeks or months, could be taken into account, as together this showed genuine commercial exploitation of the mark.
8 July 2020 Reg 207/2009	Marks used by owner:	The GC also found that the addition of figurative elements and variations to the form of the mark, did not alter the mark's distinctive character, so use of the mark in these forms constituted evidence of use of the mark as registered.
Reported by: <i>Lucy Wiles</i>		

Ref no.	Application (and where applicable, earlier mark)	Comment
GC T-669/19 <i>Novomatic AG v EUIPO; Brouwerij Haacht NV</i>	PRIMUS – casino fittings; casino games; gaming machines (28)	The GC upheld the BoA's decision that the earlier mark had a sufficient reputation for the purposes of article 8(5). Consequently, the opposition succeeded.
9 September 2020 Reg 207/2009	PRIMUS – beers (32) (EU and Benelux registrations)	Use of PRIMUS PILS and figurative signs featuring PRIMUS were not such as to alter the distinctive character of the earlier mark as registered. In relation to the figurative marks, PRIMUS was the dominant element of the marks used, and the distinctive character of PRIMUS was not diminished by, for example, the additional figurative elements and the name of the brewery, 'haacht'. Thus, reputation in the earlier mark for lager beers in Belgium was established on the evidence.
Reported by: <i>Bryony Gold</i>	Marks used by owner: PRIMUS PILS 	It was further held that (1) the relevant public to which the marks were directed overlapped in that they were composed of professionals who would have paid a high degree of attention; (2) although the



goods were different in nature there was a link between the goods in that they were complementary to a degree because they were both offered in pubs; and (3) the applicant's argument that there was "due cause" because the marks were laudatory in character was rejected as not being supported by evidence and only being introduced on appeal.

Ref no.	Application (and where applicable, earlier mark)	Comment
<p>GC T-879/19 <i>Sumol + Compal Marcas, SA v EUIPO; Ludwig Manfred Jacob</i></p> <p>9 September 2020 Reg 207/2009</p> <p>Reported by: <i>Theo Cooper</i></p>	<div data-bbox="427 510 826 622" data-label="Image"> </div> <ul style="list-style-type: none"> - food supplements for non-medical purposes (5) - jellies, jams, compotes; fruit and vegetable spreads (29) - baked goods, confectionery, chocolate and desserts; ice, ice creams (30) - beers; mineral and aerated waters and other non-alcoholic beverages (32) <p>COMPAL ESSENCIAL</p> <div data-bbox="427 1070 762 1182" data-label="Image"> </div> <div data-bbox="427 1187 730 1317" data-label="Image"> </div> <div data-bbox="427 1332 782 1550" data-label="Image"> </div> <ul style="list-style-type: none"> - fruit pulp (liquid fruit paste); preserved fruits and vegetables (29) - non-alcoholic drinks; fruit drinks and fruit juices (32) 	<p>The GC upheld the BoA's decision that there was no likelihood of confusion under article 8(1)(b).</p> <p>The GC agreed that the 'essencial' and 'essential' elements of the earlier marks, and 'essentials' in the mark applied for, were laudatory and therefore had a very low degree of inherent distinctive character. The GC held that the differences created by the 'compal' and 'fruta' elements of the earlier marks, and 'Dr. Jacob's' in the mark applied for, were not offset by the visual and phonetic similarities of the weakly distinctive 'essentials' (and similar) elements.</p> <p>The GC also placed importance on the fact that the beginnings of the marks were different, with the distinctive 'Dr. Jacob's' placed at the start of the mark applied for, and 'compal' at the beginning of several of the earlier marks, which would have drawn the attention of the consumer. Consequently, those elements were not negligible in the overall impression of the marks.</p> <p>The GC held that the typefaces used for 'essentials' (and the similar elements) were common and lacked any particular stylisation or decoration. The GC further agreed with the BoA that the colour combination of the later mark, in which green was held to be dominant, was different to those of the earlier marks.</p>

Ref no.	Application (and where applicable, earlier mark)	Comment
GC T-187/19	 <p>Purple – Pantone: 2587C</p> <ul style="list-style-type: none"> – pharmaceutical preparations for the treatment of asthma and/or chronic obstructive pulmonary disease (5) – inhalers for the treatment of asthma and/or chronic obstructive pulmonary disease (10) 	<p>The GC upheld the BoA's decision that the mark lacked distinctive character pursuant to articles 7(1)(b) and 7(3).</p> <p>The GC noted that it was not in the public interest for a colour to be restricted to one trader, as this would create an unjustified monopoly in such colour. The GC rejected Glaxo's arguments that the colour was chosen for its "unusual, unique and memorable" character and the fact that it had not been previously used by any other competitor, as these were not relevant factors when assessing whether a mark possessed distinctive character.</p> <p>Regarding Glaxo's evidence of acquired distinctiveness, the GC noted that the relevant public consisted not only of professionals but also end consumers and concluded that the survey evidence had little probative value. In particular, it was not clear how representative the sample of individuals being surveyed was; some individuals were only shown one image of the colour purple instead of a selection to choose from; most of the surveys within the EU member states did not specify the Pantone code; and some colour samples attached to the survey differed in shade to those used within the survey itself.</p>
<p><i>Glaxo Group Ltd v EUIPO</i></p> <p>9 September 2020 Reg 2017/1001</p> <p>Reported by: <i>Adeena Wells</i></p>		

The Board of Appeal's power to suspend proceedings

Cinkciarz.pl sp. z o.o. ("Cinkciarz") v EUIPO; MasterCard International, Inc. ("MasterCard")
(General Court; T-84/19 and T-88/19 – T-98/19; 28 May 2020)

The GC held that, having found it was appropriate to recommend that opposition divisions suspend proceedings when referring a decision, the Board of Appeal should have suspended those same proceedings and should not have proceeded to examine the appeals. Charlotte Peacock reports.

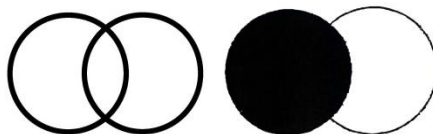
Background

Cinkciarz filed 12 applications to register EUTM for figurative signs incorporating two overlapping circles along with word elements. Four of these applications incorporated the below overlapping circles with "€" and "\$" symbols in each circle, respectively:



Cinkciarz also filed an EUTM application for a purely figurative sign consisting of the same two overlapping circles with "€" and "\$" symbols in each circle, respectively. The application for registration was refused by the examiner, and that decision was upheld by the Board of Appeal. The Board of Appeal's decision was subsequently annulled by the General Court and the case was referred back to the First Board of Appeal.

MasterCard filed notices of opposition against the 12 EUTM applications on the basis of its earlier EUTM registrations for overlapping circles device marks, two of which were depicted in black and white, one of which was depicted in red and orange. Cinkciarz subsequently filed applications for declarations of invalidity against MasterCard's following two black and white circles device mark registrations:



Decisions of the Opposition Division and Board of Appeal

By 12 decisions, the Opposition Division rejected the oppositions in full and found that given the lack of similarity between the signs at issue, it was not necessary to wait for the outcome of the invalidity proceedings relating to MasterCard's two black and white circle registrations. MasterCard appealed the decisions and the Second Board of Appeal upheld those appeals.

In 11 of the decisions, the Board of Appeal compared the signs at issue on the basis of one of MasterCard's black and white circles registrations. In the 12th decision, the Board of Appeal compared the signs at issue on the basis of MasterCard's red and orange circles registration, on the grounds that the black and white marks were subject to applications for a declaration of invalidity. In all 12 decisions the Board of Appeal found, contrary to the decisions of the Opposition Division, that the relevant signs were similar to a low degree.

In light of the similarity between the relevant signs the Board of Appeal held that it was necessary to compare the goods and services at issue and it therefore annulled all 12 decisions and referred the cases back to the Opposition Division. In the first 11 decisions the Board of Appeal also recommended that the Opposition Division suspend the opposition proceedings until a final decision had been reached in the invalidity proceedings. In the 12th decision the Board of Appeal recommended that the Opposition Division suspend the proceedings until a final decision had been reached in the proceedings relating to the registration of Cinkciarz's purely figurative mark application.

Should the Board of Appeal have suspended the proceedings?

Cinkciarz appealed to the General Court and sought an order that the decisions of the Board of Appeal should be annulled, primarily on the basis that the Board of Appeal failed to suspend the appeal proceedings when it was appropriate to do so.

The GC confirmed that the Board of Appeal had the power to examine and assess of its own motion whether a suspension of the appeal proceedings is appropriate. Indeed, in each of the contested decisions the Board of Appeal had exercised such power and found that it was appropriate to suspend the proceedings, and recommended that the Opposition Division do so. Nevertheless, the Board of Appeal examined the appeals, without giving any reasons for its decision not to suspend the proceedings itself.

The GC held that having found it was appropriate to suspend the proceedings, the Board of Appeal had no option but to suspend them and should not have proceeded to examine the appeals. The GC therefore annulled the decisions of the Board of Appeal.

Use of trade marks in the context of online advertising

***mk advokaten GbR ("MK") v MBK Rechtsanwälte GbR ("MBK")* (CJ; C-684/19; 2 July 2020)**

Following a preliminary reference by the Higher Regional Court, Düsseldorf, the CJ interpreted the meaning of "use" in the context of article 5(1) of Directive 2008/95 (now Article 10(2) of Directive 2015/2436). Aaron Hetherington reports.

Background

MBK was a German law firm and the proprietor of a German trade mark registration for its name, covering legal services. MK was another German law firm which had originally operated under the identical mark "mbk rechtsanwälte" and the corresponding Dutch variation "mbk advokaten". MBK had secured a judgment of the German court against MK in 2016 prohibiting it from using the letters "mbk" in the course of trade for legal services. MK therefore changed its name and withdrew its online legal directory registration to comply with this order.

Notwithstanding the above, upon entering the term "mbk rechtsanwälte" into a search engine, MBK discovered several third-party websites on which advertisements for MK's legal services still appeared under the "mbk" mark. MBK filed an action against MK with the German court on the basis that it had not complied with the 2016 order. Despite MK's arguments that it had not requested these further advertisements, the Regional Court, Düsseldorf, held that MK had benefitted from the advertisements, which it held were based on what MK had initially placed in the online directory.

Appeal and question referred

MK appealed the decision to the Higher Regional Court, Düsseldorf, which stayed the appeal proceedings and requested a preliminary ruling from the CJ regarding the interpretation of "use" in the context of article 5(1). The question was whether a person that had arranged for an advertisement which infringed another person's trade mark to be placed on a website was "using" a sign which was identical with that trade mark where the operators of other websites reproduced that advertisement by placing it on other websites. In other words, could MK be liable for trade mark infringement for the acts of the third-party website operators.

Decision of the CJ

The CJ recalled the settled case-law that the acts of an advertiser who had ordered the publication of an advertisement either containing an earlier trade mark, or triggered by an earlier mark even where the advertisement itself did not feature the earlier mark, constituted "use" for the purposes of article 5(1). However, advertisers would attract no such liability where infringing advertisements were published or triggered in consequence of the independent actions of a third party without the advertiser's consent. The CJ held that "use" involved active conduct and required direct or indirect control of the infringing act by the advertiser to constitute "use". This was irrespective of the financial benefit obtained by the advertiser in consequence of the infringing advertisement. The CJ held that it was for the Higher Regional Court, Düsseldorf to identify whether the mark had been used as such, and if so by whom, by deciding whether the advertisement had been placed online by the website operators on MK's order or otherwise on its behalf. If it found that the advertisements had been published by the third-party website operators on their own initiative and in their own name, then the website operators would have used the mark, not MK. In those circumstances, it was open to MBK to bring separate actions against the website operators.

Subcategories within trade mark specifications

***ACTC GmbH ("ACTC") v EUIPO; Taiga AB** (CJ; C-714/18 P; 16 July 2020)**

Agreeing with AG Sharpston's Opinion (see CIPA Journal May 2020), the CJEU set out the criteria for considering whether use of the earlier mark comprised use of the whole or part of the specification of goods and services under article 42(2). Katharine Stephens reports.

Background

ACTC sought to register TIGHA in relation to a wide range of clothing and shoes in class 25. Taiga, the proprietor of the earlier mark, TAIGA, also registered for clothing and shoes in class 25, opposed ACTC's application. The GC upheld the BoA's decision that Taiga had provided sufficient evidence to prove genuine use of its earlier mark despite the fact that Taiga had only provided evidence that it had used the mark on weather-protective outdoor clothing. In summary, the GC considered that those articles had the same purpose as the applicant's goods in that they covered, concealed, adorned or protected the human body and, therefore, the goods were not substantially different. Further, the particular characteristic of those articles (i.e. weather protection) was irrelevant and the goods did not form a separate subcategory. The GC went on to find that there was a likelihood of confusion under article 8(1)(b). ACTC appealed to the CJEU which dismissed the appeal.

Subcategories of goods within a trade mark classification

The CJEU noted that there was a balance between, on the one hand, the maintenance and preservation of the exclusive rights conferred on the proprietor of the earlier mark and, on the other hand, the limitation of those rights in order to prevent a trade mark which had been used only in relation to part of the goods or services being afforded extensive protection merely because it has been registered for a wide range of goods or services.

So far as the concept of "part of the goods or services" in article 42(2) was concerned, the CJEU noted the importance of delimiting any subcategory in a precise manner. The Court adopted the Advocate General's view that a consumer who wished to purchase a product or service in a category that had been defined particularly precisely and narrowly, but within which it was not possible to make any significant sub-divisions, would associate all the goods or services belonging to that category with the earlier mark, such that that trade mark would fulfil its essential function of guaranteeing the origin of those goods or services. In those circumstances, it was sufficient to require the proprietor of the earlier mark to adduce proof of genuine use of that trade mark in relation to part of the goods or services in that homogeneous category. In contrast, with regard to goods or services in a broad category of goods, which could be sub-divided into several independent subcategories, it was necessary to require the proprietor of the earlier mark to adduce proof of genuine use of that mark for each of those autonomous subcategories.

Secondly, for the purposes of identifying a coherent and independent subcategory under article 42(2), the CJEU adopted its previous judgment in *OHIM v Kessel medintim* (C-31/14 P). The purpose and intended use of the goods or services at issue was an essential criterion for defining an independent subcategory of goods. The aim of this criterion was not to provide an abstract or artificial definition of independent subcategories of goods, rather it had to be applied coherently and specifically.

Accordingly, if, as here, the goods concerned had several purposes and intended uses, determining whether there existed a separate subcategory of goods by considering in isolation each of the purposes would not be possible, contrary to ACTA's appeal. Indeed, such an approach would not enable independent subcategories to be identified coherently and would have had the effect of limiting excessively the rights of the proprietor of the earlier mark. The GC was therefore right not to take into account each of the uses of the goods at issue — to cover, conceal, adorn or protect the human body — in isolation.

Likelihood of confusion

ACTC maintained that the GC had wrongly concluded that there was a likelihood of confusion between the marks. In particular, ACTC criticised the GC's analysis in which it concluded that the conceptual differences between the mark applied for and the earlier mark had not been established in the territory of the EU as a whole, so that they could not offset the visual and phonetic similarities between the marks. (The term "taiga" was known by some consumers in the northern and eastern parts of the EU as a boreal forest but not in the southern parts).

In rejecting the appeal, the CJEU held that ACTA was wrong to criticise the GC for its approach. It was not apparent from the case-law that the word in question had to be understood by the whole of the relevant public. It was sufficient that only part of the relevant public associated the term with a particular concept before concluding that there were conceptual differences liable to counteract visual and phonetic similarities between the signs at issue for the whole of the relevant public. If visual or phonetic similarities between the signs at issue existed for a substantial part of the relevant public, for which conceptual differences between those signs, liable to counteract those similarities, had not been proved, the GC had to carry out a global assessment of the likelihood of confusion. It was sufficient under article 8(1)(b) to show there was a likelihood of confusion in part of the EU.

Injunctive relief following a finding of invalidity

***Sky Plc & Ots v SkyKick UK Ltd & Anr** (Arnold LJ; [2020] EWHC 1735 (Ch); 2 July 2020)**

In yet another hearing in the Sky/Skykick litigation, Arnold LJ clarified his previous finding of infringement on the part of Skykick. Counsel for Sky sought to injunct Skykick from continuing to infringe Sky's trade marks, but Skykick opposed this on the basis that Sky should be sanctioned for its bad faith in registering the mark over too broad a range of services. Louise O'Hara reports.

Facts

Sky alleged that Skykick had infringed four of its EU trade marks and one UK trade mark comprising the word SKY by use of the sign 'SkyKick' and variants thereof, and that it had committed passing off. SkyKick counterclaimed for a declaration that the SKY marks were wholly or partially invalid because their specifications lacked clarity and precision and that the marks were registered in bad faith.

After referring three questions about the assessment of marks filed in bad faith to the CJEU, Arnold LJ reviewed the CJEU's ruling and held that Sky's marks could not be declared invalid due to lack of clarity and precision of the terms covered, but did find that Sky's marks had been partially filed in bad faith, as they had no intention to use the marks for all of the relevant goods and services at the time of filing or in the foreseeable future. Arnold LJ therefore narrowed some of the terms used (including replacing the broad "computer software" with something more specific).

As a result, Arnold LJ found that Skykick had infringed the marks "*at least in so far as SkyKick have used the signs complained of in relation to their email migration service [Cloud Migration] and in so far as the Trade Marks are registered in relation to 'electronic mail services'*".

Interpretation of "at least"

Following Arnold LJ's judgment, it became clear that the parties were not in agreement as to what was meant by "at least". Sky was of the view that "at least" meant that no decision had been made on the rest of the infringement claim, whereas SkyKick considered it to mean that the remainder of Sky's claim had been dismissed. This impacted Sky's claim for an injunction.

Arnold LJ therefore considered whether SkyKick also infringed Sky's trade marks in so far as they used the signs in relation to their back-up service "Cloud Backup". He held that Cloud Backup was identical to the relevant services in class 38, namely "[c]omputer services for accessing and retrieving audio, visual, and/or audio-visual content and documents via a computer or computer network". Given the identity of services and the similarity of signs (as concluded in Arnold LJ's previous judgment), the use of the marks in relation to Cloud Backup gave rise to a likelihood of confusion.

Injunctive relief

In response to the finding of infringement, Sky sought an injunction to restrain SkyKick from continuing to infringe. Skykick opposed this for two reasons:

- 1) Sky should be sanctioned for its bad faith in applying for too broad a scope of service (to deter third parties from such conduct); and
- 2) The injunction would be disproportionate.

Sanction and Deterrence

Counsel for SkyKick argued that the implication to Sky of the finding that it had registered the mark in part in bad faith (i.e. the invalidity of the mark in respect of services which had been registered in bad faith) left it in no worse position than had it simply not registered in respect of those services from the start. He argued that injunctive relief should be refused to deter third parties from acting in a similar manner.

Arnold LJ rejected this submission for three reasons:

- 1) The legislation that provides that a mark can be partially cancelled as a result of bad faith implies that bad faith which affects only part of the specification does not "taint" or "infect" the remainder;
- 2) An injunction is the prima facie response to a finding of infringement of an EU trade mark unless there are "special reasons" that it should not be granted. What amounts to a "special reason" must be uniform across the EU and as such a principle of English law cannot be a relevant consideration; and
- 3) Even if a purely English principle could be relied upon, the principle proposed by SkyKick's counsel as a reason for refusing an injunction was not applicable here; inequitable conduct must have an "immediate and necessary relation" to the relief sought in order for the relief to be refused.

Proportionality

Arnold LJ found that the proportionality of an injunction will differ according to the intellectual property right that has been infringed. An injunction in a trade mark context will only prevent the infringer from continuing to use the sign, rather than preventing the infringer from carrying on the underlying business. The infringer's freedom of expression is also unlikely to be affected significantly given the sign will, in most cases, be a purely commercial form of expression with no artistic, political or social value. The benefit of avoiding harm resulting from confusion between the marks will likely outweigh the interests of the infringer in being able to express itself through the use of the sign in question.

Consequently, Arnold LJ concluded that none of the reasons SkyKick relied upon to argue that an injunction would be disproportionate in these circumstances were persuasive. He granted an injunction in respect of the marks and the UK equivalents to the marks arising following withdrawal of the UK from the EU.

Bad faith where applicant is a dissolved company

***Fit Kitchen Ltd ("FKL") & Anr v Scratch Meals Ltd ("SML")* * Judge Hacon; [2020] EWHC 2069 (IPEC); 29 July 2020)**

Judge Hacon held that a trade mark application had not been filed in bad faith in circumstances where, unknown to the applicant, it had been filed in the name of a dissolved company, and where the applicant had subsequently restored the company to the register. Judge Hacon also found trade mark infringement under section 10(2), and passing off, but no infringement under section 10(3). Aaron Hetherington reports.

Background

The first claimant, FKL, had been incorporated by the second claimant, Mr Lodhia, as a vehicle for a healthy foods business. FKL commenced trading in 2015 under the name "Fit Kitchen" and subsequently filed a UK trade mark application for the mark shown below in relation to "Catering (Food and drink); Food preparation and services" in Class 43 (the "Fit Kitchen Mark").



The defendant, SML, manufactured and sold ready meals to supermarkets under the sign "FIT KITCHEN" (shown below) and FKL commenced an action for trade mark infringement and passing off in the IPEC.



The counterclaim

SML counterclaimed for revocation of the FKL trade mark registration pursuant to section 47(1), alleging that the application had been filed in bad faith contrary to section 3(6) of the Act.

FKL had been struck off the register on 2 August 2016. The trade mark application for the Fit Kitchen Mark was subsequently filed in the name of FKL on 8 August 2016. SML submitted that, since Companies House had notified FKL of its dissolution, the application had been filed with the knowledge that FKL was not capable of conducting any material trade under the Fit Kitchen Mark. SML argued this fell below the acceptable commercial standards of behaviour and thus constituted bad faith.

Mr Lodhia denied that he had any knowledge of the dissolution at the time and explained that FKL's post was frequently sent to the wrong mailing address. Upon discovery of that fact some months later, Mr Lodhia had the company restored. FKL had continued to trade as usual during the period of dissolution. Judge Hacon found Mr Lodhia to be an entirely convincing witness, and SML had not put forward any convincing reason why Mr Lodhia would not have written to Companies House to prevent the dissolution. This lack of knowledge meant that the application had not been filed in bad faith.

SML also argued that the application belonged to the Crown under the principles of bona vacantia. Judge Hacon dealt with this briefly. He stated that the Crown had not disposed of the application in the period FKL had been dissolved. Under the provisions of the Companies Act, upon the restoration of FKL to the register the Fit Kitchen Mark had therefore automatically reverted back to its owner as though it had never been struck off.

Trade mark infringement and passing off

FKL adduced 65 instances of actual confusion by members of the public who had contacted FKL regarding SML's products. SML also disclosed similar instances of the reverse. In view of this evidence, the similarity of the marks and goods, and the fact that the dominant component of FKL's registration was FIT KITCHEN, which was visually, aurally and conceptually identical to SML's sign, Judge Hacon found there to be a likelihood of confusion under section 10(2).

SML unsuccessfully argued that FKL's dissolution meant that the origin function of the Fit Kitchen Mark could not have been affected by their use, since consumers could not have identified a particular entity providing the services. Judge Hacon stated that the origin function concerned the guarantee that the goods had been manufactured or supplied by a single undertaking responsible for their quality and was not a specific assurance as to the identity of a particular entity.

Judge Hacon held that the requisite reputation had not been established at the date on which SML had first used the Fit Kitchen sign under section 10(3).

However, in view of the lower standard applicable for proving goodwill than for reputation, Judge Hacon took the view that FKL had generated modest goodwill, and the evidence of actual confusion proved that SML had made material misrepresentations caused by the use of the sign. Thus, the case in passing off was made out.

Passing off

***Turbo-K Ltd ("TKL") v Turbo-K International Ltd ("TKIL") & Anr** (Mr Nicholas Caddick QC sitting as a Deputy High Court Judge; [2020] EWHC 2078 (Ch); 5 August 2020)**

The Deputy Judge found that TKIL and its director were liable to TKL for passing off its own products as being connected with or derived from TKL. He also found that TKIL's UK trade mark for TURBO-K was invalid by reason of TKL's prior rights in the mark "Turbo-K" and/or because it was applied for in bad faith.

TKIL's claim that TKL and its director had infringed its UK trade mark was dismissed. Hilary Atherton reports.

The dispute concerned persons involved in the sale of fluids used to clean the compressor blades of gas turbines. TKL was incorporated in 1998 by a number of individuals with the aim of manufacturing and selling its own compressor cleaning products. Those individuals included Mr Platz, Mr Winter and others. At Mr Winter's invitation, a consultant, Mr Stainer (through his own company LDC), was engaged to formulate a new compressor cleaning fluid for TKL in return for which he was to receive a minority shareholding in TKL. The new product was named Turbo-K. In 1999, TKL entered into an agreement with Midland Chemicals to manufacture Turbo-K for TKL. It did so until 2014. During this time Turbo-K proved to be a very successful product, attracting various industry and government approvals and rankings.

In 2000, without Mr Platz's knowledge, Mr Winter incorporated another company called Turbo-K UK Ltd ('TKUK') along with the owner of Midland Chemicals and Mr Stainer. On behalf of their respective companies (Mr Winter for TKUK, Mr Pathak for Midland Chemicals, and Mr Stainer for LDC), they entered into a 'confidentiality agreement' in 2002. Under the terms of that agreement TKUK was said to have marketing rights in the cleaning products made to LDC's formulation, LDC agreed to supply Midland Chemicals with the formulation to enable Midland to manufacture and package the Turbo-K cleaner for TKUK, and the information was said to be provided to Midland by LDC solely to enable Midland to manufacture TKUK's turbine engine cleaner for and on behalf of LDC and TKUK. Despite this, TKUK never actually traded in respect of the Turbo-K cleaner and was dissolved in 2010. TKL continued trading, supplying, marketing and obtaining approvals in respect of the Turbo-K cleaner. However, TKIL was incorporated in 2011 (again without Mr Platz's knowledge). Its original shareholders were Mr Winter, Mr Pathak, Mr Stainer and a distribution company.

The Judge rejected arguments raised by TKIL that any goodwill generated by TKL up to 2011 has been dissipated or abandoned, or that it was shared with or owned solely by TKUK, Midland, LDC or one of the distributors. The Judge found TKIL and its now sole director liable for passing off by using 'Turbo-K' in its corporate name, offering the Turbo-K cleaner for sale under that name and associated logo, entering into arrangements for Midland to manufacture Turbo-K for TKIL, applying to register 'Turbo-K' as a UK trade mark, and using in its brochures and on its website material and wording taken from TKL's brochures and website. He declared TKIL's UK trade mark invalid and dismissed TKIL's counterclaims.

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

Editorial team

Katharine Stephens

Partner

Tel: +442074156104
katharine.stephens@twobirds.com



Thomas Pugh

Associate

Tel: +442030176873
thomas.pugh@twobirds.com



Aaron Hetherington

Trainee Trademark Attorney

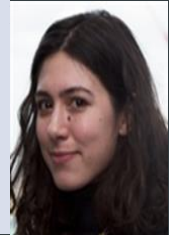
Tel: +442074156183
aaron.hetherington@twobirds.com



Ciara Hughes

Trainee Trademark Attorney

Tel: +442074156193
ciara.hughes@twobirds.com



Reporters

Katie Tyndall; Jon Edwards; Lauren Kourie; Thomas Hooper; Lucy Wiles; Bryony Gold; Theo Cooper; Adeena Wells; Charlotte Peacock; Louise O'Hara; Hilary Atherton.

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