

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

September 2020



# Trade mark decisions

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

### Unusual approach to section 5(2)(b)

***Asia Standard Management Services Ltd v Standard International Management LLC\** (Smith J; [2020] EWHC 28 (Ch); 25 February 2020)**

*The High Court dismissed Asia Standard's appeal from an opposition decision where the Hearing Officer only carried out the comparison of goods and services in relation to a single service applied for, holding that, on the particular facts, he was entitled to extrapolate in relation to the other goods and services applied for. Mark Day reports.*

#### Facts

Asia Standard applied to register the series of two marks shown below in respect of various goods and services in classes 16, 35, 36, 39, 41 and 43 at the UKIPO.



Standard International opposed Asia Standard's applications on the basis of section 5(2)(b), contending that there was a likelihood of confusion with its earlier registrations for THE STANDARD and the device mark shown below, covering various services in classes 35, 38, 39, 41, 43 and 44.



#### The UKIPO decision

The Hearing Officer noted that the goods and services to be compared were exactly the same as the goods and services which were compared in an earlier decision (O-375-17, the "Earlier Decision") concerning a prior application by Asia Standard that was also successfully opposed by Standard International. In the Earlier Decision, Asia Standard had admitted that the degree of similarity between the goods and services ranged from identical to similar.

Acknowledging that the series mark applied for differed slightly from the ASIA STANDARD word mark considered in the Earlier Decision, by the inclusion of the stylised letters "A" and "S" at the start, the Hearing Officer concluded that this additional element only reduced the similarity with Standard International's marks to a small extent, such that the marks continued to share a medium degree of similarity overall.

Regarding the goods and services, the Hearing Officer reasoned that if he found that there was a likelihood of confusion when considering the situation where there was the lowest risk of confusion, namely where i) there was a good or service applied for that was only similar to Standard International's services, but ii) where the average consumer would pay a high level of attention in selecting the service, then he could safely conclude there would also be a likelihood of confusion in relation to the other goods/services.

The service assessed, "providing casino facilities (gambling)", had been identified by Asia Standard as meeting these criteria set out by the Hearing Officer. The Hearing Officer concluded that even for this service, there was a likelihood that the average consumer would view Asia Standard's mark as a sub-brand or extension of

Standard International's brand, so there was indirect confusion and this was sufficient for the existence of a likelihood of confusion.

### The appeal

Asia Standard appealed on the basis that the Hearing Officer erred in failing to consider separately the similarity of each good or service applied for (or each sufficiently homogenous category of goods and services).

The Judge noted that the Hearing Officer did not simply adopt the findings of the Earlier Decision for the question of likelihood of confusion, as the Hearing Officer had considered the differences between the marks and carried out a new comparison in relation to "providing casino facilities (gambling)".

The Judge commented that, taken in the abstract, it was difficult to defend the Hearing Officer's approach, but concluded that, on the specific facts of the case, the Hearing Officer was entitled to approach the matter in the manner that he did. In view of the Earlier Decision and the very similar nature of the marks, it was only necessary to assess the strongest case that Asia Standard could advance and that, having considered this, the Hearing Office could safely extrapolate.

## High Court refuses stay pending EUIPO appeal

***AMS Neve Ltd & Ors ("AMS") v Heritage Audio S.L. & Anr ("HA") (Recorder Douglas Campbell QC; [2020] EWHC 1876 (Ch); 24 June 2020)***

*HA was unsuccessful in its application to stay proceedings in the UK, in relation to passing off and UK and EU trade mark infringement actions, pending AMS' appeal against HA's successful application to invalidate AMS' EU trade mark registration. Theo Cooper reports.*

### Facts

AMS alleged that HA was manufacturing audio amplifiers that were clones of their product. AMS brought proceedings before the High Court for infringement of UK trade mark registrations for the device marks set out below and an EUTM registration for the word mark "1073", all registered in class 9, and for passing off in relation to the marks and the general get up of AMS's goods.



Due to a jurisdictional challenge which was ultimately referred to the CJEU, HA's defence had still not been served five years after the proceedings had been commenced in 2015. Meanwhile, in 2016, HA had applied to invalidate the EUTM relied on by AMS in the infringement action. The invalidity action was successful in the first instance but was currently under appeal. HA sought a stay of proceedings under Article 132 of Regulation 2017/1001, and/or the inherent jurisdiction of the Court, pending the appeal at the EUIPO. Concurrently, AMS sought to amend their pleading, by joining three parties as defendants to proceedings.

### The effect of Article 132

Under Article 132(1), certain court proceedings listed in Article 124 must be stayed if an application for a declaration of invalidity in relation to the EUTM at issue has already been filed at the EUIPO. Article 124 lists both 'infringement actions...relating to EU trade marks' and 'counterclaims for revocation or for a declaration of invalidity of the EU trade mark' separately.

As HA had filed the application for a declaration of invalidity after infringement proceedings had been issued in the UK, AMS argued that only proceedings in relation to a counterclaim for a declaration of invalidity (which had not yet been filed by HA) could be stayed pending the appeal at the EUIPO and not the infringement proceedings.

HA argued that Article 128(4) extended the scope of Article 132(1) to include not only a counterclaim, but also the original infringement action. The Judge dismissed this argument, holding that the 'proceedings' referred to in Article 128(4) referred to the types of proceedings set out in Article 124. This meant that the infringement proceedings had to be distinguished from the counterclaim and that the only proceedings which Article 128(4) envisaged being stayed, due to ongoing action before the EUIPO, were those in relation to the counterclaim, not the original infringement action. However, the Judge did grant HA permission to appeal this point.

In addition, HA argued that while the IPEC had been first seised in the original infringement action, the first instance decision "unseised" the IPEC (though this decision was overturned on appeal), so the EUIPO was first seised and Article 132(1) applied. The Judge rejected this and held that the IPEC remained the court first seised in this case.

### The Court's inherent jurisdiction

In relation to the Court's inherent jurisdiction to stay proceedings, the Judge considered that he could not stay the whole infringement action before HA's defence had been served. Therefore, HA's application was rejected with the Judge noting that even if the infringement action could have been stayed in respect of the EUTM, this alone would not have justified staying the action in relation to the UK marks or passing off claims.

### AMS's application to amend the pleading

AMS sought to amend their claim form and particulars of claim, to add three parties as defendants (KMR Audio, SX Pro and Mr Tom Fuller), based on HA's alleged sales to these parties in the UK. The Judge held that, following the decision in *Meltzer v MF Global* (C-228/11), KMR Audio and SX Pro could not be joined, and the evidence of sales put forward by AMS was not strong enough to overturn this finding. However, as AMS's proposed amended pleading alleged a specific sale to Mr Fuller, which would subsequently be supported by a Statement of Truth, the Judge allowed AMS to add Mr Fuller as a defendant in the proceedings.

## Infringement and passing off

***British Amateur Gymnastics Association ("British Gymnastics") v UK Gymnastics Ltd ("UKG") & Ors\* (Judge Clarke sitting as a Judge of the High Court; [2020] EWHC 1678 (IPEC); 26 June 2020)***

*In a recent IPEC decision, Judge Clarke held that use by UKG of its UK Gymnastics signs infringed British Gymnastics' trade marks pursuant to sections 10(2) and 10(3) and also amounted to passing off. Bryony Gold reports.*

### Background

British Gymnastics was the not for profit national governing body for gymnastics ("NGB") in the United Kingdom. Since around 1997 it had at all material times traded and operated under the name 'British Gymnastics' and was the registered proprietor of UK trade mark registrations for stylised variations of the mark, shown below, in respect of, *inter alia*, 'gymnastics and sporting articles' in class 28 and 'education, provision of training, entertainment, sporting activities' in class 41.



UKG was offering gymnastic club memberships, competitions and courses under the word sign 'UK Gymnastics' and the following logos (the "Signs") incorporating elements of the Union Jack.



In 2019, British Gymnastics issued claims against UKG for trade mark infringement and passing off. It sought an injunction to restrain further infringements and passing off, and damages of up to £100,000.

### Section 10(2)

The Judge found that there was a medium degree of similarity between the registered marks and UK Gymnastics, and a low degree of similarity with UKG's logos. Although 'UK' and 'British' were visually and aurally different, the conceptual similarity was strong, since they referred to similar geographical areas, and gave a connotation of official status to the services provided. The use of red and white colours bolstered that conceptual similarity with regard to the logos.

Having regard to the identity and high similarity of the goods and services, and to the low degree of attention of those that would have seen the Signs, such as child gymnasts and spectators at sporting events, the Judge held that there was a likelihood of confusion. The fact that British Gymnastics was the only NGB for gymnastics was a relevant factor: consumers purchasing or using the relevant services would have paid little attention on the assumption that British Gymnastics was the only such body. Therefore, UKG's use of the Signs infringed the registered marks under section 10(2).

### Section 10(3)

The Judge went on to find that the Signs also infringed the registered marks under section 10(3). She concluded that the relevant section of the public would make the requisite link between the Signs and the registered marks due to the degree of similarity between them, as well as the enhanced distinctiveness and reputation of the registered marks in the UK.

British Gymnastics, as the sole, recognised NGB for gymnastics, was in a position of responsibility in relation to the sport and the public. On the basis that the public would have made a link between the Signs and the registered trade marks, they could have expected UKG's services to have been provided to similar standards of quality, safety and scrutiny as those of British Gymnastics. Judge Clarke found that they were not, and thus there was a serious risk that the use of the Signs would be detrimental to the distinctive character and reputation of the registered marks.

Further, the Judge held that UKG had known of British Gymnastics' reputation and intentionally used similar signs in order to generate more business, changing the economic behaviour of the average consumer and thereby taking unfair advantage of the registered marks without due cause.

### Passing Off

British Gymnastics' passing off claim was also upheld. It was established that British Gymnastics had goodwill, and UKG's use of the Signs misrepresented to customers that there was a connection between UKG and British Gymnastics, exacerbated by a false statement on its website that it was an NGB for gymnastics. This was likely to cause damage.

## Interim injunctions

### ***GFS Flex Ltd ("GFS") v Brymec Ltd\* (Nugee J; [2020] EWHC 1907 (Ch); 17 July 2020)***

*Applying the American Cyanamid test in this passing off case, Nugee J dismissed the application for an interim injunction on the basis that the practical disadvantages to the Defendant of not being able to market its gas pipe fittings with a yellow plastic clip pending trial could not be adequately compensated in damages. Charlotte Peacock reports.*

### Background

Both parties sold fittings for gas pipes incorporating a yellow plastic clip which sits around the fitting and is designed to be discarded during the installation process. There was considerable dispute between the parties over who started using the yellow plastic clip first. GFS claimed that it had been the first to use the yellow

plastic clip and that the clip had become distinctive of its products. GFS issued proceedings for passing off and claimed an injunction and damages or an account of profits. GFS also applied for an interim injunction.

### American Cyanamid test

*Was there a serious question to be tried?*

Nugee J confirmed that the threshold of whether there is a serious issue to be tried is not high. The Judge held that although GFS may fail to prove its case at trial, there was nonetheless a serious issue to be tried.

In particular the Judge noted that there was evidence that GFS' customers assumed that products being sold by Brymec were GFS products because of the presence of the yellow plastic clip. Such evidence was capable of establishing that the get-up of the product could become an indication of origin and give rise to deception, thus potentially fulfilling the criteria for establishing a claim in passing off.

### Damage to the parties

Nugee J accepted that damage to GFS, including through lost sales and damage to reputation, would be difficult to assess and that it had not been shown that damages would be an adequate remedy for GFS if an injunction was refused. However, the Judge also noted Brymec's low sales and the fact that the market for the gas pipe fittings sold by both parties was not growing, indicating that lost sales until the trial would not be substantial. The Judge concluded that actual damage to GFS from any misrepresentation would likely not be extensive.

Nugee J accepted that there would be practical disadvantages to Brymec of not being able to market its fittings with a yellow clip pending trial and that the right to recover damages under the cross-undertaking would not adequately protect Brymec against such disadvantages.

### Balance of convenience

Brymec had offered to give undertakings pending trial, including adding labels to product boxes and notices on its website confirming that its products were not manufactured by and had no connection with GFS.

Nugee J accepted Brymec's evidence that GFS' end customers are professional gas engineers who are knowledgeable and interested in technical specifications. The Judge differentiated the process of purchasing a gas pipe fitting from a shopper in a supermarket picking up a lemon-shaped container without reading the label and considered that the labelling suggested by Brymec would likely go a long way towards clarifying the position.

The Judge held that the balance of un-compensatable disadvantage came down firmly on the side of withholding the injunction.

Nugee J dismissed the application and transferred the action to the IPEC.

## Vehicle shapes lack distinctiveness

***Jaguar Land Rover Ltd ("JLR") v Ineos Industries Holdings Ltd\* ("Ineos") (Judge Clarke; [2020] EWHC 2130 (Ch); 3 August 2020)***

*Judge Clarke upheld the Hearing Officer's decision refusing protection for the shape of JLR's Defender vehicle as a trade mark on the grounds of lack of inherent and acquired distinctiveness, as the design did not depart significantly from that of other passenger cars, and opinion poll evidence showed only a significant and not an overwhelming degree of recognition of the shape of the car. Adeena Wells reports.*

### Background

JLR sought trade mark protection for the following shapes of its Land Rover Defender 90 and 110 vehicles in classes 9, 12, 14, 28 and 37:



**UKTM application no. 3158947**

**UKTM application no. 3158948**



**UKTM application no. 3164282**

**UKTM application no. 3164283**

Ineos Industries Holdings Limited opposed the applications under sections 1(1), 3(1)(a)-(d), 3(2)(a) – (c), 3(3)(a) and 3(6). The Hearing Officer refused the applications on the grounds of lack of inherent and acquired distinctiveness in relation to goods and services related to motor vehicles and refused the applications on the grounds of bad faith in relation to vehicles other than "4 x 4 land vehicles".

### The appeal

JLR appealed this decision to the High Court, arguing that the Hearing Officer did not correctly apply the tests for inherent and acquired distinctiveness. Ineos opposed the appeal and argued that the applications should also be refused on the grounds of section 3(2)(c), which was not considered by the Hearing Officer in his initial decision given that the applications were already rejected on the other grounds.

### Inherent distinctiveness

Judge Clarke accepted that the Hearing Officer duly considered the competing evidence to reach his decision that the shape of the marks, as wholes, did not depart significantly from the norms and customs of the sector (being passenger cars), and therefore the marks did not possess inherent distinctiveness. Judge Clarke also agreed with the Hearing Officer that some of the differences in design explained by JLR's expert that would have been important to specialists may have been unimportant to, or go unnoticed by, the average consumer of passenger cars.

Judge Clarke restated the well-known principle that the Court should only substitute the opinion of the Hearing Officer where the Hearing Officer had made a material error in law or their findings were so wrong that the Court had to submit its own view. As this was not the case here, Judge Clarke upheld the Hearing Officer's decision that the marks did not possess inherent distinctiveness.

### Acquired distinctiveness

The Hearing Officer applied the test under the *Windsurfing Chiemsee* cases (C-108 & C-109/97) when considering whether JLR had shown that a significant proportion of relevant average consumers would perceive the shapes applied for, without further indication, as distinguishing goods which had been placed on the market by JLR, or with their consent, from those of other undertakings. The Hearing Officer's approach was to consider the question of distinctiveness excluding the survey: he only turned to the opinion poll evidence

when he was not satisfied of the distinctive character of the marks, to see if, on a global assessment of the evidence, the marks were distinctive.

JLR argued that the Hearing Officer should have considered the opinion poll evidence at the same time as assessing whether the mark had acquired distinctiveness. However, Judge Clarke considered that the Hearing Officer had taken the correct approach, as he took all of the evidence into account in reaching his conclusion.

Following his review of the opinion poll evidence, the Hearing Officer held that between 20 and 40% of respondents in the survey knew that the images depicted JLR's Defender vehicle. The remaining respondents either did not name a maker, were not sure who made the car, thought that the car was a different one made by another maker, or were guessing. The Hearing Officer concluded that the survey showed a significant, but not overwhelming, degree of recognition of the shape of the Land Rover Defender.

Judge Clarke conducted her own assessment of the figures to confirm that they roughly aligned with those of the Hearing Officer. Judge Clarke also noted that by a respondent simply mentioning JLR when faced with the image of the Defender and no other brand, (which does show some degree of recognition and association) this did not mean that the respondent regarded the shape alone as distinguishing JLR's goods from those of other undertakings i.e. that they regarded the shape as a trade mark or indicator of origin.

Judge Clarke held that the Hearing Officer assessed the opinion poll evidence carefully and fairly, and so no error of principle was found to overturn his decision.

JLR also criticised the Hearing Officer's approach to its evidence concerning the sale of modified versions of the Land Rover Defender vehicles. Judge Clarke accepted that the absence of evidence of confusion about the source of the modified versions supported the Hearing Officer's conclusion that the marks were not distinctive.

As Judge Clarke upheld the Hearing Officer's decision to refuse the applications on the grounds of lack of inherent and acquired distinctiveness, there was no need to consider Ineos' submissions under section 3(2)(c).

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



**Aaron Hetherington**

Trainee Trademark Attorney

Tel: +442074156183  
aaron.hetherington@twobirds.com



**Ciara Hughes**

Trainee Trademark Attorney

Tel: +442074156193  
ciara.hughes@twobirds.com



## Reporters

*Mark Day; Theo Cooper; Bryony Gold; Charlotte Peacock; Adeena Wells.*

*This report was first published in the [CIPA Journal](#), September 2020*