

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


October 2019




Trade mark decisions

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



Ref no.	Application (and where applicable, earlier mark)	Comment
GC T-469/18 <i>Battelle Memorial Institute v EUIPO</i>	HEATCOAT - carbon-based, electrically conductive, de-icing material layers and preparations for aircraft surfaces (1)	The GC upheld the BoA's decision that the mark was descriptive and lacked distinctive character pursuant to article 7(1)(c). The BoA was correct to find that the terms HEAT and COAT were both individually descriptive with regard to the goods applied for. The combination HEATCOAT was not a neologism, but rather the simple juxtaposition of two terms. The fact that the combination had a grammatically incorrect structure was insufficient for it to be found not descriptive. The GC found that there was a link between the mark applied for and the goods concerned that was sufficiently direct and specific to enable the relevant public (professionals in the industrial sector) to immediately perceive the intended purpose of the goods i.e. that of de-icing by means of heating.
9 May 2019 Reg 2017/1001		
Reported by: <i>Elizabeth Greene</i>		


Ref no.	Application (and where applicable, earlier mark)	Comment
GC T-340/18 <i>Gibson Brands, Inc. v EUIPO; Hans-Peter Wilfer</i>		In an application for a declaration of invalidity under article 52(1)(a), the GC upheld the BoA's decision that the mark was invalid for musical instruments on the basis that it was devoid of distinctive character and acquired distinctiveness had not been proven under article 52(2). There were several variants of shapes of the mark in the electronic guitar market at the time of the application and the mark's shape did not depart significantly from the norms and customs of the sector and was devoid of distinctive character. The GC confirmed that the electronic guitar market, although limited and specialised, was international and therefore evidence relating to the American and Canadian market was relevant and had enabled the BoA to determine the characteristics of the EU market. The proprietor's survey evidence (covering 8 member states) filed in support of the claim for acquired distinctiveness was held to be insufficient as the surveys did not cover a sufficient
28 June 2019 Reg 207/2009		
Reported by: <i>Adeena Wells</i>	- apparatus for recording, transmission or reproduction of sound or images (9) - musical instruments (15) - clothing, footwear, headgear for promoting or displaying musical instruments (25)	

number of member states and they did not show that the relevant public attributed a particular commercial origin to a V-shaped guitar.


Ref no.	Application (and where applicable, earlier mark)	Comment
GC T-680/18 <i>SLL Service GmbH v EUIPO; Elfa International AB</i>	 <ul style="list-style-type: none"> - building and construction materials and elements of metal (6) - non-metallic building and constructing materials and elements (19) - various furniture goods (20) 	<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 was correct in finding that the overall impression created by the marks was dominated by the fact they share the same sequence of letters, 'l', 'u', 'm' and 'i'.</p> <p>The GC went on to state the presence of the letter 'n', the number 8 and the minimalistic figurative elements of the mark applied for were unlikely to influence the consumer's perception.</p> <p>As a result, the marks were held to be similar visually, phonetically and conceptually and there would be a likelihood of confusion among the relevant public.</p>
9 September 2019 Reg 2017/1001	<p>Reported by: <i>Daniel Anti</i></p> <p>LUMI</p> <ul style="list-style-type: none"> - metal building materials; small items of metal hardware; fittings of metal for building and furniture (6) - non-metallic building materials, doors and cornices; wood panelling; cask wood (19) - various furniture goods (20) 	
Ref no.	Application (and where applicable, earlier mark)	Comment



CJ C-541/18 <i>AS v Deutsches Patent- und Markenamt</i>	<p>#darferdas?</p> <ul style="list-style-type: none"> - clothing, in particular tee-shirts; footwear; headgear (25) 	<p>The CJ gave a preliminary ruling regarding the interpretation of article 3(1)(b), following a reference made by the German national court.</p> <p>The CJ held that, in principle, a sign comprising a hashtag was capable of fulfilling the essential function of a trade mark for the purposes of article 2.</p> <p>In relation to article 3(1)(b), the CJ reiterated the standard test for determining whether a mark has distinctive character. In particular, it emphasised that all of the relevant facts and circumstances should be considered by the relevant authority to determine whether the average consumer perceived the mark as an indication of commercial origin in light of the use made of it.</p> <p>The CJ observed that the national court had identified two practically significant uses of a mark in the clothing sector – first, the placement of the mark on the exterior of the goods, and secondly its placement on the interior labels of the goods. Therefore both uses were relevant in determining whether the average consumer would perceive the mark as a badge of origin.</p>
12 September 2019 Directive 2008/95/EC		
Reported by: <i>Aaron Hetherington</i>		


Ref no.	Application (and where applicable, earlier mark)	Comment
<p>GC T-502/18 <i>Pharmadom v EUIPO; IRF s.r.o.</i></p> <p>17 September 2019 Reg 207/2009</p> <p>Reported by: <i>Rebecca Slater</i></p>	 <ul style="list-style-type: none"> - bleaching preparations (3) - pharmaceuticals (5) - surgical apparatus (1) - retailing and wholesaling (35)  <ul style="list-style-type: none"> - bleaching preparations (3) - pharmaceuticals (5) - surgical apparatus (1) - retailing and wholesaling (35) - medical services (44) 	<p>The GC upheld the BoA's decision that there was no likelihood of confusion under article 8(1)(b).</p> <p>The GC held that the BoA was correct to find a low degree of visual similarity between the marks. The marks differed due to the presence and dominance of the word 'medi' at the beginning of the later mark, the repetition of the word 'well,' and the presence of the element '&' in the earlier mark and the differences in colour and stylisation.</p> <p>The phonetic similarities were held to be low as although the pronunciation of the common element 'well' was identical for both marks, the repetition of 'well' and presence of the element '&' in the earlier mark gave it a distinctive rhythm and sound.</p> <p>Finally, the marks were held to have some degree of conceptual similarity for the part of the relevant public who spoke English and understood the terms 'medi' and 'well' but no similarity for the remaining part of the relevant public.</p>


Ref no.	Application (and where applicable, earlier mark)	Comment
<p>GC T-378/18 <i>NHS, Inc. v EUIPO; HLC SB Distribution, SL</i></p> <p>19 September 2019 Reg 207/2009</p> <p>Reported by: <i>Katie Rimmer</i></p>	<p>CRUZADE</p> <ul style="list-style-type: none"> - rucksacks, gym bags, baggage, valises, waist bags (18) - clothing, footwear and headgear (25) - sporting goods; skateboards and their parts (28)  <ul style="list-style-type: none"> - skateboards, truck sets for skateboards, skateboard parts and accessories; winter skates; surfboards, snow boards; knee pads, elbow pads, cover cuffs; gloves for sporting purposes and games (28) 	<p>The GC upheld the BoA's decision that the earlier mark did not have enhanced distinctive character under article 8(1)(b) and did not enjoy a reputation under article 8(5). There was therefore no likelihood of confusion between the marks under article 8(1)(b).</p> <p>The GC held that the BoA was correct in assessing that NHS had not provided sufficient and appropriate evidence to demonstrate the mark's enhanced distinctive character under article 8(5). Not only was the evidence submitted of low probative value (owing to those submitting it having a close connection to NHS) but that evidence was also incapable of demonstrating the mark's reputation in the absence of other key evidence.</p> <p>As regards likelihood of confusion, the GC held that the earlier mark consisted of both figurative and verbal elements, whereas the mark in dispute was a word mark. Contrary to NHS' submission, the BoA correctly found the comparison of marks should be of the overall impression created and not solely based upon the 'CRUZ' element.</p> <p>The GC further held that the BoA was correct in finding that even though some of the goods covered by the marks in</p>




issue were identical, this partial identity was offset and neutralised by the low level of similarity between the signs. Accordingly there was no likelihood of confusion and the appeal was dismissed.

Ref no.	Application (and where applicable, earlier mark)	Comment
GC T-176/17 <i>WhiteWave Services Inc. (authorised to replace Sequel Naturals ULC) v EUIPO; Carlos Fernandes</i>	 <ul style="list-style-type: none"> - foodstuffs, food supplements and energy drinks targeting consumer health (5, 29, 30 and 32) <p>VEGAS</p> <ul style="list-style-type: none"> - foodstuffs, food supplements and non-alcoholic drinks (5, 29, 30 and 32) - wholesale and retail services for the aforementioned goods (35) - medical services (44) <p>(EUTM and German marks)</p>	<p>The GC upheld the BoA's decision that there was a likelihood of confusion under article 8(1)(b) in respect of some of the goods covered by the application.</p> <p>The GC agreed with the BoA that the marks had a strong phonetic similarity and were visually similar.</p> <p>The GC disagreed with the BoA's conclusion that the marks were conceptually neutral. The GC held that the BoA had erred in law by failing to explain why the term 'vegas' had no meaning for the relevant EU public. Accordingly the marks were not conceptually neutral.</p> <p>Notwithstanding this, as the goods covered by the marks were generally purchased orally, the GC concluded that the conceptual differences advanced by the applicant were not capable of counteracting the visual and phonetic similarities.</p>
19 September 2019 Reg 207/2009		
Reported by: <i>Dean Rae</i>		

Ref no.	Application (and where applicable, earlier mark)	Comment
GC T-287/18; and T288/18 <i>M.I. Industries Inc. v EUIPO; Natural Instinct Ltd.</i>	<p>NATURE'S VARIETY INSTINCT</p> <ul style="list-style-type: none"> - animal foodstuffs; pet foods; pet treats (31) <hr/>  <hr/> <ul style="list-style-type: none"> - animal foodstuffs; pet foods; pet treats (31)  <ul style="list-style-type: none"> - foodstuffs for dogs and cats; bones and chewing bones for dogs; litter for dogs and cats (31) <p>(EUTM and UK marks)</p>	<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 held that the BoA had erred in finding that the marks coincided in the pronunciation of the element 'natur-' since the sequence of letters 'n', 'a', 't', 'u' and 'r' is pronounced differently in each of the signs at issue. However, the slight differences in the pronunciation of these elements did not have the effect of making the marks totally different.</p> <p>The presence of 'natur-' and 'instinct', both dominant and distinctive elements of the marks, as well as the identity of the goods and in light of the attention of the relevant public meant there was a likelihood of confusion.</p> <p>The GC held that M.I. Industries' submission that pet owners are loyal to a brand, with the result being that their level of attention is higher, should be rejected. M.I Industries had not provided any evidence to substantiate this claim and as the BoA can only examine facts via evidence provided by the parties, the GC agreed that the BoA was right in rejecting M.I. Industries' submission.</p>
20 September 2019 Reg 2017/1001		
Reported by: <i>Robert Rose</i>		

Ref no.	Application (and where applicable, earlier mark)	Comment
<p>GC T-67/19 <i>Sixsigma Networks Mexico, SA de CV v EUIPO; Dokkio, Inc.</i></p> <p>20 September 2019 Reg 207/2009</p> <p>Reported by: <i>Nicholas Puschman</i></p>	<p>DOKKIO</p> <ul style="list-style-type: none"> - computer operating programs (9) - online software as a service (42)  <ul style="list-style-type: none"> - online computer software (9) - telecommunications (38) - education; providing of training; entertainment; sporting and cultural activities (41) - computer hardware and software (42) 	<p>The GC upheld the BoA's decision that there was no likelihood of confusion between the marks pursuant to article 8(1)(b).</p> <p>The BoA was correct to find that the signs were visually dissimilar. The GC added that the relevant public would perceive the visual differences more clearly because both signs were short.</p> <p>In addition to the visual dissimilarities, the GC also upheld the BoA's findings that the marks at issue were phonetically different. The BoA was also correct in holding that the conceptual aspects of the signs had no influence on the comparison exercise because neither sign had any meaning in any part of the EU.</p> <p>The fact that the signs were dissimilar overall meant there was no likelihood of confusion. The GC confirmed that the BoA had been correct in concluding that due to the dissimilarity of the marks it was not necessary to examine the extent to which the goods and services were similar.</p>

Ref no.	Application (and where applicable, earlier mark)	Comment
<p>GC T-367/18 <i>Sixsigma Networks Mexico, SA de CV v EUIPO; Marijn van Oosten Holding BV</i></p> <p>20 September 2019 Reg 207/2009</p> <p>Reported by: <i>Nicholas Puschman</i></p>	<p>UKIO</p> <ul style="list-style-type: none"> - advertising (35) - education; providing of training; entertainment; sporting and cultural activities (41) - scientific and technological services (42)  <ul style="list-style-type: none"> - online computer software (9) - telecommunications (38) - education; providing of training; entertainment; sporting and cultural activities (41) - rental of computer hardware and peripheral devices (42) 	<p>The GC upheld the BoA's decision that there was no likelihood of confusion with the relevant public between the marks pursuant to article 8(1)(b).</p> <p>The GC upheld the BoA's finding that, contrary to the opponent's submission, the marks were not extremely similar phonetically. Equally, the BoA was correct in holding that the marks were not conceptually similar. The BoA was also correct in finding that the marks were not extremely similar visually.</p> <p>The GC held that the BoA had, in its global assessment, correctly determined that the low degree of visual and phonetic similarity between the marks did not offset the differences between the marks and that, consequently, there was no likelihood of confusion.</p>

Ref no.	Application (and where applicable, earlier mark)	Comment
GC T-356/18 <i>Volvo Trademark Holding AB. v EUIPO; Paalupaikka Oy</i>		<p>The GC annulled the BoA's decision that there could be no likelihood of confusion between the marks under article 8(1)(b) and that article 8(5) was not applicable. The GC agreed with the BoA's assessment that the marks were not phonetically similar.</p> <p>However, the GC held that the BoA had failed to consider that the word elements in both marks were highlighted by their positioning on a blue background in the centre of a circular figurative element. The BoA had further erred in finding that the earlier mark did not contain a circle.</p> <p>The GC held that the marks at issue used a highly similar combination of colours which achieved an overall similar aesthetic effect. As such the BoA had erred in finding the marks were dissimilar visually.</p> <p>In light of this finding on visual similarity, the BoA had failed to carry out an examination of the other conditions for article 8(5) to apply. Accordingly the GC annulled the BoA's decision.</p>
24 September 2019 Reg 207/2009	- wheel rims; casters for vehicles; vehicle parts; wheels, tyres and continuous tracks (12)	
Reported by: <i>Olivia Bowden</i>		
		
		
	- various goods in class (12) (EUTM, Swedish and Finnish marks)	

A finding of bad faith requires consideration of all the relevant factors

Koton Mağazacılık Tekstil Sanayi ve Ticaret AŞ v EUIPO; Joaquín Nadal Esteban (CJ; C-104/18 P; 12 September 2019)

The CJ held that the GC had erred in deciding that a finding of bad faith presupposes that the contested mark was registered for goods and services identical with, or similar to, those in respect of which an earlier mark was registered. This is only one of the relevant factors which should be considered in an overall assessment. Louise O'Hara reports.

Background

In response to Mr Esteban seeking to register the mark shown below in classes 25, 35 and 39, Koton filed a notice of opposition relying upon its earlier mark (also shown below) registered in classes 25 and 35. Mr Esteban was granted a trade mark registration in respect of class 39 only. Koton then filed an unsuccessful application for a declaration that the trade mark was invalid by reason of bad faith in accordance with article 52(1)(b), this was followed by an unsuccessful appeal to the BoA and an unsuccessful appeal to the GC.

Mark applied for



Earlier mark



Previous decisions/opinions

The BoA held that bad faith on the part of an applicant within the meaning of article 52(1)(b) presupposed that a third party was using an identical sign or similar sign for an identical or similar product or service. Consequently, Mr Esteban had not acted in bad faith because the contested mark was registered for services dissimilar to those designated by Koton's earlier marks. Whilst the GC took other factors into account, it ruled that the BoA was fully entitled to come to such a conclusion.

The AG opined that the GC's decision should be vitiated. It was necessary to take into account *all the relevant factors* when determining whether an applicant had acted in bad faith. The use of an identical or similar sign for identical or similar products or services was only one of those factors.

An error in law

The CJ held that the GC had misinterpreted previous case law (*Chocoladefabriken Lindt & Sprüngli C-529/07*). In that case, the Court was specifically asked about the situation where, at the time of the application for the contested mark, several producers were using identical or similar signs for identical or similar products which was capable of giving rise to confusion.

It did not follow, the CJ said, that bad faith was limited to the situation in *Chocoladefabriken Lindt & Sprüngli C-529/07*. There may be situations where the applicant for registration of a trade mark could be regarded as having filed the registration in bad faith where there was no similarity of goods or services. In determining whether an applicant had made an application in bad faith, a court should take into account "all the relevant factual circumstances as they appeared at the time the application was filed".

The GC should therefore have taken into account the fact that, at the time of the application, Mr Esteban had applied for a mark covering classes 25, 35 and 39, albeit that the registered mark was only protected in class 39.

Additionally, whilst the GC had referred in passing to other relevant considerations such as the commercial logic underlying the filing of the application for registration and the chronology of events leading to that filing, it had not fully examined them. The CJ found that a mere reference to these factual considerations was insufficient to engage the rule restricting the CJ from setting aside a GC judgment where that judgment was shown to contain a ground which was found to be an infringement of EU law but nevertheless the operative part of the judgment was shown to be well founded on legal grounds.

The CJ set aside the GC's judgment. It also found that it was entitled to give final judgment in the matter (as the appeal was well founded) and annulled the decision of the Board of Appeal. It did not, however, invalidate the mark; this being a decision for the relevant competent body of EUIPO.

Website targeting and jurisdiction

AMS Neve Ltd & Ots v Heritage Audio SL & Anr (CJ; C-172/18; 5 September 2019)

In response to a preliminary ruling from the Court of Appeal of England & Wales, the CJ found that article 97(5) of Council Regulation (EC) No 207/2009 must be interpreted as meaning that the proprietor of an EU trade mark, who considers that a third party has infringed his rights by using an identical sign in advertising and offers for sale displayed electronically in relation to identical or similar products, may bring an infringement action in the Member State where the consumers or traders to whom that advertising and offers for sale are directed are located. This is notwithstanding that that third party took

decisions and steps in another Member State to bring about that electronic display. Hilary Atherton reports.

Background

AMS Neve Ltd was a company established in the UK which manufactured and sold audio equipment. The second claimant was the proprietor of an EU trade mark and two national marks registered in the UK, of which AMS Neve was the exclusive licensee. Heritage Audio SL was a company established in Spain which also sold audio equipment. AMS Neve and the trade mark proprietor brought trade mark infringement proceedings in the IPEC, claiming that Heritage Audio had offered for sale to consumers in the UK via its website imitations of AMS Neve products bearing, or referring to, signs which were identical or similar to the trade marks in question. The IPEC held that it did not have jurisdiction to hear the infringement proceedings in respect of the EU trade mark because only the Member State in which Heritage Audio had taken steps to put the signs in question on the website had jurisdiction under article 97(5). AMS Neve appealed to the Court of Appeal, which referred three questions to the CJEU, as follows:

"In circumstances where an undertaking is established and domiciled in Member State A and has taken steps in that territory to advertise and offer for sale goods under a sign identical to an EU trade mark on a website targeted at traders and consumers in Member State B:

- (i) does an EU trade mark court in Member State B have jurisdiction to hear a claim for infringement of the EU trade mark in respect of the advertisement and offer for sale of the goods in that territory?
- (ii) if not, which other criteria are to be taken into account by that EU trade mark court in determining whether it has jurisdiction to hear that claim?
- (iii) in so far as the answer to (ii) requires that EU trade mark court to identify whether the undertaking has taken active steps in Member State B, which criteria are to be taken into account in determining whether the undertaking has taken such active steps?"

Findings

In line with AG Szpunar's Opinion, the CJ held that article 97(5) must be interpreted as meaning that the proprietor of an EU trade mark, who considers that a third party has infringed his rights by using an identical sign in advertising and offers for sale displayed electronically in relation to identical or similar products, may bring an infringement action in the Member State where the consumers or traders to whom that advertising and offers for sale are directed are located. Therefore, if the English court were to find that it was apparent from the content of Heritage Audio's website and the platforms at issue that the advertising and offers for sale which they contained were targeted at consumers or traders situated in the UK and were entirely accessible by them, AMS Neve would have the right to bring, on the basis of article 97(5), their infringement action before a court of the UK, seeking a declaration of an infringement of the EU trade mark in the UK.

The CJ said that if the wording "Member State in which the act of infringement has been committed " in article 97(5) were to be interpreted as meaning the Member State where the party carrying out those commercial acts set up its website and activated the display of its advertising and offers for sale, it would have to do nothing more than ensure that the territory where the advertising and offers for sale were placed online was the same territory as that where it was established. If that were the case, article 97(5) would provide no alternative to article 97(1). Further, it would often be difficult or even impossible for a potential claimant to identify that place. In any event, the CJ was of the view that the courts of the Member State where the targeted consumers or traders are resident are particularly suited to assess whether the alleged infringement exists.

Infringement under section 10(3)

***Claridge's Hotel Ltd ("CHL") v Claridge Candles Ltd ("CCL") & Denise Shepherd** (Mr. Recorder Douglas Campbell QC; [2019] EWHC 2003 (IPEC); 29 July 2019)**

CLARIDGE infringed CHL's UK trade mark registrations for CLARIDGE'S pursuant to section 10(3). Passing off was also found. Robert Milligan reports.

Facts

CHL had operated a well-known London hotel under the name CLARIDGE'S since its incorporation in 1889. It owned two UK trade mark registrations for CLARIDGE'S.

CHL alleged trade mark infringement and passing off in respect of CCL's use of the mark CLARIDGE in relation to candles and reed diffusers. CCL counterclaimed for revocation of CHL's trade mark registrations for non-use. As a result, CHL voluntarily surrendered one of its registrations and partially surrendered the other. The effect of the partial surrender was that CHL's trade mark registrations covered neither "reed diffusers" nor "candles".

Had CHL put their marks to genuine use?

CHL argued that CLARIDGE'S had been put to genuine use for toiletries in classes 3 and 5 on the basis that consumers took toiletries into account when selecting hotel rooms and some members of the public sold their CLARIDGE'S branded toiletries on eBay; as such, consumers saw real value in the toiletries. However, Mr. Campbell disagreed with CHL as their use of CLARIDGE'S for toiletries was not done to create or preserve a market for toiletries. Instead, such use would only create or preserve a market for CHL's hotel services. Mr. Campbell, therefore, found that CLARIDGE'S had not been put to genuine use for toiletries. Consequently, he partially revoked CHL's marks in classes 3 and 5 for toiletries.

Mr. Campbell did, however, find that CHL had put CLARIDGE'S to genuine use for, amongst other goods and services, "retail services connected with the sale of food and foodstuffs...drink" in class 35, "hotel, restaurant, café and bar services" in class 43, and "provision of beauty treatments and therapies; health spa services; massage services" in class 44.

Did CCL infringe under section 10(3)?

Mr. Campbell was of the view that not only did the mark CLARIDGE'S have a very substantial reputation in the UK when used in relation to hotel services but it had an image of luxury, glamour, elegance, and exclusivity as a result of the nature and extent of CHL's use. Mr. Campbell further assumed, without deciding, that CHL had reputation in relation to its classes 35 and 44 services.

Mr. Campbell found that while CCL's goods and CHL's services were different, they were both premium offerings that would appeal to a similar public.

Although not an essential element of a section 10(3) claim, with reference to *Comic Enterprises v 20th Century Fox* [2016] FSR 30, Mr. Campbell considered whether there existed a likelihood of confusion on the part of the public. Given the similarity of the marks, the fact that both were premium offerings, the inherent distinctiveness of the mark and CHL's very substantial reputation in CLARIDGE'S, Mr. Campbell found a likelihood of confusion and, therefore, that a link in the mind of the average consumer had been established.

Mr. Campbell was of the view that CCL's use of CLARIDGE enabled them to charge higher prices for, and sell more of, their products. As a result, Mr. Campbell found that CCL's use of CLARIDGE took unfair advantage of CHL's trade mark.

Passing off

Unusually, CHL claimed that its case on passing off stood or fell with its section 10(3) case. Given the similarity of the marks, the fact that both CHL's services and CCL's goods were premium offerings, the inherent distinctiveness of the mark and CHL's very substantial reputation in CLARIDGE'S, Mr. Campbell found passing off.

Was Ms. Shepherd a primary tortfeasor?

CHL did not allege that Ms. Shepherd, as director, acted in common design with CCL but instead claimed that she personally carried out the tortious acts. In any case, Mr. Campbell found that Ms. Shepherd was personally liable for infringement.

Counterfeit goods and parallel imports

***NXP BV v ID Management Systems** ("IDMS") (Mr Recorder Douglas Campbell QC; [2019] EWHC 1902 (IPEC); 31 July 2019)**

Mr. Recorder Douglas Campbell QC held that there was no unequivocal consent expressed in respect of counterfeit goods and parallel imports. Aaron Hetherington reports.

Facts

The claimant, NXP, was a manufacturer and supplier of radio-frequency identification (RFID) smart cards, which are most often used to control access to buildings or public transport facilities. It owned a number of EU trade mark registrations for the word MIFARE, and various permutations thereof, including a logo variation. IDMS had allegedly sold counterfeit MIFARE branded smart cards on two occasions as follows:

- a) The first occasion was on or around 4th August 2015, when REACT, an anti-counterfeiting agency engaged by NXP, bought 100 cards from IDMS. These were referred to as the "REACT cards". IDMS obtained these cards from Universal Smart Cards which was listed as a registered partner of NXP on NXP's website.
- b) The second occasion was in or about May 2016, when Pembrokeshire College contacted NXP about some cards they bought from 2 suppliers, one batch being printed and the other being blank. The printed cards had been purchased from IDMS. These were referred to as the "Pembrokeshire cards". IDMS obtained these cards from Smart Technology Cards, which had in turn acquired them from Edom Technology Limited which has its address in Taiwan.

The decision

On the evidence, it was held that the REACT cards were in fact counterfeit cards, whilst the evidence did not allow the Court to conclude that the Pembrokeshire cards were counterfeit on the balance of probabilities.

Mr Campbell then addressed the issue of whether NXP had given unequivocal consent to both sets of cards being put on the market under the MIFARE trade marks in the EEA.

In respect of the REACT cards, IDMS referred to a security white paper produced by NXP, which warned customers against using unauthorised or counterfeit MIFARE products for legal and performance reasons, and thus advised customers to purchase the cards from its recommended partners only. The judge found nothing in this evidence that amounted to unequivocal consent by NXP for the sale of counterfeit or parallel imported goods.

On this basis, because the REACT cards had been found to be counterfeit, and NXP had not unequivocally consented to such sales of counterfeit goods, NXP's claim succeeded.

However, the Pembrokeshire cards had not been held to be counterfeit, meaning that the court still had to consider whether NXP had unequivocally consented to those particular cards being put on the market as parallel imports under the MIFARE trade marks in the EEA. The court held that, since the cards were acquired from a third party that was not an authorised distributor of NXP; there was also no consent in relation to the Pembrokeshire cards being put on the market in the EEA.

Passing off

***Planet Art & Anr v Photobox Ltd & Anr** (Deputy Judge Treacy; [2019] EWHC 1688 (Ch); 2 July 2019)**

In an action for passing off, the High Court refused an application for an interim injunction whilst allowing the narrowing of undertakings given in lieu. Mark Day reports.

Both parties are active in the field of online printing services, particularly for photographs, with both using dedicated apps to sell their respective services. Planet Art launched in the UK in January 2014, offering their services exclusively via apps for iPhone and Android, with their main app called FREEPRINTS (the 'FREEPRINTS App'). With online free prints offerings undermining its paid-for prints business (including its own introductory offer of free prints), Photobox launched a dedicated free prints app on 14 March 2019. Initially named PRINTLY, the app was renamed PHOTOBBOX FREE PRINTS and made available on the Apple App Store on 1 April 2019 (the 'PhotoBox App').

Planet Art issued proceedings alleging passing off by Photobox, and sought an interim injunction. The initial hearing was adjourned by Birss J to enable Photobox to prepare and serve evidence. Photobox gave

undertakings in the interim which, *inter alia*, involved making changes to the way in which they used the words FREE PRINTS.

After some confusion about the form of undertakings Photobox were offering to trial, Deputy Judge Treacy held: (i) Photobox was able to narrow the scope of two undertakings previously given to the Court as they did not affect the appearance (and therefore the likelihood of deception) of the app in question; and (ii) the balance of convenience lay in favour of Photobox as, *inter alia*, Planet Art's case suffered from "material weaknesses". As a consequence the application for an interim injunction was refused.

Passing off

Asian Business Publications Ltd v British Asian Achievers Awards Ltd & Manor Kumar* (Miss Records Amanda Michaels; [2019] EWHC 1094 (IPEC); 2 May 2019)

When a descriptive name is the basis of an action for a passing off, there can still be a finding of a misrepresentation without much evidence of actual confusion if the context of the case points towards such likelihood of confusion. Justin Bukspan reports.

Facts

The claimant, a newspaper publisher, set up the "Asian Achievers Awards" to celebrate the successes of the British Asian community in 2000. The Asian Achievers Awards grew to an event with more than 1,000 attendees and sponsors with heavy media support, broadcast on a satellite and cable channel and substantial amounts of its profits are donated to charity.

The second defendant, had been publishing a Hindi language newspaper in the UK called "Jagatwani", and organised the Jagatwani Achievers Awards in 2014, in competition with the Asian Achievers Awards. The event was not repeated. In 2016, the second defendant set up the first defendant for the purpose of running a similar event, the "British Asian Achievers Awards", that same year.

This was drawn to the claimant's attention whose solicitors wrote to the first defendant multiple times, with no response. Soon before the first defendant ran its second British Asian Achievers Awards, the claimant successfully applied for an interim injunction. No awards were held in 2018, but this matter continued in the IPEC, where the second defendant was joined in the proceeding, as the sole director and shareholder of the first defendant.

The claimant's goodwill in Asian Achievers Awards and damage or likelihood of damage as a result of a misrepresentation by the defendants (if found to have taken place) were admitted. Miss Recorder Amanda Michaels was asked to assess whether there had been misrepresentation on the part of the defendants.

The law

As held in *Office Cleaning Services Ltd v Westminster Window and General Cleaners Ltd* (1946) 63 RPC 39, where a sign forming the basis of a passing off action is essentially descriptive, small differences may be sufficient to prevent a finding of misrepresentation. Miss Michaels was also referred to the judgment in *Phones 4u Ltd v Phone4u.co.uk Internet Ltd* [2004] RPC 40 in which Jacob LJ held that where a "badge" of a claimant is descriptive, cases of "mere confusion" caused by the use of a very similar description will not count as misrepresentation.

The assessment of descriptiveness and similarities

While "Asian Achievers Awards" was essentially descriptive, Miss Michaels still found that it had more distinctive character than phrases like "office cleaning" due to the alliteration and the relatively unusual employment of "achievers". As in *Phones4u*, it was "the sort of name that tells you what the event is", whilst also being "obviously intended to be an invented name to denote a particular business".

The parties' respective award names had been featured in very different respective logos. Nevertheless, the claimant's goodwill was not limited to a logo: those devices were irrelevant when the names were used orally, or as plain sets of words as shown in e-mails and other documents showed.

The context of use and evidence of confusion

Invitations sent out by the Defendants clearly referenced Jagatwani. However, it was held that this did not preclude confusion as members of the relevant public could have believed that Jagatwani had taken over the running of the original Asian Achievers' Awards. Media packs produced by the defendants had copied verbatim substantial parts of the claimant's own materials and while that did not prove an increased likelihood of confusion, it demonstrated that the defendants had made no effort to reduce that possibility.

The claimant advanced relatively little evidence of actual confusion, their strongest evidence was that of Mr Iyer, a senior marketing executive, who had been aware of the Asian Achievers Awards for more than 15 years. He received an e-mail invitation from the defendants but he did not have the chance to read the e-mail in detail and contacted the claimant directly about it, thinking it had originated from them. Notwithstanding this lack of substantial of confusion evidence, Miss Michaels applied *Harrods v Harrodian School* [1996] RPC 697 and held that the absence of evidence of actual confusion was not necessarily fatal to the claim.

Miss Michaels further held that the defendants' addition of "British" to "Asian Achievers Awards" only confirmed who the existing audience of the awards was or who the awards were about. This addition would not have had any material impact in the eyes of the public familiar with the Asian Achievers Awards. Indeed the defendants admitted that the word "British" was used instead of "Jagatwani" in order to "have a more descriptive name for awards that would be better understood by the public/sponsors than using the name of the Jagatwani newspaper."

Miss Michaels ultimately held that the defendants' use of the name amounted to a misrepresentation. This was supported by the evidence of confusion advanced by the claimant. Miss Michaels held that Mr Iyer's email was a significant single instance of confusion, which was particularly relevant as Mr Iyer had in-depth knowledge of the claimant's event and its proper name. Accordingly it suggested that less well-informed people were even more likely to be confused by the name of the defendants' event.

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

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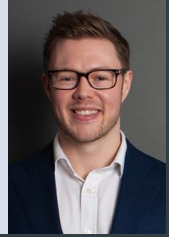
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This report was first published in the [CIPA Journal](#), October 2019