

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

May 2021




# Trade mark decisions

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

Ref no.	Application (and where applicable, earlier mark)	Comment
<p>GC <b>T-193/18</b> <i>Andreas Stihl AG &amp; Co. KG v EUIPO; Giro Travel Company SRL</i></p> <p>24 March 2021 Reg 207/2009</p> <p><b>Reported by:</b> <i>Amy Cole</i></p>	 <p>– chainsaws (7)</p> <p><b>(the combination of the colours orange (RAL 2010) and grey (RAL 7035))</b></p> <p>Description: 'The colour orange is applied to the top of the housing of the chain saw and the colour grey is applied to the bottom of the housing of the chain saw.'</p>	<p>In an application for a declaration of invalidity, the GC annulled the BoA's decision, and held that the scope of the registration was clear enough to satisfy the conditions of Article 4.</p> <p>The description of the mark made it clear that the mark took the form of a part of a particular product, i.e. chainsaw housing, which was visibly divided into two parts - the upper part of which was orange, and the lower part grey. The mark did not take just any form of chainsaw housing, and the description imposed a limit on the number of shapes which the chainsaw housing could take. Consequently, irrespective of the precise shape of the housing, the information provided by the description enabled the public to view and recognise a single particular object.</p>
<p>Ref no.</p> <p>GC <b>T-282/19</b> <i>Foundation for the Protection of the Traditional Cheese of Cyprus named Halloumi v EUIPO; Filotas Bellas &amp; Yios AE</i></p> <p>24 March 2021 Reg 207/2009</p> <p><b>Reported by:</b> <i>Maisie Briggs</i></p>	 <p>– meat, fish, poultry and game; meat extracts; preserved, frozen, dried and cooked fruits and vegetables; jellies, jams, compotes; eggs; milk and milk products; edible oils and fats, halloumi cheese (29)</p> <p><b>HALLOUMI</b></p> <p>– cheese (29)</p> <p><b>(EU collective word mark)</b></p>	<p>In an application for a declaration of invalidity, the GC upheld the BoA's decision to reject the application on the grounds that there was no likelihood of confusion under Articles 60(1)(b)/8(1)(b) nor was there any evidence of bad faith under Article 59(1)(b).</p> <p>The BoA had erred in considering that only 'milk and milk products; edible oils and fats; halloumi cheese' were identical/similar to 'cheese': 'meat, fish, poultry and game; meat extracts' were also similar. The BoA also erred in finding it was not possible to carry out a conceptual comparison between the marks. Rather, the conceptual similarity was low. Despite these errors, the BoA was right to conclude there was no likelihood of confusion. 'Halloumi' was inherently weakly distinctive in both marks and, even in relation to the identical goods, it was unlikely that the relevant public would be misled as to the commercial origin of the goods.</p>

Since the word 'HALLOUMI' was descriptive and there was nothing to suggest that the applicant's use was not in accordance with honest practices, any finding of bad faith was precluded.

Ref no.	Application (and where applicable, earlier mark)	Comment
<p>GC  <b>T-693/19</b>  <i>Kerry Luxembourg Sàrl ("KLS") v EUIPO; Ornuia Co-operative Ltd</i></p> <p>10 March 2021            Reg 207/2009</p> <p><b>Reported by:</b>  <i>Gavindeep Singh</i></p>	<p><b>KERRYMAID</b></p> <ul style="list-style-type: none"> <li>– dairy products; snack foods and prepared meals; edible oils and fats; lard; margarine; butter; yoghurts; cheese (29)</li> <li>– snack foods and prepared meals; cereal; frozen desserts; custard; cheesecakes; dessert sauces; confectionery (30)</li> </ul>  <ul style="list-style-type: none"> <li>– dairy produce (for food); milk; butter, cheese, yoghurt, whey; edible oils and fats; dried (preserved) milk, as a foodstuff; desserts based on milk, cream, yogurt; bread spreads (29)</li> </ul>	<p>The GC upheld the BoA's decision that there was a likelihood of confusion between the signs under article 8(1)(b). The GC found that KLS's evidence to support its argument that 'kerry' was descriptive of the geographical origin of goods, was inadmissible as it had not been produced in previous proceedings. In any event, the evidence was insufficient to show that the term 'kerry' would be understood as a geographical indication, for the goods at issue, by the majority of the non-English speaking relevant public.</p> <p>The GC agreed that 'kerrygold' was the dominant element of the earlier mark, owing to its size and position, and that the figurative elements were descriptive or decorative.</p> <p>The identity/similarity of the goods was not in dispute, and the GC concluded that the signs were visually and phonetically similar to an average degree. Despite finding that the signs were not conceptually similar, the GC held that overall there was a likelihood of confusion between the marks for the non-English speaking part of the relevant public.</p> <p>The GC confirmed the BoA's finding that peaceful coexistence was limited to a very restricted range of consumer goods in the UK and Ireland, and that KLS had failed to establish such coexistence in other Member States.</p>
<p>GC  <b>T-354/20</b>  <i>Wirtschaftsgesellschaft des Kfz-Gewerbes mbH ("WKG") v EUIPO; The Blink Fish Srl</i></p> <p>24 March 2021            Reg 2017/1001</p> <p><b>Reported by:</b>  <i>Katie Rimmer</i></p>	 <ul style="list-style-type: none"> <li>– advertising; business management (35)</li> <li>– telecommunication services (38)</li> </ul>	<p>In invalidity proceedings, the GC upheld the BoA's decision that there was no likelihood of confusion between the marks under article 8(1)(b).</p> <p>The GC held that the public's attention was either average or high for the services in issue, and pointed out - contrary to WKG's submission - that the level of attention was defined by the category of services, and not by how striking a particular mark was.</p> <p>The GC held that the public would not have immediately recognised the contested mark as a string of letters. Even though it was not impossible to</p>

- entertainment services; sporting and cultural activities; teaching; training (41)

#### **BLINKA**

- advertising; business management (35)
- telecommunication services (38)
- education; training; entertainment services; sporting and cultural activities (41)

#### **(German registration)**

identify a word within it, the analysis and effort required to do so was beyond what was reasonably expected in a purchasing situation, and it was even less likely as the relevant public were German speakers, not English.

Accordingly, there was no visual, aural or conceptual similarity between the marks.

WKG had carried out a survey of the staff of the law firm representing them, and said the results demonstrated they did identify the words 'blink' or 'link' in the contested mark. The GC did not take account of this survey because the conditions of independence and trustworthiness were not fulfilled, nor was it based on a representative sample of the relevant public.

## **Neologism validly registered and infringed**

### ***Wirex Ltd v Cryptocarbon Global Ltd & Ots; Cryptocarbon Global & Ots v Wirex (Gibraltar) Ltd & Ots\** (Judge Hacon; [2021] EWHC 617 (IPEC); 16 March 2021)**

*Wirex alleged that Cryptocarbon Global had infringed its CRYPTOBACK mark, while Cryptocarbon Global counterclaimed for a declaration that Wirex's mark was invalidly registered. Judge Hacon dismissed the counterclaim finding that CRYPTOBACK was validly registered and consequently that Wirex's trade mark registration was infringed. Lauren Kourie reports.*

#### **Facts**

Wirex offered a credit card rewards scheme with remuneration paid in cryptocurrency and was the proprietor of the UK trade mark CRYPTOBACK registered in relation to financial and software services.

Wirex claimed trade mark infringement against three corporate defendants (Cryptocarbon Global, Cryptocarbon UK and Bee-One, the "Corporate Defendants") who also offered cryptocurrency cashback services using the word "cryptoback", as well as an individual (Mr Manuel) who had originally set up the three corporate defendants.

The Defendants counterclaimed against Wirex (as well as a related entity, Wirex Gibraltar, and Wirex's two co-founders) for a declaration that CRYPTOBACK was invalidly registered on two grounds: (i) Cryptocarbon Global had acquired the right to prevent use of the mark under the law of passing off pursuant to Sections 5(4)(a) and 5(4A), and (ii) Wirex's application for the mark was made in bad faith pursuant to Section 3(6).

#### **Neologisms and the issue of descriptiveness**

Cryptoback was characterised as a neologism – i.e. a contraction of "cryptocurrency cashback". Judge Hacon highlighted how neologisms are liable to raise certain evidential difficulties (citing *Linoleum Manufacturing Company v Nairn* [1878] 7 Ch. D. 834). For example, although neologisms may be taken by the public to be a newly coined word for a new type of product or service, just because a word is new does not mean it is inherently non-descriptive.

In this case, the question arose as to whether the public regarded "cryptoback" as descriptive of the service in question. Judge Hacon commented that the more descriptive a word is, the more use is required in order for it to be considered distinctive of a single entity's goods or services (assuming that it is not so descriptive as to make that impossible in practice). Judge Hacon held that this requirement would be taken into account when assessing Cryptocarbon Global's earlier use of "cryptoback".

### No goodwill in "cryptoback" as a trading name

Of the three elements required to establish passing off, the central issue in this case was whether Cryptocarbon Global owned goodwill associated with "cryptoback" as a trading name at the date Wirex filed the CRYPTOBACK application. As such, the Defendants needed to establish that "cryptoback" was recognised by the public as denoting the services of Cryptocarbon Global at this date, but failed to do so as some of the evidence was unreliable and, ultimately, it was insufficient.

The first allegation of invalidity therefore failed. It was accepted by the Defendants that if that allegation failed, the second allegation of bad faith could not succeed. Accordingly, Judge Hacon held that Wirex's trade mark registration was valid and infringed by the Corporate Defendants.

### Liability of Mr Manuel

Judge Hacon found that Mr Manuel was jointly liable for the infringements of Cryptocarbon Global and Cryptocarbon UK. However, he was not found to be personally involved in the acts of infringement of Bee-One to an extent sufficient to render him liable as a joint tortfeasor.

## High Court rejects opposition based on potential for parodic use

***Swatch AG v Apple Inc\** (Ian Purvis QC (sitting as a Deputy Judge); [2021] EWHC 719 (Ch); 29 March 2021)**

*The Judge held that the Hearing Officer had erred in finding that Swatch intended to make parodic use of the marks, to the extent that such use would render the registration invalid on the basis of bad faith. The fact that Swatch may have made the applications to annoy Apple as part of a long-running dispute did not amount to parodic use of the signs in bad faith. William Wortley reports.*

### Facts

The parties were in a long-standing trade mark dispute in relation to the marks I-WATCH and I-SWATCH, which it was alleged by Apple had generated 'bad blood' between them. Swatch filed two applications for the signs SWATCH ONE MORE THING and ONE MORE THING in a range of goods in classes 9 and 14. The applications were filed shortly after Apple's CEO, Tim Cook, had revived the use of the phrase 'but there's one more thing' in 2015, as part of their product launches, a dramatic device that Apple's founder, Steve Jobs, had used prior to his death.

Apple opposed the applications on the grounds of passing off under section 5(4)(a), based on the goodwill that Apple had acquired in connection with the phrase ONE MORE THING, and bad faith under section 3(6), based on Swatch's knowledge of such goodwill and its likely intentions regarding the use of the marks in light of the circumstances in which they were applied for.

The Hearing Officer rejected the objection on the basis of passing off. He held that while a non-trivial number of people in the UK would have been aware of Apple's use of the phrase, the level of goodwill Apple had in it was insufficient to turn a common phrase in English into a distinguishing sign. The Hearing Officer also found that the public would not be deceived by Swatch's use of the sign.

In respect of the second ground, Apple ran a primary argument that the applications were in effect 'blocking applications' calculated to restrict Apple from filing its own applications in respect of the phrase ONE MORE THING (although this argument was not fully pleaded by Apple in its Notices of Opposition). The Hearing Officer concluded that Apple's pleaded case on Swatch's intentions for use of the mark was insufficiently broad to allow it to run such an argument.

However, the Hearing Officer concluded that Swatch had attempted to secure an exclusive right in the signs for the purpose of commercial parody, and that Apple's opposition should succeed on that basis. The Hearing

Officer noted that, at around the same time, Swatch had also applied for the mark TICK DIFFERENT (Apple uses the phrase THINK DIFFERENT), concluding that the timing of these applications was no coincidence and that they had been made in bad faith. The Hearing Officer's conclusion was in part a result of Swatch's failure to provide any alternative explanation as to its motives for the applications.

### Appeal

Swatch appealed the decision on numerous grounds, which the Judge summarised in three headings as follows:

- (i) Apple did not own enforceable rights in the unregistered trade mark ONE MORE THING in the United Kingdom, and as such its case on bad faith should have been rejected.
- (ii) The Hearing Officer lacked an adequate evidential basis on which to make his findings regarding Swatch's intention of parodic use.
- (iii) In any event intention of parodic use was insufficient to amount to bad faith.

The High Court upheld the appeal, finding that the Hearing Officer had erred in law by reaching the conclusion that he did on the basis of the evidence in front of him. The High Court agreed with the Hearing Officer's conclusion that, when viewed in light of Swatch's lack of alternative explanation, the timing of the applications together with the application for TICK DIFFERENT was a sufficient basis on which to conclude that the applications were, at least in part, designed to upset or 'cock a snoot' at Apple. However, the High Court did not believe that this could lead to the conclusion that parodic use was Swatch's intention. The Judge noted that Apple had placed heavy reliance on online comments relating to the applications, in particular a reference to the possibility that Swatch might launch a 'trolling' advertisement contained in an article on THENEXTWEB, but did not consider these comments to have evidential value.

The Judge held that the Hearing Officer was entitled to be unimpressed with the lack of alternative explanation as to Swatch's actual intentions, but concluded that this did not prove anything in itself. Further, he noted that no evidence had been submitted that Swatch had engaged in such parodic advertising in the past, and found that it was unclear how such a parodic advertisement would work given that the Hearing Officer had concluded that the number of people who would associate Apple with the sign in question was small.

The High Court concluded that the fact that Swatch may have been motivated by a desire to annoy Apple was insufficient to amount to bad faith. The High Court referred to the analysis of bad faith in *Sky Plc & Ots v SkyKick UK Ltd & Anr* [2020] EWHC 1735 (Ch), where it was held that bad faith applied where there was an 'intention of undermining, in a manner inconsistent with honest practices, the interests of third parties'. The Judge concluded that the fact that a mark might be put to parodic use was unlikely to meet this threshold in instances (such as here) where the mark itself was not offensive.

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

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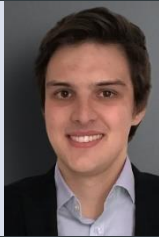
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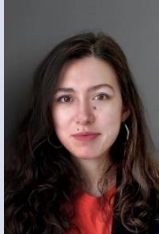
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