


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



November 2021



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-396/20		The GC upheld the decisions of the BoA that the registrations were not invalid on the grounds of bad faith under article 59(1)(b).
T-398/20		The invalidity applicant argued before the BoA that it had made use of the unregistered mark RIVIERA AIRPORT before the intervener had registered its marks. However, the BoA held the applicant had not proved earlier use of RIVIERA AIRPORT; it had simply shown it had internal plans to begin using that mark and had not publicised its intention. The applicant did not appeal this finding; instead it argued that other factors demonstrated the intervener's bad faith.
<i>Aeroporto di Villanova d'Albegna SpA (Riviera-Airport) v EUIPO; Aéroports de la Côte D'Azur</i>	<ul style="list-style-type: none"> – business assistance, management and administrative services; business analysis, research and information services; advertising, marketing and promotional services (35) – vehicle repair, maintenance and refuelling (37) – packaging and storage of goods; vehicle parking and storage; transport; parking and vehicle storage, mooring (39) – publishing and reporting; education, entertainment and sport services; education, entertainment and sports (41) – provision of food and drink; restaurant services (43) 	The GC agreed with the BoA that there was no fiduciary duty between the applicant and the intervener arising from their previous correspondence, in which the intervener refused to consent to the applicant's use of the mark; as such, there was no obligation that prevented the intervener from registering the marks.
9 June 2021		Further, the GC held that the intervener's registration of the contested marks was part of a legitimate commercial strategy. This was evidenced in part by the fact it had registered other marks containing similar figurative elements.
Reg 2017/1001		The GC also agreed with the BoA that the mere fact the contested mark was not being used at the time the applications were filed could not be interpreted as proof that the intervener had no intention of using it at any future date.
Reported by: <i>Alexander Grigg</i>		Since bad faith had not been established, the invalidity action was dismissed in its entirety.

Ref no.	Application (and where applicable, earlier mark)	Comment
GC T-399/20 <i>Cole Haan LLC v EUIPO; Samsøe & Samsøe Holding A/S</i>	 <ul style="list-style-type: none"> – briefcases; bags; cases; wallets (18) – clothing; footwear; headwear (25) 	<p>The GC upheld the BoA's decision that there was a likelihood of confusion between the marks under article 8(1)(b). The GC approved the BoA's assessment that the marks had a high degree of visual similarity. Although the BoA erred in stating that Ø consisted of a vertical straight line, the BoA correctly reproduced the graphic representations of the signs and in its decision referred to the line being diagonal, not straight. As such, the GC was satisfied that the BoA had based their conclusion on the correct representations of the marks.</p> <p>Although the marks would be known to Danish (Ø), Bulgarian and Greek (φ) consumers as letters, the GC agreed with the BoA that the marks were not letters in the French alphabet and so would not be understood by French consumers. As a result, neither a phonetic nor conceptual analysis was possible.</p> <p>Given that the marks had a high degree of visual similarity and the goods were identical, the GC agreed with the BoA that there was a likelihood of confusion and dismissed the appeal.</p>
14 July 2021 Reg 2017/1001 Reported by: <i>Robert Milligan</i>	 <ul style="list-style-type: none"> – leather goods; bags; purses (18) – clothing; footwear; headwear (25) 	

High Court considers whether listings on amazon.com target UK consumers

*Lifestyle Equities CV & Anr v Amazon UK Services Ltd & Ots * (Green J; [2021] EWHC 118 (Ch); 27 January 2021)*

This was an unusual case where rights to the same brand, Beverly Hills Polo Club ("BHPC brand"), were split between two corporate groups; ownership in the UK and EU being different to ownership in the USA. Mr Justice Green considered the case law on "targeting" and concluded that Amazon had not infringed Lifestyle Equities' UK and EU trade mark registrations, by allowing UK and EU customers access to listings on Amazon's US site for identical goods bearing the BHPC brand. Louise O'Hara reports.

Lifestyle Equities CV is the owner of the word mark BEVERLY HILLS POLO CLUB and the following logo:



These two marks are registered in the UK and EU for a wide variety of goods including clothing, luggage, watches and perfumery (the "Marks"). Mr Haddad controlled Lifestyle Equities CV and the exclusive licensee of the Marks, Lifestyle Equities BV. As a result of a falling out between Mr Haddad and his brothers, the corresponding US trade marks protecting the BHPC brand in the USA were held by BHPC Associates LLC. BHPC Associates LLC lawfully manufactured and placed for sale certain BHPC branded goods on amazon.com

(the "Website"). Mr Haddad objected to this practice, primarily because it gave the UK and EU customers an insight into the price at which BHPC branded goods were sold in the US.

Amazon's alleged infringement

Lifestyle Equities alleged that Amazon infringed their UK and EU trade mark registrations by allowing BHPC branded goods to be listed on the Website which were visible to consumers in the UK and EU. There was no dispute that the BHPC brand and the Marks were identical as were the US BHPC branded goods and the goods covered by the Marks.

Four of Amazon's business models were considered potentially relevant to the facts of this case:

- 1) Amazon Exports-Retail: Consumers shopping on the Website purchased products from Amazon which were shipped to another country (such as the UK);
- 2) FBA Export: "Fulfilled by Amazon" export, where third parties placed their products on the Website to be purchased by international customers. Amazon handled the transaction, including storage, shipping, delivery and payment processing;
- 3) MFN Export: "Merchant Fulfilled Network" export, where third parties sold their products through the Website. Amazon did not handle the storage, shipping, delivery of exporting the product, but did handle payment processing; and
- 4) Amazon Global Store: Consumers shopping on amazon.co.uk and amazon.de were given access to listings for certain products sold on the Website.

Before these proceedings began, Amazon had agreed to prevent all BHPC products from being shipped outside the US using Amazon Exports-Retail and FBA Export; or from appearing in search results by any consumers whose default delivery location was outside the US. Amazon also excluded BHPC products from Amazon Global Store. Given the technical challenges involved in implementing similar restrictions to the MFS Export business model, Amazon prevented the shipping of BHPC branded goods from the US to the UK and EU but these products did still appear in search listings (consumers were only informed at the checkout page that the item was not available for shipping to their country). Lifestyle Equities was not satisfied with these restrictions, as they did not resolve the issue of the products (and pricing) being visible to consumers in the UK and EU.

Targeting

The main issue in the case was whether the Website targeted UK and EU consumers. Green J was cautious about applying the principle of "targeting" in a situation where it was not appropriate, and noted on more than one occasion that the word "targeted" was not found in the legislation, implying its importance should not be overstated. He considered that the appropriate question was not whether the Website as a whole targeted the UK and EU, but whether the use of the sign in the listings for BHPC products was in the UK and EU.

No infringement through listings on the Website

Green J found that average consumers in the UK who found their way to the listings would have deliberately sought to do so, despite it being clear that their shopping experience would be more tailored on amazon.co.uk. As a result, the relevant listings did not target the UK or the EU and there was no infringement based on "using" the Marks by incorporating them into listings on the Website.

Amazon admitted that the advertising of listings from the Website, where these were replicated on amazon.co.uk and amazon.de by virtue of the Amazon Global Store, constituted infringement. However, Amazon did not admit that sales through Amazon Global Store were infringing. Green J found in their favour, noting that the terms and conditions made it clear that when goods were purchased through Amazon Global Store, the sale took place in the US and the title to the goods passed to the customer on delivery to the carrier in the US. The terms and conditions for the Amazon Export-Retail part of the business were materially similar so the same conclusion applied (the FBA and MFN Export models did not involve any Amazon entity as sellers of BHPC products so were not considered).

Passing off

Alyssa Smith Jewellery Ltd v Alisa Goodstone T/A Alyssa Jewellery Design (Miss Recorder Amanda Michaels; [2021] EWHC 1482 (IPEC); 9 June 2021)

The Claimant succeeded in an action for passing off despite its modest turnover at the time the Defendant began using a sign similar to that of the Claimant's. Since there was strong evidence of recognition in the market, the Claimant was able to show sufficient goodwill. Jon Edwards reports.

Background

Alyssa Smith started off as a sole trader around 2009 designing, creating and selling unique, handmade jewellery. She traded under the signs ALYSSA SMITH JEWELLERY, ALYSSA JEWELLERY and @ALYSSAJEWELLERY (the "Claimant's Signs"). In July 2012, Miss Smith founded and incorporated her namesake company, the Claimant, to take over the business.

The Defendant began making bracelets in late 2012 as a sole trader before expanding into other items of handmade jewellery. The Defendant operated under the name "Alyssa Jewellery Design". In 2018, the Claimant became aware of the Defendant's business when it received various communications from customers mistaking it for the Defendant.

Goodwill and reputation

The date upon which the Defendant first began using "Alyssa Jewellery Design" was the date upon which the Claimant was required to prove that it had the requisite goodwill in its signs. Despite the Defendant asserting this date should be December 2012, Miss Michaels found the Defendant's evidence on this extremely vague and tentative and decided that clear use of the sign did not actually commence until 2013.

Miss Michaels concluded 'without hesitation' that the Claimant enjoyed goodwill in its signs by 2013. The evidence submitted by the Claimant, which included its impressive social media presence, various media mentions, celebrity endorsements and numerous industry awards, persuaded Miss Michaels that the level of interest in the Claimant's business was disproportionately high despite only enjoying a modest turnover by 2013 and spending a nominal amount on advertising and PR.

Misrepresentation leading to deception

The Defendant denied knowing about the Claimant's business arguing that Alyssa was a variation of the Defendant's first name, Alisa. Miss Michaels found the Defendant's evidence on the reasoning behind choosing its name unsatisfactory, confusing and contradictory. The Defendant's choice of the Twitter handle @Alyssabracelet, when the more obvious choice of @Alyssajewellery was not available due to already being in use by the Claimant, was a strong indication of the Defendant's awareness of the Claimant's business. The Defendant's husband, who assisted the Defendant with her business, admitted to carrying out a trade mark search but no other online searches which Miss Michaels found surprising. Miss Michaels considered that anything more than a trivial online search for 'Alyssa' and 'jewellery' would have resulted in discovery of the Claimant's business.

Miss Michaels held that it was more likely than not that the Defendant was aware of the Claimant, however despite reaching this conclusion Miss Michaels was not convinced that the Defendant chose its name with the deliberate intention to deceive. She instead concluded that the Defendant had a "rather foolish willingness to 'live dangerously'" by choosing a name close to the Claimant's". In any event, Miss Michaels clarified that intent to misrepresent is not a requisite to prove passing off if there has been or is likely to be deception caused by the Defendant's acts.

Miss Michaels found the signs to be highly similar. She agreed with the Claimant that 'Alyssa' is the dominant feature in all the Claimant's Signs, and that terms such as 'Smith', 'Jewellery' and 'Design' are all commonplace and descriptive in the context of jewellery. Factors such as pricing, differing jewellery themes and both business' websites, which were held to not be particularly striking, did not help consumers to distinguish

between the Claimant and the Defendant. Both businesses traded essentially identical goods. Miss Michaels considered some evidence of actual confusion submitted by the Claimant before concluding that the Defendant's actions amounted to misrepresentation which would likely lead to confusion and deception, and consequent damage to the Claimant's goodwill.

Unjustified threats

Fox Group International Ltd ("Fox") v Teleta Pharma Ltd ("Teleta") (HHJ Melissa Clarke; [2021] EWHC 1714 (IPEC); 23 June 2021)

In a case where Fox did not follow the appropriate steps before issuing a letter before claim alleging infringement, HHJ Melissa Clarke, sitting as a Judge of the High Court, upheld Teleta's counterclaims for invalidity and unjustified threats. Judge Clarke emphasised that before issuing a letter before claim, a potential claimant should check that suspect goods were infringing rather than legitimate branded goods. The Cooper reports.

Background

Fox was the exclusive UK distributor of a hyaluronic acid dermal filler branded REVOLAX, manufactured by Korean company Across Co. Ltd ("Across"). The distribution agreement ("DA") between Fox, as 'Exclusive Distributor' and Across, as 'Manufacturer', contained the provision:

"Exclusive Distributor recognizes that trademarks, trade names, designs, copyright and other property rights included in the product possess are the unique property of Manufacturer ("ownership"). Exclusive Distributor do not have or acquire the rights, title and interest in this property. But Exclusive Distributor can mark "Exclusive Distributor" consent with Manufacturer."

In April 2018, Fox registered REVOLAX as a UK trade mark in its own name, in classes 3, 5, 35 and 44. In November 2018 after learning that Teleta, a trader in third-party pharmaceutical, cosmetic, aesthetic and medical device products, was selling REVOLAX branded dermal fillers in the UK, Fox sent a letter of claim to Teleta. Teleta gave the interim undertakings requested in the letter of claim, despite believing it was selling legitimate branded products with the consent and licence of Across, and ceased selling REVOLAX whilst it checked the position. Fox nonetheless issued a claim shortly thereafter for trade mark infringement and passing off seeking, amongst other remedies, an injunction.

Teleta provided evidence that it had obtained its stock from an authorised distributor in Poland, through the main distributor in its company group, BR Pharma International Limited ("BR Pharma"). They pleaded that the goods were original products sold in the EEA market and were non-infringing, genuine "white market" goods. Teleta also counterclaimed for invalidity on grounds of bad faith as well as claiming damages for unjustified threats.

Fox discontinued its claim in February 2019, so this trial concerned only Teleta's counterclaims.

Bad faith under Section 3(6)

Fox had applied to register the REVOLAX mark in the UK six weeks after agreeing with Across in the DA that they had no right to do so. In the absence of credible evidence that explicit consent had been given by Across, or that Fox had a genuine and reasonable belief that it had such consent, Judge Clarke held that Fox had made the application in bad faith and without consideration of the free movement of goods across the EU. Fox's claim that it had no intention to undermine the legitimate rights of Across or the activities of legitimate traders was inconsistent with its attempts to also register the REVOLAX mark in the EU and Germany, despite the DA granting Fox rights in only the UK. Judge Clarke therefore declared Fox's UK trade mark registration invalid.

Unjustified threats under Section 21

Judge Clarke rejected Fox's argument that the threats contained in its letter before claim were not actionable under Section 21A, as Teleta was an importer of goods branded with the REVOLAX mark.

However, Teleta provided evidence that BR Pharma was the principal trading company in the group, and had purchased the relevant products in Poland, retaining title and making relevant payments until they were in the UK, at which point Teleta paid for those goods and their import costs. On the evidence presented, Judge Clarke held that it was obvious that BR Pharma was the importer of the goods and that Teleta was not. As a result, the letter before claim contained actionable unjustified threats of trade mark infringement and Fox was ordered to pay damages (with the amount to be determined).

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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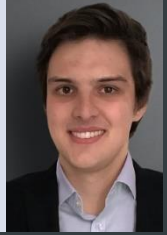
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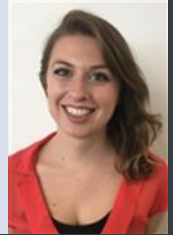
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