

Bird & Bird & IP Case Reports

September 2018



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-129/16 <i>Claranet Europe Ltd v EUIPO; Claro SA</i> 14 November 2017 Reg 207/2009 Reported by: <i>Ciara Hughes</i>	 <p>- communications and telecommunications apparatus and instruments, computer software, telephones (9)</p> <p>- data transmission subscriptions, subscriptions to a database, subscriptions to telecommunications service (35)</p> <p>- telecommunications, communications by telephone, data transmission services, telecommunications services, providing telecommunications connections to the internet or databases (38)</p> <p>- design, installation and maintenance, updating and rental of computer software, technical assistance services in the fields of telecommunications and IT (42)</p> <p>CLARO</p> <p>- telecommunications (38)</p> <p>(Benelux mark)</p>	<p>The GC upheld the BoA's decision that there was a likelihood of confusion between the marks pursuant to Art 8(1)(b).</p> <p>It was not disputed that the relevant public was both the public at large and the professional public in the telecommunication sector. The BoA's assessment that the goods and services at issue were partly identical and partly similar was similarly not disputed.</p> <p>Although the average consumer would normally perceive a mark as a whole, they would pick out elements of a word mark which conveyed meaning. The GC endorsed the BoA's decision that the word element 'net' would be perceived as a descriptive of communications networks. The marks were therefore visually similar to an average degree, as they coincided in the first four letters, which were also the distinctive element of the mark applied for.</p> <p>The pronunciation of the signs diverged due to the additional syllable in the mark applied for and the different vowel sounds created by the second syllable of each mark. Contrary to the BoA's assessment, the GC held that the signs were aurally similar to an average degree only.</p> <p>A conceptual comparison was not possible as the earlier mark was meaningless for the relevant public in the Benelux.</p> <p>Notwithstanding the error in assessment of aural similarity, the GC concluded there was still a likelihood of confusion.</p>

Ref no.	Application (and where applicable, earlier mark)	Comment
GC T-102/17 <i>Galletas Gullón, SA v EUIPO; Hug AG</i>	<p>GULLON DARVIDA</p> <p>- cookies (30)</p> 	<p>The GC upheld the BoA's decision that there was a likelihood of confusion between the marks pursuant to Art 8(1)(b).</p> <p>The opposition against the word mark had been filed in the name of Hug AG, who sought to rely on marks registered under its prior name, Hug AG Zwieback</p>

16 November
2017
Reg 207/2009

Reported by:
Emma Green

- cookies and biscuits, wafers, zwieback (30)
(IR designating various EU Member States, Danish, Finnish and UK national marks)

& Biscuits. It was submitted that ownership of the registration had not changed, and that Hug AG was entitled to bring proceedings in its new name. Before the Opposition Division, Hug AG had adduced the record of the earlier IR (which listed Hug AG Zwieback & Biscuits as owner of the registration). Hug AG sought to adduce further evidence before the BoA to clarify its entitlement to bring the proceedings.

The GC held that the BoA was entitled to exercise its discretion to take such evidence into account, as it was additional evidence (within the meaning of Rule 50(1)) to allay any doubt regarding entitlement to file the opposition. The BoA did not fail to give sufficient reasons for exercising its discretion and correctly assessed that there had been a clear and unambiguous change of name which involved no change of ownership.

As regards likelihood of confusion, the BoA was entitled to find that the marks had an average degree of visual and phonetic similarity. On the basis of the evidence of genuine use filed, the relevant public was the public at large in Germany – as such, the conceptual comparison of the marks was neutral as the words 'gullon' and 'darvida' held no meaning for the German public. On account of the identity of the goods, the GC upheld the BoA's decision that there was a likelihood of confusion.

Ref no.	Application (and where applicable, earlier mark)	Comment
CJ C-381/16 <i>Salvador Benjumea Bravo de Laguna v Esteban Torras Ferrazzuolo</i>	 <p>- apparatus for lighting, heating, cooking, refrigerating, water supply and sanitary purposes (11) - consultancy in the field of energy saving (42)</p>	<p>Following a request for a preliminary ruling from the Tribunal Supremo (Supreme Court) of Spain, the CJ clarified the interpretation of Art 18 in relation to the recovery of ownership of a EUTM by a person other than a representative or agent.</p> <p>Mr Bravo had filed a EUTM application for the figurative SHOWER GREEN mark, which was subsequently registered in his name. Mr Ferrazzuolo considered himself to be the lawful proprietor of the mark, so brought an action before the Juzgado de lo Mercantil (Commercial Court, Alicante), to recover ownership. Hearing the case on appeal, the Audiencia Provincial (Provincial Court, Alicante) considered that it was appropriate to apply national law, as the regime for recovery of ownership under Art 18 – namely concerning applications filed by disloyal representatives or agents – did not</p>
23 November 2017 Reg 207/2009		
Reported by: <i>Emma Green</i>		

apply.

The CJ confirmed that recovery of ownership of a EUTM registered in the name of an agent or representative without the proprietor's authorisation was governed exclusively by Art 18. Art 18 did not however govern actions for recovery of ownership in any other situation. As such, and on the basis that a EUTM must be regarded as an object of property, in situations which fell outside the scope of Art 18, national trade mark law in EU Member States regarding recovery of ownership would apply.

Ref no.	Application (and where applicable, earlier mark)	Comment
GC T-906/16 <i>Laboratorios Ern SA v EUIPO – Sharma (NRIM Life Sciences)</i>	NRIM LIFE SCIENCES - medical and veterinary preparations and articles (5) RYM - pharmaceutical and sanitary preparations (5) (Spanish mark)	The GC upheld the BoA's decision that there was no likelihood of confusion between the marks pursuant to Art 8(1)(b). Notwithstanding the identity of the goods, the BoA was entitled to find that there was no likelihood of confusion on account of the normal level of distinctiveness of the earlier mark, the low similarity of the signs at issue and the above average level of the public's attention. Although the words LIFE and SCIENCES played a secondary role to the word element NRIM at the beginning of the mark applied for, they could not be regarded as negligible in the overall impression created in the mark. The GC endorsed the BoA's assessment that the identity or high similarity of the goods was offset by low degree of visual and phonetic similarity.
28 November 2017 Reg 207/2009		
Reported by: <i>Thomas Pugh</i>		

Ref no.	Application (and where applicable, earlier mark)	Comment
GC T-1/17 <i>La Mafia Franchises, SL v EUIPO; Italian Republic</i>		In invalidity proceedings, the GC upheld the BoA's decision to uphold the application for a declaration of invalidity on the basis the mark was contrary to public policy and infringed pursuant to Art 7(1)(f). The GC confirmed that the word element 'la Mafia' was distinct from the other elements on account of its size and central positioning and that it therefore was the dominant element of the mark. The GC upheld the BoA's assessment that the word element was understood world-wide as referring to a criminal organisation originating in Italy which engaged in intimidation, physical violence and murder to conduct drug
15 March 2018 Reg 207/2009		
Reported by: <i>Emma Green</i>	- footwear (except orthopaedic), clothing, T-shirts, caps (25) - business management and organisation consultancy services; business management assistance; business	

management consultation; advisory services relating to business management; commercial management assistance in relation to franchises; advertisement services; issuing of franchises relating to the food and drinks and cafés (35)

- services for providing food and drink, bars, cafeterias, cafés (43)

and arms trafficking, money laundering and corruption throughout the EU. The word element of the mark therefore brought to mind the name of a criminal organisation which had deeply negative connotations in Italy and which was responsible for serious breaches of public policy.

The fact that the purposes of the mark was not to shock or offend, but instead allude to the Godfather film series was irrelevant to the negative perception of the mark by the relevant public. The other word elements and the rose image contributed to the trivialisation of the perception of the criminal activities and convey a globally positive image of the serious harm done by the organisation to the fundamental values of the EU.

Ref no.	Application (and where applicable, earlier mark)	Comment
<p>CJ Joined cases C-85/16 and C-86/16 <i>Kenzo Tsujimoto ("KT") v EUIPO; Kenzo</i> 30 May 2018 Reg 207/2009 Reported by: <i>Henry Elliott</i></p>	<p>KENZO ESTATE - wine, alcoholic beverages of fruit, western liquors (33) - marketing research on wine, providing information on wine sales, retail or wholesales services for liquor (35) - educational and instruction services relating to wine, testing and certifying of sommelier certification, publication of books on wine (41) - providing foods and beverages; providing temporary accommodation (43)</p> <p>KENZO - soaps, perfumery, essential oils, cosmetics, hair lotions (3) - leather goods, bags, hand bags, trunks and suitcases (18) - clothing, footwear (except orthopaedic footwear), headgear (25)</p>	<p>The CJ upheld the GC's decision (reported in <i>CIPA Journal</i>, January 2016) that the mark applied for would take unfair advantage of the reputation of the earlier mark pursuant to Art 8(5) and no due cause for its use had been demonstrated.</p> <p>The GC had correctly ruled that the BoA was justified in using its discretion in taking into account evidence of use of the earlier mark in assessing its reputation, even though such evidence was lodged after the expiry of the period specified for adducing evidence of earlier rights.</p> <p>The GC rightly assessed the similarity of the marks. KT's argument that the "ESTATE" element was distinctive was inadmissible as it related to a finding of fact by the GC. The GC was fully entitled to find the marks were similar.</p> <p>Contrary to KT's submissions, the GC's assessment of the reputation of the earlier mark for clothing, cosmetics and perfume did not relate to late-submitted evidence but to evidence submitted in earlier cases on which the OD had relied in the cases under consideration.</p> <p>The GC had examined KT's argument that the use of his forename in the mark applied for constituted due cause. The mere fact that "KENZO" was KT's first name was irrelevant to the issue of whether use of that term constituted due cause under Art 8(5).</p> <p>In the circumstances, the GC was entitled to find that the use of the mark applied for would be likely to take unfair advantage of the reputation of the</p>

earlier mark without due cause.

Ref no.	Application (and where applicable, earlier mark)	Comment
GC T-882/16 <i>Sipral World SL v EUIPO; La Dolfina, SA</i>	DOLFINA - leather and imitations of leather, and goods made of these materials not included in other classes (18) - clothing, headgear, footwear (25)	<p>In cancellation proceedings, the GC upheld the BoA's decision to revoke the registration in its entirety pursuant to Art 51(1)(a).</p> <p>The appeal related specifically to the BoA's decision that genuine use had not been demonstrated in relation to T-shirts and caps. The BoA had however correctly concluded that, whilst the photographs, sworn statement, licence agreement, invoices and catalogues showed that the mark had been used during the relevant period, the evidence was insufficient to establish genuine use.</p> <p>The sworn statement was incapable of establishing genuine use of the mark as it failed to address the number of T-shirts distributed under the mark. Furthermore, there was no evidence to indicate that the T-shirts, which were acquired by a nightclub to distribute to its customers, had been acquired with the consent of Profit Good, the previous owner of the mark during the relevant period.</p> <p>Invoices submitted were similarly insufficient to demonstrate use, failing to particularise the goods sold or dated outside the relevant period. The mark had been commercialised under a non-exclusive licence agreement: as the purchasers had been redacted from the remaining invoices, it was possible that sales under the mark had been to other licensees, which rendered the invoices incapable for showing public and outward use of the mark.</p>
7 June 2018 Reg 207/2009		
Reported by: <i>Louise O'Hara</i>		

Ref no.	Application (and where applicable, earlier mark)	Comment
GC T-807/16 <i>MIP Metro Group Intellectual Property GmbH & Co. KG v EUIPO; Association Française de Normalisation</i>	N & NF TRADING - business management; import and export trading services; advertising (35) - transport services; storage services; packaging and delivery services (39)	<p>The GC upheld the BoA's decision that there was a likelihood of confusion between the marks under Art 8(1)(b).</p> <p>The BoA correctly assessed the marks at issue in their entirety. In the earlier mark, 'NF' was the dominant element given that it occupied the centre of the mark and was significantly larger than the word 'ENVIRONNEMENT', which would be perceived by consumers as referring to the ecological qualities of the relevant services. The word element 'TRADING' in the mark applied for, had a low level of distinctiveness for the relevant services. The relevant public would understand the dominant element of the mark 'N & NF' as referring to two separate entities,</p>
7 June 2018 Reg 207/2009		
Reported by: <i>Charlotte Peacock</i>		



namely 'N' and 'NF'.

The GC endorsed the BoA's assessment of visual and phonetic similarity. Neither 'NF' nor 'N & NF' conveyed any specific conceptual meaning so there was no conceptual difference to offset the visual and phonetic similarities.

Contrary to the BoA's finding, the earlier mark had not acquired enhanced distinctiveness. Although the evidence submitted demonstrated that 'NF' had a long history of use in France to certify certain goods and services and, as a result, enjoyed a reputation in relation to being a sign of certification, the evidence failed to demonstrate that the mark had a high capacity to identify the services in question as originating from a particular undertaking.

Notwithstanding its weak distinctive character as a component of the mark applied for, the element 'NF' held an independent distinctive role, and on that basis the GC upheld the decision that there was a likelihood of confusion.

Ref no.	Application (and where applicable, earlier mark)	Comment
<p>GC T-413/17 <i>Karl Storz GmbH & Co. KG v EUIPO</i></p> <p>19 June 2018 Reg 207/2009</p> <p>Reported by: <i>Aaron Hetherington</i></p>	 <p>- encoders; compact discs; computer programs; computer screens; computer peripheral devices; television receivers; GPS apparatus; interfaces; mobile phones; monitors [computer hardware]; monitors [computer programs]; optical apparatus and instruments; projection apparatus; stereoscopes; teaching apparatus; intercommunication apparatus (9)</p> <p>- apparatus for use in medical analysis; veterinary instruments and apparatus; apparatus for use in orthodontics (10)</p> <p>- scrap books; pictures; paintings, printed matter; books; photographs [printed]; paper articles and stationery; printed publications (16)</p>	<p>The GC partially upheld the BoA's decision that the mark applied for was descriptive of the goods at issue and lacked distinctive character pursuant to Art 7(1)(b) and (c), but overturned the decision insofar as it related to stationery goods.</p> <p>The stylisation of the mark was not striking enough to prevent the element '3D' from being clearly recognisable and enable the relevant public to call to mind the concept of three-dimensionality. The fact that the appearance of the mark itself was three-dimensional would only reinforce that notion to the public.</p> <p>The BoA divided the goods at issue into eight separate categories and provided reasoning why the mark was descriptive of the goods in each category. The GC upheld the BoA's decision in respect of seven of the eight categories. However, in relation to 'stationery', the BoA had failed to provide proper reasons why the mark was descriptive in relation to those goods. The GC therefore annulled the decision insofar as it related to stationery.</p>

Ref no.	Application (and where applicable, earlier mark)	Comment
GC T-859/16 <i>Sociedad Anónima Damm ("SAD") v EUIPO; Schlossbrauerei Au, Willibald Beck Freiherr von Peccoz GmbH & Co. KG</i>	 <p>- beers, mixed drinks containing beers; wheat beer; mineral and aerated waters and other non-alcoholic beverages; fruit beverages and fruit juices; syrups and other preparations for making beverages (32)</p> <p>- alcoholic beverages (except beers) (33)</p> <p>- services for providing food and drink; temporary accommodation (43)</p> <p>KELER</p> <p>KELER 18</p> <p>- beers, mineral water and soft drinks and other non-alcoholic drinks, drinks and fruit juices, syrups and other preparations for making beverages (32)</p> <p>(Spanish marks)</p>	<p>The GC upheld the BoA's decision that there was no likelihood of confusion between the marks under Art 8(1)(b).</p> <p>The GC confirmed that the goods in Classes 32, 33 and the term 'providing food and drink' in Class 43 were similar but that 'temporary accommodation' in Class 43 was dissimilar.</p> <p>The GC found that the signs were visually, phonetically and conceptually dissimilar. On a visual comparison, the GC found that the figurative element of the applied for mark was distinctive because of its heraldic connotations, its size and central positioning within the mark. Phonetically, the marks coincided only in relation to the groups of letters 'ke' and 'er', whilst conceptually there was dissimilarity as the earlier trade mark had no meaning.</p> <p>The GC therefore held that the BoA had been correct to find no likelihood of confusion.</p>
19 June 2018 Reg 207/2009		
Reported by: <i>Robert Milligan</i>		

Ref no.	Application (and where applicable, earlier mark)	Comment
GC T-71/17 <i>France.com v EUIPO</i>	 <p>- advertising (35)</p> <p>- electronic publication (41)</p> <p>- data processing equipment and computer software (9)</p>	<p>The GC upheld the BoA's decision that there was a likelihood of confusion between the marks pursuant to Art 8(1)(b).</p> <p>The GC confirmed that France.com was not entitled within the opposition proceedings to rely on its use of the domain france.com, the trade name France.com, Inc. or its prior use of an identical mark to the earlier mark. Had France.com wished to challenge the validity of the earlier mark, it had been open to them to oppose, or otherwise apply to invalidate, the French Republic's registration. There was no infringement of Arts 8(2) and 41(1).</p> <p>The GC confirmed that the name of a Member State within a mark may indicate the geographical origin of the goods or services at issue. Consequently, that element carried only weak or very weak distinctive character given its descriptive function.</p> <p>The BoA erred in its assessment of the visual similarity which the GC held to be low, not average. The marks possessed three common elements: the word FRANCE, a stylised image of the Eiffel Tower and the colours blue, white and red, but differed in many other elements, such as the pentagonal shape</p>
26 June 2018		
Reported by: <i>Francesca Rivers</i>	 <p>- advertising (35)</p> <p>- online publication (41)</p> <p>- provision of an online travel database (39)</p>	

and '.com' element in the mark applied for and scarf motif in the earlier mark. Phonetically, the marks were almost identical, given that many consumers would refer to the mark applied for as 'France', perceiving the '.com' element as referring to a website. The marks were conceptually identical.

Despite the weak distinctive character of the earlier mark, there was a likelihood of confusion given the high degree of phonetic and conceptual similarity and identity and similarity of the services.

Ref no.	Application (and where applicable, earlier mark)	Comment
GC T-707/16 <i>Enoitalia SpA v EUIPO; La Rural Viñedos y Bodegas SA Ltd</i>	ANTONIO RUBINI - alcoholic beverages (except beers), wines (33)	In invalidity proceedings, the GC upheld the BoA's decision that the word mark was invalid for alcoholic beverages pursuant to Arts 53(1)(a) and 8(1)(b) as there was a likelihood of confusion with the earlier figurative mark.
11 July 2018 Reg 207/2009		The GC dismissed Enoitalia's submission that the surname "Rubini" was common in Italy and therefore not a dominant element when considering the distinctiveness of the mark. Even if commonality of the name could be demonstrated, Italy was only part of the relevant territory of the EU: elsewhere the surname was less common.
Reported by: <i>Louise O'Hara</i>	- alcoholic beverages (except beers); wine, sparkling wine, fortified wine (33)	The GC overturned the BoA's decision that there was conceptual similarity between the two marks. The fact that both marks were "of Italian origin" was insufficient to bring them together in the minds of consumers.
		Despite this, the GC endorsed the BoA's conclusion that, as the differences between the marks were relatively minor and the goods were identical, there was a likelihood of confusion on the part of the relevant public.

Ref no.	Application (and where applicable, earlier mark)	Comment
GC T-774/16 <i>Consejo Regulador del Cava v EUIPO; Cave de Tain L'Hermitage, union des proprietaries</i>		In invalidity proceedings pursuant to Art 52(1) and Art 7(1)(j), the GC upheld the validity of the mark endorsing the BoA's decision that the mark did not infringe the concept of 'evocation' pursuant to Art 103(2)(b) Reg 1308/2013.
12 July 2018 Reg 1308/2013 and Reg 207/2009	- wines with a registered designation of	The GC held that the BoA had not disregarded the 'essential function' of a PDO, namely to indicate the specific geographical provenance of a product which enjoyed inherent special qualities due to its origin.
		The GC dismissed Consejo Regulador del Cava's submission that the BoA had

origin; vin de pays (33)

Reported by:

Aaron

Hetherington

failed to attach an image to the product protected by the PDO CAVA. The BoA had correctly assessed that CAVA designated a sparkling wine produced in various provinces in Spain. The mark at issue did not include or refer to CAVA, instead incorporating the word CAVE. This word would have been understood by French and Spanish speakers to refer to a wine cellar. 'Tain' is a city located in south-east France, diluting the possibility of evocation to the PDO CAVA.

Regardless of the language spoken, average wine consumers in the EU would be aware that 'cave' precedes locations in the name of a wine produced in France. This further precluded the possibility of evocation of the PDO CAVA.

Even though the goods were partially identical, the marks did not share a sufficient degree of similarity. The invalidity action could therefore not be maintained pursuant to Art 7(1)(j).

Protected designation of origin

EUIPO v Instituto dos Vinhos do Douro e do Porto, IP and Ots ("IVDP") (CJ (Second Chamber); C-56/16 P; 14 September 2017)

The CJ considered the interpretation of the scope of protection of a PDO and whether such a designation may also amount to an 'earlier right' for the purposes of invalidity proceedings under Article 53. Archie Ahern reports.

IVDP applied to invalidate the registration for the mark PORT CHARLOTTE, covering whisky, on the basis of its prior registration for a PDO PORT/PORTO for port wine under Regulation 1234/2007. The invalidity action alleged infringement of Article 53(1)(c) on the basis that the mark took advantage of the distinctive character and reputation of the PDO contrary to Article 8(4), and infringement of Articles 53(2)(d) and 52(1)(a) on the basis that the mark lacked distinctive character pursuant to Article 7(1)(c). By its decision, the GC annulled the BoA's decision to dismiss the application for a declaration of invalidity. The CJ set aside the judgment of the GC.

After hearing the Opinion of AG Sanchez-Borona (reported in *CIPA Journal* July 2017), the CJ held that the GC had correctly determined that the protections afforded to PDOs under Articles 118m(1) and (2) of Regulation 1234/2007 governed in a uniform and exclusive manner both the authorisation of, and limits to, commercial use of PDOs and PGIs under EU law and therefore, in the specific context, there was no need to apply the conditions for protection under Portuguese law.

By reference to the decision in *Budějovický Budvar v Rudolf Ammersin GmbH* (C-478/07) (a decision relating to beer but considered applicable by analogy to the parallel legislation relating to wines under Regulation 1234/2007), the CJ noted that PDOs were afforded comprehensive protection by EU legislation under Regulation 510/2006, which aimed to create a uniform and exhaustive system of protection across all Member States. However the CJ held it did not follow from the decision in *Budějovický Budvar* that the exhaustive nature of this system of protection would not be applicable to situations where the national law of a Member State provided additional or stronger protection to PDOs than that afforded by Regulation 510/2006 alone. The CJ therefore held that the GC had erred in law in its interpretation that the protection conferred on PDOs under Regulation 1234/2007 could be afforded additional protection by the national law of a Member State, where that PDO was an "earlier right" within the meaning of Article 53(1)(c).

In the absence of any factual evidence to the contrary, the CJ agreed with the GC's finding that the relevant public would understand the sign PORT CHARLOTTE to designate the name of a place, without making a link to PORTO or PORT. It therefore agreed with the BoA that the sign PORT CHARLOTTE could not be regarded as use of the PDO.

This was the case even though the PDO "Port" formed an integral part of the mark at issue as the average consumer would not associate a whisky bearing the word "Port" with a port wine covered by the PDO. This was not least because of the differences between the two products including the ingredients, taste and alcohol content, which are well understood by the average consumer and thus there was no evocation of the PDO within the meaning of Article 118m(2)(b) of Regulation 1234/2007.

Stay pending outcome of counterclaim for invalidity

***Hansruedi Raimund v Michaela Aigner* (CJ (Ninth Chamber); C-425/16; 19 October 2017)**

Following a preliminary ruling from the Oberster Gerichtshof, the CJ considered whether it was open to a EUTM Court to rule on an infringement action concerning a mark filed in bad faith, before a decision on a counterclaim for a declaration of invalidity had been handed down. The CJ held that an infringement action could not be dismissed before a decision on the counterclaim had been handed down, but that the infringement action may be dismissed before that decision became final. Emma Green reports.

The parties both used the word *Baucherlwärmer* in relation to a herbal mixture to be added to alcohol. Mr Raimund owned a EUTM registration for the mark and brought an infringement action before the Handelsgericht Wien (Commercial Court, Vienna, Austria) challenging Ms Aigner's use of the mark in relation to the sale of her products. Ms Aigner claimed that the EUTM registration had been obtained improperly and in bad faith and brought a counterclaim for a declaration of invalidity of the EUTM registration before the same court.

The proceedings on the declaration of invalidity were stayed pending a ruling on the infringement action, which was ultimately dismissed on the basis that Mr Raimund had filed the EUTM application in bad faith. An appeal was filed on the basis that the lower courts considering the infringement action were not entitled to rule on the question of bad faith, when there had not been a final decision on the counterclaim for the declaration of invalidity.

The Oberster Gerichtshof (Supreme Court) stayed proceedings and referred two questions to the CJ regarding the application of Article 99 and whether it was necessary for the court to first uphold the counterclaim for a declaration of invalidity before being entitled to dismiss an infringement action on the grounds of bad faith.

The CJ ruled that, whilst it was apparent from Article 99 that a EUTM was to be presumed valid, it was not possible to determine on the wording of the provision alone whether, where a counterclaim for invalidity has been filed in the context of an infringement action, the EUTM court must uphold the counterclaim before it could dismiss the action for infringement.

The CJ had regard to Article 104(1) which requires a EUTM Court to stay infringement proceedings under Article 96 where the validity of the EUTM was already in issue before another EUTM court or an application for revocation or a declaration of invalidity had already been filed before the EUIPO. The CJ considered that it would be illogical to permit an infringement action to be dismissed on the grounds of bad faith before ruling on the counterclaim regarding validity of the mark, as this would render the rules relating to actions pending before different EUTM Courts to be stricter than those concerning actions pending before the same EUTM Court.

The CJ confirmed the following:

1. Given the unitary character of the EUTM and the objective of preventing inconsistent decisions in such matters, the declaration of invalidity of a EU trade mark based on such an absolute ground for invalidity must have effect throughout the Union and not only vis-à-vis the parties to the infringement action.
2. That requirement meant that the EUTM court concerned must rule on the counterclaim for a declaration of invalidity before ruling on the action for infringement.
3. As such, Article 99 was to be interpreted that an infringement action on the basis of Article 96 may not be dismissed on the basis of an absolute ground for invalidity, without the court having upheld the counterclaim for a declaration of invalidity brought by the defendant to the infringement action, and based on the same ground of invalidity.
4. Furthermore, to ensure the principle of effectiveness was observed, a EUTM Court would not be precluded from ruling on the infringement action even though the decision on the counterclaim for a declaration of invalidity had not become final.

Parallel imports of pharmaceutical products

Junek Europ-Vertrieb GmbH ("Junek") v Lohmann & Rauscher International GmbH & Co KG ("L&R") (CJ (Fifth Chamber); C-642/16; 17 May 2018)

Following a request for a preliminary ruling referred from the Federal Court of Justice, Germany, the CJ held that Article 13(2) (now Article 15(2)) prohibited the proprietor of a mark from opposing the further commercialisation, by parallel importers, of medical devices in their original internal and external packaging where an additional label had been added by the importer, provided that the content, function, size, presentation and placement of the label did not jeopardise the guarantee of origin of the medical device bearing the mark. Christine Danos reports.

Background

Junek was a parallel importer of sanitary preparations for medical purposes and dressings. L&R manufactured the products. The proceedings concerned wound dressings manufactured by L&R and sold under the registered trade mark 'Debrisoft', which were subsequently imported by Junek from Austria, relabelled and marketed in Germany.

Junek had affixed a label on the box containing the dressings. The label contained certain information regarding the company responsible for the importation, its address and telephone number, a barcode and a central pharmaceutical number. Junek applied the label to an unprinted part of the box and it did not conceal L&R's mark on the box, as shown in the illustration below, with the contested label located on the bottom left and enlarged in the second illustration.





Junek had not given prior notice to L&R of the importation of the product from Austria into Germany nor had it provided L&R with a sample of the modified packaging.

L&R successfully brought proceedings against Junek in the Regional Court, Dusseldorf, Germany and obtained an order which prohibited Junek from using the 'Debrisoft' mark in the course of trade without their agreement and obtained a further order for the products to be recalled and withdrawn from the market and destroyed.

Junek's appeal to the Higher Regional Court was dismissed. Junek subsequently filed an appeal to the Federal Court of Justice, Germany. In the reference to the CJ, the Court asked whether the principles developed by in *Bristol-Myers Squibb* (C-427/93, C-429/93 and C-436/93) and *Boehringer Ingelheim* (C-348/04) (more commonly known as the 'BMS conditions') applied without restriction to the parallel importation of medical devices.

Parallel importation of pharmaceutical products - the BMS conditions

In the earlier decisions, the CJ held that the proprietor of a mark may legitimately oppose the further commercialisation of a pharmaceutical product imported from another Member State in its original internal and external packaging with an additional external label applied by the importer, unless:

- it is established that the use of the trade mark rights to oppose the marketing of the relabelled products under that mark would contribute to the artificial partitioning of the markets between Member States;
- it is shown that the repackaging cannot affect the original condition of the product inside the packaging;
- the new packaging states clearly who repackaged the product and the name of the manufacturer;
- the presentation of the repackaged product is not such as to be liable to damage the reputation of the trade mark and of its owner; thus, the packaging must not be defective, of poor quality, or untidy; and
- the importer gives notice to the trade mark proprietor before the repackaged product is put on sale, and, on demand, supplies a specimen of the repackaged product to the trade mark proprietor.

In those cases, the parallel importer had opened the original packaging of the pharmaceutical products to insert a translated information leaflet which also bore the trade mark at issue.

Parallel importation of medical devices

The CJ held that in contrast to the decision in *Bristol-Myers Squibb*, Junek had not modified the packaging of the dressings, nor had it interfered with the original presentation of the packaging other than to attach a small label which did not conceal the mark. The attachment of the label did not affect the specific purpose of the mark, which was to guarantee the origin of the product it identified. On this basis, the Court held that the attachment of the label by Junek was not a legitimate reason that justified L&R opposing the further commercialisation of the medical device.

Concept of 'Shape'

***Christian Louboutin, Christian Louboutin SAS v Van Haren Schoenen BV* (CJ (Grand Chamber); C-163/16; 12 June 2018)**

Contrary to the opinions provided by AG Szpunar (reported in CIPA Journal June 2018), the CJ held that a sign consisting of a colour applied to the sole of a high-heeled shoe did not consist exclusively of a shape within the meaning of Article 3(1)(e)(iii) of Directive 2008/95. Ciara Hughes reports.

In the course of trade mark infringement proceedings brought against Van Haren by Louboutin, based on the latter's Benelux trade mark registration, the Rechtbank Den Haag (District Court of The Hague, Netherlands) requested a preliminary ruling to clarify whether the concept of 'shape' within the meaning of Article 3(1)(e)(iii) extended to the colours as well as to the three-dimensional properties of the goods.

The Louboutin trade mark at issue was a figurative mark, registered in respect of 'high-heeled shoes (other than orthopaedic shoes)' in Class 25, and described as consisting 'of the colour red (Pantone 18 1663TP) applied to the sole of a shoe as shown (the contour of the shoe is not part of the trade mark but is intended to show the positioning of the mark)', as shown below.



The CJ considered that as Directive 2008/95 did not define the concept of 'shape', the meaning and scope of that concept had to be determined by taking into account its usual meaning in everyday language, the context in which it occurs and the purposes of the rules in which it was found. In the context of trade mark law, the CJ noted that the concept of 'shape' is commonly understood to mean a set of lines or contours that outline the product concerned.

As such, a colour per se, without an outline, could not constitute a 'shape'. With regard to signs consisting of a colour applied to a specific part of a product, such as the Louboutin mark at issue, the CJ concluded that although the shape of the product or a part thereof was relevant insofar as it created an outline for the colour, such a sign could not be held to consist of that shape where the registration of the mark sought to protect the application of a colour to a specific part of the product rather than the shape itself.

The CJ highlighted that a sign, such as the Louboutin mark at issue, could not be regarded as consisting 'exclusively' of a shape, within the meaning of Article 3(1)(e)(iii), where the main element of the sign was a specific colour designated by an internationally recognised identification code.

Accordingly, the CJ held that a sign consisting of a colour applied to the sole of a high-heeled shoe did not consist exclusively of a 'shape' within the meaning of Article 3(1)(e)(iii).

LNDR distinctive for clothing

***Frank Industries Pty Ltd v Nike Retail BV & Ots** (Arnold J; [2018] EWHC 1893 (Ch); 25 July 2018)**

Arnold J held that Nike had infringed Frank Industries' validly-registered LNDR trade marks, and committed passing off, by running its "Nothing beats a LDNR" advertising campaign. Francesca Rivers reports.

Women's sportswear company Frank Industries owned UK and EU trade marks consisting of the letters LNDR in upper case. Well-known sports retailer Nike launched a marketing campaign entitled "Nothing beats a Londoner" in which it used the upper-case lettering "LDNR" as an abbreviation of the word Londoner. The lettering was used in a lock-up combining it with the famous Nike Swoosh and/or the words "Nothing beats a" or "Show you're a". Frank Industries issued a claim in the IPEC for trade mark infringement and passing off, and obtained an interim injunction preventing Nike from continuing its use of LDNR, LNDR, LDNER or LNDER pending expedited trial. The injunction also required Nike to delete the signs from social media accounts, but this mandatory element was partially varied and discharged on appeal (*Frank Industries Pty Ltd v Nike Retail BV & Ots* [2018] EWCA Civ 497, reported in *CIPA Journal*, April 2018).

Validity of the marks - was LNDR inherently descriptive?

In his judgment, Arnold J dealt first with a challenge by Nike to the validity of Frank Industries' marks based on their alleged inherent descriptiveness as an abbreviation meaning Londoner (Article 4(1)(c)). He said there was no evidence presented that the average consumer would perceive LNDR as meaning Londoner when used in relation to clothing without any context, still less that the sign would be perceived to denote some characteristic of clothing. He rejected Nike's validity challenge, holding that LNDR was inherently distinctive in relation to clothing at the relevant dates and indeed possessed moderately strong distinctive character.

Infringement under Article 10(2)(b)

Arnold J considered LDNR was not an established or recognised abbreviation of Londoner at the relevant date. The lettering was capable of being used and understood either to mean Londoner or as a brand name for Frank Industries' goods, depending on the context in which it was used. He therefore reviewed several representative examples of Nike's use of LDNR, including use of the sign on T-shirts, on football pitch-side advertising, in a short promotional film and in the window of the company's flagship London store. He concluded that Nike had used LDNR in relation to clothing and that the sign had played a distinctive role in, or was at the very least a distinctive component of, each of the complained-of uses he had considered. This was reinforced by the evidence of actual confusion presented. He held that: "The distinctive character of [the LNDR marks], the close and confusing similarity between [the LNDR marks] and LDNR, the identity of the goods and the moderate degree of attention paid by the average consumer all point towards a likelihood of confusion".

No defence under Article 14(1)(b)

Nike failed to make out a defence under Article 14(1)(b). Arnold J had already concluded that LNDR was not an indication of any characteristic of the relevant goods. Furthermore, considering again the factors he set out in *Samuel Smith Old Brewery (Tadcaster) v Philip Lee t/a Cropton Brewery* [2011] EWHC 1879 (Ch), Arnold J considered that Nike had not acted fairly in relation to Frank Industries' legitimate interests. Even if Nike had acted fairly in the past, given what they now knew, their future use of LDNR would not be in accordance with honest practices.

Passing off

It was common ground between the parties that the passing off claim stood or fell with the Article 10(2)(b) infringement claim. Accordingly, the claim in passing off succeeded.

Search and seizure orders

Bayerische Motoren Werke AG ("BMW") v Premier Alloy Wheels (UK) Ltd & Ots* (Carr J; [2018] EWHC 1713 (Ch); 8 June 2018)

Carr J granted BMW an "exceptional" search and seizure order against the respondents who were alleged to have dealt in counterfeit BMW products. Hilary Atherton reports.

The respondents were alleged to have imported counterfeit alloy car wheels from the Far East made to designs which were virtually identical to those for which BMW held Community registered designs, and counterfeit wheel badges bearing signs identical to BMW's trade marks and designs. The badges were applied to counterfeit wheels to enhance the impression that they were genuine. One of the respondents had previously given undertakings not to deal in such items when he was caught by BMW while running a different company. Other respondents had not provided undertakings but had been on notice since at least 2014 when BMW had sent them a letter before action. Since then, BMW had investigated the respondents' activities and gathered substantial evidence over a 2-year period before making this application.

Carr J noted that a search and seizure order was an exceptional form of relief. However, he concluded that the relevant conditions were satisfied: (i) there was a strong *prima facie* case of a civil cause of action; (ii) the danger to BMW was serious; (iii) there was clear evidence that the respondents had incriminating documents or articles in their possession; (iv) there was a real possibility of the destruction or removal of evidence; and (v) the harm likely to be caused by the execution of the order on the respondents and their business affairs was not out of proportion to the legitimate object of the order. Although the Judge had concerns about the substantial delay in seeking the order on the part of BMW, he considered that this was outweighed by the irreparable damage being suffered by BMW and the clear possibility of a danger to public safety. Further, he did not consider that any of the respondents had been prejudiced by the delay.

As the evidence already gathered by BMW was incomplete as regards the number of counterfeit goods sold and the identities and addresses of suppliers and others involved (evidence which may well be destroyed if the order was not granted), the Judge granted the order. However, he advised BMW to "get on with it much more quickly" if seeking an order of this exceptional nature in the future.

Knowledge requirement in passing off

The National Guild of Removers and Storers Ltd ("NGRS") v Bee Moved Ltd ("BM")* (Asplin & Kitchin LJ; [2018] EWCA Civ 1302; 12 June 2018)

The CA (Asplin LJ giving the lead judgment) dismissed NGRS's appeal from the decision of the High Court [2016] EWHC 3192 (IPEC) (reported in CIPA Journal, February 2017). The CA found that new evidence advanced by the appellants was inadmissible, as it had been available before the original trial. The CA also rejected arguments that the Judge at first instance had imputed a knowledge requirement into the test for passing off. Instead, the CA found that the question to be answered was not whether the Defendants had known or been aware of the misrepresentation, but if they had actually made it at all. Thomas Pugh reports.

The Appellant, NGRS, was a trade body which represented and provided services to its members who were in the removal and storage business. In exchange for upholding certain standards and paying an annual fee, members were allowed to refer to themselves as "members of the NGRS." The First Respondent, BM, was a removal and storage company and was a member of NGRS from 20 April 2006 until 25 June 2010. The other Respondents, Mr Burns and Mr Sampson, were both directors and 50% shareholders of BM.

At first instance, the Claimant had argued that as a result of certain advertisements appearing on pages four websites after 25 June 2010, in which BM was described as a "Member of the NGRS," BM was liable for passing off, that the acts complained of were committed pursuant to a common design and that each of BM, Mr Sampson and Mr Burns were jointly and severally liable for them.

NGRS appealed from the decision of Mr Recorder Campbell QC in which he found that the Defendants had not been liable for a misrepresentation on a specific webpage (the Really Moving webpage) as they had had no knowledge of the misrepresentation and did not intend it. It was NGRS's case that fresh evidence had arisen that contradicted the evidence given by the Defendants at trial and on which Mr Campbell had relied in coming to his decision. In addition, NGRS argued that Mr Campbell had erred in law that the Defendants were not liable, as passing off was a strict liability tort and had nothing to do with the knowledge of the Defendant(s).

Evidence

At first instance Mr Sampson gave evidence that shortly before the termination of BM's NGRS membership he had logged on to the Really Moving site and "removed any reference to [BM] being a member of the Claimant's [NGRS's] organisation from [BM's] pages which were accessible on logging in". NGRS submitted that Mr Sampson was not a reliable witness, and sought to adduce fresh evidence to show this. The evidence in question was a number of screenshots from an internet archive which, it was submitted, undermined Mr Sampson's evidence and called into question the dates on which he stated he had sought to remove the references to NGRS on the Really Moving website. The CA considered the circumstances under which it would receive evidence that was not before the court below under CPR 52.21(2) and found that it was not appropriate to admit the fresh evidence. The balance in this instance lay with the finality of the litigation. Importantly, the fresh evidence could have been obtained before the trial and the issue of the state of different pages on the Really Moving website immediately before and after the cessation of BM's membership of the NGRS up to and including March 2013, had always been in issue.

Misrepresentation

The CA rejected NGRS's submission that, as passing off was a strict liability tort, it was not necessary that BM intended a misrepresentation to be made and that Mr Campbell was therefore wrong to impute a knowledge requirement. The CA held that the issue was not one of knowledge; instead the issue was whether the misrepresentation on the webpage could be said to have been "made" by BM or whether BM was responsible for it. It was undisputed that BM had no knowledge of the existence of the directory page on which the erroneous information appeared. Had the opposite been true, or if the Defendants had been aware of the page on which the misrepresentation was being made then the outcome could potentially have been different. Ultimately the CA held that that Mr Campbell was entitled to come to the conclusion he did as, in the absence of implied consent, the misrepresentation was not "made" by BM. Mr Campbell's findings on knowledge in the first instance decision were in relation to whether BM "made" the misrepresentation and was not an "attack upon Lord Oliver's formulation of the requirements of the tort of passing off" as NGRS suggested.

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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