

# Bird & Bird & IP and IT Law Bytes

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## Trade marks: acquired distinctiveness

### Summary

The European Court of Justice (ECJ) has given a preliminary ruling on three questions referred to it by the German Federal Patent Court relating to acquired distinctiveness.

### Background

Article 3(1) of the Trade Marks Directive (2008/95/EC) (the Directive) (Article 3(1)) provides that a trade mark will not be registered if it fulfils one of a list of criteria. One of these criteria is that the mark is devoid of distinctive character (Article 3(1)(b)).

However, under Article 3(3) of the Directive (Article 3(3)), a trade mark will not be refused registration or be declared invalid in accordance with Article 3(1)(b) if, before the date of application for registration and following the use that has been made of it, it has acquired a distinctive character. EU member states may provide that this provision also applies where the distinctive character was acquired after the date of application for registration or after the date of registration.

### Facts

In 2002, a German banking group, D, applied to register a shade of red as a German trade mark. In 2008, another bank, O, applied for a declaration that the colour mark was invalid, saying that it had not acquired the necessary level of distinctiveness.

In October 2009, two companies from the S banking group each applied for a declaration of invalidity on grounds similar to those relied on by O. The German Trade Mark Office joined the two sets of proceedings and dismissed them on grounds similar to those relied on in O's action, in particular on the basis that a degree of association of 67.9% was sufficient to form the basis of an assumption that the mark has acquired distinctive character.

O and S appealed to the German Federal Patent Court, which stayed both sets of proceedings and asked the ECJ to give a preliminary ruling on the following questions:

- Do Articles 3(1) and 3(3) preclude an interpretation of national law according to which, for an abstract colour mark that is claimed for services in the financial affairs sector, a consumer survey must indicate an adjusted degree of association of at least 70% in order to form a basis for the assumption that the trade mark has acquired a distinctive character following the use that has been made of it?
- Is Article 3(3) to be interpreted so that the time that the application for the trade mark was filed, and not the time that it was registered, is relevant where the trade mark owner claims, in its defence against an application for a declaration invalidating the trade mark, that the trade mark acquired a distinctive character, following the use made of it, in any event more than three years after the application, but before registration?
- If, under the above conditions, the time that the application was filed is also relevant, is the trade mark to be declared invalid if it is not clarified, and can no longer be clarified, whether it had acquired a distinctive character, following the use made of it, at the time that the application was filed?

## Decision

The ECJ held that:

- Article 3 precludes any interpretation of national law under which, in the context of proceedings as to whether a contourless colour mark has acquired a distinctive character through use, it is necessary in every case that a consumer survey indicate a degree of association of at least 70%.
- As long as the relevant member state has not exercised its power under Article 3(3) to take into account distinctiveness acquired after the filing date, Article 3(3) makes it necessary to examine whether an inherently non-distinctive trade mark had acquired distinctive character before the filing date. In this context, distinctiveness alleged to have been acquired during the period between filing and registration is not relevant.
- Unless the relevant member state has exercised its power under Article 3(3), Article 3(3) does not preclude a mark from being declared invalid if it is intrinsically devoid of distinctive character and the owner of that mark has failed to show that it has acquired a distinctive character following the use that has been made of it before the filing date.

## Comment

The UK has exercised the option under Article 3(3) to provide for the possibility that distinctiveness can be acquired after registration so the ECJ's answer to the second question is of limited application within the UK.

The answer to the first question reiterates the principle that, when assessing acquired distinctiveness, there can be no hard and fast rule, and all relevant circumstances must be taken into account. In particular, the assessment cannot be dependent on a specific degree of association as demonstrated by a survey. The ECJ expressly stated that the assessment of distinctiveness through use is the same for colour as for any other marks; there is no stricter test for colour marks.

*Case: Oberbank Ag, Banco Santander SA and Santander Consumer Bank AG v Deutscher Sparkassen- und Giroverband eV, joined cases C-217/13 and C-218/13.*

## Community Designs Regulation: interpretation

### Summary

The European Court of Justice (ECJ) has ruled on two questions regarding the interpretation of the Community Designs Regulation (6/2002/EC) (the Regulation) referred to it by the Irish Supreme Court.

### Background

Article 6 of the Regulation (Article 6) provides that a design will be considered to have individual character if the overall impression it produces on the informed user differs from the overall impression produced on such a user by any design that has been made available to the public.

Article 85(2) of the Regulation (Article 85(2)) provides that, in proceedings in respect of an infringement action, a Community Design Court will treat an unregistered Community design as valid if the rights holder:

- Produces proof that the unregistered Community design has been made available to the public in such a way that, in the normal course of business, the way in which it has been made available could reasonably have come to be known to the circles specialised in the sector concerned.
- Indicates what constitutes the individual character of the unregistered Community design.

## Facts

K was an English company that produced and sold women's clothing. D was a retailing group in Ireland that also sold women's clothing. In 2005, K designed and placed on sale in Ireland a striped shirt and a black knitted top (the garments).

D bought the garments from one of K's Irish outlets and then had copies made outside Ireland, which it put on sale in its Irish stores in late 2006. K brought proceedings against D for infringement of its Community unregistered design rights in the garments.

D admitted copying the garments and acknowledged that the designs of the garments were new. However, it alleged that K did not own unregistered Community design rights in relation to those designs, because:

- The garments did not have individual character within the meaning of Article 6.
- Article 85(2) required K to prove, as a matter of fact, that the garments had individual character, and it had not done so.

The Irish High Court upheld K's action. On appeal, the Irish Supreme Court stayed the proceedings and asked the ECJ the following questions:

- In consideration of the individual character of a design that is claimed to be entitled to be protected as an unregistered Community design for the purposes of the Regulation, is the overall impression it produces on the informed user, within the meaning of Article 6, to be considered by reference to whether it differs from the overall impression produced on such a user by:
  - any individual design that has previously been made available to the public; or
  - any combination of known design features from more than one such earlier design?
- Is a Community design court obliged to treat an unregistered Community design as valid for the purposes of Article 85(2) where the rights holder merely indicates what constitutes the individual character of the design or is the rights holder obliged to prove that the design has individual character in accordance with Article 6?

## Decision

The ECJ held that:

- Article 6 means that, in order for a design to be considered to have individual character, the overall impression that the design produces on the informed user must be different from that produced on such a user not by a combination of features taken in isolation and drawn from a number of earlier designs, but by one or more earlier designs, taken individually.
- Article 85(2) means that, in order for a Community design court to treat an unregistered Community design as valid, the rights holder of that design is not required to prove that it has individual character within the meaning of Article 6, but need only indicate what constitutes the individual character of that design; that is, it indicates what, in its view, are the element or elements of the design concerned that give it its individual character.

## Comment

The decision will be welcomed by holders of unregistered Community designs, which are of particular practical importance in the fashion industry, in relation to which designs may have a short shelf-life.

*Case: Karen Millen Fashions Ltd v Dunnes Stores, Dunnes Stores (Limerick) Ltd C-345/13.*

# Trade mark infringement: jurisdiction

## Summary

The European Court of Justice (ECJ) has given guidance on the establishment of jurisdiction in circumstances where the defendant has committed no acts within the jurisdiction seised.

## Background

The Brussels Regulation (*44/2001/EC*) sets out a system for the allocation of jurisdiction and for the reciprocal enforcement of judgments. Article 2 of the Brussels Regulation provides that those domiciled in an EU member state should be sued in that state. However, Article 5(3) of the Brussels Regulation provides that a person may be sued in matters relating to tort in the courts in the place where the harmful event occurred or may occur.

Article 97(5) of the Community Trade Marks (CTM) Regulation (*207/2009/EC*) provides that proceedings for infringement CTMs may be brought in the court of the member state in which the act of infringement has been committed or threatened.

## Facts

C produced and distributed perfume and cosmetics and owned a CTM registration for a three-dimensional bottle shape in relation to perfumes.

A Belgian company, F, sold bottles of perfume to a German wholesaler, S, which collected them from F's Belgian premises and exported them to Germany, before selling them in Germany.

C brought proceedings for trade mark infringement and unfair competition against F in Germany. The German courts dismissed the proceedings for lack of jurisdiction, on the basis that F had only acted within Belgium.

On appeal, the German courts referred two questions to the ECJ:

- Is Article 97(5) of the CTM Regulation to be interpreted as meaning that an act of infringement is committed in one member state, A, where, as a result of an act in another member state, B, there is participation in the infringement in A?
- Is Article 5(3) of the Brussels Regulation to be interpreted as meaning that the harmful event occurred in one member state, A, if the tortious act that is the subject of the action, or from which claims are derived, was committed in another member state, B, and consists in participation in the tortious act that took place in A?

## Decision

The ECJ held that:

- Under Article 97(5) of the CTM Regulation, where a person sells and delivers a counterfeit product in one member state, and that product is then resold by the buyer in another member state, there is no jurisdiction to sue for trade mark infringement in the second member state. There is no jurisdiction against the original seller if it did not act in the member state where the court seised is situated.
- Under Article 5(3) of the Brussels Regulation, the court in a member state does not have jurisdiction in respect of an action brought under unfair competition laws based on the place where the event giving rise to the damage occurs unless the defendant acted there. However, Article 5(3) of the Brussels Regulation does give jurisdiction based on “the place where the harmful event occurs” for an action under unfair competition laws brought against a defendant established in another member state for an act committed in another member state but which caused (or may cause) damage within the jurisdiction of the court seised.

## Comment

This decision is a reminder that proceedings relating to infringement and validity of trade marks are subject to their own rules of jurisdiction. In respect of unfair competition, under Article 5(3) of the Brussels Regulation, where a defendant is domiciled in a member state other than where the court is situated, proceeding for damages can be brought on the basis of an act that took place in that other member state where damage occurred in the court's jurisdiction.

*Case: Coty Germany GmbH v First Note Perfumes NV C-360/12.*

## Copyright: private copying and parody exceptions

### Summary

The government has published new draft regulations for the private copying, and quotation and parody, exceptions to copyright law, which are due to come into force on 1 October 2014.

### Background

As the result of a process that started with the recommendations made in the Hargreaves Review of Intellectual Property, between June and July 2013, the Intellectual Property Office published for public review three sets of provisions to create new copyright exceptions. These copyright exceptions entered into force on 1 June 2014, except for the private copying and parody exceptions, which were delayed while the Joint Committee on Statutory Instruments raised some questions with the government about them.

### Facts

The government has announced that the private copying, and quotation and parody, exceptions are due to come into force on 1 October 2014.

The private copying exception permits the making of personal copies of copyright works for private use. In particular, the making of a copy of a work (other than a computer program), by an individual does not infringe copyright in the work provided that the copy is of the individual's own copy of the work, or a personal copy of the work made by the individual. The copy must be made for the individual's private use, and not for ends that are directly or indirectly commercial.

The exception for quotation permits the use of a quotation from a publicly available copyright work where the use is fair dealing, the extent of the quotation is no more than required, and is accompanied by sufficient acknowledgement. The exception for parody permits fair dealing with a work for the purposes of caricature, parody or pastiche.

### Comment

This announcement is likely to be welcome news for some observers, who had feared that the government's decision to delay implementation of the private copying, and quotation and parody, exceptions would lead to a long delay or failure to implement the exceptions altogether.

*Source: Copyright and Rights in Performances (Quotation and Parody) Regulations 2014, [www.legislation.gov.uk/ukdsi/2014/978011116029/contents](http://www.legislation.gov.uk/ukdsi/2014/978011116029/contents); Copyright and Rights in Performances (Personal Copies for Private Use) Regulations 2014, [www.legislation.gov.uk/ukdsi/2014/978011116036/contents](http://www.legislation.gov.uk/ukdsi/2014/978011116036/contents).*

# Trade marks: invalidity

## Summary

The High Court has held that using “youview” for a television programming service infringed a registered trade mark for YOUR VIEW, and rejected a counterclaim for invalidity.

## Background

The Trade Marks Act 1994 (TMA) provides that a trade mark owner may prevent unauthorised third parties from using in the course of trade any sign where, because of its identity with or similarity to the trade mark, and the identity or similarity of the goods or services covered by the trade mark and the sign, there exists a likelihood of confusion on the part of the public.

A trade mark cannot be registered if it (among other things) is devoid of distinctive character, is descriptive, or where the application was made in bad faith (*section 3, TMA*). A trade mark may be declared invalid on the basis that it should not have been accepted for registration (*section 47(1), TMA*).

In *Chartered Institute of Patent Attorneys v Registrar of Trade Marks* (known as *IP Translator*), the European Court of Justice (ECJ) held, among other things, that the goods and services included in a trade mark application must be listed precisely and clearly enough to enable authorities and traders to determine, on the sole basis of that list, the scope of the trade mark rights ([www.practicallaw.com/4-520-4882](http://www.practicallaw.com/4-520-4882)).

## Facts

T developed plans to use YOUR VIEW as a brand in early 2007, and marketed an online platform under the YOUR VIEW brand from late 2009. In 2009, T applied for a registered trade mark for YOUR VIEW for goods and services in classes 9, 35 and 38.

Y offered a television programming service through set top boxes under the mark “youview”. Y applied for a trade mark registration for “youview” in stylised form, but T opposed it. The Intellectual Property Office upheld the opposition in part, and this was upheld by the High Court on appeal.

Y continued to offer set top boxes under the “youview” mark. T started trade mark infringement proceedings in the High Court.

## Decision

The court found that Y had infringed T’s trade mark registration for YOUR VIEW. There was similarity between the marks, and similarity and/or identity between the relevant goods and services. The court found that there was a likelihood of confusion between the marks. This was, in particular, in light of the convergence between the television and telecommunications markets, and the fact that Y’s set top boxes were often bundled with telecommunications services.

Regarding the validity of T’s mark, Y had sought to argue that the specification of T’s mark was not identified with sufficient clarity or precision. The court considered that *IP Translator* could be applied to invalidate registered trade marks whose specification did not meet that standard, but this was not the case here.

The court also rejected Y’s submissions that T’s trade mark was non-distinctive and non-descriptive, and applied for in bad faith. There was no evidence that T knew that Y might be planning to use the “youview” mark when T applied for its trade mark in late 2009.

## Comment

This decision is particularly interesting as it provides some guidance on the application of the ECJ’s ruling in *IP Translator*. In particular, the court found (obiter) that, theoretically, an attack on a trade mark’s specification can be

made on the basis of the ruling in *IP Translator* not only in the application stage, but also after registration in a claim for a declaration of invalidity.

*Case: Total Ltd v YouView TV Ltd [2014] EWHC 1963 (Ch).*