

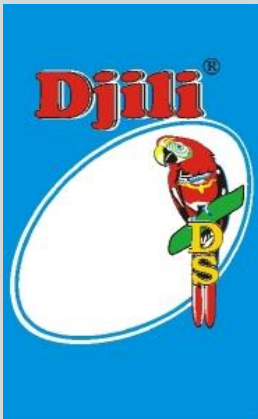
Bird & Bird & Reports of Trade Mark Cases for CIPA Journal


June 2019



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 T-558/18 <i>Victor Lupu v EUIPO; Et Djili Soy Dzhihangir Ibryam</i></p> <p>30 April 2019 Reg 207/2009</p> <p>Reported by: <i>Louise O'Hara</i></p>	 <ul style="list-style-type: none"> - sun-flower and pumpkin seeds; dried and boiled fruits and vegetable extracts; (29) - agriculture, horticulture, forestry products and cereals; nutrients for animals (31) <p>DJILI</p> <ul style="list-style-type: none"> - meat; fish; dried and cooked fruits and vegetables (29) - agricultural, horticultural and forestry products and grains; living animals (31) - beers, fruit drinks and fruit juices (32) <p>(Romanian mark)</p>	<p>The GC upheld the BoA's finding that Mr Lupu's appeal had no basis as the mark upon which he relied had been found invalid in a final decision of the Romanian High Court of Justice.</p> <p>Mr Lupu opposed the application under articles 8(1)(a) and (b). He had not put forward any relative grounds for refusal in the required time period and could not claim an extension of time to file his opposition. Mr Lupu submitted that proceedings should not have resumed until the grounds for the annulment were published by the Romanian High Court of Justice. He also submitted that the BoA proceedings should have remained suspended until he had had an opportunity to appeal the national decision before the European Court of Human Rights. Both of these submissions were rejected on the basis that they did not affect the validity of the mark upon which Mr Lupu relied, nor could they call into question the reasoning or conclusion of the BoA.</p>
Ref no.	Application (and where applicable, earlier mark)	Comment
<p>GC T-795/17 <i>Carlos Moreira v EUIPO; Neymar Da Silva Santos Júnior</i></p> <p>14 May 2019 Reg 207/2009</p> <p>Reported by: <i>Daniel Anti</i></p>	<p>NEYMAR</p> <ul style="list-style-type: none"> - Clothing, footwear, headgear (25) 	<p>In an appeal to an application for a declaration of invalidity under article 52(1)(b), the GC upheld the BoA's decision that the applicant was acting in bad faith when he filed the application for the contested mark.</p> <p>The GC confirmed that the application was filed deliberately with the purpose of creating an association with the intervener's name (the intervener being the Brazilian professional football player, Neymar) in order to benefit from its attractive force, even though it was not protected as a trade mark at the relevant date. The GC rejected the submission that the application was mere coincidence and dismissed the action in its entirety.</p>

Ref no.	Application (and where applicable, earlier mark)	Comment
GC T-152/18 T-153/18 T-154/18 T-155/18 <i>Sona Nutrition Ltd v EUIPO; Solgar Holdings, Inc.</i>	 <p>[submitted as separate applications but joined for the purposes of the GC judgment]</p> <ul style="list-style-type: none"> - vitamins; dietetic substances; food for babies; pharmaceutical preparations; herbal preparations; all for human use (5) <p>MULTIPLUS</p> <ul style="list-style-type: none"> - vitamins, minerals, nutritional supplements, dietetic products and tonics (5) <p>(Irish mark)</p>	<p>The GC annulled the BoA's decision that there was no likelihood of confusion between the marks under article 8(1)(b).</p> <p>The GC confirmed the BoA's finding that the mark MULTIPLUS was non-distinctive as it comprised MULTI and PLUS which were non-distinctive elements in themselves. The GC also held that the BoA was fully entitled to find that MULTIPLUS designated the goods at issue, being multivitamins and multi-mineral supplements.</p> <p>Further, the GC accepted that the BoA had been entitled to consider that the earlier mark had a very low distinctive character, but what the BoA was not entitled to do was say that MULTIPLUS was totally devoid of distinctive character in the marks applied for. Such a finding was not compatible with the coexistence of EU and national trade marks on the register.</p> <p>In light of the BoA's error, its reasoning had been marred and therefore the GC annulled its decision.</p>

Ref no.	Application (and where applicable, earlier mark)	Comment
GC T-7/17 <i>John Mills Ltd v EUIPO; Jerome Alexander Consulting Corp</i>	<p>MINERAL MAGIC</p> <ul style="list-style-type: none"> - hair lotions; soaps; perfumery; cosmetics (3) <p>(EUTM mark)</p> <p>MAGIC MINERALS BY JEROME ALEXANDER</p> <ul style="list-style-type: none"> - face powder featuring mineral enhancements (3) <p>(US mark)</p>	<p>The GC annulled the BoA's decision that JACC's agent, JML, had applied for a trade mark in their own name without JACC's consent under article 8(3).</p> <p>Having found that JML were JACC's agents under a distribution agreement, the BoA upheld the opposition under article 8(3) on the basis that the signs at issue were similar, the goods were both identical and highly similar, and there was a likelihood of confusion on the part of the public.</p> <p>However, the GC found that the BoA erred in their interpretation, and application, of article 8(3). The GC held that article 8(3) applies only where the proprietor's mark and the mark applied for by their agent or representative are identical and not merely similar. When considering identity, the GC affirmed that the test was whether a sign reproduces, without any modification or addition, all the elements constituting the earlier trade mark or where, viewed as a whole, it contains differences so insignificant they may go unnoticed by the average consumer. Given that the signs were similar and not identical, the GC annulled the BoA's decision.</p>

Ref no.	Application (and where applicable, earlier mark)	Comment
GC T-423/18 <i>Fissler GmbH v EUIPO</i> 7 May 2019 Reg 207/2009 Reported by: <i>Megan Curzon</i>	VITA - food processors, electric; related parts and accessories (7) - pressure cookers, electric; related parts and accessories (11) - household or kitchen utensils and containers; cooking pot sets; pressure cookers, non-electric; parts and accessories (21)	The GC annulled the BoA's decision that the mark was descriptive and devoid of distinctive character in accordance with articles 7(1)(b) and (c). The mark was capable of being recognised by Swedish-speaking consumers as meaning "white". Whilst the mark had various meanings in a number of languages, when considering descriptiveness, it was sufficient that one of the mark's possible meanings was descriptive. Nevertheless, the BoA erred in its finding that the mark was descriptive, as the colour white was not an intrinsic characteristic of the goods. The BoA was incorrect in determining that the mark was a statement of fact and therefore lacked distinctive character. The GC found that consumers would understand the mark to be an indication of origin as it would be affixed to goods of any colour, not just to those which were white.

What constitutes bad faith and how can it be established?

Koton Mağazacılık Tekstil Sanayi ve Ticaret AŞ v EUIPO; Joaquín Nadal Esteban (AG Kokott; C-104/18 P; 04.04.2019)

AG Kokott advised that dividing an application for registration of a trade mark into a part filed in bad faith and a part filed in good faith is inadvisable, as it would offer an applicant an incentive to apply to register trade marks for a larger set of goods and services than was justified by the actual intended uses. Louise O'Hara reports.

Background

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

Mark applied for



Earlier mark



BoA and GC decisions

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

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

The AG explained that the need to take into account all the relevant factors is an inevitable consequence of the subjective nature of bad faith. She also identified a number of situations where an applicant would be acting in bad faith which do not require any overlap with an already existing application, such as where an applicant files an application with the sole aim of preventing an imminent trade mark application by another ('trade mark squatting'). This part of the GC's decision should, the AG suggested, be vitiated.

The additional factor identified by EUIPO

The EUIPO based its appeal on an additional factor not taken into account by the GC. It claimed that Mr Esteban's initial application to register the trade mark in respect of goods and services in classes 25 and 35 was pertinent to the determination of whether he had acted in bad faith. It was only on account of the successful opposition from Koton that there was no overlap in the goods and services covered by the two marks.

The AG considered whether this argument was admissible given that it had not been expressly raised by Koton either before the GC or in its appeal. Article 174 of the Rules of Procedure, read with article 178(1) and (3), indicates that the reply may not seek the annulment of the judgment under appeal on the basis of distinct and independent grounds from those raised in the appeal; these should be raised as part of a cross appeal. On a strict reading, therefore, the argument would be inadmissible.

However, the AG indicated that such a reading would be too strict. The original overlap between the goods and services applied for was before the GC and the CJ as part of the undisputed facts of the case and was therefore part of the subject matter of the proceedings before the GC and the CJ and must be taken into account in examining bad faith. The GC therefore failed to take into account one factor in examining bad faith.

In this regard, Koton and the EUIPO submitted that it was not possible to divide the application for registration for the purposes of assessing bad faith such that only one part was considered to have been filed in bad faith whilst the other part was not. Article 52(3) suggested such divisibility was possible. Nevertheless, the AG suggested that, unlike some other grounds for validity, bad faith was not an inherent defect in the trade mark itself, but stemmed from the circumstance in which it was applied for. Where there were defects in the trade mark it was possible that these only applied to certain goods and services, but it was far more difficult to draw that distinction when it came to the intention of the applicant.

The AG warned that allowing such a division would incentivise applicants to apply to register trade marks for a larger set of goods and services than was justified by their intended activities given there would be no fear of disadvantage for the trade mark actually used if bad faith were discovered.

Ultimately, however the AG did not think there was any need to make a definitive finding on this point given Mr Esteban knew or should have known that the identical or similar trade mark existed at the time of making the application, which was a further indication that the application to register the mark was made in bad faith.

The AG then indicated that it was for Mr Esteban to allay doubts as to whether the application was filed in good faith. The judgment under appeal contained no indication that Mr Esteban was given an opportunity to present and have his purpose assessed behind pursuing the application. As a result, not all the relevant factors for possible bad faith were taken into account in the judgment under appeal and the AG concluded that it should be set aside. The AG advised that the decision of the BoA should be annulled without referring the case back to the GC. She did not consider it appropriate that the trade mark at issue should be declared invalid as this was a decision for the EUIPO.

Cyber-squatting alone is not passing off

***Media Agency Group Limited ("MAG") & Transport Media Limited ("TML") v Space Media Agency Limited ("SMA") and Ors** (Floyd LJ, [2019] EWCA Civ 712, 12.03.2019)**

The Court of Appeal found that cyber-squatting (the act of registering well-known trade marks as domains in the attempt to sell them later for profit) by itself does not amount to passing off. The requirements for passing off (i.e. goodwill, misrepresentation and damage) still need to be satisfied. Tom Hooper reports.

Facts

The first claimant and respondent in the appeal, MAG, carried on business as an advertising agency. At the date of its incorporation, its name was Transport Media Limited. The second claimant and respondent, TML, was a dormant company since incorporation. On 19 February 2013 the two claimants swapped names to the names which they currently hold. The defendants were SMA and two individuals, Mr Shafiq and Mr Buksh, who between them owned all of the shares in SMA. Importantly, Mr Shafiq was at one point in time employed by MAG as a consultant.

Shortly after Mr Shafiq left his position, SMA was incorporated and began to trade as an advertising agency under the name Transport Media Agency. The second defendant, Mr Buksh, had acquired the domain names www.transportmediaagency.co.uk and www.trackaccountableadvertising.com, among others. The claimant issued proceedings against SMA, Mr Shafiq and Mr Buksh alleging passing off on the basis of their unregistered rights in TRANSPORT MEDIA AGENCY and TRACCOUNTABLE.

Mr Buksh admitted cyber-squatting. In the first instance decision, the judge following *British Telecommunications v One In A Million* ([1999] 1 WLR 903) found that the claimant owned sufficient goodwill in the names TRANSPORT MEDIA and TRACCOUNTABLE and that by registering the domains names www.transportmediaagency.co.uk and www.trackaccountableadvertising.com that amounted to misrepresentation and damage (or likelihood thereof), and an actionable passing off. The defendants confirmed, prior to the hearing, that they were no longer using the name TRANSPORT MEDIA or the associated domain name as that line of business had been unsuccessful. TRACCOUNTABLE remained of interest, however.

One of the defendants, Mr Buksh, appealed the decision to the Court of Appeal.

Decision

The first ground of appeal was based on the fact that it was TML that had acquired goodwill in the name, not MAG. That was easily dismissed because both claimants had raised the claim as to the ownership of goodwill. The second ground of appeal alleged that both the trading name TRANSPORT MEDIA and the domain www.transportmediaagency.co.uk were descriptive and so could be used freely by the defendants. Floyd LJ found that the defendants had not been using the sign in an "ordinary descriptive sense" but as a means of attracting business and custom. In addition, whilst intention to pass off was not a component in the cause of action, it was plainly clear that it existed.

The third ground of appeal was successful. It was clear from the evidence that the trading name TRACCOUNTABLE had never been publicly used by the claimants. As a result of the lack of use, it was not possible for the claimants to have the requisite goodwill to succeed in the claim for passing off. The first instance judge decided this point incorrectly based on the knowledge of one of the defendants (being an ex-consultant) and the admission in respect of cyber-squatting. He also wrongly took the defendants' response to the particulars of claim as an implied admission.

Floyd LJ, giving judgment for the court, held that, even if the domains had been registered for cyber-squatting purposes or as an instrument for fraud, the requirements of passing off still needed to be satisfied. As the TRACCOUNTABLE mark had not been used by the claimants, they could not have acquired goodwill in the name for a passing off action to succeed.

Average consumer test

***Gap (ITM) Inc v Gap 360 Ltd** (Carr J; [2019] EWHC 1161 (Ch); 10.05.2019)**

Carr J held that, while a majority of average consumers would recognise terms relating to "gap year" as being descriptive in the context of travel, a significant proportion of consumers would have no, or no uniform, understanding of the word "gap" when used in context of travel. Mark Day reports.

Facts

The well-known clothes retailer Gap (ITM) opposed the application for the word mark GAP 360 in respect of various services in classes 35, 36, 39 and 41 in the name of Gap 360, a company providing gap year opportunities. Gap (ITM) was the proprietor of various EUTMs registered in respect of the word mark GAP in the same classes. The services identified in the specifications of the application and the earlier marks were generally connected with travel, with the Hearing Officer finding that the respective specifications were "identical for the most part, with only minor exceptions".

Summary of the earlier decision under Section 5(2)

In the original hearing, Gap 360 was permitted by the Hearing Officer to amend the specification in respect of the class 36 and 41 services to add the limitation "all relating to gap travel". The amendment was not made in relation to the class 35 and 39 specifications.

The Hearing Officer found that there was a likelihood of consumers being confused into believing that services in classes 35 and 39 provided by Gap 360 were those of Gap (ITM) or a linked undertaking, but that there was no such likelihood of confusion in relation to services in classes 36 and 41. This decision was based on the Hearing Officer's conclusions that the word "gap": (i) had a low level of distinctiveness when used in context of services related to "gap travel" in classes 36 and 41 and that the similarity between the marks was outweighed by the difference created by the presence of the 360 element in Gaps 360's mark; and, (ii) when used on services in classes 35 and 39 which did not have the limitation, was not directly or indirectly descriptive of the services and had an average level of inherent distinctiveness and there was a risk of confusion. In coming to this decision, the Hearing Officer considered the understanding of the words "gap", "gap year" and "gap travel" by the majority of average consumers. He did not deal with the understanding of the minority.

Gap (ITM) appealed against the rejection of its opposition in relation to classes 36 and 41. Gap 360 cross-appealed against the decision to allow the opposition in relation to classes 35 and 39.

Decision on appeal

The Judge noted that this appeal was unusual because both sides identified and relied upon the same error of principle in the decision of the Hearing Officer. The specifications of the earlier marks were broader than those of the application; the earlier marks covered a super-set which notionally included the words of the limitation "all relating to gap travel". The Judge stated that, as the Hearing Officer had correctly concluded that Gap (ITM)'s specifications were unlimited and therefore covered services relating to "gap travel", the same decision should have been reached in relation to all classes.

The Judge was of the view that the limitation "all relating to gap travel" lacked clarity and precision and created an unacceptable level of uncertainty regarding the scope of the protection given by the application. Further, the judge held that Gap 360 could withdraw the limitation, but that would be the same as ignoring it when considering the likelihood of confusion.

The Judge held that, while he accepted that a significant proportion of average consumers would understand the term "gap year", a significant proportion of consumers would have no or no uniform understanding of the word "gap" when used in the context of travel, nor of the expression "gap travel". Accordingly, a significant proportion of average consumers would not consider that "gap" was descriptive of travel and would likely be confused. The appeal was therefore allowed and the cross-appeal dismissed.

Evidence required to prove honest concurrent use

***Manpower Direct (UK) Ltd ("MDUK") v Manpower Group Inc ("MPI")** (Birss J; [2019] EWHC 849 (Ch); 11.04.19)**

Birss J agreed with the Hearing Officer's assessment that evidence of use over a long period of time is not sufficient to show honest concurrent use. The evidence provided must be sufficient to prove that the

relevant consumers had been exposed to the two sets of trade marks to an extent sufficient for them to distinguish between the marks. *Justin Bukspan reports.*

Facts

This appeal concerned the decision of the IPO to uphold an opposition by recruitment company MPI. MPI opposed MDUK's application for marks containing MANPOWER in classes 37 (installation of security equipment) and 45 (security services) based on the reputation of its MANPOWER word marks in class 35 (for temporary and permanent recruitment services). MPI was a recruitment company that had been supplying temporary and permanent staff in the UK since 1956. MPI owned EU and UK trade marks for the word mark MANPOWER in class 35 covering employment and temporary recruitment services. MDUK, a smaller business, had been providing security services in the UK since 2003, and had applied to register as UK trade marks a series of logo and word marks with MANPOWER as the dominant word component in classes 37 and 45 covering the installation of security equipment and the provision of security services. MPI successfully opposed those applications under section 5(3) on the basis of its reputation in the word MANPOWER. Both parties appealed.

Does every single service listed in an application need to be reviewed in detail when assessing whether the average consumer will establish a link between the marks?

Birss J agreed that some of the evidence of actual confusion provided by MPI covered only the services actually provided by MPI, not all of those covered by the specification. The Hearing Officer did not go through all the other individual services listed.

The Judge found that the Hearing Officer had effectively reviewed best case scenarios for both parties and that the services that had not been reviewed in detail were not so different from the ones reviewed. In any case the Hearing Officer had treated the evidence of confusion in respect of some of the services as only "supportive" of the argument that a link could be made, and not actually indispensable to establishing that link. On that basis, the Judge concluded that the Hearing Officer had been entitled to infer that such a link could be made in relation to all the services listed, without having to review each and every one of them in detail.

The methodology used to evaluate the similarity of the marks

In assessing the Hearing Officer's methodology of the evaluation of the similarity of the marks, Birss J underlined that a Hearing Officer can take into account the acquired distinctiveness of a senior mark to evaluate whether both marks are sufficiently similar for an average consumer to establish a link at any stage in their assessment.

The Judge agreed with the Hearing Officer's decision that the fact that the security services provided by MDUK required a licence and the services offered by MPI did not was not relevant to the comparison of the services. Birss J further held that the fact that the Hearing Officer did not address whether the parties' services were addressed to overlapping customers did not undermine her decision; the customers of both parties clearly overlapped.

Finally, the Judge confirmed the Hearing Officer's observation that MDUK had done little to alleviate the possible confusion. The evidence provided showed that MDUK had clearly used MANPOWER as a word alone, without the rest of the stylisation or additional words as found in some in the applications. That was relevant for the Hearing Officer's assessment.

The lack of due cause does not have to be explicitly addressed

MDUK's second main ground of appeal was that the Hearing Officer should have separately addressed whether MDUK had due cause to use the marks. The Judge pointed out that Counsel for MDUK had not explicitly raised that point earlier. He also pointed out that while lack of due cause was indeed a statutory requirement, it did not have to be analysed if it naturally derived from the other findings (see *Jack Wills v House of Fraser* [2014] EWHC 110 (Ch) where Arnold J did not expressly discuss due cause before finding that there had been unfair advantage).

Evidence of use over a long period of time does not automatically demonstrate honest concurrent use

MPI provided evidence of use in the shape of tenders and contracts since 2003 and awards from the Sunday Times in 2008. However, the Hearing Officer found there was no evidence to show the extent to which those contracts had actually been fulfilled, nor other evidence like turnover figures, marketing expenditure or market share. The Judge agreed that the evidence provided was insufficient to prove that the relevant consumers had been exposed to the two sets of trade marks to an extent sufficient for them to distinguish between the marks. The Hearing Officer's failure to take into account the specialised nature of MDUK's

services, its long client list and the size of its staff (200) were not sufficient to change that. MDUK's appeal was therefore rejected.

Outcome likely to be different without MPI's reputation

Birss J provided useful commentary on the circumstances of this appeal at the end of his judgment. He stated that without the very substantial reputation of MPI as shown, the outcome of the appeal would likely have been very different. He further stated that had the stylised and other word elements of MDUK's marks been more distinctive, then the outcome may have been different.

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