

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

October 2021



Trade mark decisions

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

Ref no.	Application (and where applicable, earlier mark)	Comment
<p>GC T-874/19 T-875/19</p> <p><i>Impera GmbH v EUIPO; Euro Games Technology Ltd</i></p> <p>25 November 2020 Reg 2017/1001</p> <p>Reported by: <i>Jon Edwards</i></p>	 <p>FLAMING FORTIES</p> <ul style="list-style-type: none"> – apparatus for recording, transmission or reproduction of sound or images; hardware and software, in particular for slot machines or gambling via the internet or via telecommunications networks (9) – automatic slot machines, automatic gambling machines, automatic entertainment gaming machines (28) – entertainment supplied via the internet; services for internet games (41)  <ul style="list-style-type: none"> – computer gaming software; electronic components for gambling machines; hardware and software for gambling (9) – gaming machines for gambling; chips for gambling; gambling machines operating with coins, notes and cards; slot machines (28) – gambling; casino, gaming and gambling services (41) <p>(Bulgarian registration)</p>	<p>The GC upheld the BoA's decisions that there was a likelihood of confusion between the marks under article 8(1)(b).</p> <p>The GC upheld that BoA's assessment relating to the definition of the relevant public and its degree of attention. Some of the goods were aimed at both the general public and gambling industry specialists, and the BoA was entitled to find that the degree of attention could have varied from normal to high, depending on the goods.</p> <p>The BoA had also been correct to find that the goods and services in question were either identical, or similar to a low degree.</p> <p>The marks had to be considered as a whole, since none of the elements was dominant. They were visually similar to a low degree, and aurally similar to an average degree, particularly because the marks contained the distinctive word 'FLAMING' as the first of two words. However, the BoA had erred in finding a conceptual comparison was not possible. A substantial part of the Bulgarian public understood Latin characters, but they would not have understood the meaning of all the elements. Consequently, there was no conceptual similarity between the word mark applied for and the earlier mark. There was however a very low degree of conceptual</p>

similarity between the device mark applied for (containing images of fruit) and the earlier mark because one word the Bulgarian public would have understood was 'FRUITS'. On a global assessment, there was a likelihood of confusion in relation to both the marks applied for.

GC

T-584/17

Primart v EUIPO;
Bolton Cile España, SA



28 April 2021

Reg 2017/1001

Reported by: Milena
Velikova

- sugars, natural sweeteners, sweet coatings and fillings, bee products; coffee, teas and cocoa and substitutes therefor; ice, ice creams, frozen yogurts and sorbets; salts, seasonings, flavourings and condiments; baked goods, confectionery, chocolate and desserts; processed grains, starches, and goods made thereof, baking preparations and yeasts; crackers (30)

PRIMA

- sauces and condiments; coffee; tea; cocoa; sugar; rice; tapioca; sago; artificial coffee; flour and preparations made from cereals; bread; biscuits; cakes; pastry and confectionery; edible ices; honey; treacle; yeast; baking-powder; salt; mustard; pepper; vinegar; ice (30)

(Spanish registration)

The GC upheld the BoA's decision that there was a likelihood of confusion between the marks under article 8(1)(b).

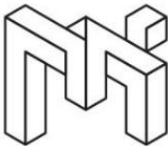
The BoA had not erred in finding that 'PRIMA' had an average degree of distinctive character to the Spanish public. They would have perceived it as meaning either 'female cousin' or 'bonus payment', though they would not have regarded it as having a simple laudatory connotation relating to the quality of the goods, and it had no other meaning in relation to the goods.

The marks were held to be visually similar to an average degree, and phonetically similar to a higher than average degree, on account of, in particular, the fact the earlier mark PRIMA was entirely reproduced in the dominant word element of the mark applied for. The other elements of the mark applied for played only a secondary role, for example, the text below 'PRIMART' was small and would not have been spoken by the public reading the mark.

The average degree of distinctive character and similarity between the marks, the identity and similarity of the goods, and the average degree of attention paid by the public meant there was a likelihood of confusion.

Editor's note: This case was referred back to the GC by the CJEU following the CJEU's finding that the GC had erred in declaring Primart's arguments inadmissible under article 76(1), as the distinctive character of the earlier mark in opposition proceedings properly formed part of the subject matter of proceedings before the BoA, irrespective of whether one of the parties had submitted arguments on the issue (C-702/18 P).

<p>GC T-509/19 <i>Asolo LTD v EUIPO; Red Bull GmbH</i></p> <p>28 April 2021 Reg 2017/1001</p>	<p>FLÜGEL</p> <ul style="list-style-type: none"> – beers; mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for the preparation of drinks (30) – alcoholic drinks (except beers) (33) 	<p>In an application for a declaration of invalidity, the GC upheld the BoA's decision to invalidate the mark applied for pursuant to article 8(5). The GC confirmed there was proximity between alcoholic drinks and energy drinks. As such, keeping in mind the strong reputation and distinctive character of the earlier mark, as well as the similarity between the marks, including the conceptual similarity, a significant proportion of consumers would have perceived a link between the marks. Consequently, Asolo's use of the mark applied for would have taken unfair advantage of Red Bull's reputation in the earlier marks.</p>
<p>Reported by: <i>Milena Velikova</i></p>	<p>VERLEIHT FLÜGEL RED BULL VERLEIHT FLÜÜGEL</p> <ul style="list-style-type: none"> – energy drinks (32) (earlier Austrian registrations) 	

<p>GC T-70/20 <i>Metamorfoza d.o.o. v EUIPO; Tiesios kreivės</i></p> <p>12 May 2021 Reg 2017/1001</p>	 <p>MUSEUM OF ILLUSIONS</p>	<p>The GC annulled the BoA's decision and held there was no likelihood of confusion between the marks under article 8(1)(b), on the basis that the word element common to the signs was descriptive.</p> <p>The BoA was correct in finding the signs phonetically and conceptually identical. However, the BoA erred in assessing the word elements of the marks separately, because the relevant public would have perceived them as an overall descriptive expression designating a type of museum, or a museum relating to a certain theme. This was the case, even for the</p>
<p>Reported by: <i>Carina Rodriguez</i></p>	<ul style="list-style-type: none"> – museum services, educational services, entertainment services, namely, organization of cultural events; hosting [organizing] social entertainment events, namely, birthday parties, special events (41) 	



- organisation of conferences, exhibitions and competitions; audio, video and multimedia production, and photography; education and instruction services; amusement and theme park services; museum services; education, entertainment and sport services; arranging and conducting of cultural activities; (41)

Greek public, who would have understood the meaning of the English words 'Museum of'. Even if they would not have understood the word 'illusions', they would have known the respective museums related to the same subject. Given the descriptive nature of the words, the figurative elements had a significant impact on the similarity assessment.

The GC held that the bright-yellow square and the representation of a pair of wide-open eyes in the earlier mark merely reinforced the descriptive concept of the word elements. The BoA should have concluded the earlier mark had a low degree of inherent distinctiveness.

GC

T-17/20

Adp Gauselmann GmbH v EUIPO; Gameloft SE

2 June 2021

Reg 2017/1001

Reported by: *Alexander Grigg*



- transmission, forwarding and supplying of data and other information and images for others (38)
- arranging and conducting of games; gambling; operating of lotteries; operating games on the Internet, including online and being applications for smartphones; on-line games (over the Internet) (41)
- computer programming (42)

GAMELOFT

- microcomputer games, video games (9)
- entertainment (41)

The GC upheld the BoA's decision that there was a likelihood of confusion between the marks under article 8(1)(b).

The GC held that the applicant's restriction of its specification after the BoA's decision was inadmissible in the appeal because it changed the subject matter of the dispute.

The GC also dismissed the applicant's arguments that there was an error of assessment concerning proof of genuine use in the BoA's decision. In particular, GAMELOFT had been used both as a trade mark and as the intervenor's company name.

The GC agreed with the BoA that there was an average degree of visual and conceptual similarity between the marks and an above average degree of phonetic similarity. Due to the enhanced distinctiveness of the earlier mark acquired through use, the relevant public with an average level of attention could take the view that the goods and services could come from the same or linked undertakings. '

GC

T-227/20

Biovene Cosmetics, SL v EUIPO; Eugène Perma France

30 June 2021

Reg 2017/1001

Reported by:

Katie Rimmer



- cosmetics (3)

BIORENE

- preparations for the hygiene, care and beauty of the hair and scalp, not for medical purposes (3)

The GC upheld the BoA's decision that there was a likelihood of confusion between the marks under article 8(1)(b).

The BoA had been correct not to review the merits of the Opposition Division's assessment regarding genuine use of the earlier mark since Biovene had agreed with that assessment. It was therefore not open to it to now alter the legal context of the dispute.

The GC held the goods for which genuine use had been demonstrated fitted within the broader category of 'cosmetics' covered by the mark applied for. Therefore, the goods at issue were identical.

The GC found that the figurative mark applied for consisted primarily of word elements; the figurative elements being rather simple. The differences between the marks were insufficient to offset their visual similarity; in particular the word 'Barcelona' would, if perceived by the relevant public, be taken to indicate the geographical location where the goods were produced, or where the company was based. The BoA was right in finding that the marks were phonetically similar, but conceptually did not convey any specific meaning to the relevant public. Overall, there was therefore a likelihood of confusion.

GC

T-204/20

Zoom KK v EUIPO; Facetec, Inc.

30 June 2021

Reg 2017/1001

Reported by: *Maisie Briggs*

ZOOM

- computer application software for mobile phones, smartphones, portable media players, handheld computers, and tablets, namely, security software that allows users to secure and access their mobile devices through multi-dimensional facial recognition identification (9)



- portable recorders; magnetic compact discs, [records]; downloadable computer programs, being intended for use in

The GC upheld the BoA's decision that there was no likelihood of confusion between the marks under article 8(1)(b).

The BoA was correct in its assessment that the goods only had a low degree of similarity. Although the software/program-related goods in class 9 overlapped in their nature, their function was different: those covered by the earlier figurative mark related to sound recording, whereas those covered by the mark applied for related to facial recognition software.

connection with musical instruments and sound recording apparatus (9)

- multi-track recorders, multi-effect apparatus, rhythm machines, guitar effects consoles and pedals, bass effects pedals, acoustic effects pedals, guitar effect processors (15)

ZOOM

- portable recorders (9)

The GC held the BoA was right to decide that, in order to make distinctions within the broad category of software in class 9, the intended use of the software was the overriding factor when assessing their similarity.

The GC upheld the BoA's finding that the marks were identical, yet agreed this did not contradict the decision that there was no likelihood of confusion because the word 'zoom' had a lower than average level of distinctiveness in relation to sound-related goods.

GC

T-386/20

Micron Technology, Inc. v EUIPO

7 July 2021

Reg 2017/1001

Reported by: *Robert Milligan*

INTELLIGENCE, ACCELERATED

- semiconductors, solid state drives, computer memory devices and printed circuit boards (9)

The GC upheld the BoA's decision that the mark was descriptive and non-distinctive under articles 7(1)(b) and (c).

The GC found that the BoA was correct to find the mark would be understood by the relevant public as indicating 'the ability to think, to understand, to comprehend meaning faster, in an accelerated way' by using the goods. The incorrect grammatical order of the words in the mark, separated by a comma, was unlikely to create any uncertainty in the mind of the relevant public as to the meaning of the mark.

The BoA was also correct to find that the goods were components which enabled computers to operate quickly and efficiently and, therefore, there existed a sufficiently direct and specific relationship between the mark and the goods.

GC

T-810/19

Victoria's Secret Stores Brand Management, Inc. v EUIPO; Yiwu Dearbody Cosmetics Co. Ltd

14 July 2021

Reg 2017/1001

Reported by: *Maisie Briggs*

The logo for 'BODYSECRETS' is displayed in a white rectangular box. The word 'BODY' is in a bold, black, sans-serif font, and 'SECRETS' is in a lighter, grey, sans-serif font.

- bath salts; shower gel; cakes of toilet soap; cosmetics; perfumes; dentifrices; cosmetics for animals; perfumery; shoe wax; detergent (3)
- depuratives; bath salts for medical purposes; mud for baths; mouthwashes for medical purposes; douching preparations for medical purposes; disinfectants; saniti[s]ing

In an application for a declaration of invalidity under article 59(1)(a), the GC upheld the BoA's decision that Victoria's Secret had failed to show that the mark was invalid pursuant to articles 7(1)(b), (c) and (d).

The BoA had been correct to dismiss the applicant's argument that the figurative elements of the mark were so negligible as to be irrelevant. The mark had colour elements, in particular 'body'

wipes; cotton for medical purposes; dental lacquer; dietetic substances adapted for medical use; animal washes (5)

- clothing; shoes; hats; hosiery; gloves [clothing]; scarfs; girdles (25)

was written in bold black letters, and 'secret' in grey, so the mark could not be assessed as if it were a purely a word mark. In any case, the BoA attached no importance to those elements, so Victoria's Secret's appeal was ineffective in that regard.

The GC upheld the BoA's analysis of Victoria's Secret's evidence, which was made up of various magazine articles. In particular, it had not demonstrated that the phrase 'body secrets' had been used by third parties as an advertising slogan at the time Yiwu filed its EUTM application. In addition, the evidence showed the mark was always used in conjunction with other terms which specified its scope, for example 'beach body secrets'. Further, the mark was used in articles relating to celebrities' fitness and dietary habits, and not in connection with cosmetics, products for medical purposes or clothing. Therefore, the BoA was correct to find there was no sufficiently direct and specific relationship between the mark and the goods, that the mark was not customary in relation to beauty, cosmetics and fashion tips, and that it was not a mere laudatory or promotional phrase.

GC

T-562/20

*Upper Echelon Products LLC
v EUIPO*

14 July 2021

Reg 2017/1001

Reported by:

Jon Edwards

EVERLASTING COMFORT

- orthopaedic seat cushions; back supports for medical purposes (10)
- cushion covers; pillow covers; pillow protector (24)

The GC upheld the BoA's decision that the mark applied for was descriptive and lacked distinctive character under articles 7(1)(b) and 7(1)(c).

The BoA was right to reject the applicant's argument that the mark was a play on words that was sufficiently removed from the inherent meaning created by the words in the mark. The GC held the sign applied for was not unusual or striking, particularly from a grammatical perspective. The mark was an intelligible expression, composed of an adjective and an English noun that were easily recognisable to English-speaking consumers.

The GC concluded that the public would have perceived the mark immediately as describing the characteristics of the goods covered, and their intended purpose, namely to relieve pain and to provide customers with a state of physical ease that would last forever or for a very long time.

Issue estoppel

Mr Ian Thomas v Luv One Luv All Promotions Ltd, Mr Winston Thomas* (Lewison, Newey & Lewis LLJ; [2021] EWCA Civ 732; 20 May 2021)

In a case concerning the right to use a music group name, the Court of Appeal (Lewison LJ giving judgment) upheld an appeal against an IPEC decision to partially strike out a defence to a passing off claim due to issue estoppel. Lauren Kourie reports.

Facts

The claimant, Ian Thomas (IT), and the second defendant, Winston Thomas (WT), were half-brothers and members of a music group known as Love Injection or Luv Injection from 1986 until the group split up in 2016. Following the split, IT started to perform with others under the names Love Injection and Luv Injection, and WT started to perform with others under the name Luv Injection Sound.

Trade mark disputes

An initial dispute arose in 2017 between the parties over WT's trade mark registration for LUV INJECTION SOUND and application for LOVE INJECTION SOUND. IT successfully opposed WT's applications and invalidated the registration, on the grounds of both bad faith under Section 3(6) and passing off under Section 5(4) of the Trade Marks Act 1994. The Hearing Officer found the band was "an unincorporated association and a partnership at will" and therefore the goodwill in the name resided with the changing members of the band, such that up until the band split in 2016, WT did not own the goodwill alone and after the split, the goodwill was not transferred solely to WT.

Subsequent passing off claim

In 2019, IT issued a claim in his own name against WT alleging that WT was passing off by his use of the name "Love injection". WT's primary defence was that "Love injection" was his trading name and that the goodwill belonged to him; that he was entitled to continue to use it; and that, on the contrary, it was IT who was passing off. WT also pleaded two alternative cases: (i) that by the date of the claim form, the name had ceased to designate the partnership, but designated the separate businesses of both brothers; and (ii) that the partnership (if not already dissolved) should be dissolved on just and equitable grounds and the assets, including the goodwill, disposed of and the proceeds divided between the partners.

Upon a strike out application by IT, the IPEC struck out most of WT's defence on the basis of issue estoppel: the parties were estopped from denying the Hearing Officer's finding that the split would have caused the dissolution of the partnership at will, as the matter had already been heard by the tribunal. However, the Court found that WT was entitled to maintain his counterclaim. WT appealed against the IPEC decision.

Issue estoppel in a two ratio case

Lewison LJ was doubtful as to whether the Hearing Officer's decision created an issue estoppel. Given the Hearing Officer found two alternative grounds in favour of IT (both Sections 3(6) and 5(4)), WT could not effectively appeal against any one of them separately, as if one was upheld the appeal would fail. Lewison LJ

held that issue estoppel could not arise because no single finding was legally indispensable to the conclusion in the case.

Further, for each ratio in a two ratio case to give rise to an issue estoppel, the determination of the particular issue must have been treated by the first court/tribunal as necessary for its decision, in the sense that it was part of the decision which it in fact reached, and not collateral to it or obiter. In this case, the only point that the Hearing Officer actually decided about the ownership of the goodwill after the split was that WT was not the sole owner of it - anything else that the Hearing Officer said on this point was collateral to that fundamental finding.

Special circumstances to permit standing

In allowing the appeal, the Court held that if issue estoppel did arise, there were nonetheless special circumstances which would entitle WT to challenge IT's standing to bring proceedings in passing off otherwise than for the benefit of the partnership, including:

- i. The lack of any opportunity for WT to mount an effective appeal against the objection based on Section 5(4)(a), as challenging under Section 5(4)(a) would still have left the successful objection under Section 3(6) intact;
- ii. The Hearing Officer's failure to appreciate that the partnership had been dissolved;
- iii. The Hearing Officer's failure to consider how partnerships are regulated on their dissolution (i.e. as partners, IT and WT were entitled to ask for the partnership assets to be realised and divided between them; neither was solely entitled to the goodwill);
- iv. The continuing impact on WT's future ability to trade under the name.

"FOOTWARE" not descriptive of hardware or software

Defendants' application success at a pre-trial review

***EasyGroup Limited v Easylife Limited & Anr** (Hugh Sims QC; [2021] EWHC 1705 (Ch); 11 June 2021)**

Hugh Sims QC, sitting as Deputy High Court Judge refused to strike out witness evidence relating to lack of confusion which was potentially tainted by leading questions in contravention of Practice Direction 57AC. He further allowed Easylife's late application to amend its defence to plead honest concurrent use. Mark Day reports.

Facts

easyGroup owned a family of "easy" brands e.g. easyJet. Easylife's primary business was the retail of various clothing, household goods, gadgets, health and mobility items online or via mail order catalogue under the signs Easylife Group and Easylife. easyGroup alleged that Easylife's use of the sign "Easylife" in relation to its retail services amounted to trade mark infringement and passing off. Easylife denied the allegations and counterclaimed that three of the trade marks relied on by easyGroup were invalidly registered and/or should be revoked.

At a pre-trial review, the Deputy Judge addressed several applications.

Exclusion of witness evidence relating to contemporaneous communications

easyGroup issued an application to strike out six witness statements that Easylife intended to rely on at trial. The Deputy Judge rejected easyGroup's principal complaint that the evidence amounted to survey evidence or that it was a witness gathering exercise that contravened the Whitford guidelines and/or the further guidance in *M&S v Interflora* [2012] EWCA Civ 1501. Unlike a case of classic survey evidence (usually procured by a claimant seeking to support the contention that an average consumer would have been confused), Easylife sought to adduce evidence from witnesses identified by easyGroup as having been actually confused at the

relevant time, the main purpose of the disputed evidence being to rebut the inference of confusion. As such, the evidence could not be properly characterised as survey evidence, nor was this a witness gathering exercise as described in *Interflora*. Rather Easylife was trying to show the state of knowledge and mind of each witness at the time that easyGroup alleged that they were confused.

easyGroup's second complaint was that the evidential gathering process involved leading questions put to the witnesses by Easylife and as such the Court should conclude it had no evidential value. The Deputy Judge commented that courts were keen to ensure that witness statement evidence was generally in accordance with the new Practice Direction 57AC, noting that any detriment resulting from non-compliance would be suffered by the non-compliant party as it may reduce the evidential value that the judge would place on it. On the evidence before him, the Deputy Judge could not conclude the statements had no evidential value and ruled that it was a matter for the Trial Judge to determine how much the statements would assist them.

Late application to amend defence

easyGroup opposed Easylife's late application to add a 'debatable' defence of honest concurrent use. It was unclear on the authorities whether honest concurrent use was a factor to be taken account as part of the global assessment (Arnold J, as he then was, in *W3 v EasyGroup* [2018] EWCH 7 (Ch)) or as a separate defence (the late Carr J in *Victoria Plum* [2016] EWHC 2911 (Ch)). If it was a factor in the global assessment, then arguably there was no need to plead it separately and the defence would be available at trial in any event. The Deputy Judge commented that this uncertainty made it difficult to determine the risk of injustice to either party, but he decided to allow the proposed amendment.

Editor's note: The trial of this case has now taken place and will be reported in due course. The action for infringement and passing off was dismissed.

Bad faith

Sky Ltd & Ots v. SkyKick, UK Ltd & Anr (LJJs Newey and Nugee and Sir Christopher Floyd, [2021] EWCA Civ 1121, 26 July 2021)

The Court of Appeal, Sir Christopher Floyd giving judgment, allowed Sky's appeal against the finding of partial invalidity (on the basis of bad faith) of its SKY trade marks. The judge's order insofar as it cut down the specifications of goods and services was set aside. SkyKick's cross-appeal on partial validity was dismissed and on infringement was rendered moot. Sky's marks were held to be infringed by the use of SKYKICK on email migration and cloud storage services. This report deals solely with the bad faith issues. Katharine Stephens reports.

Background

Sky owns a number of word and figurative marks for SKY registered in the EU and the UK in numerous classes, many with very broad specifications. In its infringement case, Sky relied upon eight "Selected Goods and Services" which included, amongst others, "computer software". Sky complained of SkyKick's use in relation to email migration and cloud storage services of the signs SkyKick and skykick and the following figurative signs:



After no less than four first instance judgments and a decision of the CJEU, the case was appealed to the Court of Appeal in relation to Arnold LJ's decision ([2018] EWHC 155 (Ch)) in which he granted an injunction (Articles 9(2)(b) and (c) of the Regulation and Articles 10(2)(b) and (c) of the Directive). This was despite the success of Skykick's counterclaim for partial invalidity of the marks on the basis that they were applied for without any genuine intention to use them in relation to certain of the goods and services within the registration (Article 59 of the Regulation and Sections 47 and 3 of the Act).

Bad faith: the law

Although the CJEU has stated that bad faith is an autonomous concept of EU trade mark law, it has stopped short of defining it. Therefore, the Court of Appeal reviewed the CJEU authorities, setting out 13 points of relevance to this case, before turning to the CJEU's judgment on the reference in the present case (C-371/18). The Court of Appeal noted that the CJEU had not explicitly answered the question of whether it constituted bad faith simply to apply to register a trade mark without any intention to use it in relation to the specified goods and services. Despite this, it was implicit that the answer to this question was 'no'. There would only be bad faith where the absence of intention to use was coupled with objective, relevant and consistent indicia of the additional positive intention identified by the CJEU i.e. the trade mark applicant had the intention either of undermining, in a manner inconsistent with honest practices, the interests of third parties, or of obtaining, without even targeting a specific third party, an exclusive right for purposes other than those falling within the functions of a trade mark.

The Court of Appeal also considered two UK authorities, noting from the first that the mere breadth of a specification of goods and services was not one of the indicia of bad faith and that there was an important distinction between an applicant who claimed a specific category of goods or services, when he had no intention of using the mark at all in relation to anything of that description, and an applicant who claimed a category which was wider than the goods for which he actually used or intended to use the mark. In the former, there was a potential indication of bad faith, whereas the latter was fully consistent with a good faith description of the applicant's use and intended use (*Jaguar Land Rover v Bombardier* [2016] EWHC 3266 (Ch)). The Court of Appeal also agreed that an allegation of bad faith was akin to an allegation of dishonesty and that a cautious approach was mandated (*HTC v One Max* O/486/17).

Decision on bad faith

Sky's appeal on the issue of bad faith was allowed; the judge should not have cut down the specifications. SkyKick's cross-appeal failed as the argument that the judge should have deleted all the Selected Goods and Services was not open to them following the CJEU's decision in the present case.

The judge had relied on two principal conclusions. First, in relation to "some goods and services covered by the specifications" Sky did not intend to use the trade marks at the application dates and there was no foreseeable prospect that they would ever do so ("the no prospect of use conclusion"). The Court of Appeal noted that the problem was that the significance of this conclusion to a finding of bad faith varied dramatically depending on the category. Thus, it might be capable of significance when considering "bleaching preparations" where there was no rationale for seeking protection, but the same was not true of "computer software" where Sky clearly had a substantial business in goods and services under the mark. The fact that, in relation to the latter, it had no prospect of using the mark in relation to every conceivable sub-division, was not a relevant or objective indication of bad faith (see the comments above in relation to *Jaguar Land Rover*).

Secondly, the judge relied upon the conclusion that the marks were applied for pursuant to a deliberate strategy of seeking very broad protection, regardless of whether it was commercially justified ("the broad strategy/no justification conclusion"). The Court of Appeal pointed out that this too varied in significance depending on which goods and services within the application were considered, but that the absence of a commercial rationale or strategy (i.e. a plan under which the mark was to be used for all goods or services within a category of the registration) was not relevant to the enquiry about bad faith. Sky had an obvious commercial justification for applying for "computer software" and was under no obligation to have a prospect of or strategy for using the mark in relation to software of every type.

The Court of Appeal did not need to consider the other Selected Goods and Services since the judge had treated them on the same basis.

The Court of Appeal also held that the procedure adopted by the judge had been unfair to Sky. There had been no cross-examination in relation to Sky's intentions in relation to the Selected Goods and Services, as opposed to outliers such as bleaching preparations. Further, SkyKick should have set out the narrowed specification to which they contended Sky should be restricted and should have stated the facts and matters on which they relied to show that each of the Selected Goods and Services were applied for in bad faith. Given the seriousness of the allegation of bad faith, Sky should have been given a proper opportunity to answer the case against it and the judge, once he had rejected SkyKick's restricted version of the Selected Goods and Services, should not have gone on to formulate a middle ground of his own.

Finally, the judge fell into error by relying, as far as the UK trade marks application was concerned, on a conclusion that the declaration made pursuant to Section 32(3) was partly false. Given there was actual use in relation to each of the Selected Goods and Services, and there was no requirement for an applicant to say they

intended to use the mark for all the goods and services which fell within any given descriptor, Sky's declaration was true.

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

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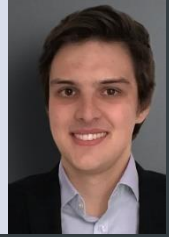
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