



TRADE MARKS

Ref no.	Application (and where applicable, earlier mark)	Comment
<p>GC T-258/16 <i>Mediterranean Premium Spirits, SL, v EUIPO; G-Star Raw CV</i> (07.06.17) Reg 207/2009</p>	<p>GINRAW - household and kitchen utensils, kitchenware and glassware (21) - alcoholic beverages (except beers), gin (33)</p> <p>RAW - household or kitchen utensils (21) - alcoholic beverages (except beers) (33)</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 goods at issue were identical or similar. The BoA was correct to find that the marks had an average degree of visual and phonetic similarity. 'RAW' was the distinctive and dominant element of the mark applied for as 'GIN' would be considered, by the English speaking public, to be descriptive in relation the goods at issue. On the basis of the shared 'RAW' element, the marks shared an average degree of conceptual similarity.</p> <p>The GC consequently endorsed the BoA's global assessment of similarity and held that there was a likelihood of confusion between the marks.</p>
<p>GC T-294/16 <i>Kaane American International Tobacco Company FZE v EUIPO (Global Tobacco FZCO)</i> (08.06.17) Reg 207/2009</p>	 <p>- tobacco; smokers' articles; matches (34)</p>	<p>The GC upheld the BoA's decision to revoke the mark on the grounds of non-use pursuant to Art 51(1)(a).</p> <p>The evidence submitted was not capable of proving the mark had been put to genuine use within the EU during the relevant period. Participation at international trade fairs within different EU cities had been carried out under the name Kaane and not the mark at issue.</p> <p>The BoA held that the word and figurative element of the mark were co-dominant. Use of the words 'GOLD MOUNT' without the mountain image on photographs at the trade fair did not constitute genuine use of the mark as registered or in a form which did not alter the distinctive character of the mark. Similarly, an invoice and advertisement in Tobacco Asia failed to show the mark as registered and were clearly targeted at the Asian market, which did not constitute genuine use of</p>

		<p>the mark within the EU.</p> <p>In the circumstances, no proper reasons for non-use of the mark had been given. The fact that the relevant goods did not comply with the applicable EU legislation during the relevant period (as the carbon monoxide emissions exceeded the maximum allowable limit) did not constitute a proper reason. The mere fact that an obstacle to use of a trade mark existed, such as compliance with EU legislation, would not suffice to justify non-use. Nor would the mere fact of having started efforts to comply suffice. The BoA was therefore correct to find that it was for the trade mark proprietor to control the manufacture of the goods covered by the mark - the manufacture of cigarettes which complied with EU legislation depended on the will of the proprietor and non-compliance was not therefore a proper reason for non-use.</p>
<p>GC T-659/16 <i>LG Electronics, Inc. v EUIPO</i> (14.06.17) Reg 207/2009</p>	<p>SECOND DISPLAY</p> <p>- smart phones; displays for smart phone; digital set top boxes; leather cases for mobile phone; leather cases for smart phone; application software; software for mobile phone; software for television; tablet computers; monitors for computer; led displays; leather cases for tablet computer; flip covers for tablet computer; portable computers; television receivers; displays for television receiver (9)</p> <p>- watches; parts and fittings for watches; wrist watches; electronic clocks and watches; bracelets (jewelry); watchbands; watches incorporating cameras and MP3 players, and that communicate data to smart phones and PDAs (14)</p>	<p>The GC upheld the BoA's decision that the mark was descriptive and lacked distinctive character pursuant to Arts 7(1)(b) and 7(1)(c).</p> <p>Both SECOND and DISPLAY had meanings in English and their use together was not a neologism. The mark would be understood by the relevant public as a combination of those two words with a meaning that did not go beyond the meaning of the two words taken individually.</p> <p>'SECOND DISPLAY' was capable of describing the characteristics of the goods at issue, namely those with an additional screen or a screen capable of measuring seconds. The GC endorsed the BoA's decision that goods such as 'leather cases for mobile phones' were ancillary to the electronic devices and were intended to be used in combination with those goods. As such, the mark applied for was also capable of describing those goods. On the basis of the descriptive nature of the mark, there had been no requirement for the BoA to consider registrability under Art 7(1)(b).</p>

<p>GC T-541/15 <i>Industrie Aeronautiche Reggiane Srl v EUIPO; Audi AG</i> (20.06.17)</p>	<p>NSU - automobiles, motorcycles, namely two-wheeled vehicles with combustion engines and a cylinder capacity exceeding 125cc, if heat engines; all-terrain vehicles (12)</p> <p>NSU - parts of machines (7) - bicycles, accessories for automobiles and bicycles, parts of vehicles (12) (German 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>The GC confirmed that genuine use of the earlier mark had been demonstrated within invoices, notwithstanding their low value, and annual reports which showed use of the mark in relation to spare parts and accessories for vehicles.</p> <p>The goods at issue shared a similar nature, intended purpose and method of use. It was not the case that 'parts of vehicles' were used only for spare parts for historical vehicles and sold via specific distribution channels. Furthermore, 'parts of machines' in Class 7 and 'accessories for automobiles and bicycles, parts of vehicles' in Class 12, were not solely intended for a specialised public, but may also be purchased by the public at large for the repair or maintenance of a vehicle. The relevant public therefore comprised the German public at large.</p> <p>Taking into account the identity of the marks, and the high similarity of the goods at issue, the BoA was correct to find a likelihood of confusion.</p>
<p>GC T-856/16 <i>Rare Hospitality International, Inc. v EUIPO</i> (21.06.17) Reg 207/2009</p>	<p>LONGHORN STEAKHOUSE - restaurant services (43)</p>	<p>The GC upheld the BoA's decision that the mark applied for was descriptive pursuant to Art 7(1)(c).</p> <p>Consumers who particularly enjoyed red meat, in particular beef, and had an extensive knowledge of the field comprised a not insignificant part of the relevant public. To those consumers, 'LONGHORN' would be understood as the name of a specific breed of cattle, namely the Texas Longhorn. For the remaining public, the term was a juxtaposition of everyday English words, capable of designating an animal with long horns.</p> <p>'STEAKHOUSE' was a term widely used to designate 'a restaurant specialising in serving steak'. The connoisseurs within the relevant public would immediately perceive a sufficiently direct and specific relationship between the mark</p>

		<p>applied for and the services at issue, rendering the mark descriptive for that public. Even for the average consumers who were not aware of the specific breed of cattle, the mark would be descriptive of the relevant services.</p>
<p>GC T-20/16 <i>M/S. Indeutsch International v EUIPO; Crafts Americana Group, Inc</i> (21.06.17) Reg 207/2009</p>	 <p>- knitting needles and crochet hooks (26)</p>	<p>In invalidity proceedings, the GC annulled the BoA's decision that the mark lacked distinctive character pursuant to Art 7(1)(b).</p> <p>The BoA had incorrectly assessed the distinctive character of the mark with reference to the patterns on the surface of the actual knitting needles and crochet hooks produced by M/S. Indeutsch International. The correct assessment concerned the actual mark as registered, regardless of how it was used in practice.</p> <p>Where a mark consisted of a 2-D or 3-D representation of a product in whole or in part, distinctive character was to be assessed by reference to the relevant standards and customs of the sector of the goods concerned and whether the mark identified the essential characteristics of the goods at issue. Neither scenario applied in this case.</p> <p>The patterns on the actual goods differed from the mark in non-negligible ways, including the fact that the pattern on the goods were coloured and distributed at irregular intervals. This amounted to a significant alteration of the characteristics of the mark as registered and could not be relied on in the assessment of distinctive character.</p>
<p>GC T-632/15 <i>Tillotts Pharma AG v EUIPO Yoshida Metal Industry Co; Ferring BV</i> (21.06.2017) Reg 207/2009</p>	<p>OCTASA - preparations and substances for preventing and treating diseases of and disorders of the gastro-intestinal tract (5)</p> <p>PENTASA - pharmaceutical preparations and medicinal products (5) (Benelux and German national marks)</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 marks shared a certain visual and phonetic similarity, though it was below average. The marks shared the same lexical construction, namely a Greek number followed by the suffix '-ASA'. Further, the marks comprised a similar number of letters, each had three syllables, differing only in the first syllable.</p>

		<p>There was weak conceptual similarity for the part of the relevant public who understood 'OCT' and 'PENT' as being Greek numbers.</p> <p>These similarities, in conjunction with fact that the marks were also used in relation to identical products, was held to create a likelihood of confusion as to the origin of the relevant products on the part of the relevant public.</p> <p>The GC dismissed the appeal from the BoA's decision that the earlier mark had acquired enhanced distinctiveness as a result of intensive and long term use. The identity of the goods and similarity of the marks justified the decision regarding a likelihood of confusion, even if the mark protected by the earlier national registrations had only a normal level of distinctiveness.</p>
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GC holds word mark VENMO invalid on ground of bad faith

PayPal, Inc., v EUIPO; Hub Culture Ltd (GC; Eighth Chamber; T-132/16; 05.05.2017)

The GC annulled the decision of the BoA, holding that registration of the word mark VENMO was invalid on the ground of bad faith pursuant to Article 52(1)(b).

Hub Culture Ltd had established a virtual digital social currency called 'VEN' and owned a US word mark for VEN for financial services in Class 36. Subsequently, a company called Venmo Inc. (later owned by PayPal, Inc.) was established in the US, providing online payment services under the unregistered mark VENMO. Communications took place between the two companies concerning the use by Venmo of the VENMO mark. Hub Culture then sought and obtained an EUTM for VENMO for various goods and services in Classes 9 and 36. Venmo Inc's parent company applied to invalidate the mark under Article 52(1)(b). The cancellation division declared the mark invalid. The BoA annulled that decision, holding that no act in bad faith had taken place.

In reaching its decision, the GC agreed with the BoA that the fact that Hub Culture knew about use of an identical sign by Venmo was not sufficient in itself to permit the conclusion that Hub Culture was acting in bad faith. The GC held that the BoA was also right to examine other relevant factors. However, the further analysis carried out by the BoA was not based on all of the relevant factors, in accordance with the case-law, and was vitiated by several errors.

Firstly, the BoA incorrectly concluded that the registration of the mark could be seen as following a logical commercial trajectory, despite finding that Hub Culture was clearly aware, at the time of filing the registration, that Venmo was using an identical sign to the mark at issue and that Hub Culture had not used that sign before the filing of the application. That conclusion was based, inter alia, on Hub Culture's registrations for VEN, its use of VEN MONEY and the domain name 'venmoney.net'. However, the GC held that, save for the registration of the domain name, genuine use of VEN MONEY, in itself or as an integral part of that domain name, had not been established. Even if such use had been established and

Hub Culture had succeeded in arguing that VENMO would be perceived by the relevant public as an abbreviation of VEN MONEY, that fact was not sufficient in itself for the BoA to find that there was a plausible commercial logic underlying the registration of the mark. If the Intervener intended to protect its VEN trade mark, it would have been sufficient to apply to register VEN MONEY, which it also claimed to use.

Secondly, the BoA had accepted that the evidence did not establish Hub Culture's intention to use the VENMO mark genuinely, but nevertheless stressed that applicants were not obliged to use a trade mark immediately following registration as they enjoyed a five-year grace period. The GC found that, whilst the five-year grace period had not yet expired on the date of adoption of the BoA's decision, the intention to prevent a third party from marketing a product may, in certain circumstances, be an element of bad faith on the part of the applicant, when it subsequently became apparent that the applicant applied for registration of an EUTM without intending to use it.

Thirdly, the BoA had incorrectly relied on the fact that the sign VENMO, used by Venmo, was an unregistered sign and did not enjoy a particular reputation. Although mere use of an unregistered mark did not preclude a third party from applying to register an identical or similar mark in respect of identical or similar services, the proprietor of the unregistered trade mark would not be prevented from alleging the application had been made in bad faith. In so far as it was undisputed that Hub Culture knew about Venmo's use of the prior unregistered mark, the assessment of its reputation was irrelevant for the purpose of determining whether Hub Culture knew or should have known that there was a potential likelihood of confusion.

Finally, although Venmo had explicitly stated in correspondence to Hub Culture that it was not seeking to have global operations outside of the US, the GC held that it was apparent from the terms of that correspondence that Venmo had not entirely excluded the intention to 'have global operations' in the near or more distant future.

Meaning of "Establishment" under Article 97(1)

Hummel Holding A/S v Nike Inc. and Nike Retail BV (CJ; Second Chamber; C-617/15; 18.05.2017)

Following a request for a preliminary ruling from the Oberlandesgericht Dusseldorf (Higher Regional Court, Dusseldorf, Germany), the CJ has ruled that a legally distinct second-tier subsidiary (with its seat in an EU Member State) was an establishment of a parent company with no seat within the EU, within the meaning of Article 97(1) if that subsidiary:

- is a centre of operations in that Member State;
- has a certain real and stable presence from which commercial activity is pursued; and
- has the appearance of permanency to the outside world, such as an extension of the parent company.

Hummel Holdings ('Hummel') (a Danish company) manufactured sports goods and clothing. Nike Inc., ('Nike') (an American company) was the ultimate holding company of the Nike Group. Nike Retail (a Dutch company) operated the website on which Nike goods were offered for sale and advertised for sale in Germany. Nike Deutschland GmbH ('Nike Germany') was a subsidiary of Nike Retail that negotiated contracts with intermediaries and supported Nike Retail in connection with advertising and the performance of contracts. Nike Germany provided aftersales services for end consumers in Germany but did not have its own website nor did it sell any goods to end consumers or intermediaries.

Hummel claimed that certain Nike products sold in Germany, in particular basketball shorts, infringed its EUTM registration for the figurative mark, registered in respect of clothing, footwear and headgear in Class 25.



Hummel brought an action for trade mark infringement against Nike and Nike Retail in the Dusseldorf Regional Court, which ruled that it had jurisdiction to hear the claim on the basis that Nike Germany was an 'establishment' of Nike within the meaning of Article 97(1). The claim of trade mark infringement was dismissed on the merits and Hummel appealed to the Higher Regional Court in Dusseldorf. Nike and Nike Retail objected to the appeal on the basis that the German courts lacked international jurisdiction to hear the claim as Nike Germany was not an 'establishment' of Nike within the meaning of Art 97(1).

In the circumstances, the Higher Regional Court in Dusseldorf stayed the proceedings and referred the following question to the CJ: "*Under which circumstances is a legally distinct second-tier subsidiary, with its seat in an EU Member State, of an undertaking that itself has no seat in the European Union to be considered as an "establishment" of that undertaking within the meaning of Article 97(1)*".

In response to this question, the CJ found that there must be visible signs to enable the existence of an 'establishment' to be easily recognised and that the existence of the establishment requires a certain real and stable presence, from which commercial activity is pursued, as manifested by the presence of personnel and material equipment. In addition, that establishment must have the appearance of permanency to the outside world, such as the extension of a parent company. However, whether the 'establishment' was a first- or a second-tier subsidiary of the parent company and whether the establishment had distinct legal personality were not deemed to be relevant issues.

Extent of protection of PDO considered in invalidity proceedings

EUIPO v Instituto dos Vinhos do Douro e do Porto, IP ("IVDP") **(AG Sánchez-Bordona for the CJ; C-56/16 P; 18.05.17)**

AG Sánchez-Bordona has opined on the extent of protection afforded by the PDOs for PORT and PORTO. In a cross appeal within invalidity proceedings, the AG recommended that both the decision of the GC and that of the Cancellation Division be annulled.

IVDP had applied to invalidate the registered mark PORT CHARLOTTE, registered in respect of whisky, on the basis of its prior registration for a protected designation of origin for PORT/PORTO for port wine under Regulation 1234/2007. The invalidity action relied on two grounds, namely:

- (i) 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)

- (ii) infringement of Article 53(2)(d) and Article 52(1)(a) on the basis that the mark lacked distinctive character pursuant to Article 7(1)(c).

The EUIPO had dismissed the application for a declaration of invalidity and the GC's decision annulled the decision of the EUIPO (T-659/14; 18.11.15, not reported in *CIPA Journal*). Both parties appealed.

The main focus of the appeal was whether the body of legal rules applicable to the protection of a PDO for wines was, exclusively or comprehensively, that laid down in Regulation 1234/2007. IVDP submitted that Portuguese law should be applied as it considered that Portuguese law offered a higher level of protection than EU law.

Citing the decision in *Budějovický Budvar v Rudolf Ammersin GmbH* (C-478/07), the AG observed that PDOs were afforded comprehensive protection by EU legislation, which aimed to create a uniform and exhaustive system of protection across all Member States. The GC had erred in accepting that additional protection could be afforded under national law. Although the circumstances of *Budějovický Budvar* related to beer, the parallel legislation relating to wines under Regulation 1234/2007 was designed to achieve the same purpose.

The AG observed that where a Member State had no national legislation relating to PDOs, EU law would permit that Member State to grant protection at a national level on a transitional basis but such protection would cease on the date that the Commission issues a decision in relation to the registration of that PDO.

The GC had also failed to correctly assess the extent of protection afforded by PDOs for wines as a criterion for determining whether or not their reputation had been exploited by marks which appropriated their characteristic term. As such, it had failed to properly determine whether the reputation of IDVP's PDO for PORT/PORTO had been exploited by the registration of the PORT CHARLOTTE mark. PORT CHARLOTTE clearly included the PDO for PORT. The GC had therefore erred in finding that the first condition of Article 118(2)(a)(ii) of Regulation 1234/2007 had not been satisfied.

The AG disagreed with the GC that the PDO PORT lacked its own distinctive character. The GC's reasoning was that the word PORT, when included alongside another word, would be perceived by the public as denoting a mere geographical place (a port) identified by that second element. The AG concluded that the fact that the word PORT meant harbour in English and French could not justify leaving the PDO without protection. When the EU authorities approved its registration as a PDO this entitled it to the same protection as other PDOs. The AG stated that the Regulation prevented the term PORT or PORTO from being used on its own, or with other words, in trade marks applied to alcoholic beverages that were likely to derive unfair advantage from the reputation of the PDO as a result.

Finally, the AG considered that the GC had erred in failing to recognise that the mark PORT CHARLOTTE evoked the PDO PORT or PORTO. The AG considered that the GC erred in its definition of evocation in that it found no evocation because it considered there was no likelihood of confusion between whisky and port wine. Even in the absence of a likelihood of confusion, PORT CHARLOTTE may evoke the wines protected by the PDO in the mind of the reasonably well-informed European consumer and due account should have been given to this fact by the GC.

The AG therefore recommended that both the decision of the GC and that of the EUIPO be annulled.

BMW successful on appeal against repair and maintenance business

Bayerische Motoren Werke Aktiengesellschaft ('BMW') v Technosport London Ltd & Anr ('TLL')* (Floyd & Patten LJJ; [2017] EWCA Civ 779; 21.06.17)

The CA (Floyd LJ giving the lead judgment) allowed BMW's appeal from Judge Hacon's decision in the IPEC in which he held that TLL's use of 'BMW' in conjunction with its trading name 'Technosport' did not infringe the mark 'BMW' nor constitute passing off (reported in *CIPA Journal*, May 2016).

TLL was a company dealing in the repair and maintenance of cars, mostly BMWs. In the course of its business it used signs identical to BMW's following trade marks: (i) an EUTM for 'BMW' (the 'BMW Mark'); (ii) an EUTM for a roundel device mark as shown below, and (iii) an international registration for the 'M' logo as shown below:



the 'Roundel'



the 'M Logo'

Each of the trade marks was registered in respect of, among other things, the maintenance and repair of cars, motors, engines and parts of these goods in Class 37. TLL had displayed the Roundel on a fascia board on the exterior of its premises, in the interior (on a banner displayed in the reception area), on a van used to conduct its business, and on business cards distributed to customers. The M Logo was displayed on TLL's website. The BMW Mark was used on a shirt worn by the company director while he carried out the company's business (either alongside or beneath the word TECHNOSPORT), and in the company's Twitter handle '@TechnosportBMW'. It also appeared on the rear of TLL's van, as shown below:



Judge Hacon found that TLL had infringed the Roundel and 'M' Logo marks and was liable for passing off in respect of its use of those signs, because such use would lead the average consumer to believe that TLL was an authorised BMW dealer. There was no appeal from the Judge's conclusions on those issues. However, BMW appealed the Judge's decision that its BMW Mark was not infringed under either Article 9(1)(b) or 9(1)(c) of the Regulation (as it

read at the relevant time) and that its use by TLL did not constitute passing off. (It was accepted that the passing off action stood or fell with the trade mark infringement action.)

Floyd LJ said that one could not start from the proposition that any use of the BMW Mark in the course of a business specialising in the repair of BMWs would be an infringement – use of the mark was necessary and legitimate in order to explain to the public what the business did. Equally, one could not start from the proposition that use of BMW in relation to a motor car repairing service could never be an infringement, as that was what the mark was registered for. Floyd LJ said that the distinction was between uses which conveyed the true message "*my business provides a service which repairs BMWs and/or uses genuine BMW spare parts*" (informative use) and those which conveyed the false message "*my repairing service is commercially connected with BMW*" (misleading use).

Floyd LJ took the view that Judge Hacon had made an error of principle when deciding whether the use of the Technoport BMW signs was informative use or misleading use. He had taken the view that BMW ought to have adduced more evidence (including evidence from actual consumers) to establish that the juxtapositioning of BMW with a dealer's name would convey the impression that the dealer was authorised. Floyd J disagreed, finding that BMW did not need to prove that all authorised dealers used the trading style "Dealer BMW", nor did they need to prove that whenever the average consumer sees the dealer's name juxtaposed in any context with the BMW Mark they assume that it refers to an authorised dealer. The issue was whether that impression was conveyed by the sign "Technoport BMW", or that there was a risk that it would be. Further, *Interflora I* ([2012] EWCA Civ 1501) had established that evidence of individual consumers would generally not assist the Court where what was in issue was an ordinary consumer product. In addition, it was well-established that evidence of actual confusion was never a pre-requisite of success in an infringement or passing off action. Floyd LJ commented that by focussing on the absence of evidence of particular kinds, Judge Hacon had lost sight of the need to consider each of the uses in the context in which they occurred. Had he done so, he would inevitably have reached the conclusion that the use of the "Technoport BMW" signs was more than informative and carried the risk that it would be understood as misleading use.

Considering the use of 'Technoport-BMW' on the van without the roundel, Floyd LJ found it was infringing because: (i) there was nothing to indicate that the sign was being used informatively, such as "BMW repair specialist"; (ii) it was unrealistic to suggest that use of 'technoport' without BMW in TLL's web address would enable the average consumer to understand that the headline 'TechnoportBMW' was being used in an informative sense; (iii) the name of a business as the provider of the relevant services was more readily taken to be use in relation to the services offered than it might be in the case of goods; (iv) the presence of a risk of the kind in question did not depend on it being the universal practice of authorised distributors to use that trading style – the risk existed because the use of a trade mark within a trading style in this way and without further explanation naturally carried with it the risk that it would convey the impression of a connection between TLL and BMW which went beyond the fact that BMW cars and spare parts were used in the business. In respect of the shirts and Twitter handle, again Floyd LJ concluded that there was no immediate context to indicate that use of the BMW mark was merely informative.

Having concluded that BMW were right on Article 9(1)(b), Floyd LJ did not go on to consider its case under Article 9(1)(c), commenting that it raised some difficult questions as to whether a use which had been found to be purely informative could nevertheless take unfair advantage of a well-known mark. He preferred to leave consideration of that issue to a case in which it arose more directly.

Expert evidence

***Glaxo Wellcome UK Ltd & Ots v Sandoz Ltd & Ots** (Chief Master Marsh; [2017] EWHC 1524 (Ch); 28.06.17)**

Chief Master Marsh refused to grant Sandoz permission to adduce expert evidence because its application was not sufficiently particularised.

Glaxo brought a claim for trade mark infringement and passing off against Sandoz relating to Sandoz's AirFluSal inhaler. Sandoz sought permission to adduce evidence from one or more experts in three areas: (i) the medical conditions treatable by the use of the relevant inhalers; (ii) the practice of healthcare professionals, including GPs, in prescribing inhalers; and (iii) the practice of healthcare professionals, including GPs, in dispensing prescriptions relating to inhalers.

The Master noted that the Court was being asked to give permission in advance without knowing the identity of the proposed expert witnesses, their qualifications, their relevant professional experience and the evidence they were able to give. Importantly, the Court did not know what elements of their evidence, if any, could properly be characterised as expert evidence as opposed to evidence of fact for which permission was not needed.

The Master observed that the parties had been unable to come near to agreeing a list of issues prior to the CMC, and said that it was essential in a case of any complexity for the Court to be able to relate the proposed expert evidence to specific issues. While it was common ground between the parties that the Court would need evidence within the three areas proposed by Sandoz, the Master considered that there was a distinction between the first area of proposed expert evidence and the other two such areas. The first area was not a matter of opinion nor was it didactic evidence that need be contentious nor require explanation from an expert. The Master said that parties should engage with each other and establish whether there were "*genuine fault lines between them*", concluding that any differences in the present case were unlikely to be such as to require expert evidence. He added that he saw no basis for this first area of expert evidence to be required from both a respiratory specialist and a GP.

In relation to the second and third areas of proposed expert evidence, the Master's main objection was that the Court was unable to characterise with any degree of accuracy the type of evidence that Sandoz wished to introduce based on the limited description provided. He said that, had the application been supported with evidence about the likely individual experts, their experience, and the sort of evidence they might give, it might then have been possible for the Court to identify evidence that might properly be characterised as expert evidence, as required under CPR Part 35. In the circumstances, it was not. Referring to *Fenty v Arcadia*, he said that it was "*one thing for a witness to give evidence about his or her experience in a particular area from which the Court itself is able to extrapolate and quite another for a witness to give evidence which is founded in a body of expertise rather than the witness' own experience*".

Concluding that it would be wrong to grant the sort of open-ended permission sought when it appeared the relevant evidence could be made available from non-expert witnesses, the Master refused Sandoz's application.

Use of another's Amazon listing found to infringe and pass off

***Jadebay Ltd & Anr v Clarke-Coles Ltd T/A Feel Good UK** (Judge Melissa Clarke; [2017] EWHC 1400 (IPEC); 13.06.17)**

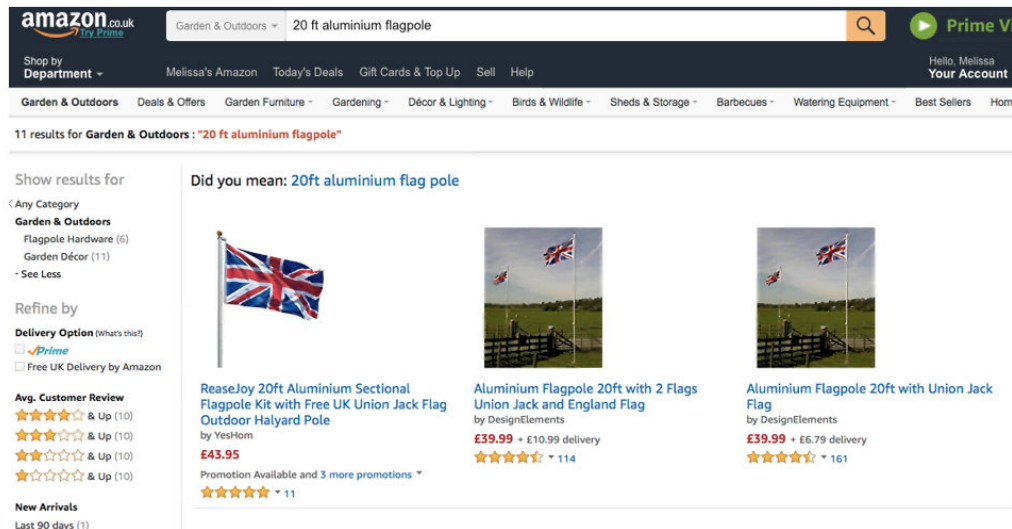
Judge Melissa Clarke held that Feel Good had infringed Jadebay's trade mark under Section 10(2) by using Jadebay's licensee's Amazon listings for flagpole products to sell its own. The

Judge also held that Feel Good's actions amounted to passing off. However, Jadebay's claim for infringement under Section 10(3) failed.

Jadebay owned the following UK trade mark which was registered in Class 20 for "*flagpoles plastic storage box garden furniture*":

The logo for Design Elements, featuring the words "Design Elements" in a stylized, cursive font. A blue bird-like graphic is positioned above the letter 'i' in "Design".

Prior to registration, Jadebay had used the words DESIGN ELEMENTS as an unregistered trade mark. It sold aluminium flagpoles on Ebay.co.uk and licensed the second claimant ("Noa and Nani") to sell aluminium flagpoles on Amazon.co.uk. Noa and Nani's listings on Amazon appear in the centre and on the right in the screenshot below and include the words "by Design Elements":



It was not disputed that an Amazon listing, although set up by one seller, could be used by multiple sellers to sell the same product. When there were multiple sellers on a listing, Amazon would select one as the default seller and would promote it in the listing and by way of a 'Buy Box'. The Buy Box seller was usually the one that charged the lowest total price for the product plus delivery charges. Feel Good used Noa and Nani's Amazon listings to offer for sale flagpoles which, though different in design, were also 20ft tall aluminium flagpoles of a comparable quality. Feel Good undercut Noa and Nani's prices, winning the 'Buy Box' and becoming the default seller, therefore capturing the majority of sales from the relevant listings during the period it sold from them.

The Judge was satisfied that Feel Good's actions amounted to use in the course of trade of the sign 'Design Elements', which was aurally, conceptually and visually similar to Jadebay's mark, in relation to goods identical to those for which the mark was registered. She concluded that there was a likelihood of confusion on the part of the average consumer due to the high degree of similarity between mark and sign, the identity of the goods, the distinctiveness of the mark to repeat customers, the careful consideration the average consumer would have given to the information on the listings before making a purchase, the real possibility of there being unreported actual confusion, and the likelihood that the average consumer would consider that Feel Good's products emanated from the stated manufacturer, Design Elements, or was economically linked to that source. The claim under Section 10(2) therefore succeeded, as did the passing off claim given that the relevant listings stated that the flagpoles consumers were considering purchasing were 'by Design Elements'.

However, as the Judge could not be satisfied that Jadebay's mark had a reputation amongst a significant part of the relevant public, the claim under Section 10(3) failed. Feel Good was ordered to pay £25,350 in damages which, in the absence of detailed analysis from Jadebay and Noa and Nani, was the result of a broad brush approach taken by the Judge, attributing a loss of profits of £14.45 per unit (based on a sale price to consumers of £39.99 plus £4.99 shipping less specified deductions) x 1755 units sold by Feel Good using the relevant listings.

Geographical indications

***Mermeren Kombinat AD v Fox Marble Holdings Plc** (Judge Hacon; [2017] EWHC 1408 (IPEC); 14.06.17)**

Mermeren was a Macedonian company which had been extracting marble from near Prilep, Macedonia, since 1950 and selling it as "Sivec" or "Sivec Bianco", Sivec being a mountain pass in the Prilep region. Marble had been quarried from the region since the time of the Roman empire and was famed for its white colour and homogenous appearance. Mermeren owned an EUTM for the word SIVEC registered in August 2013 in respect of "marble of all types". It brought a claim against UK company Fox for infringement of its EUTM by selling marble extracted from the Prilep region under the sign 'Sivec'. Fox pleaded a defence under Article 12, namely that the mark indicated the geographical origin of the marble. It also claimed that the mark was invalidly registered and/or should be revoked under Articles 7(1)(b), (c) and (d) and Articles 51(1)(b). Due to concessions made by Fox, the Judge limited his analysis to Articles 7(1)(c), 7(3) and 52(2).

The Judge said that whether 'Sivec' designated a geographical origin of marble at the two relevant dates (the date of filing and the date of the counterclaim) was to be assessed through the eyes of the average consumer who was a specialist dealer in marble or a person who advised their customers on the choice of materials to be used in a building, and who came from within the EU.

Inherent character of the mark under Article 7(1)(c)

The Judge said that Fox was wrong to take into account use of the mark, which was not relevant to the analysis under Article 7(1)(c). Although Sivec was a real place, it was a very obscure place that the average consumer would not have heard of. It could not, therefore, inherently designate a geographical origin in the mind of the average consumer. Fox's argument under this head was therefore rejected.

Acquired distinctive character under Article 7(3)

The Judge was of the view that use of a real place name in association with a type of marble could generate the perception that the name designated a geographical origin even if the average consumer had never heard of that location. It was the perception of the average consumer, not the reality, which mattered. The Judge found it likely that, at least up to 2011, the average consumer in the EU did not regard the use of 'Sivec' by Mermeren as trade mark use and it could not have acquired distinctive character. (It had been used only on invoices and without an ® sign.) However, the Judge found that between 2011 and the date of filing (during which time Mermeren had focussed on advertising and promotion of the mark) a significant proportion of relevant persons (i.e. markedly above *de minimis*) had come to believe that Sivec was a trade mark owned by Mermeren, signifying that marble marked with that name came from a single undertaking. Therefore, the mark had acquired distinctive character within the meaning of Article 7(3).

Accordingly, the mark was found to have been validly registered as it was not contrary to any of the prohibitions to registration contained in Articles 7(1)(b) to (d). Alternatively, the mark did designate a geographical origin by 2010 but this had been reversed through use in the period between 2011 and the filing date. By the date of filing, the mark was distinctive and

remained so up to the date of the counterclaim, which was the relevant date for the application of Article 52(2). Mermeren's mark remained validly registered and there were no grounds for its revocation.

Scottish Court of Session hears first appeal from decision of UKIPO hearing officer

CCHG Ltd T/A Vaporized v Vapouriz Ltd (Lady Wolffe; [2017] CSOH 100; 12.07.17)

For the first time, the Scottish Court of Session heard an appeal from a decision from the UKIPO's hearing officer.

CCHG appealed from a decision of the hearing officer following the invalidation under Section 5(2)(b) of its registered UK mark for a device which incorporated the stylised words "VAPORIZED INHALE THE FREEDOM". Vapouriz's earlier mark is shown on the left below and CCHG's mark is shown on the right:



Lady Woolfe noted that, while in England and Wales an appeal to the Court was a "review" of the hearing officer's decision, under the Court of Session rules, an appeal "shall be a rehearing". However, she was of the view that "*...nothing turns on the differences in formulation in the respective procedural rules of the two jurisdictions. Given that the TMA 1994 is of UK-wide application, it is desirable that the exercise of the appellate function by this court, if not its procedural rules, accords with that in England*".

Lady Woolfe went on to find that there was no detectable error in principle on the part of the hearing officer, nor that he was plainly wrong in the conclusion he reached.

DESIGNS

High Court lays down case management principles for registered design cases

Spin Master Ltd v PMS International Group* (Carr J; [2017] EWHC 1477 (Pat); 09.05.17)

At the CMC, Carr J applied previous CA guidance regarding case management in registered design claims and set down a series of steps to be followed in such cases.

Spin Master brought a claim for infringement of a Registered Community Design and PMS counterclaimed for unjustified threats of infringement of three different species of IP right. Referring to the CA's guidance in *Proctor & Gamble Co v Reckitt Benckiser (UK) Ltd* [2007] EWCA Civ 936 which was expanded in *Dyson v Vax* [2011] EWCA Civ 1206, Carr J said that admissible evidence should be limited and hearings short. He was concerned that the CA's

guidance had not been fully taken on board in this case. The Judge reduced the time for trial to three days (including reading time), refused to grant orders for further information and disclosure, refused Spin Master permission to amend its Particulars of Claim to include a claim for bonus damages (at the CMC stage at least), and limited the areas in which expert evidence could be adduced and the length of such evidence.

Carr J went on to lay down the following steps to be considered in future registered design cases in order to achieve shorter trials: (i) parties should, in appropriate cases, produce images at an early stage to show the differences or similarities relied upon and, in the case of the defendant, those features which were wholly functional or in which design freedom was said to be limited (requests for further information were unlikely to be helpful); (ii) allegations and evidence of copying were not relevant to the issue of design freedom and were appropriate only in claims for infringement of unregistered design right and/or copyright, and parties should carefully consider whether and why any disclosure at all (even standard or issue based disclosure) was necessary; (iii) expert evidence as to whether the alleged infringement produces on the informed user the same or a different overall impression should not be included in cases concerning consumer products; (iv) parties should try to limit the length of expert evidence to an agreed number of pages; (v) the court should be satisfied as to the relevance of any fact evidence; (vi) parties should be prepared at the pre-trial review to identify issues on which cross-examination was necessary and why; (vii) where multiple designs/infringements were alleged, parties should each select a limited number of samples on which the issues could be tested; (viii) the parties should give careful thought to those issues which could be postponed to a damages enquiry, which would only need to be considered if liability was established.

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IPEC refuses to transfer case to the general Chancery Division

***Phonographic Performance Ltd v JJPB Ltd & Anr** (Birss J; [2017] EWHC 1370 (Ch); 15.06.17)**

Birss J granted injunctions on applications for judgment in default in favour of PPL.

PPL is a collecting society which operates for the benefit of its members and enforces its members' copyrights. PPL brought two actions against traders who had been playing music in public without the relevant licence. Neither filed an Acknowledgement of Service or Defence and a default judgment would ordinarily follow. However, the question arose as to whether an injunction should also be granted given that the defendants had paid all outstanding licence fees relating to the infringements on which the claim was brought, but were continuing to carry out new infringements.

Since in both cases the defendants were continuing to infringe, the Judge thought it right and appropriate for the court to grant an injunction, taking into account the law on the *quia timet* nature of injunctions in *Merck Sharp Dohme Corp v Teva* [2013] EWHC 1958 (Pat) and *Landor v Azure* [2006] EWCA Civ 1285. He concluded that the alternative would be to require PPL to issue fresh proceedings and make the same claim for an injunction in those proceedings that they now made on the present application. In the Judge's view this would elevate form over substance and would simply add to PPL's costs and, in turn, to those of the defendants. Therefore, the injunctions were granted.

IPEC refuses to transfer case to the general Chancery Division

***77M Ltd v Ordnance Survey Ltd ('OS')** (Judge Hacon; [2017] EWHC 1501 (IPEC); 15.06.17)**

Judge Hacon dismissed OS's application to transfer 77M's case to the general Chancery Division.

Reciting the relevant law, including *ALK-Abello Ltd v Meridian Medical Technologies* [2010] EWPC 14, *Comic Enterprises Ltd v Twentieth Century Fox Film Corporation* [2012] EWPC 13 and *Environmental Recycling Technologies v Stillwell* [2012] EWHC 2097 Pat, the Judge considered the following:

Size of the parties

77M was an SME and OS was a government-owned body with substantial licensing revenues. Judge Hacon rejected 77M's argument that a private party's access to justice should not be stifled by a state litigant. He said that there was no relevant distinction between a private litigant and a government body, and accepted OS's argument that the nature of the parties was of itself neutral.

Parties' ability to fund proceedings

Judge Hacon did not take the view that it was incumbent upon an SME to prove exhaustively that it could not access loans from elsewhere to fund litigation in order to have good reason to benefit from the costs cap in IPEC. An SME with limited financial resources was precisely the kind of litigant that was, subject to other considerations, entitled to the benefit of the costs cap. Further, the fact that lower costs were incurred in IPEC was equally relevant in the case of a publicly funded litigant such as OS.

Behaviour of 77M

The Judge was not convinced that this was a case in which the behaviour of 77M had been so inappropriate to the conduct of litigation in IPEC that it counted as a major factor in favour of transfer to the general Chancery Division. Although its pleading had been somewhat over developed, it had not pleaded either worthless causes of action or defences to counterclaim and had, in fact, made some significant concessions in the reply and defence to counterclaim.

Value of the claim

On OS's claim to damages under its counterclaim, 77M offered to waive the £500,000 limit so OS's argument in this respect became a neutral point. As to the value of an injunction, the Judge was not convinced by OS that this would be extraordinarily high and, in any event, it was not unheard of for IPEC to hear cases which involved injunctions with a significantly high value.

Complexity of the issues

The Judge was not convinced that the issues were so complex that the trial could not be heard within 3 days. However, he left it open for the judge hearing the CMC to revisit the question of a transfer at that stage, and impressed upon 77M that it ought to take all possible steps to streamline the case when approaching the CMC.


Taking the above into account, Judge Hacon was of the view that a transfer to the general Chancery Division would raise a serious likelihood of having the practical effect of blocking 77M's access to justice, which had been described in *Comic Enterprises* as capable of being a decisive factor. In *Environmental Cycling* it had been described as an enormously important factor capable of overwhelming other matters, and Judge Hacon agreed.


Katharine Stephens, Emma Green and Hilary Atherton



Reporters' note: We are grateful to our colleagues at Bird & Bird LLP for their assistance with the preparation of this report: Paul Sweeden, Toby Sears, George Khouri, Archie Ahern, Sara Nielsen, Mark Livsey and Sam Triggs.


TRADE MARKS

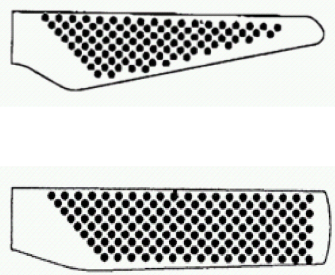
Decisions of the GC and CJ


Ref no.	Application (and where applicable, earlier mark)	Comment
<p>GC T-681/15 <i>Environmental Manufacturing LLP v EUIPO; Société Elmar Wolf</i> (03.05.17) Reg 207/2009</p>	<div style="text-align: center;">  </div> <p>- machines for professional and industrial processing of wood and green waste; professional and industrial wood chippers and shredders (7)</p> <div style="text-align: center;">  </div> <p>- motor-driven lawnmowers; land cultivation implements; agricultural implements; instruments and accessories for the lawn, the garden, horticulture and land cultivation (7)</p> <p>(International registrations designating Spain and Portugal)</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 figurative element in the earlier marks was dominant and the marks were held to be inherently distinctive. They had also acquired enhanced distinctive character through use.</p> <p>The GC endorsed the BoA's decision that a phonetic comparison of the marks was not possible, as the mark applied for did not correspond to a specific word and may refer to a wolf, dog or other canine. Where a purely figurative mark represented a specific, concrete word, it was possible that the relevant public would use that word to refer to the mark. However, the various interpretations of the mark applied for prevented an assessment on this basis. The marks were visually similar to an average degree.</p> <p>Both marks included a figurative element of a canine with a menacing expression and were therefore conceptually similar to an average degree. Where consumers possessed a sufficient level of English, the conceptual similarity would be heightened as a result of the word element 'WOLF' and the figurative element of the mark applied for.</p> <p>Reporter's note: readers will recognise these marks as the CJEU previously upheld the applicant's appeal, setting aside the decision of the GC which upheld the decision of the BoA finding that the mark applied for might dilute the opponent's mark under Art 8(5) (C-383/12 P, <i>The CIPA Journal</i>, December 2013).</p>


<p>GC</p> <p>T-36/16</p> <p><i>Enercon GmbH v EUIPO; Gamesa Eólica, SL</i></p> <p>(03.05.17)</p> <p>Reg 207/2009</p>	 <p>- wind energy converters, and parts thereof (7)</p>	<p>In invalidity proceedings, the GC upheld the BoA's decision that the mark was devoid of distinctive character under Arts 7(1)(b) and 52(1)(a).</p> <p>The BoA was correct to assess the mark as a colour mark, as clearly stated in the application. The scope of protection therefore only extended to the specific combination of colours at the bottom of the shape, but not the shape itself. The assessment of distinctive character was to be carried out by reference to the mark as filed, and not with reference to the category in which the relevant public may perceive the mark.</p> <p>The five shades of green and white were typically applied to wind energy converters and parts thereof and therefore exclusively conveyed a decorative element of those goods. The mark was not capable of indicating commercial origin. The fact that green was a natural colour which was commonly associated with ecological or environmentally friendly goods reinforced this conclusion. The presence of the colour white did not alter this assessment, given its neutral character.</p> <p>The GC held that in light of the high capital value of the goods, the relevant public (namely specialist business consumers who intended to resell or produce wind energy products) would not identify or purchase the goods by reference to decoration or external presentation, but would instead be guided by precise and accurate information regarding the origin of those goods.</p> <p>Reporter's note: readers will recognise this mark. In T-24/12 (<i>The CIPA Journal</i>, December 2013), the GC annulled the BoA's decision on the basis that it had wrongly considered it as a 2D figurative mark, not a colour mark.</p>
<p>CJ</p> <p>C-417/16 P</p> <p><i>August Storck KG v EUIPO</i></p>		<p>The CJ upheld the GC's decision that the mark was devoid of distinctive character pursuant to Art 7(1)(b).</p> <p>In its decision (T-806/14, <i>The CIPA Journal</i>, June 2016), the GC had not</p>

<p>(04.05.17) Reg 207/2009</p>	 <p>- confectionery, chocolate, chocolate products, pastries, ice-creams and preparations for making the aforementioned products (30)</p>	<p>erred in finding that the relevant public had a low level of attention and the mark consisted only of a combination of presentational features typical of packaging of the goods concerned.</p> <p>Relevant consumers were not accustomed to viewing this kind of mark as an indication of trade origin.</p> <p>The image affixed to the mark, in combination with the grey edges of the packaging, would be perceived by the relevant consumer as decorative, rather than an indication of origin. As such, the GC had not erred in assessing the distinctive character of the mark by reference to the criteria for three dimensional marks and was correct to find that these graphic elements were insufficient to confer distinctive character on the mark.</p>
<p>GC T-262/16 <i>Globo Media, SA v EUIPO; Globo Comunicação e Participações S/A</i> (05.05.17) Reg 207/2009</p>	<p>GLOBO MEDIA</p> <p>- advertisement services; publicity agencies; radio and television advertising; rental of advertising space; rental of advertising material; dissemination of advertisements (35)</p> <p>- broadcasting of radio and television programmes; radio broadcasting services; cable television broadcasting; satellite transmission; press information services; news agencies; telecommunications services (38)</p> <p>- production of radio and television programmes; (41)</p>  <p>- television production, television programmes, information programmes and info shows; entertainment; entertainment shows for</p>	<p>The GC upheld the BoA's decision which refused the registration in relation to certain of the services in Class 35 and all of the services in Classes 38 and 41, on the basis of a likelihood of confusion with the earlier mark pursuant to Art 8(1)(b).</p> <p>The assessment of the relevant public as the Portuguese general and professional public was not disputed and it was agreed that the services at issue were at least similar.</p> <p>The word elements were the dominant elements of the earlier mark as consumers would not refer to the mark by reference to its figurative elements, which were merely decorative or commonplace. 'Portugal' and 'TV' were descriptive of the services at issue such that the BoA correctly identified 'globo' as the distinctive element of the earlier mark.</p> <p>The mark applied for reproduced the word 'globo' which produced a medium degree of phonetic similarity, taking into account the high level of attention of the relevant public, who were likely to refer to the mark applied for as 'Globo Media' and in the earlier mark 'Globo' ignoring the descriptive words 'TV' and 'Portugal'. The marks were visually similar to a low degree but</p>

	<p>television, including television series and programmes, particularly in the area of news, series, sports and variety shows (41)</p> <p>(Portuguese mark)</p>	<p>shared high conceptual similarity on account of the shared element 'globo', the meaning of which was reinforced by the figurative element of the earlier mark.</p>
<p>CJ</p> <p>C-437/15 P</p> <p><i>EUIPO v Deluxe Entertainments Services Group Inc.</i></p> <p>(07.05.17)</p> <p>Reg 207/2009</p>	 <p>- motion picture and television films featuring various genres; digital media of various types listed featuring various genres (9)</p> <p>- services relating to advertising and business of audio-visual media (35)</p> <p>- services relating to rejuvenation of various audio-visual media(37)</p> <p>- services relating to transport, packaging and storage of various audio-visual media (39)</p> <p>- services relating to duplication and replication of various audio-visual media (40)</p> <p>- services relating to post-production of various audio-visual media (41)</p> <p>- technology related services for various audio-visual medias (42)</p> <p>- services relating to the security of audio-visual media (45)</p>	<p>The CJ annulled the GC's decision on a finding that the BoA was correct in refusing registration of the mark on the basis that it lacked distinctive character, pursuant to Art 7(1)(b).</p> <p>The BoA had rejected the application in finding the 90 goods and services included in eight different classes had the common characteristic that they could be presented as having or providing "superior quality" thereby devoid of distinctive character under Article 7(1)(b).</p> <p>The GC overturned the decision of the BoA in finding that, in the assessment of distinctive character, the BoA failed to indicate that there was a sufficiently direct and specific link between the goods and services to group them all within the same homogenous category.</p> <p>The CJ however annulled the GC's decision on a finding it failed to take account of the specificity of the mark applied for, in particular, of its perception by the relevant public. The CJ held that the GC failed to have regard to the possibility that, despite their differences, all the goods and services at issue could have a common characteristic which could justify their placement within a single homogenous group.</p> <p>The CJ set aside the decision and referred the case back to the GC.</p>
<p>GC</p> <p>T-680/15</p> <p><i>Les Éclaires GmbH v EUIPO; L'éclaireur International</i></p> <p>(08.05.17)</p> <p>Reg 207/2009</p>	<p>L'ECLAIREUR</p> <p>- clothing, shoes, headgear (25)</p>	<p>The GC upheld the BoA's decision which refused to revoke the mark in its entirety, pursuant to Art 51(1)(a).</p> <p>The BoA partially annulled the decision of the Cancellation Division and held that proof of genuine use had been established in respect of clothing and shoes in Class 25.</p> <p>Although the evidence of use did not</p>

		<p>conclusively show that a significant volume of goods had been sold to consumers, the goods to which the mark was applied were high-end luxury fashion products. In this context, the use which had been demonstrated was sufficient to establish genuine commercial activity under the mark during the relevant period. The mark had been used publicly and outwardly as a result of the collaboration with fashion designers, fashion labels and professionals well known in the field of art and design, and such use was sufficient to enable the relevant consumers to create a link between the mark and the goods at issue.</p>
<p>CJ C-421/15 <i>Yoshida Metal Industry Co Ltd (Yoshida) v EUIPO; Pi-Design AG, Bodum France SAS, Bodum Logistics A/S</i> (11.05.17) Reg 207/2009</p>	<div style="text-align: center;">  </div> <p>- cutlery, scissors, knives, forks, spoons, whetstones, whetstone holders, knife steels, fish bone tweezers (8)</p> <p>- household or kitchen utensils and containers (not of precious metal or coated therewith), turners, spatulas for kitchen use, knife blocks for holding knives, tart scoops, pie scoops (21)</p>	<p>In invalidity proceedings, the CJ upheld the GC's decision that the registrations were invalid pursuant to Articles 52(1)(a) and 7(1)(e)(ii).</p> <p>The CJ held that the GC had not erred its conclusions regarding the essential characteristics of the marks (representations of knife handles), nor had it distorted any of the facts presented to it within that assessment. A fresh assessment of the relevant facts was outside the jurisdiction of the CJ.</p> <p>The CJ endorsed the GC's finding that Art 7(1)(e)(ii) applied where all the essential characteristics of a mark perform a technical function, even where that mark had ornamental or decorative elements which did not play an important role in the shape of the goods.</p> <p>The CJ noted that acquired distinctive character would not preclude the application of Art 7(1)(e)(ii) where the mark consisted exclusively of a shape that was necessary to obtain a technical result.</p> <p>Reporter's note: this is the second time the CJEU has considered these marks. In the first, the Court set aside the GC's decisions to invalidate the marks and had referred them back to the GC for reconsideration (joined cases C-337/12 and others, reported in <i>The CIPA Journal</i>, April 2004).</p>

<p>GC T-107/16 <i>Airhole Facemasks, Inc. v EUIPO; sindustrysurf, SL</i> (16.05.17) Reg 207/2009</p>	 <p>- thermal clothing (25) - games and playthings; gymnastic and sporting articles not included in other classes; decorations for Christmas trees (28)</p>	<p>The GC annulled the BoA's decision and held that the registration was invalid on the grounds of bad faith, pursuant to Art 52(1)(b).</p> <p>The BoA erred in finding that <i>sindustrysurf's</i> behaviour at the time of the application did not indicate that it had acted in bad faith. The GC took into account the evidence that the mark had been registered by <i>sindustrysurf</i> as a distributor, on instruction from its supplier, Airhole Facemasks, Inc. However, contrary to the agreement between the parties <i>sindustrysurf</i> registered the mark in its own name and not that of Airhole Facemasks, Inc, and therefore lacked the requisite consent to register the mark.</p> <p>The GC held that the 'commercial logic' underlying the application for the mark and the earlier chronology of events indicated that Airhole Facemasks, Inc. intended to extend the protection of its mark to the EU. Factual evidence regarding <i>sindustrysurf's</i> intention to usurp Airhole Facemasks, Inc's rights was also taken into account.</p> <p><i>Sindustrysurf</i> therefore had no lawful reason to register the mark on its own behalf and the application had, as a result, been filed in bad faith.</p>
<p>GC T-375/16 <i>Sabre GLBL Inc v EUIPO</i> (18.05.17) Reg 207/2009</p>	<p>INSTASITE</p> <p>- computer software, in particular for design, development, testing, installation, maintenance, updating, hosting and customisation of websites (9)</p> <p>- advertising services; search engine optimisation of websites for advertising and marketing purposes; business information services; business administration services; business consulting services; storage, organisation, administration, maintenance and searching of data in computer databases; information and consultancy regarding the aforementioned</p>	<p>The GC upheld the BoA's decision that the mark applied for was descriptive and devoid of distinctive character pursuant to Arts 7(1)(b) and (c).</p> <p>Both elements of the mark, 'INSTA' and 'SITE' had ordinary and obvious meanings defined within the English dictionary: 'INSTA' indicated 'instant' and, in the context of the goods and services at issue, 'SITE' would be understood as referring to 'website'.</p> <p>The fact that the neologism did not appear in the English Dictionary itself did not preclude a finding of descriptiveness where there was no unusual variation of syntax or meaning used to distinguish the combination of descriptive words.</p> <p>Given the complex nature of the goods and services at issue which were aimed</p>

	<p>services (35)</p> <p>- design, development, testing, installation, maintenance, updating, hosting and customisation of websites for third parties; website design and development for others; website design consultancy (42)</p>	<p>at the professional public, as well as the public at large, there would be a higher than average level of attention at the time of purchase, particularly as the idea of creating websites 'instantly' was identified as a well-established and widespread concept.</p> <p>The relevant consumer was likely to understand INSTASITE as an informative term or an advertising slogan which indicated the nature of the goods and services at issue without further reflection, and would not therefore be perceived as an indication of origin.</p>
<p>GC T-224/16 <i>Messe Friedrichshafen GmbH v EUIPO; El Corte Inglés, SA</i> (22.03.17) Reg 207/2009</p>	 <p>Goods and services in Classes 9, 16, 25, 28, 35, 37, 38, 41, 42, 43, 45, including photographic equipment, printed matter, clothing, games, advertising, telecommunications, education and entertainment</p> <p>OUTDOOR PRO</p> <p>Goods and services in Classes 9, 12, 14, 18, 22, 24, 25, 28 and 35</p>	<p>The GC upheld the BoA's decision refusing registration of the mark applied for all goods and services (save for certain services within Class 41) on the basis of a likelihood of confusion, pursuant to Art 8(1)(b).</p> <p>The GC confirmed that there was no requirement for the BoA to have considered the validity of the mark in opposition proceedings and endorsed the BoA's finding that the earlier mark had distinctive character for at least a part of the relevant public of the EU.</p> <p>The marks were visually similar, on account of the shared word OUTDOOR which was the entire word element of the mark applied for. The graphic representation of the mark would not alter this assessment of similarity. In the assessment of phonetic similarity, the 'pro' element of the earlier mark was considered to be weak, so the marks were highly similar in this regard. To the English speaking public, the marks were conceptually similar.</p> <p>The GC upheld the BoA's decision that, save for certain Class 41 services relating to film and radio broadcasts, the goods and services at issue were identical or similar and a likelihood of confusion existed as a result.</p>

Application of the *lis pendens* rule

***Merck KGaA v Merck & Co. Inc. and ots* (Opinion of AG Szpunar; C-231/16; 03.05.2017)**

AG Szpunar opined on the interpretation of the *lis pendens* rule contained in Article 109(1) of Regulation 207/2009. The key issue related to the application of this rule where the court first seised was hearing infringement proceedings based on national trade mark registrations within a Member State, while the second court seised was an EU trade mark court with jurisdiction in respect of the entire EU. The AG considered that, where the proceedings coincide only to the extent that they concern the territory of that Member State, the EU court should decline jurisdiction as regards the part of the action relating to that particular Member State's territory.

Background

Merck KGaA brought infringement proceedings against the defendants before an EU trade mark court in Germany and, at the time proceedings were issued, a separate action was already pending between the same parties (save for one of the defendants) before the High Court of England and Wales. The parallel proceedings comprised, amongst other issues, an action for infringement based on the use of 'Merck' on the Internet.

Merck KGaA was the proprietor of several UK and EU trade mark registrations, including a EUTM for the word mark 'Merck' registered in respect of goods in Classes 5, 9 and 16 and services in Class 42. The defendants belonged to the corporate group headed by Merck & Co., Inc. based in New Jersey, USA, one of the world's largest pharmaceutical companies, which had grown out of a former American subsidiary of the original German group, Merck. Several coexistence agreements were entered into between the German group and the American group regarding use of various marks and names including or comprising the word Merck. Merck & Co. Inc.'s group operated several internet sites using 'Merck' and the content of those sites was accessible in the same form throughout the world, including the EU. Members of the group had also established an Internet presence on the Facebook, Twitter and YouTube platforms.

In March 2013, Merck KGaA brought an action in the UK against the first two defendants in the main proceedings, as well as three other companies belonging to the same group, alleging a breach of a coexistence agreement and infringement of national UK registrations and international registrations designating the UK as a result of the use of 'Merck' by the defendants on the Internet. Merck KGaA also brought an action for infringement before the Regional Court of Hamburg, against the defendants in the main proceedings, based on the EU trade mark registration for Merck and the use of 'Merck' on their Internet sites and on the Facebook, Twitter and YouTube platforms.

Merck KGaA subsequently withdrew its action in Hamburg in so far as it related to the UK. The defendants argue that the action in Hamburg was inadmissible having regard to Article 109(1), at least in so far as it concerned the plea which alleged that the EU trade mark had been infringed in the entire EU. The partial withdrawal was said to be irrelevant in this regard.

The referring court considered that the two actions at issue were the same and that the wording of that provision did not enable it to decline jurisdiction in part, in relation to one Member State only.

AG Szpunar applied the established three-fold test for interpreting the *lis pendens* rule, namely that (i) the parties, (ii) the cause of action, and (iii) the object of the actions, must all be the same.

Were the actions between the same parties?

The action before the Hamburg Regional Court named a defendant which was not a defendant in the action before the main proceedings in the UK. The AG therefore considered whether the actions were in fact between the same parties.

The general principle was that parties must be the same persons but, in exceptional circumstances, the requirement may be satisfied even if the parties to the parallel proceedings were different. In relation to the subject matter of the proceedings, it was conceivable for the interests of the two parties to be regarded as identical for the purposes of the *lis pendens* rule.

AG Szpunar opined that such exceptional circumstances existed in this case: within a group of companies, control of IP rights, including trade mark rights, must be given to one of the legal persons, often the parent company, even though, in practice, the signs may be used in the same way by all group companies. In such circumstances, the interests of the companies concerned exhibited such unity that those companies could be regarded as being one and the same party for the purposes of avoiding contradictory judgments.

Were actions for infringement the same?

AG Szpunar opined that the principles of Article 109(1) must be the same as those of Article 27 of the Brussels I Regulation. By applying case law relating to Article 27, he found that in order for the actions to be the same, they must have the same cause of action, consisting of the same factual and legal basis, and the same object, meaning the end that each action has in view.

Although both actions in the present case seek to prohibit the same sign, the territorial effect of the prohibitions and the scope of allegations of infringement in the two actions overlapped only in part, to the extent that they relate to the territory in which the national mark is protected (i.e. the UK).

Declining jurisdiction

In light of the above, AG Szpunar opined that the *lis pendens* rule contained in Article 109(1) should be interpreted as meaning that, where parallel actions are brought on the basis of a national mark and an EU trade mark, and these actions overlap in part – to the extent that they relate to the territory of the national mark – the EU trade mark court, where it is the second court seised, must decline jurisdiction with respect to the part of the action concerning the territory common to both actions (but that the second court seised could allow the action before it to continue as regards the remaining territory of the EU).

TRADE MARKS

Concept of genuine use and interpretation of class headings

***EUIPO v Cactus SA* (Opinion of Advocate General Wahl; C-501/15; 17.05.2017)**

AG Wahl has opined on two issues relating to the concept of genuine use. Firstly, AG Wahl considered whether use of the pictorial element of a figurative mark which also comprised a word element could constitute genuine use of that mark as a whole. Secondly, the AG opined on whether retail services relating to goods falling within a particular class were covered by a registration which included the class heading only within its specification.

In opposition proceedings, Cactus relied on a figurative mark consisting of the word CACTUS and a figurative element. The registration pre-dated the CJ's decision in IP Translator (C-

307-10, reported in *The CIPA Journal*, July 2012) and the Class 35 specification covered only the general class headings.

The GC had upheld the opposition in relation to specific goods and retail services in relation to those goods. On appeal, the EUIPO submitted that the GC had incorrectly attributed the class heading to all services within Class 35. The EUIPO further submitted that the GC had incorrectly found that the use of the figurative element of the mark alone (without the word element) did not alter the distinctive character of the mark for the purpose of proving genuine use.

How is the distinctiveness of a trade mark to be assessed where that trade mark is employed in abbreviated form?

The AG opined that, despite the GC failing to declare its intention to conduct a global assessment of equivalence, it was clear from the decision that it had properly carried out this assessment. A comparison of the mark as used (a stylised cactus) was made against the mark as registered (a stylised cactus and the word element) and on this basis the GC concluded that the two marks were essentially equivalent. As the elements in question were conceptually equivalent, the distinctive character of the word element CACTUS could not be different from that conveyed by the figurative element. A separate examination of the distinctiveness of the word element was not necessary. The GC was therefore right to find that the use of the stylised cactus alone without the word element did not alter the distinctive character of the earlier figurative mark for the purpose of proving genuine use.

Can a trade mark cover retail services even if those services are not mentioned in the alphabetical list of Class 35 of the Nice Classification?

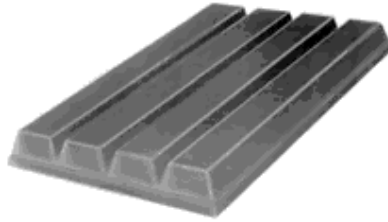
In relation to this question, the AG agreed with the approach taken by the GC. The AG considered that it would be inconsistent to accept the application of the CJ's statement in *Praktiker* (C-418/02, reported in *The CIPA Journal*, July 2005) but not that in *IP Translator* in relation to trade marks that had already been registered prior to the dates of those judgments (such as the figurative trade mark at issue) as both of those judgments concerned trade mark applications. As the issue before the CJ related to the scope of protection afforded by a registered trade mark, the AG was of the opinion that the judgments in both *Praktiker* and *IP Translator* did not apply. The AG therefore considered that the GC was correct to find that specification for the Class 35 class heading was sufficient to cover all the services within that class, including retail services of the relevant goods.

Court of Appeal confirms Kit Kat shape mark has no acquired distinctiveness

***Société des Produits Nestlé SA v Cadbury UK Ltd** (The Chancellor of the High Court, *Kitchin & Floyd LJJ*; [2017] EWCA Civ 358; 17.05.17)**

The CA dismissed Nestlé's appeal from a decision of Arnold J in which he dismissed Nestlé's appeal from a decision of the hearing officer with whom he agreed that the shape of Nestlé's four-finger KIT KAT product had not acquired a distinctive character and was therefore not registrable as a UK trade mark ([2016] EWHC 50 (Ch), reported in *The CIPA Journal*, February 2016).

Nestlé applied to register the following three-dimensional sign as a UK trade mark in respect of various goods in Class 30:



The mark corresponded to the shape of Nestlé's four-finger KIT KAT product except that it lacked the KIT KAT logo embossed onto each of the fingers of the actual product. The application was opposed by Cadbury on various grounds, in particular that registration should be refused under Section 3(1)(b), in response to which Nestlé relied upon the proviso to that provision. The hearing officer found that the mark was devoid of inherent distinctive character and had not acquired a distinctive character in relation to the majority of goods covered by the application.

Following a preliminary reference by Arnold J, the CJ concluded that in order to register a trade mark which had acquired a distinctive character within the meaning of Article 3(3), the applicant must prove that the relevant class of persons perceived the goods designated exclusively by that mark, as opposed to any other mark which might also be present, as originating from a particular company. When the case returned to the High Court, Arnold J held that the hearing officer had not erred because survey evidence adduced by Nestlé merely showed that consumers merely recognised the mark and associated it with KIT KAT products. That a majority of those surveyed were able to name KIT KAT did not prove that they perceived the mark as exclusively designating the trade origin of such products.

Kitchin LJ said that there was an important distinction between, on the one hand, such recognition and association and, on the other hand, a perception that the goods designated by the mark originated from a particular undertaking. Products in a shape with no inherent distinctiveness, but which had become very well-known, sold on a very large scale under and by reference to a brand name which was inherently highly distinctive did not necessarily mean that the public had come to perceive the shape as a badge of origin such that they would rely upon it alone to identify the product as coming from a particular source. They might simply regard the shape as a characteristic of products of that kind or they might find it brought to mind the product and brand name with which they had become familiar. This kind of recognition and association did not amount to distinctiveness for trade mark purposes, as the CJEU had confirmed in its decision in this case. If a third party were to use that same shape for the same product, the proprietor would not need to show a likelihood of confusion about the origin of the product for, subject to certain defences, a likelihood of confusion would be presumed. But if consumers did not perceive the shape as denoting the origin of the product, no one would actually be confused and the protection afforded by the registration would not be justified.

Although the CJEU had not used the term "reliance" in giving its guidance, Kitchin LJ agreed with Arnold J that it was legitimate for a tribunal, when assessing whether the applicant had proved that a significant proportion of the relevant class of persons perceives the relevant goods or services as originating from a particular undertaking because of the sign in question, to consider whether such person would rely upon the sign as denoting the origin of the goods or services if it were used on its own. Agreeing with Kitchin LJ, Floyd LJ added that he had found it helpful to have in mind a basket of unwrapped and otherwise unmarked chocolate bars in the shape of the mark applied for available for selection in a shop; for there to be acquired distinctiveness, the consumer must perceive them as being Kit Kats or as originating from the people who made Kit Kat, and not from others. A perception that they looked like Kit Kats was not enough. He added that it was not a precondition that consumers

should have come to rely on the shape an indicator of trade origin. The ultimate question was whether the mark, used on its own, had acquired the ability to demonstrate exclusive origin, although it would be unwise to attempt a list of the ways in which this could be demonstrated. Sir Geoffrey Voss, Chancellor of the High Court, agreed with the judgments of both Kitchin and Floyd LJJ and Nestlé's appeal was dismissed.

Court of Appeal confirm invalidity of colour mark

Glaxo Wellcome UK Ltd (t/a Allen & Hanburys) & Anr v Sandoz Ltd* (The Chancellor of the High Court, Kitchin & Floyd LJJ; [2017] EWCA Civ 335; 10.05.17)

The CA (Kitchin LJ giving the lead judgment) dismissed Glaxo's appeal from Judge Hacon's decision that its trade mark was invalid because it did not satisfy the requirements of Article 4 ([2016] EWHC 1537 (Ch), reported in *The CIPA Journal*, July 2016).

Glaxo's EU trade mark was registered in Class 10 in respect of inhalers with the following visual representation (a photograph of an inhaler):



The trade mark also had the following description: *"The trade mark consists of the colour dark purple (Pantone code 2587C) applied to a significant proportion of an inhaler, and the colour light purple (Pantone code 2567C) applied to the remainder of the inhaler."* The trade mark had an INID code (code 558) applied to its certificate of registration. This code designated it as a *"Mark consisting exclusively of one or several colours"*.

Glaxo brought a claim for trade mark infringement against Sandoz and Sandoz counterclaimed for revocation of Glaxo's mark. Sandoz applied for summary judgment. Judge Hacon held that Glaxo's mark was invalid, as it was not sufficiently precise and uniform, nor was it sufficiently clear and unambiguous. Glaxo appealed. Central to its appeal was its submission that the EUTMR rules suggested that for marks such as Glaxo's EUTM, the pictorial representation was paramount and the verbal description was secondary. This was on the basis that Rule 3(2) made a pictorial representation *mandatory* whereas Rule 3(3) stated that the application "may" contain a description of the mark, making the provision of a verbal description *optional*.

Kitchin LJ said as follows:

- (i) The starting point was Article 4 which provided that a trade mark may consist of any sign capable of being represented graphically and which was capable of distinguishing the goods and services of one undertaking from those of another. Its graphical representation had to be such that the authorities and the public could identify the sign clearly and precisely.
- (ii) The graphical representation encompassed not just the pictorial representation of the sign but also any description which accompanied it.
- (iii) No suggestion could be discerned from the CJEU jurisprudence that the pictorial representation was paramount and the verbal description was secondary; to the

contrary, the CJEU had focussed in its judgments on the graphical representation as a whole.

- (iv) The Rules did not support Glaxo's position. The permissive language in Rule 3(3) catered for applications (for example, some figurative marks) which did not require any description to render them clear and precise. It could not be inferred from this that the guidance given by the CJEU as to what was needed to satisfy the requirements of Article 4 should in any way be qualified where the application was to register one or more colours *per se*.
- (v) An argument advanced by Glaxo which was based on a previous version of the Guidelines for examination of EU trade marks issued by the EUIPO around the time that the application for its trade mark was filed had to be rejected, not least because such Guidelines were not authoritative and had no legislative force.
- (vi) Glaxo could not rely on what it described as common practice filing. Firstly, common practice could not be a proper basis for interpreting the EUTMR and, secondly, the evidence simply did not establish that there was any common practice of the EUIPO to consider a mark for one or more colours *per se* as being defined by the pictorial representation which showed how the colour(s) were to be applied in relation to the goods for which it was registered.

Kitchin LJ went on to agree with Judge Hacon's description of the differences between the INID code, the visual representation, and the description as setting a "puzzle" for the reader as to the correct interpretation of the mark. As there were at least three possible interpretations of the mark, it was clear that it lacked the clarity, intelligibility, precision, specificity, and accessibility that the law demanded, and also offended against the principle of fairness because the uncertainty gave Glaxo an unfair competitive advantage.

Finally, observing that the issues in the present case were different to that in a case pending before the General Court (Case R 2037/2013-1 *Red Bull gMBh V Optimum Mark Sp. Z.o.o.*) the appeal was dismissed.

PASSING OFF

CA allows appeal on question of joint tortfeasorship

***Glaxo Wellcome UK Ltd (t/a Allen & Hanburys) & Anr v Sandoz Ltd ("Sandoz UK") & Anr** (Floyd & Moylan LJJ & Sir Timothy Lloyd; [2017] EWCA Civ 227; 06.04.17)**

The CA (Sir Timothy Lloyd giving the lead judgment) allowed Glaxo's appeal from a decision of Judge Hacon ([2017] EWCA Civ 227, reported in *The CIPA Journal*, November 2016), ordering that two of Sandoz UK's group companies, Aeropharm and Hexal, be added as defendants to Glaxo's passing off claim against Sandoz UK.

Glaxo brought a claim for trade mark infringement and passing off against Sandoz UK relating to the latter's AirFluSal inhaler. The trade mark part of the claim was stayed pending an appeal (reported above) but the passing off claim continued. Glaxo claimed that the AirFluSal inhaler passed off its Accuhaler, each of which is shown below:

The Accuhaler inhaler and packaging



The AirFluSal inhaler and packaging



Glaxo applied to join three further members of the Sandoz group in the proceedings: Sandoz International GmbH, Aeropharm GmbH, and Hexal AG. The first was joined by consent and therefore Judge Hacon was only concerned with Aeropharm and Hexal. He refused Glaxo's application to join Aeropharm and Hexal as defendants because: (i) there was no sufficient allegation of a common design against either of them to provide a sufficiently arguable case of their being liable as joint tortfeasors with Sandoz UK; and (ii) even if there had been such an allegation, the claim against them would have been barred by limitation because the acts relied on were done more than six years before the issue of proceedings.

Joint tortfeasance

Judge Hacon found that Aeropharm and Hexal had, between them, facilitated the sale and promotion of AirFluSal products in England by (i) contributing to the design of the AirFluSal inhaler and its packaging, (ii) obtaining marketing authorisation in the UK through data collection, and (iii) carrying out trials as part of an EU-wide programme. However, he found that the part they played did no more than facilitate the sale and promotion of AirFluSal on the UK market and did not amount to active cooperation in that sale or promotion.

Referring to the Supreme Court's decision in *Fish & Fish v Sea Shepherd* ([2015] UKSC 10), the CA was of the view that Glaxo's allegation that the design work was carried out by Aeropharm and Hexal with the intention that the product be sold in the EU including the UK was sufficient to make out an arguable case that they were party to a common design and a combination with a view to the resulting product being sold in the UK. Despite the fact that Sandoz UK was not involved in decisions about the design and get-up, it was the entity through which the act was carried out which was the subject of the combination and common design by Sandoz International, Aeropharm and Hexal, namely marketing in the UK. It could not be that, because Sandoz UK was only involved at a later stage once the work carried out by Aeropharm and Hexal was complete, they had not been in a combination with Sandoz UK intending that the acts should be done in the UK which amounted to passing off – if that were so, then careful use of a fragmented corporate structure might enable a group to limit the exposure of some relevant member entities to liability on the basis of joint tortfeasance. Therefore, the CA concluded that Judge Hacon fell into error in not finding that there was an adequate allegation of combination and common design, pursuant to which acts were committed by Sandoz UK which, on Glaxo's case, amounted to passing off.

Limitation

Contrary to Judge Hacon's finding, the CA held that limitation provided no justification for refusing to join Aeropharm and Hexal as additional defendants. Although Glaxo's case was based at least in part on acts done more than six years before the commencement of proceedings, it was clear from *Fish* that the accessory was not liable for its acts of assistance but for the primary tortfeasor's act. Therefore, no cause of action accrued against Aeropharm or Hexal until Sandoz UK started placing the product on the UK market.

The appeal was allowed and the case remitted to the High Court for consequential case management directions.

COPYRIGHT

Communication to the public covers sale of a multimedia player with pre-loaded links to unauthorised content

***Stichting Brein v Jack Frederik Wullems* (CJ; Second Chamber; C-527/15; 26.04.2017)**

Following a referral from the District Court, Central Netherland, the GC held that:

1. The concept of "communication to the public", within the meaning of Article 3(1) of Directive 2001/29/EC (the Copyright Directive), must be interpreted as covering the sale of a multimedia player, such as that at issue in the main proceedings, on which there were pre-installed add-ons, available on the Internet, containing hyperlinks to websites – that were freely accessible to the public – on which copyright-protected works had been made available to the public without the consent of the right holders; and

2. Article 5(1) and 5(5) of Directive 2001/29 must be interpreted as meaning that acts of temporary reproduction, on a multimedia player, such as that at issue in the main proceedings, of a copyright-protected work obtained by streaming from a third party website offering that work without the consent of the copyright holder did not satisfy the conditions set out in those provisions.

The CJ considered four questions referred to it:

1. Must Article 3(1) of the Copyright Directive be interpreted as meaning that there was "a communication to the public" within the meaning of that provision, when someone sold a product (multimedia player) in which he had installed add-ons containing hyperlinks to websites on which copyright-protected works, such as films, series and live broadcasts were made directly accessible, without the authorisation of the right holders?
2. Does it make any difference whether the:
 - a. copyright-protected works as a whole had not previously been published on the Internet or had been published through subscriptions with the authorisation of the right holder;
 - b. add-ons containing hyperlinks to websites on which copyright-protected works made directly accessible without the authorisation of the right holders were freely available and could also be installed in the multimedia player by the users themselves; or

- c. websites, and thus the copyright-protected works made accessible thereon, without the authorisation of the rights-holders, could also be accessed by the public without the multimedia player?
3. Should Article 5 be interpreted as meaning that there was no "lawful use" within the meaning of Article 5(1)(b) if a temporary reproduction was made by an end user during the streaming of a copyright-protected work from a third-party website where that copyright-protected work was offered without the authorisation of the right holder(s)?
4. If the third question was answered in the negative, was the making of a temporary reproduction by an end user during the streaming of a copyright-protected work from a website where that copyright-protected work was offered without the authorisation of the right holder(s) then contrary to the "three-step test" referred to in Article 5(5)?

The CJ also considered the opinion of AG Campos Sánchez-Bordona who considered that the sale of media players incorporating hyperlinks to unauthorised content infringed the copyright in that content.

Act of communication

Addressing questions 1 and 2 together, the CJ considered whether the sale of the multimedia player was an act of communication. The CJ noted that the author's right of communication to the public, provided for under Article 3(1), covered any transmission or retransmission of a work to the public by wire or wireless means, including broadcasting. Furthermore, for there to be an "act of communication", it was sufficient, in particular, that a work was made available to a public in such a way that the persons forming that public may access it, irrespective of whether they avail themselves of that opportunity (*Svensson and Others* (Case C-466/12, reported in *The CIPA Journal*, March 2014).

The CJ had already held, in that regard, that the provision, on a website, of clickable links to protected works published without any access restrictions on another site, afforded users of the first site direct access to those works and that this was also the case for the sale of a multimedia player (*Svensson and Others* (Case C-466/12, reported in *The CIPA Journal*, March 2014), *BestWater International* (Case C-348/13) and *GS Media* (Case-160/15, reported in *The CIPA Journal*, October 2016). Although the mere provision of physical facilities for enabling or making a communication did not in itself amount to communication within the meaning of the Copyright Directive, the Court nevertheless held, as regards the provision of television sets in hotel rooms, that while the "mere provision of physical facilities" does not as such amount to a communication to the public, that facility may make public access to broadcast works technically possible. Therefore, if, by means of television sets, the hotel distributed the signal to customers staying in its rooms, a communication to the public took place irrespective of the technique used to transmit the signal (*SGAE* (Case C-306/05, reported in *The CIPA Journal*, January 2007).

The present case did not concern the "mere" provision of physical facilities: the defendant, with full knowledge of the consequences of his conduct, pre-installed onto the multimedia player add-ons that specifically enabled purchasers to have access to protected works published — without the consent of the copyright holders of those works — on streaming websites and enabled those purchasers to watch those works on their television screens. The defendant's "intervention" enabled a direct link to be established between websites broadcasting counterfeit works and purchasers of the multimedia player, without which the purchasers would find it difficult to benefit from those protected works. It was clear from the evidence submitted that the streaming websites at issue were not readily identifiable by the public and the majority changed frequently.

Communication to a "new public"

The multimedia player had been purchased by a fairly large number of people and the communication covered all persons who could potentially acquire the media player and had an internet connection. Those people might access the protected works at the same time, in the context of the streaming of the works on the internet. Thus, the communication was aimed at an indeterminate number of potential recipients and involved a large number of persons (*ITV Broadcasting and Others* (Case C-607/11), reported in *The CIPA Journal*, April 2013).

The CJ then considered whether the communication was to a "new" public, in particular in relation to the posting of hyperlinks and the importance of obtaining the consent of the holder of the copyright in protected works that have been made freely available on a website, having regard to Article 3(1) of Directive 2001/29 which specifically provides that every act of communication of a work to the public must be authorised by the copyright holder.

It was common ground that the sale of the multimedia player was made in the full knowledge that the add-ons gave access to works published illegally on the Internet and the player was advertised for that purpose. It was not disputed that the multimedia player was supplied with a view to making a profit and, therefore, it could be expected that the person posting such hyperlink add-ons carried out the necessary checks to ensure that the work concerned was not illegally published on the website to which those hyperlinks led. It was therefore to be presumed that the posting had occurred with the full knowledge of the protected nature of that work and the possible lack of consent to publication on the Internet by the copyright holder.

Act of temporary reproduction

The CJ answered the third and fourth questions together and in light of relevant case law (*Infopaq International* (Cases C-5/08 and C-302/10), *Football Association Premier League and Others* (Cases C-403/08 and C-429/08) and *Public Relations Consultants Association* (Case C-360/13) reported in *The CIPA Journal*, August 2009, December 2011, and July 2014 respectively). Having particular regard to the content of the advertising and the fact that the pre-installation of the add-ons was a major attraction to potential purchasers, it was held that the purchaser accessed free and unauthorised offers of protected works deliberately and in full knowledge of the circumstances.

It was also held that, as a rule, temporary acts of reproduction such as these would adversely affect the normal exploitation of those works and caused unreasonable prejudice to the legitimate interests of the right holder, resulting from the reduction in lawful transactions relating to the protected works. It therefore followed, that those acts of temporary reproduction did not satisfy the conditions set out in Article 5(1) and (5).

Former student's claim against university struck out

***Yu-Ting Cleeves v The Chancellor, Masters and Scholars of the University of Oxford** (Whipple J; [2017] EWHC 702 (QB); 05.04.17)**

Whipple J struck out Ms Cleeves' claim, which included an allegation that Oxford University had infringed the copyright in a research paper she had produced during her studies there, on grounds of abuse of process.

The Judge was of the view that Ms Cleeves (a litigant in person and former student at Oxford University) had failed to set out the basis of her case in her Particulars of Claim; namely (i) the parts of her research paper which she claimed had been copied and unlawfully reproduced by the University in eight later publications, and (ii) the reasons why she rejected the outcome of an investigation carried out by the University which had concluded that hers

was not an original interpretation of the work and significance of the Chinese poet she had studied, but reflected a general view found in the work of other academic commentators. This latter point was critical in the Judge's opinion because, if Ms Cleeves' research was not original, then there was no reason for her or the Court to infer that the eight publications in question drew on her work at all, with the result that she would have no case.

The Judge went on to strike out Ms Cleeves' claim on grounds that it was abusive in nature and/or otherwise likely to obstruct the just disposal of the proceedings, and had no real prospect of success. The fact that Ms Cleeves was seeking to use the Court process to accuse institutions and individuals of dishonesty where there was no evidence to support such accusations and the unreasonable way in which she had conducted the litigation to date were further considerations which led the Judge to conclude that the case was abusive.


Katharine Stephens, Emma Green and Hilary Atherton



Reporters' note: We are grateful to our colleagues at Bird & Bird LLP for their assistance with the preparation of this report: Paul Sweeden, Toby Sears, George Khouri, Archie Ahern, Sara Nielsen, Mark Livsey and Sam Triggs.


TRADE MARKS




Decisions of the GC

Ref no.	Application (and where applicable, earlier mark)	Comment
<p>GC T-622/14 <i>Lauritzen Holding AS v EUIPO; DK Company A/S</i> (07.03.17) Reg 207/2009</p>	<p>IWEAR - leather and imitations of leather and goods made of these materials, trunks, travelling bags, umbrellas, parasols, walking sticks, whips harnesses saddlery (18) - clothing, footwear, headgear (25)</p> <p>INWEAR - leather and imitations of leather and goods made of these materials, trunks, travelling bags, umbrellas, parasols, walking sticks, whips harnesses saddlery - clothing, footwear, headgear (25)</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 goods at issue were identical or similar (except horseshoes and pouch baby carriers). The BoA had correctly considered the overall impression created by the marks rather than analysing their individual parts. The marks had a high degree of visual and phonetic similarity – the 'N' was almost visually imperceptible, was likely to go unnoticed by the relevant consumer and would not prevent them from perceiving the identical sequence of five letters 'I', 'W', 'E', 'A' and 'R' within the mark applied for. The GC confirmed that case law did not always show that a consumer paid greater attention to the beginning of a mark.</p> <p>To the non-English relevant public the marks had high phonetic similarity. Only English speaking consumers would understand a phonetic difference between the marks. Neither of the marks had a conceptual meaning for the non-English speaking public and, even if the English word were recognised, a significant proportion would be unable to perceive different, meaningful elements between the marks.</p> <p>The weak distinctive character of the earlier mark was outweighed by the high degree of similarity and, having regard to the nature of the goods at issue, visual similarity carried greater importance within the overall assessment of confusion.</p>

<p>GC T-741/14 <i>Hersill, SL, established in Móstoles (Spain) v EUIPO; KCI Licensing, Inc</i> (14.03.17) Reg 207/2009</p>	<p>VACUP - manually-operated medical apparatus for suction of fluids in the surgical field or of emergency secretions (10)</p> <p>MINIVAC - medical and surgical dressings (5) - medical apparatus for treatment of wounds; medical and surgical drapes (10)</p> <p>V.A.C - bandages, in particular foam bandages (5) - medical apparatus and instruments, in particular for treating wounds using negative pressure; devices for producing negative pressure (vacuum source) for medical purpose (10)</p>	<p>The GC annulled the BoA's decision that the earlier marks relied on in Opposition proceedings had been put to genuine use.</p> <p>The GC confirmed that sworn statements were to be supported by other evidence which showed actual use of the mark on the goods or other documentation, to have evidential value. Pre-formulated declarations signed by health professionals and patients stating their involvement in use of V.A.C. product treatments did not establish evidence of actual use of the mark itself nor did it disclose the duration or extent of such use. A substantial amount of evidence lacked date information or contained dates outside of the relevant period and therefore were not relevant in the assessment of genuine use.</p> <p>Catalogues, product information and advertisements did not contain use of the V.A.C. mark per se, but showed a mark which included additional elements altered the distinctive character of the mark.</p> <p>The BoA also only examined the question of genuine use in relation to V.A.C. but not MINIVAC, which had also been relied on by KCI in the Opposition. The threshold applied by the BoA in the assessment of genuine use was therefore too low.</p>
<p>GC T-538/15 <i>Edison SpA v EUIPO; Eolus Vind AB (publ)</i> (14.03.17) Reg 207/2009</p>	 <p>- electric energy emanating from wind power (4) - plants for the production of renewable energy (11) - insurance; financial affairs; monetary affairs; real estate management; financial management of wind power plants (36) - construction of wind power</p>	<p>The GC upheld the BoA's decision found a likelihood of confusion between the marks at issue in relation to certain services pursuant to Art 8(1)(b).</p> <p>The GC endorsed the BoA's assessment that the two marks were not very similar. The marks were differentiated by the different colours and typefaces. The visual differences resulting from the specific stylisation outweighed any conceptual similarity the marks shared in representing energy or electricity. The conceptual identity of the marks was of little importance given that 'e' was descriptive of the goods and services at issue.</p> <p>The relevant public, comprising general</p>

	<p>plants and other buildings; repair of wind power plants and other buildings; installation services regarding wind power plants and other buildings (37)</p> <ul style="list-style-type: none"> - electricity distribution of wind power energy (39) - energy production of wind power energy; leasing of wind power energy generating facilities (40) - scientific and technological services; industrial analysis and research services; technical planning and project management relating to the construction and use of wind power; technological engineering analysis in the field of wind power exploitation (42) - legal services (45)  <ul style="list-style-type: none"> - fuel, gas (4) - distribution of electrical energy and fuel (39) - generation of electrical energy (40) 	<p>consumer purchasing the goods and business professionals making decisions in light of specific professional knowledge and responsibility, had a higher level of attention. The relevant public would not therefore believe that the goods or services came from the same undertaking or economically-linked undertakings.</p> <p>Given the low similarity of the marks, there was no likelihood of confusion between the goods, which were similar to a low degree. The BoA was however correct to find 'electricity distribution of wind power energy' and 'energy production of wind power energy' covered by the mark applied for were identical to 'distribution of electrical energy and fuel' and 'generation of electrical energy' covered by the earlier mark. A likelihood of confusion existed in relation to those services. There was no likelihood of confusion between the remaining services at issue.</p> <p>Documents relating to the general economic success of Edison SpA were insufficient to demonstrate that the mark applied for had acquired distinctive character through use.</p>
<p>GC</p> <p>T-495/15</p> <p><i>Sociedad agraria de transformación No 9982 Montecitrus v EUIPO; Spanish Oranges, SL</i></p> <p>(16.03.17)</p> <p>Reg 207/2009</p>	 <ul style="list-style-type: none"> - preserved, frozen, dried and cooked fruits and vegetables (29) - oranges (31) - transport (39) 	<p>The GC upheld the BoA's decision that there was no likelihood of confusion between the marks at issue pursuant to Art 8(1)(b).</p> <p>In its assessment of the relevant public, the BoA erred by not considering that the goods were sold to intermediaries, such as supermarkets, and not directly to customers. This error did not however have any impact on the BoA's conclusion that the relevant public consisted of the section of the public with the lowest level of attention.</p> <p>The marks had a low degree of visual similarity, even though there were some letters common to both marks. The</p>

	 <p>- jams, compotes, jellies; preserved, dried and cooked fruits and vegetables; eggs; edible oils and fats; meat, fish, poultry and game; meat extracts (29)</p> <p>- fresh fruits and vegetables; agricultural, horticultural and forestry products and grains not included in other classes; live animals, natural plants and flowers; foodstuffs for animals; malt (31)</p> <p>- fruit drinks and fruit juices; syrups and other preparations for making beverages; beers; mineral and aerated waters and other non-alcoholic drinks (32)</p>	<p>importance of the figurative element in the mark applied for, as well as the colour combination in the earlier mark, created a different overall impression.</p> <p>Even though the words would be pronounced differently, the BoA, in finding that there was a lower than average phonetic similarity, had failed to take into account that 'mountain' and 'monte' would sound similar if pronounced quickly and that the marks had the word 'citrus' in common (whereas the BoA held that it was not definitely so). The GC therefore held that there was an average degree of phonetic similarity between the marks.</p> <p>Depending on the linguistic knowledge of the relevant public, there was either a high degree of conceptual similarity or a lack of any similarity between the marks.</p> <p>In the global assessment of similarity, the BoA was correct to find that the visual elements were of greater importance because of the nature of the goods and the way in which they are sold. The GC endorsed the decision that there was no likelihood of confusion between the marks given the low visual similarity and lack of acquired distinctive character in the earlier mark.</p>
<p>GC T-430/16 <i>Intercontinental Exchange Holdings, Inc. v EUIPO</i> (22.03.17) Reg 207/2009</p>	<p>BRENT INDEX</p> <p>- electronic publications; interactive computer software and computer hardware for providing financial services (9)</p> <p>- financial services; operating a commodities and commodity derivatives exchange; providing financial exchange services for transactions involving currencies, commodities, futures, derivatives, securities, shares, stocks, options and bonds (36)</p> <p>- hosting an interactive website that gives multiple computer users simultaneous access to financial news, data and information; computer</p>	<p>The GC upheld the BoA's decision that the mark applied for was descriptive pursuant to Art 7(1)(b).</p> <p>The BoA's assessment of the relevant public as professionals in the financial sector was not disputed. The mark applied for had a sufficiently direct and specific link with the goods and services at issue. Although not a financial word per se, 'brent' referred to a certain type of crude oil and was therefore commonly used by the relevant public. 'Index' was clearly a financial word, denoting a system applied in stock markets to compare the values and prices of share. BRENT INDEX did not therefore contain any unusual element in its syntax and immediately informed the relevant professionals that the goods and services at issue were</p>

	programming, research and design of interactive computer software and computer hardware for providing financial services (42)	associated with finance. The registration of a different mark comprising the word 'BRENT' for other goods and services did not preclude the BoA's finding that the mark at issue was descriptive. The GC endorsed the BoA's refusal of registration on this basis.
GC T-538/15 <i>Regent University v EUIPO; Regent's College</i> (28.03.17) Reg 207/2009	REGENT UNIVERSITY - educational services, namely, developing, arranging for and providing courses of instruction and training at the undergraduate and graduate levels (41)  - college education, teaching and training services; arranging and conducting conferences, meetings and seminars (41)	In an application for a declaration of invalidity under Art 53(1)(a), the GC upheld the BoA's decision that the later word mark was invalid for educational services pursuant to Art 8(1)(b), on the basis of a likelihood of confusion with the earlier figurative mark. The GC confirmed that the relevant public comprised professionals and students in the UK with a higher than average level of attention and that the services at issue were identical. The GC dismissed Regent University's submission that 'university' and 'college' carried significantly different meanings. The distinctive and dominant elements of each mark were the word 'REGENT'S' and 'REGENT' which were virtually identical. The GC endorsed the BoA's assessment of similarity for the purposes of likelihood of confusion and was therefore correct to find the word mark was invalid on this basis.
GC T-387/15; T-388/15; T-389/15 <i>J & Joy SA v EUIPO; Joy-Sportswear GmbH</i> (29.03.17) Reg 207/2009	J AND JOY JN-JOY J&JOY  - various leather goods (18) - various items of clothing and headgear (25)  - clothing, headgear (25)	The GC upheld the BoA's decision that there was a likelihood of confusion between the marks pursuant to Art 8(1)(b). On the basis of the earlier registration relied on, the relevant public was comprised of German consumers. The BoA was correct to find that goods at issue were identical or similar. The GC confirmed that the presence of 'joy' within other marks in the same field was not sufficient to establish that this element had weak distinctive character. If the relevant German public understood the English meaning, it would be associated with happiness and not the goods at issue. The marks shared an average degree of visual and phonetic similarity on account of the

	(German mark)	'joy element' which was present in all marks. These similarities were unlikely to be offset, even partially, by the conceptual differences, to the extent these would be perceived by the relevant consumer.
<p>GC</p> <p>T-209/16</p> <p><i>Apax Partners UK v EUIPO; Apax Partners Midmarket</i></p> <p>(30.03.17)</p> <p>Reg 207/2009</p>	<p>APAX PARTNERS</p> <p>- insurance; financial affairs; monetary affairs; financial services; real estate affairs; corporate finance; private equity; investment services; capital, fund and trust investment services (36)</p> <p>APAX</p> <p>- financing services, financial and loaning operations, financial transactions; investment activities of all kinds and especially as regards equity capital; financial engineering; services; investment research; building and real estate appraisals, financial and monetary affairs (36)</p> <p>(International registration designating Sweden)</p>	<p>In an application for a declaration of invalidity under Art 53(1)(a), the GC upheld the BoA's decision that APAX PARTNERS was invalid for insurance and financial services pursuant to Art 8(1)(b), on the basis of a likelihood of confusion with the earlier figurative mark.</p> <p>The BoA was correct to find that the relevant Swedish public had a relatively high level of attention in respect of the Class 36 services at issue.</p> <p>The marks were similar overall, on account of the identical element 'APAX' which comprised the whole of the earlier mark and was positioned at the beginning of the mark at issue. The element 'PARTNERS' within the later mark was weakly distinctive in respect of the services concerned, as it was a common term used for financial or law firms. Insurance services and financial services were similar and the remaining services at issue were correctly held to be identical.</p> <p>The GC endorsed the BoA's assessment that there was a likelihood of confusion between the marks which could not be safely excluded notwithstanding the high level of attention of the relevant public.</p>

Peaceful coexistence of marks within part of the European Union

Ornua Co-operative Limited v Tindale & Stanton Ltd España SL (Opinion of Advocate General Szpunar; C-93/16; 29.03.2017)

Following a preliminary ruling from the Audiencia Provincial de Alicante (Provincial Court, Alicante, Spain), AG Szpunar opined that Articles 9(1)(b) and (c) were to be interpreted as meaning that the fact that conflicting trade marks coexisted peacefully in the territory of the EU, without giving rise to confusion, did not mean that a likelihood of confusion was automatically ruled out in another part of that territory. Co-existence was a relevant factor capable of being taken into account in the global assessment of likelihood of confusion and the existence of any link between the marks at issue.

Use of the same indication of geographical origin in accordance with honest practices within the marks at issue did not serve as the basis for finding that there was a likelihood of confusion with an EUTM or any detriment to the reputation of that mark.

Background

Ornua Co-operative Limited ('Ornua') sold dairy related products and were the registered proprietor of the EUTM registration for KERRYGOLD. They also owned two figurative marks containing the same word element (collectively, 'the KERRYGOLD Marks').

Tindale & Stanton Ltd España SL ('T&S') imported and distributed dairy goods in Spain, made by Kerry Group Plc, which were sold under the mark KERRYMAID. Kerry Group Plc owned UK and Irish national registrations for KERRYMAID.

Ornua brought infringement proceedings against T&S on the basis that use of KERRYMAID amounted to an infringement of the KERRYGOLD Marks pursuant to Articles 9(1)(b) and (c). The court dismissed Ornua's claim, finding that the word 'KERRY' referred to an Irish town known for breeding cattle and related dairy products and that the KERRYGOLD Marks had coexisted peacefully alongside KERRYMAID in Ireland and the UK.

Owing to the unitary character of an EUTM, the Spanish Court held that the peaceful coexistence of the marks in two Member States extended to include the EU as a whole. Further, the Court placed relevance on the fact that the sign KERRYMAID was used in Spain for the purposes of marketing a product which had been marketed in other Member States for a number of years without challenge from Ornua.

The Spanish Court referred the following questions:

1. Were the findings of the Court regarding an absence of likelihood of confusion in the UK and Ireland to be extended to other Member States or to the EU as a whole?
2. In respect of Article 9(1)(b) could the geographical, demographic, economic or other circumstances of the Member States in which coexistence occurred be taken into consideration for the purpose of assessing the likelihood of confusion in other Member States, or to the EU as whole?
3. In respect of Article 9(1)(c), could the fact that Ornua (as owner of the earlier KERRYGOLD Marks) had failed to oppose the later KERRYMAID marks and had acquiesced in the peaceful co-existence of those marks in the UK and Ireland be extended throughout the EU for the purpose of determining whether there is due cause for third parties to use the later marks?

Confusion and detriment

The AG observed that the fact the KERRYMAID marks did not give rise to a likelihood of confusion in Ireland and the UK did not in itself preclude a finding that such a likelihood may have existed in another part of the EU. On the other hand, peaceful coexistence in part of the territory of the EU was not an irrelevant consideration within the assessment of likelihood of confusion throughout the EU as a whole.

The assessment of a likelihood of confusion required a global assessment of all the relevant factors which potentially related to the entire territory of the EU. It was incorrect to discard a factor solely because it related to circumstances in only one part of the EU.

The AG adopted a similar interpretation of Article 9(1)(c) regarding marks with a reputation. When examining reputation, that reputation was to be present in a substantial part of the

EU. In the present case, the marks peacefully coexisted in the UK and Ireland, which amounted to a substantial part of the EU in which reputation had been established.

Geographical origin

The AG also observed that geographical indication, namely reference to the Irish county 'KERRY', may have been one of the factors which accounted for the peaceful coexistence of the marks in Ireland and the UK. However, the AG opined that an EUTM Court should not take into account such a similarity between marks to establish a likelihood of confusion or risk of detriment to the reputation of a mark, insofar that the relevant public would recognise the geographical link. Any such findings would diminish the application of the exclusive rights conferred by the EUTM pursuant to Article 12(b).

CA dismisses appeal concerning parallel imports and rebranding of pharmaceuticals

***Flynn Pharma v Drugsrus Ltd & Anr** (The Chancellor of the High Court & LJJ Kitchin and Floyd; [2017] EWCA Civ 226; 06.04.17)**

The CA (Floyd LJ giving the lead judgment) dismissed Drugsrus's appeal from a decision of Rose J in which she held that the rebranding (as 'Flynn') and marketing in the UK of Flynn Pharma's epilepsy drug by Drugsrus infringed Flynn Pharma's trade mark under Section 10(1) (reported in *CIPA Journal*, November 2015). The CA held that enforcement of UK and EUTMs for FLYNN against parallel imported phenytoin sodium (an anti-epileptic drug) bearing the sign "Phenytoin Sodium Flynn" was not a disguised restriction on trade between member states contrary to Article 36 TFEU.

Flynn Pharma sold phenytoin sodium in the UK under the name "Phenytoin Sodium Flynn" and owned the UK registered trade mark and EUTM for the word FLYNN in respect of pharmaceutical products. Drugsrus planned to import phenytoin sodium into the UK from other Member States, where it was sold under the brand name Epanutin, and rebrand it with the name Phenytoin Sodium Flynn. Flynn Pharma claimed this would infringe its FLYNN trade marks.

The CA held that Rose J was correct to reject the argument advanced by Drugsrus that the use of FLYNN was permitted under Section 11(2). Floyd LJ said that the fact that Flynn Pharma had taken steps to educate the public as to the properties of the goods it sold under the FLYNN mark did not mean that the mark lost trade mark significance. He stated that there was "a world of difference between educating the public as to a characteristic of marked goods and causing the trade mark to become an indication of that characteristic".

However, the CA went on to say that a dual enquiry was required when assessing whether the enforcement of a trade mark was justified in such cases. The CA's view was that it was necessary to consider: (i) were the goods which the alleged infringer wished to import goods which had been placed on the market by the trade mark owner or with his consent?; and (ii) even if the answer to the first question was "no", was the party who did place the goods on the market under a trade mark also in effective or "unitary" control of the trade mark which was sought to be enforced? If the answer to that question was also in the negative, the CA doubted that the enforcement of the trade mark could be anything other than one designed to protect the origin function of the mark.

As for the first limb, Rose J had found that whilst Flynn Pharma was responsible for marketing phenytoin sodium in the UK, the manufacturer of the drug, Pfizer, was

independently responsible for placing Epanutin on the market in other Member States. As for the second limb, Rose J had concluded that Pfizer was not able to control the use which Flynn Pharma made of its trade mark rights. There was no basis for the CA to interfere with the Judge's conclusion in this respect, and the Court therefore concluded that that enforcement of the trade marks for FLYNN by Flynn Pharma against parallel imported phenytoin sodium did not amount to a disguised restriction on trade between Member States. Floyd J observed that the Court had arrived at the same conclusion as Rose J although by a slightly different route.

Apple successful in 'iWatch' appeal

***Apple Inc v Swatch AG** (John Baldwin QC; [2017] EWHC 713 (Ch); 10.04.17)**

John Baldwin QC (sitting as a Deputy Judge of the Chancery Division) allowed Apple's appeal from the decision of the hearing officer whereby he partially upheld an opposition by Swatch to the registration of the trade mark 'iWatch' in respect of certain goods in Class 9.

Apple applied to register 'iWatch' in Classes 9 and 14. Following examination, the application was refused in its entirety for goods in Class 14 on grounds that it was descriptive or devoid of distinctive character, but was accepted in relation to some goods in Class 9. Swatch opposed the application, relying mainly on its International registration for the figurative mark shown below, designating the UK and EUTM and registered in respect of horological and chronometric instruments (including watches) in Class 14 and services consisting of retail trading of horological products in Class 35, arguing that registration would be contrary to Sections 5(2)(b) and 5(2)(c):



Swatch's opposition was upheld in part but the application was allowed to proceed to registration in relation to the following goods: *Computer software; security devices; computer peripherals; parts, components, and cases for all of the foregoing goods.*

Arcadia Trading Ltd also opposed the application on grounds that 'iWatch' was descriptive or devoid of distinctive character, following which the application was permitted to proceed in relation to only the following goods: *Security devices; cameras; computer peripherals; radios; accessories, parts, components, and cases for all of the foregoing goods.* Arnold J dismissed Apple's appeal against that hearing officer's decision (reported in *CIPA Journal*, April 2017). Apple sought to overturn the decision of the (different) hearing officer in Swatch's opposition in case Arnold J's decision was subsequently overturned on appeal.

John Baldwin QC rejected Apple's argument that the hearing officer had erred in conducting his analysis by reference to smart watches given that smart watches were not embraced by either Apple's application or Swatch's registration. As the hearing officer had accepted that smart watches were encompassed by the terms '*computers; computer hardware; wireless communication devices*' and that the functions of *[health] monitors and monitoring devices, cameras, radios, audio and video devices and global positioning devices may also be the functions of a smart watch*', the Judge rejected Apple's argument that a smart watch was not covered by Apple's proposed specification.

However, the Judge concluded that the hearing officer had made an error in concluding that there was a high degree of similarity between *horological and chronometric apparatus and instruments* in Class 14 and *computers, computer hardware, wireless communication devices* in Class 9 and a medium degree of similarity between *[health] monitors and monitoring devices, cameras, radios, audio and video devices and global positioning systems* on the one hand and Swatch's watches in Class 14. The Judge concluded that the

hearing officer's error was to focus disproportionately on the fact that the purpose of a smart watch was the same as that of an ordinary watch, namely, to tell the time. The hearing officer went on to find that there was some overlap between the purposes of smart watches in Class 9 and watches in Class 14 and further observed that the goods were similar in nature in that watches and smart watches could both be small battery powered devices which looked very similar and that the method of use was the same, both being worn on the wrist. Reassessing the similarity of the relevant goods, the Judge found there to be a low degree of similarity and (contrary to the hearing officer's decision) no likelihood of confusion if 'iWatch' was to be used for *monitors and monitoring devices; cameras; computers; computer hardware; wireless communication devices; radios; audio and video devices; global positioning system devices; accessories, parts, components, and cases for all of the foregoing goods.*

Use of identical and similar marks in relation to pet food products found to tarnish and dilute marks

***Azumi Ltd v Ms Zoe Vanderbilt** (Judge Melissa Clarke; [2017] EWHC 609 (IPEC); 10.04.17)**

Judge Melissa Clarke held that the use by Ms Vanderbilt of the signs 'dineinwithzuma.com', 'ZUMA', 'DINE IN WITH ZUMA' and a device (the "DIWZ Device") infringed Azumi's UK and EU marks for 'ZUMA' (word marks and a figurative version) under Section 10(3) and Article 9(2)(c).

Azumi operated sophisticated and high-end contemporary Japanese restaurants around the world, including Zuma in Knightsbridge in London which was established in 2002. It owned UK and EUTMs for ZUMA and the following device registered in respect of, among other things, *provision of food and drink and restaurant services* in Classes 42 and 43 (the "ZUMA Marks"):

ZUMA

In 2014, Ms Vanderbilt incorporated 'Zuma's Choice Pet Products Ltd' ("ZCPP") for the purpose of manufacturing and selling high quality pet food for dogs and cats. She named the company after her dog Zuma, a Japanese Akita/GSD cross. She registered the domain name 'dineinwithzuma.com', which directed users to a website which marketed pet food products. The website included use of the word ZUMA and the phrase DINE IN WITH ZUMA, and the following device:



The Judge held that the ZUMA Marks enjoyed a sufficient reputation in the relevant market i.e. high-quality, high-end restaurants in London, as required by Section 10(3) which was sufficient to establish reputation in the EU for the purposes of Article 9(2)(c). She also held that, with the exception of 'ZCPP' which had solely been used as a company name, Ms Vanderbilt's use of the signs complained of amounted to use in relation to goods and services (albeit prospectively as she had not yet made any sales). Having concluded that the marks were identical or similar to the signs, the Judge concluded that: (i) there was an opportunity for the average consumer to make a link between them in the event that ZCPP successfully grew its dog food business so that the average consumer either saw ZCPP products on the

shelves of major supermarkets or were otherwise exposed to advertising for them; and (ii) the signs complained of would cause those average consumers to call the ZUMA Marks to mind and make a link. The Judge went on to find that there would be tarnishment of the ZUMA Marks because the use of the signs in relation to dog food would tarnish the ZUMA Marks and reduce their power of attraction over time. Further, given the serious likelihood that use of the signs complained of in the future would have an adverse effect on the economic behaviour of the average consumer with knowledge of the ZUMA Marks, the Judge was also satisfied that there would be dilution of the ZUMA Marks.



There being insufficient due cause, and as ZCPP was not able to take advantage of the own name defence (Ms Vanderbilt's dog not being a party to the proceedings nor a natural person or company, and given that the own name defence was no longer available to companies), the Judge went on to make a finding of trade mark infringement.


Katharine Stephens, Emma Green and Hilary Atherton


Reporters' note: We are grateful to our colleagues at Bird & Bird LLP for their assistance with the preparation of this report: Rebekah Sellars, Paul Sweeden, Toby Sears, George Khouri and Sam Triggs.

TRADE MARKS

<p>GC</p> <p>T-30/16</p> <p><i>M. I. Industries, Inc., v EUIPO; Natural Instinct Ltd</i></p> <p>(15.02.17)</p> <p>Reg 207/2009</p>	<p>Natural Instinct <small>Dog and Cat food as nature intended</small></p> <p>- foodstuffs for dogs and cats; dog food; cat food; dog biscuits; bone and chewing bones for dogs; treats (foods) for dogs and cats; litter for dogs and cats (31)</p> <p>INSTINCT</p> <p>- pet foods and pet treats (31)</p> <p>NATURE'S VARIETY</p> <p>- pet foods and pet treats (31)</p>	<p>The GC partially annulled the BoA's decision, in so far as it held that the evidence filed in the opposition was insufficient to demonstrate that earlier mark INSTINCT had been put to genuine use. The GC endorsed the BoA's assessment regarding lack of genuine use in respect of NATURE'S VARIETY.</p> <p>With regard to the earlier mark INSTINCT, the BoA incorrectly attributed lower evidential value to an affidavit from the owner of Cats' Country (the sole importer and EU distributor of Natural Instinct Ltd) on the basis of the close links between the parties on account of their commercial relationship. The GC held that the existence of contractual links between two distinct entities did not, in isolation, mean that an affidavit from one of those entities was not from an independent source and should not be attributed the same value.</p> <p>Contrary to the BoA's decision, the affidavits, invoices and label mock-up submitted in evidence demonstrated that goods bearing the mark INSTINCT had been made available on the German market. Evidence of sale to end consumers was not required to prove that the mark had been used publically and outwardly and the BoA had incorrectly found that use addressed to professionals in the sector concerned did not amount to genuine use of a mark.</p>
<p>GC</p> <p>T-71/15</p> <p><i>Jaguar Land Rover Ltd v EUIPO; Nissan Jidosha KK</i></p> <p>(16.02.17)</p>	<p>LAND GLIDER</p> <p>- electric vehicles (concept cars), except two-wheel vehicles (12)</p> <p>LAND ROVER</p>	<p>The GC annulled the BoA's decision that there was no likelihood of confusion between the marks at issue pursuant to Art 8(1)(b) and that the mark applied for did not take unfair advantage of the earlier marks, pursuant to Art 8(5).</p> <p>The identity of the goods at issue and the assessment of the relevant public,</p>

<p>Reg 207/2009</p>	 <p>- land vehicles and their engines; components and accessories for land vehicles (12)</p> <p>(UK and EUTM registrations)</p>	<p>being the general public of the EU with an enhanced level of attention, were not disputed by the parties.</p> <p>The BoA erred in finding that the relevant public would perceive the common element 'land' as descriptive of the goods at issue, as the word would not be understood by the whole of the relevant public as a reference to a solid part of the Earth's surface. As a result, the BoA was also incorrect to find that the word was weakly distinctive or even devoid of distinctive character.</p> <p>The BoA's assessment of the similarity of the marks was also incorrect. The BoA had found that, owing to the descriptive nature of the first element, the relevant public would pay more attention to the second element of the marks concerned. As the element 'land' could not be said to be descriptive, the BoA had erred in concluding the marks at issue were only visually and phonetically similar to a low degree.</p> <p>The BoA's reasoning on dilution under Art 8(5) was also vitiated by errors as a result of the above findings. The BoA failed to carry out a comprehensive analysis of the evidence of enhanced distinctiveness, preventing them from consideration in full the factors relevant to Art 8(5).</p>
<p>GC</p> <p>T-596/15</p> <p><i>Batmore Capital Ltd v EUIPO; Univers Poche</i></p> <p>(17.02.17)</p> <p>Reg 207/2009</p>	 <p>- portable handheld digital electronic devices for recording, organising, transmitting, manipulating and reviewing text, data, images and audio files (9)</p> <p>(International registration designating the EU)</p>	<p>The GC upheld the BoA's decision that there was a likelihood of confusion between the marks at issue pursuant to Art 8(1)(b).</p> <p>The GC endorsed the BoA's assessment of similarity of the goods at issue. There was a significant degree of complementarity between the goods in Class 9, as the goods protected by the earlier mark could not be used without the additional electronic hardware covered by the mark applied for. The goods could be sold through the same channels which created a likelihood that the relevant French public would assume they had</p>

	<p style="text-align: center;">POCKET</p> <ul style="list-style-type: none"> - pre-recorded data carriers, magnetic disks, optical disks, compact disks (audio-video), DVDs, all digital magnetic or optical data carriers; electronic publications; software (recorded programs); electronic databases (9) - reading sheets, educational sheets, periodical publications..including boxes consisting both of books or booklets and of audio and or video supports such as CD-ROMs and video disks (16) - providing internet chat rooms; downloading services of data (information, images and sounds) (38) - provision of teaching materials provided through computer networks; providing online electronic publications <p>(several French registrations)</p>	<p>the same origin. The marketing concept of those goods, which was liable to change over time, was irrelevant in the assessment of similarity and did not impact the protection conferred by a registered trade mark.</p> <p>The Class 16 goods and Classes 38 and 41 services covered by the earlier marks were also similar to the goods covered by the mark applied for, as the relevant public may consider that the same undertaking would offer both content and the hardware on which to visualise or listen to that content.</p> <p>The BoA had not erred in finding visual, conceptual and phonetic similarities between the marks at issue.</p>
<p>GC</p> <p>T-369/15</p> <p><i>Hernández Zamora, SA v EUIPO; Rosen Tantau KG</i></p> <p>(17.02.17)</p> <p>Reg 207/2009</p>	<p>PALOMA</p> <ul style="list-style-type: none"> - roses and rose plants; propagation material of roses (31) <div style="text-align: center;">  </div> <ul style="list-style-type: none"> - fruits, garden herbs (31) 	<p>The GC upheld the BoA's finding that there was no likelihood of confusion between the marks pursuant to Art 8(1)(b).</p> <p>The BoA was correct to find that the goods at issue were different: 'roses and rose plants...' were non-edible living organisms usually with aesthetic purpose whereas the goods covered by the earlier mark were used for culinary purposes. The nature and intended use was very different, the goods could not be said to be in competition or complementary and the distribution channels of the goods differed significantly. Although the goods may be sold within the same department store, consumers would not automatically believe those goods had the same origin. The BoA was</p>

		<p>correct to conclude that specialist shops would not stock all of the goods at issue.</p> <p>The BoA was entitled to find that there was no likelihood of confusion, irrespective of the degree of similarity or identity of the marks at issue.</p>
<p>GC</p> <p>T-351/14</p> <p><i>Construlink – Tecnologias de Informação, SA v EUIPO; Wit-Software, Consultoria e Software para a Internet Móvel, SA</i></p> <p>(17.02.17)</p> <p>Reg 207/2009</p>	<p>GATEWIT</p> <p>- design of computer systems; creation and maintenance of websites, for others; research and development (for others); computer software design; consultancy in the field of computer hardware (42)</p>  <p>- consultancy in the field of computer hardware and software; computer programming; computer system design; ... research and development for others; ... computer software design (42)</p>	<p>The GC upheld the BoA's decision that there was a likelihood of confusion between the marks at issue pursuant to Art 8(1)(b).</p> <p>The BoA was correct to find that the element 'wit' was the dominant element within the earlier mark because of its fanciful nature, the larger size and central positioning within the earlier mark and its unusual stylised font.</p> <p>The general or professional public specialising in computing would perceive the element 'gate' in the mark applied for as descriptive of the IT and computing services at issue, whilst the element 'wit' would be considered fanciful. The BoA was correct to find that 'wit' was therefore the more distinctive and important element of the mark applied for.</p> <p>However, the BoA had erred in its assessment of visual and conceptual similarity as low. The GC held the marks were visually similar to a normal degree and were conceptually neutral rather than similar. The BoA had nevertheless been entitled to find overall similarity on the basis of the visual and phonetic similarity of the marks. The GC therefore endorsed the finding of a likelihood of confusion on the part of the relevant public specialising in computing.</p>
<p>GC</p> <p>T-400/16</p> <p><i>Maximum Play, Inc. v EUIPO</i></p>	<p>MAXPLAY</p> <p>- ... Computer software; Computer game software; computer for video game and computer game development and operation, media authoring, and game authoring; computer game</p>	<p>The GC upheld the BoA's decision that the mark applied for was descriptive for the purposes of Art 7(1)(c).</p> <p>The mark consisted of two elements 'max' and 'play' which were easily identifiable by the English speaking general public. Both words were held</p>

<p>(09.03.17) Reg 207/2009</p>	<p>software for use on mobile devices; virtual reality game software (9)</p> <p>- Entertainment services, namely, providing online computer, video and electronic games; providing temporary use of non-downloadable electronic, interactive, computer and video games... (41)</p> <p>- Computer programming for computer and video games; designing, developing and modifying computer game software and virtual reality software... (42)</p>	<p>to be common and widely-used in the English language and the mark as a whole did not contain any unusual syntactical element which made the expression anything other than the mere combination of the two words. In light of the goods at issue, the mark would inform consumers immediately and without any further thought of the quality and intended purposes of those goods, namely that they offer 'maximum play' or 'best play'.</p> <p>The BoA had correctly examined the overall impression created by the mark as a whole, notwithstanding the fact that it had considered the meaning and significance of the individual elements of the mark.</p> <p>Given the BoA's finding on Art 7(1)(c), it was not necessary for the GC to consider whether the mark had distinctive character pursuant to Art 7(1)(b).</p>
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High Court finds no trade mark infringement or passing off in respect of Google AdSense ads

***Argos Ltd ("AUK") v Argos Systems Inc ("AUS")** (Richard Spearman QC; [2017] EWHC 231 (Ch); 15.02.17)**

Richard Spearman QC (sitting as a Deputy Judge of the Chancery Division) rejected AUK's claims for trade mark infringement under Articles 9(1) and 9(1)(c) and passing off in respect of AUS's use of the sign ARGOS in the form of the domain name 'www.argos.com' and on AUS's website by reason of the display of advertisements placed there through the Google AdSense advertising programme.

AUK was a very substantial UK-based retailer of non-food consumer products which began trading in 1973 through catalogues and retail stores. It operated primarily in the UK and ROI under the mark ARGOS (for which it owned two EUTMs registered for advertising and retail services) and via the domain name 'www.argos.co.uk'. AUS was a US company which provided CAD systems for the design and construction of residential and commercial buildings. It had traded under the name ARGOS since 1991 in North and South America; it had no clients in the EU and had made no attempt to enter the European market. It had registered the domain name 'www.argos.com' before AUK registered the domain name 'www.argos.co.uk'.

AUK claimed that AUS's use of the sign ARGOS in conjunction with some versions of its homepage were directed at UK internet users by reason of the display of advertisements placed there via Google's advertising programmes with the consent of AUS. AUK did not object to the use of AUS's domain name in relation to a simple website promoting its CAD services. However, AUK claimed that AUS's domain name when used in relation to a webpage bearing ads, including ads for AUK, amounted to trade mark infringement, particularly when people based in the UK increasingly began entering the AUS domain name into a web browser guessing wrongly that it was AUK's website address, thereby allowing AUS to generate advertising revenue. AUS counterclaimed for a declaration of non-

infringement and claimed an indemnity under a contract made between AUK and Google, on the basis that the contract conferred third party rights on AUS.

The Judge held that AUK did not and could not have objected to AUS's use of the sign ARGOS in its domain name, without more. As AUK had, by accepting Google's advertising programme terms, expressly and unequivocally consented to AUS's use of the sign ARGOS in its domain name together with and in the context of displaying advertisements on AUS's website, any claims by AUK depending upon AUS's display of AUK's ads on AUS's website were bound to fail because AUK had consented to AUS acting in that way. Consent, for the purposes of Article 9, did not require AUK to know that AUS was using the sign in that way. Even if AUK did not know that 'www.argos.com' had been registered by a third party, or did not know that the third party was AUS or that the sign ARGOS was being used by the third party in the third party's domain name, it was sufficient that AUK did not exercise its right to exclude any website having the 'www.argos.com' domain name from those which were otherwise included in AUK's grant of rights to Google and its partners. There was also evidence that AUK knew that its ads were being displayed on AUS's website while AUS also used the sign ARGOS in AUS's domain name, including that the agent who managed AUK's advertising campaigns had information concerning the performance of AUS's website as a placement for AUK's ads. In relation to ads for AUK's competitors appearing on AUS's website and to which AUK had not consented, the Judge concluded that there was not enough evidence that this had in fact occurred.

The court's jurisdiction was limited to acts of trade mark infringement and passing off in the territory of EU member states. This depended on the concept of targeting. Most UK visitors to the website visited it by mistake and left it almost instantly. Since the display of Google ads was the determinative factor when assessing the issue of targeting, this raised a question of how ads were perceived by the average internet user. The court considered that the average internet user would know or suspect that the Google ads which appeared would be affected by an individual's conduct or characteristics, particularly browsing history. On the evidence, having regard to the perceptions of the average consumer, the court could not hold that the proportion of UK visitors to AUS's website who would have regarded the site or any part of it as aimed or directed at them warranted the conclusion that it was targeted at them. Statistics as to bounce rates and the duration of visits made to AUS's website by UK users made it likely that the vast majority of UK visitors did not look at the ads at all. As the ads were the only part of the website aimed at UK visitors, most would not have regarded AUS's website or any part of it as being directed at them. Most individuals searching for AUK's website would have realised instantly that they had reached a website that was not, and was not related to, AUK's website.

Accordingly, the Judge dismissed AUK's trade mark infringement and passing off claims. He also dismissed AUS's indemnity claim but did not decide on its claim for declarations of non-infringement.

Apple's IWATCH appeal rejected

***Apple Inc v Arcadia Trading Ltd** (Arnold J; [2017] EWHC 440 (Ch); 10.03.17)**

Arnold J dismissed Apple's appeal from a decision of the hearing officer that IWATCH was descriptive in respect of the following goods in Class 9: Computer software; computers; monitors and monitoring devices; computer hardware; wireless communication devices; audio and video devices; global positioning system devices; accessories; parts, components, and cases for all of the foregoing goods.

The hearing officer held that IWATCH was descriptive for such goods because the GC had established that the prefix 'I' would most likely be viewed as 'internet' which, when used in conjunction with the descriptive term 'watch', resulted in IWATCH being descriptive of a watch-like device with internet connectivity. Although Apple had numerous registrations for 'I' prefix marks, there was evidence that other third parties also used the 'I' prefix. 'Computer software' was found to be descriptive because such goods were closely connected to smart watches. The hearing officer found that use of Apple's existing marks such as 'iPOD', 'iPAD' etc did not amount to use of IWATCH for the purposes of establishing acquired distinctiveness and, in any event, registration of IWATCH would give Apple an exclusive right to it in any form of normal use, rather than merely in the form of a lower case 'i' followed by a capital letter which was part of what identified Apple's existing family of marks.

First ground of appeal: the hearing officer was wrong to hold that the Class 9 specification covered smartphones in the shape of a watch or smart watches

Arnold J rejected Apple's first ground of appeal. He said that the fact that "smartwatches" were not specifically included in the list of goods in Class 9 in the 10th edition was immaterial and the hearing officer was entitled to find that they had a dual functionality and were proper to Class 9 as well as Class 14, and fell within the broad terms of the specification of goods above. The Judge also rejected Apple's claim that the hearing officer had construed the specification of goods by reference to Apple's commercial intentions with respect to goods bearing the mark.

Second ground of appeal: the hearing officer was wrong to hold that the trade mark was descriptive for computer software

Arnold J did not accept Apple's argument that the hearing officer had misapplied the reasoning of Geoffrey Hobbs QC sitting as the Appointed Person in *FOUNEAUX DE FRANCE Trade Mark*. Apple argued that computer software was not so closely connected to smart watches as to make the trade mark IWATCH descriptive of computer software. However, Arnold J was of the view that smart watches depended for their operation on the computer software they incorporated and therefore the hearing officer had not made any error.

Third ground of appeal: the hearing officer was wrong to reject Apple's case of acquired distinctiveness

Arnold J found that the hearing officer was fully entitled to conclude that IWATCH had not acquired a distinctive character in relation to smart watches for the reasons the hearing officer had given. Although Arnold J said that he had not received full arguments from either side on the context and purpose of Article 3(3) and he was therefore reluctant to express a concluded view on the matter, he also rejected Apple's argument based on the recent judgment of the GC in Case T-518/13 *Future Enterprises Pte Ltd v EUIPO*. There, McDonalds successfully sought a declaration of invalidity in respect of a third party's registration for MACCOFFEE in relation to goods in Classes 29, 30 and 32, relying on its marks which included McCHICKEN, McFISH, McMUFFIN and McTOAST.

The GC held that the relevant public had come to recognise marks having the prefix 'Mc-' as denoting goods and services emanating from McDonalds and, importantly, the prefix was not descriptive of any characteristics of the goods or services in question. Unlike the present case, nor were any of the relevant trade marks, including the contested trade mark, viewed as a whole, descriptive. Therefore, Arnold J observed that it did not necessarily follow that a trade mark which was descriptive (or otherwise lacked distinctive character) could acquire distinctive character as a result of the use of other trade marks with which it shared a common feature.

Damages awarded on account of profits basis against non-engaging defendant

***Champagne Louis Roederer v J Garcia Carrion S.A. & Ots ("JGC")** (Master Bowles; [2017] EWHC 289 (Ch); 23.02.17)**

Rose J had found that Roederer's CRISTAL marks, which were registered for champagne and wines, were infringed by JGC's importation into and sale in the UK of its Spanish cava product under the sign CRISTALINO ([2015] EWHC 2760 (Ch), reported in *CIPA Journal*, November 2015). In the present hearing, Master Bowles determined that the recoverable profits derived by JGC from its infringement were just over €1.3.

JGC had failed to comply with an *Island Records v Tring* disclosure order made by Rose J. Master Bowles was satisfied that all methods employed by Roederer and its lawyers to bring relevant matters, including Roederer's election for an account of profits, to JGC's attention had been effective. In light of JGC's non-compliance and non-engagement, Master Bowles had directed that Roederer's evidence would stand as unchallenged. JGC did not appear at the hearing and were not represented.

Roederer explained in witness evidence that it had been able to piece together information as to JGC's sales in the UK from a number of sources. This included information put forward by JGC in other proceedings in other jurisdictions and from UK supermarkets to which JGC had sold Cristalino products. Based upon those materials, a forensic accountant expert witness for Roederer was able to conclude that there was evidence to support infringing sales of Cristalino to the extent of 2,417,829 bottles.

Master Bowles was of the view that whilst the non-engagement or non-compliance of a defendant could not entitle the court to act on assumptions which went against the weight of the evidence or were otherwise unlikely, the court was entitled to do the best it could without entering into the realm of speculation. Accordingly, Master Bowles made a deduction for some sales which appeared to have been made under a different, non-infringing, brand name in the relevant period. Also, where sales data was not available from one supermarket, he assumed in JGC's favour that sales had declined during the economic crisis of 2008-2010 as had the other supermarket's, reducing the infringing number of bottles sold to 2,868,183.

Master Bowles went on to accept Roderer's expert's unchallenged evidence as to JGC's gross profit of €1.3m. Having regard to *Hollister v Medik* (which established that it was not appropriate to make any automatic deduction from profits arising from the sale of infringing goods to reflect general overheads of the defendant's business), the Master did not consider it appropriate to make any deduction to reflect JGC's general costs. In light of Rose J's finding that it was likely or probable that consumers had bought Cristalino in the belief that it was a product of Roederer, the Master did not consider it appropriate to make any other allocation or allowance against the profits, concluding on the evidence that no part of the profits were derived other than from JGC's infringement.

Objection to registration of SOVEREIGN for gold commemorative coins upheld

***The Royal Mint Ltd ("RM") v The Commonwealth Mint & Philatelic Bureau Ltd ("CMPB")** (Newey J; [2017] EWHC 417 (Ch); 03.03.17)**

Newey J dismissed RM's appeal from a decision of the hearing officer to refuse registration of SOVEREIGN for "gold commemorative coins" on the grounds of Sections 3(1)(c) and (d).

RM was a private limited company owned by HM Treasury and appointed by it as the sole and exclusive manufacturer, provider and distributor of UK circulating coins and UK commemorative coins. CMPB specialised in producing legal tender commemorative coins for various countries around the world.

With regard to Section 3(1)(c), the hearing officer found that "'sovereign' was a kind of gold commemorative coin" and was perceived as denominative by relevant average consumers rather than as an indication of origin. As for Section 3(1)(d), the hearing officer found that although GB sovereigns were by far the most common gold commemorative coins traded in the UK at the relevant date, the word sovereign alone did not guarantee the trade origin of such goods because it had become customary in the current language or in the bona fide and established practices of the trade. Considering the question of acquired distinctiveness, the hearing officer found that while RM had sold sovereigns for a long time and in large volumes prior to the relevant date and enjoyed a very significant share of the UK market for gold commemorative coins, a significant proportion of relevant average consumers would also have been aware that one or more territories also produced gold commemorative coins called sovereigns which were traded in the UK.

On appeal, Newey J held that the hearing officer was entitled to proceed on the basis that RM's expert witnesses (the curator of medieval and early modern coinage at the British Museum and the director of the Royal Mint Museum Ltd) were not average consumers and therefore their evidence could not be regarded as determinative. He also rejected RM's claim that the hearing officer had erred in finding that 'sovereign' was a denomination of money; the hearing officer was entitled to reach this conclusion

based on evidence which included the Coinage Act 1971 (which prohibited the issuing of sovereign and other coins without the authority of the Treasury), the fact that a sovereign was legal tender in the UK, and the way in which RM used the name in its marketing materials.

Newey J also rejected RM's argument that the fact that no one but RM could make sovereign coins for UK purposes meant that the word 'sovereign' must be distinctive of its coins – it had been clearly established before the hearing officer that the trade in gold commemorative coins was international in nature and that sovereign coins from other jurisdictions commonly bore the word 'sovereign'. RM's ground of appeal based on acquired distinctiveness also failed because, although the hearing officer had stated that a large proportion of the relevant public associated the name 'sovereign' with coins issued by the UK Government and/or RM as its agent, he made no finding that the association was because of the trade mark.

Suspension of opposition proceedings before the EUIPO

Unilever NV v EUIPO (Technopharma Ltd) (General Court; T-811/14; 17.02.2017)

The GC annulled the BoA's decision which refused to suspend opposition proceedings on the basis that the BoA had incorrectly assessed whether the request met the necessary requirements.

Unilever NV filed a EUTM application for the following figurative mark, covering a range of personal care goods, cosmetics and perfume goods in Class 3:



Technopharma Ltd owned an earlier EUTM application for NEW YORK FAIR & LOVELY, covering Class 3 and 5 which was later converted into national pending applications in the Benelux, Germany, Spain, France and the United Kingdom. Technopharma Ltd also owned earlier national registrations for the mark FAIR & LOVELY in Italy and the Benelux.

The BoA had found a likelihood of confusion, pursuant to Article 8(1)(b), between the mark applied for by Unilever NV and the various earlier national registrations relied on by Technopharma Ltd. Unilever appealed, and sought the cancellation of the BoA's decision or, in the alternative, a suspension of the Opposition proceedings pending the outcome of the on-going cancellation actions against Technopharma's earlier rights obtained as a result of the converted EUTM.

The BoA had examined the likelihood of confusion in relation to Technopharma's earlier Benelux registration, and not the earlier Spanish trade mark on which the Opposition Division's decision had been based (for reasons of procedural economy). Technopharma's submissions within the opposition proceedings were the same in relation to all other earlier national trade mark registrations relied on and, as such, the BoA had been entitled to conduct a new examination regarding likelihood of confusion on the basis of an earlier Benelux registration. The BoA's decision did not infringe the principle of legitimate expectations and no misuse of powers by the BoA.

With regard to the suspension of proceedings, the GC held that the BoA had committed a manifest error in its assessment and had misapplied Rule 20(7)(c) and Rule 50(1) of Regulation No 2868/95. Contrary to the finding of the BoA, Unilever NV had in fact provided evidence of both the existence of cancellation proceedings before the competent Netherlands court and details of the bad faith grounds relied on therein, having submitted the relevant summons and statement of grounds.

The BoA therefore incorrectly held that, by granting the application for suspension, the BoA's original decision refusing the registration of the mark applied for on the basis of the earlier Benelux registration would be rendered 'devoid of purpose'. The BoA had failed to appreciate that the cancellation proceedings against the earlier Benelux registration relied on bad faith and not the existence of earlier trade marks.

The GC considered that those errors may have prevented the BoA from taking into consideration all the factors relevant to the proceedings such that, when considering Unilever NV's request for suspension, the BoA (1) did not address the whole picture; (2) was not in a position to properly weight the various interests of the parties; and (3) could not correctly evaluate the chances of success of the cancellation proceedings on which the BoA based its decision to dismiss the application.

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First blocking order granted in respect of streaming servers

***The Football Association Premier League Ltd ("FAPL") v British Telecommunications Plc & Ots** (Arnold J; [2017] EWHC 480 (Ch); 13.03.17)**

Arnold J made an Order requiring the defendant UK ISPs to take measures to block access by their customers to streaming servers which delivered infringing live streams of Premier League footage to UK customers.

FAPL was the governing body of the football Premier League and owned copyright in films comprising television footage of all Premier League matches and in artistic works which appeared within that footage. The defendants were the six main retail ISPs in the UK. FAPL's application was supported by other rights holders, including the BBC, England and Wales Cricket Board, PGA European Tour and Rugby Football Union. Arnold J said that while, in some respects, the present application was similar to one by FAPL which led to a blocking injunction being made in respect of a particular website (*FAPL v Sky* [2013] EWHC 2058 (Ch)), this was the first time such an order had been sought in respect of streaming servers.

Since *FAPL v Sky*, the problem of illegal streaming had been exacerbated by: (i) consumers increasingly using set-top boxes, media players and mobile device apps to access infringing streams, rather than web browsers running on computers, meaning that traditional website blocking orders would be ineffective in preventing infringement; (ii) a dramatic decrease in the skill and effort required to find and use such devices and apps to access infringing content; (iii) it was now possible to access a large number of high-quality infringing streams of footage of each match; (iv) a significantly higher proportion of UK consumers believed it lawful to access unauthorised streams using such devices and software than believed it lawful to access such content via file-sharing websites; and (v) the streaming servers used to make available infringing streams to the public had increasingly been moved to offshore hosting providers who did not cooperate with right holders' requests to take down infringing content at all or in a timely manner (which was important given that any intervention had to occur during the course of a match). It was because a single server could be accessed via a number of different user interfaces that FAPL sought to block access to streaming servers.

The Order sought included the following criteria: (i) it identified specific IP addresses at which infringing streaming servers had been located and identified by FAPL, (ii) it focused on the more egregious infringers; (iii) FAPL had to reasonably believe that the server had the sole or predominant purpose of enabling or facilitating access to infringing streams of Premier League match footage, and (iv) FAPL had to neither know nor reasonably believe that the server was being used for any other substantial purpose. Arnold J also granted the injunction on the basis that: (i) it was a 'live' blocking order (meaning that blocking need not occur outside match times), (ii) the list of target servers could be 'reset' each week (meaning that old servers would not be blocked after the end of a week unless they continued to infringe), (iii) the Order was for a short period (coming into force on 18 March 2017

until the end of the current Premier League season on 22 May 2017) thereby allowing an assessment of its effectiveness ahead of the next season, and (iv) the Order required the relevant hosting providers to be notified when one of its IP addresses was subject to blocking and gave them permission to apply to set aside or vary the Order (along with the operators of the target websites and any customer of the defendant ISPs who claimed to be adversely affected by the Order).

Arnold J went on to find that the requirements of Section 97A CDPA were met and that an Order should be made, taking into account that the limited interference with internet users' rights to impart or receive information was justified by a legitimate aim and was proportionate: no equally effective but less onerous measures were available to FAPL, the Order avoided creating barriers to legitimate trade, it was not unduly complicated or costly, and it contained safeguards against misuse.

History book found not to infringe copyright in earlier created chapters concerning the same historical events

***Adenike Ogunkoya v Charles Harding** (Miss Recorder Amanda Michaels; [2017] EWHC 470 (IPEC); 10.03.17)**

Recorder Michaels dismissed Ms Ogunkoya's claim that in writing his book "The Fascinating History of My Liberated Ancestors", Mr Harding had made unlawful use of elements of three chapters of a book she had written, thereby amounting to copyright infringement and/or breach of confidence.

Ms Ogunkoya was a specialist in the history of the Creoles and their diaspora along the coast of West Africa and in the Western Hemisphere. She had become interested in the Smith family of Sierra Leone and, in particular, in the lives of five sisters born between about 1860 and 1871 in Freetown. In 1999, she started to write a book about them (which she never finished). In 2010, in order to fund further research for her book, she sold a copy of the first three chapters of it to (among others) the mother of Mr Harding who was a descendant of the Smith family. Mr Harding practiced as a barrister in Sierra Leone and later as a solicitor in the UK. He started to research his family history in 2009 and around that time purchased a third party biography of one of the Smith sisters. Later in 2009, he prepared a family tree as a birthday gift for his mother and, when he retired from practice in 2014, started researching for his own book. Mr Harding's book was published in 2016, consisting of some 400 pages and set out in 11 chapters. Its bibliography did not reference Ms Ogunkoya or her three chapters. Ms Ogunkoya's complaint related to two chapters of Mr Harding's book which dealt with the Smith family.

Recorder Michaels observed that 10 examples of alleged 'plagiarism' identified by Ms Ogunkoya did not include any allegation of direct copying of language, but related to the choice of incidents or facts mentioned in both books and, in some cases, to use of the same source materials. She found no evidence that Mr Harding had made use in his work of material derived directly or indirectly from Ms Ogunkoya's work and, in respect of most of the 10 examples, he had identified and produced copies of credible, independent and publicly accessible sources of his information. Although the Recorder considered whether Mr Harding would have looked at Ms Ogunkoya's three chapters with at least a reasonable degree of interest, she thought this unlikely given their limited value as advanced drafts rather than a finished article. Even if she was wrong and Mr Harding had made some use of Ms Ogunkoya's work in producing his work, Recorder Michaels held that it did not amount to copying a substantial part of Ms Ogunkoya's work or her expression of her intellectual creation.

Recorder Michaels also made no finding of breach of confidence on the basis that, on the facts, no express or equitable duty of confidence was imposed upon Mrs Harding when Ms Ogunkoya's three chapters were disclosed to her, or on Ms Harding when looking at his mother's copy of the three chapters.

REGISTERED DESIGNS

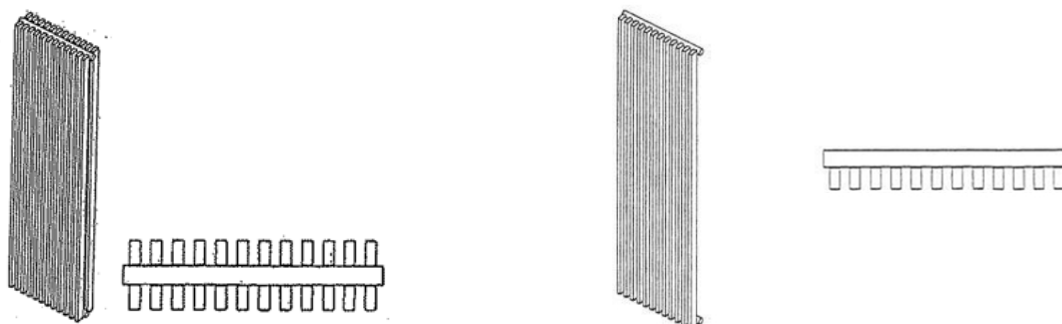
Antrax It Srl v EUIPO; Vasco Group NV (GC; T-828/14 and T-829/14; 16.02.2017)

The GC upheld the BoA's decision that the designs applied for lacked specific individual character within the meaning of Article 6 of the Community Designs Regulation (6/2002).

Antrax It owned earlier Community Design registrations for 'radiators for heating' (the "Antrax Designs")



Vasco Group applied to invalidate the Antrax Designs on the basis that they did not satisfy the requirements of Articles 4 to 9, relying on following earlier registered designs.



The Cancellation Division declared the Antrax Designs invalid on the basis that they lacked of novelty pursuant to Article 5 but this decision was annulled by the BoA for failure to provide adequate reasons. The BoA subsequently declared the Antrax Designs invalid for lack of individual character pursuant to Article 6. The GC held that the BoA had failed to take into account saturation of the state of the art in the market, which may have made an informed user more sensitive to the differences in the designs at issue. The case was referred back to the BoA and the parties submitted observations and evidence on the saturation of the state of the art in relation to radiators. However, the BoA once again dismissed the action and held the Antrax Designs were invalid for lack of individual character, as the overall impression produced by them on an informed user were no different from that produced by the earlier designs owned by Vasco Group.

The GC held that, in its assessment of the evidence submitted, the BoA had carried out the assessment of the state of the art as at the wrong date, considering the state of the art at the time of the earlier decisions and not at the date of registration of the Antrax Designs.

This error was nevertheless insufficient to annul the BoA's decision, as they had correctly assessed evidence which did relate to the year of registration and had ultimately reached their decision having considered the issue of saturation by assessing the number, quality and relevance of the evidence submitted. The GC therefore endorsed the BoA's decision and dismissed the appeal.

Katharine Stephens, Emma Green and Hilary Atherton


Reporters' note: We are grateful to our colleagues at Bird & Bird LLP for their assistance with the preparation of this report: Rebekah Sellars, Paul Sweeden, Toby Sears, George Khouri, and Sam Triggs.

TRADE MARKS

Decisions of the General Court

<p>GC</p> <p>T-510/15</p> <p><i>Roberto Mengozzi v EUIPO; Consorzio per la tutela dell'olio extravergine di olive Toscano IGP and the Italian Republic</i></p> <p>(02.02.17)</p>	<p>TOSCORO</p> <p>- edible oils fats; edible vegetable oils, notably olive oils; green and black olive creams (29)</p> <p>TOSCANO</p> <p>- olive oil</p> <p>Protected geographical indication ('PGI')</p>	<p>The GC upheld the BoA's decision to invalidate the mark applied for pursuant to Art 13(1)(b) Reg 2081/92 on the basis that it evoked the geographic indication TOSCANO, registered as a PGI under Reg 1151/2012/EC.</p> <p>The BoA had correctly assessed that the signs shared the first 'tosco' element and the final letter 'o'. The signs had five in seven letters in common with identical positioning. The GC endorsed the finding of high visual similarity – the difference in the middle syllable did not offset the strong visual similarity, nor was it capable of overriding the strong phonetic similarity between the signs.</p> <p>It was not disputed that 'edible oils fats; edible vegetable oils, notably olive oils' were of the same type of goods as olive oil covered by the PGI. Further, the BoA did not make any error in finding that 'green and black olive creams' were goods of the same type as olive oil. As such, the BoA was entitled to refuse the registration of the mark applied for in respect of these goods, on the basis of Art 13 and 14(1) Reg 2081/92.</p> <p>In light of the visual and phonetic similarity, the BoA was correct to find that, when the relevant consumer was confronted by goods of the same type as protected by the geographical indication, the mark applied for evoked TOSCANO. Registration of the mark applied for was therefore refused in relation to all goods in Class 29.</p>
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<p>GC T-106/16 <i>zero Holding GmbH & Co. KG v EUIPO; Oliver Hemming</i> (9.02.17) Reg 207/2009</p>	 <p>- precious metals and their alloys and goods in precious metals or coated therewith; jewellery, precious stones; horological and chronometric instruments (14)</p> <p>- clothing, footwear, headgear (25)</p>  <p>- jewellery, including costume jewellery; clocks and watches, watchstraps (14)</p> <p>- outerclothing, including knitted and woven clothing; footwear, headgear, belts (except belts made of common and precious metals and imitations thereof) (clothing), gloves (clothing), scarves, headscarves and neckerchiefs (25)</p>	<p>The GC annulled the BoA's decision that there was no likelihood of confusion between the marks at issue pursuant to Art 8(1)(b).</p> <p>The GC endorsed the finding that the relevant public in the European Union had an average to above average level of attention, which was higher than usual, in relation to Class 14 goods as they were unlikely to be bought regularly. The BoA's comparison of the relevant goods was endorsed: with the exception of precious metals and their alloys which were dissimilar to the goods covered by the earlier mark, the goods at issue were identical.</p> <p>The BoA had erred in assessing the marks as visually dissimilar. The GC held that, notwithstanding the stylisation of the mark applied for, the relevant public would perceive the final character as a letter and a continuation of 'zir', and therefore understand the verbal element as 'ziro'. The marks had high verbal similarity, differing in only in the second letter. The marks were noticeably different fonts and included different stylisation which created an average visual similarity overall.</p> <p>The BoA incorrectly held that the visual similarity was more important than the phonetic similarity, and that a lack of visual similarity would make it possible to dispel any phonetic understanding. In light of its finding on visual similarity, the GC held that the marks were phonetically similar to an average degree as far as the English-speaking relevant public was concerned, whilst not being conceptually similar.</p> <p>The appeal succeeded as the BoA's assessment of likelihood of confusion failed to take into account the correct degree of visual and phonetic similarity between the marks at issue.</p>
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<p>GC T-568/15 Giuseppe Morgese & Ots v EUIPO; All Star CV (15.02.17) Reg 207/2009</p>	 <p>- spectacle frames, sunglasses frames, spectacle and sunglasses cases (9) - leather and leather goods, bags, handbags, trunks and travelling bags, wallets, purses, umbrellas (18) - clothing, hats, footwear (25)</p>   <p>- leather and leather goods, bags, handbags, trunks and travelling bags, wallets, purses, umbrellas (18) - clothing, hats, footwear (25) - business administration and retail services and online retail services in respect of the abovementioned goods including optical frames, eyewear cases and accessories (35) (International Registration designating the EU and EUTM)</p>	<p>The GC upheld the BoA's finding that there was a likelihood of confusion between the marks pursuant to Art 8(1)(b).</p> <p>The BoA was correct to find that the goods in Classes 18 and 25 covered by the mark applied for and the earlier mark were identical. There was also a certain degree of similarity between goods in Class 9 of the mark applied for the services in Class 35 of the earlier mark.</p> <p>In the assessment of visual similarity, the GC confirmed that the star device and word 'STAR' were common to all marks and that, notwithstanding the smaller size of the star in the mark applied for or the overlap between that star and word elements '2' and 'STAR', the overall structure of the marks was the same. The additional figurative element in the mark applied for did not alter the visual impression created and as such there was an above average degree of visual similarity.</p> <p>There was also an average degree of phonetic and conceptual similarity between the marks. Given the identity or similarity of the goods and services at issue, the BoA was correct to find a likelihood of confusion between the marks.</p>
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COPYRIGHT

P2P file-sharing search engine operators communicate copyright works to the public

Stichting Brein v Ziggo VB, XS4ALL Internet BV (Opinion of Advocate General Spzunar; C-610/15; 08.02.17)

AG Spzunar opined that, by indexing and providing a search engine which enabled users to find copyright protected works offered for sharing on peer-to-peer networks, website operators made a communication to the public within the meaning of Article 3(1) of Directive 2001/29/EC if they were aware that a copyright protected work was available on

those sites without the consent of the copyright holder and they failed to take action in order to make access to that work impossible.

In proceedings in the Netherlands, *Stichting Brein* (a Dutch foundation aimed at preventing the illegal exploitation of copyright works) sought an order against the two main internet service providers requiring them to block subscribers access to *The Pirate Bay* ("TPB") (a search engine for peer-to-peer file sharing which indexed and categorized the metadata relating to files) on the basis that it facilitated large-scale copyright infringements.

Following a request for a preliminary ruling by the *Hoge Raad der Nederlanden*, AG Spzunar opined that the making available to the public of copyright protected works took place where those works were shared on a peer-to-peer network, as those works are made available on computers of the network users, which allowed any other user to download them. The fact that files containing those works were cut up and downloaded in pieces from different computers was not relevant. The subject matter of the copyright protection was not a file but the work. Works were made available in their entirety and subsequently sent to the users to download them in their entirety.

Potential users of an open peer-to-peer network constituted an undefined and significant number of persons such that, where the copyright holder had not consented to the work being communicated to those potential users, the potential users constituted a 'new public'.

Who made the works available - users or the search engine operator?

Although users intentionally made the works in their possession available to other users of the network, those works would not be accessible and the operation of the network was not possible, without sites such as TPB to enable the works to be found and accessed. However, such a site would only be an intermediary and it would not be responsible for communicating the work to the public if the site was unaware that the work has been made available illegally, or if having been informed of this, it acted in good faith to rectify the matter. However, where it failed to block access once the site was aware of the illegality of such availability, the site would be regarded having an express intention to allow that work to continue to be made available illegally. Actual knowledge of the facts was required on the part of the search engine operator – a presumption of knowledge was insufficient.

AG Spzunar opined that the search engine operator should be considered simultaneously and jointly with the users of the network, as the party making available to the public works which were shared on the network without consent of the copyright holders, provided that they were aware of the illegality of the situation and failed to take action to make access to such works impossible.

In the event that the CJEU disagreed with this assessment, AG Spzunar considered that Article 8(3) of Directive 2001/29 must be interpreted as permitting an injunction to be obtained against an intermediary ordering it to block access for its users to an indexing site of a peer-to-peer network, if the operator of that site can, under national law, be held liable for copyright infringements committed by users of that network, provided the measure is proportionate to the significance and seriousness of the copyright infringements committed, which is a matter for the national courts to determine.

Copyright in architect's drawings

***Signature Realty Ltd v Fortis Development Ltd & Anr** (Mr John Baldwin QC; [2016] EWHC 3583 (Ch); 17.02.17)**

John Baldwin QC held that Fortis had infringed Signature's copyright in some architect's drawings which formed part of a planning consent, but not in others. He refused to award additional damages under Section 97(2) CDPA.

Signature was a property development company formed for the purpose of developing property in the UK, primarily for Middle Eastern investors. Signature entered into what was essentially a joint venture agreement with a company called Wordsworth to acquire a site in Sheffield, which housed a pair of office buildings, and to develop the site into 200 student accommodation units. Wordsworth exchanged contracts to purchase the site but completion was delayed because it was not in funds. In the meantime, Signature had invested a significant amount of time and money in the project and engaged a firm of architects, C&W, to prepare drawings which formed the basis of Signature's application for planning permission. Under the terms of engagement, C&W retained ownership of the copyright in the drawings but granted Signature a non-exclusive licence to use the same in connection with the project. In the usual practice, the planning application documents, including the C&W drawings, were posted on the Sheffield Planning Portal where they became available for public inspection.

Fortis was a property development company which specialised in carrying out student and residential development projects in the UK. Fortis became aware of the site as a result of some marketing carried out by the seller's agent, who provided Fortis with a link to the Planning Portal from which it was evident that planning permission had been obtained pursuant to the applications by Signature. Fortis downloaded copies of C&W's drawings and began using them for estimation and marketing purposes. It subsequently purchased the site and submitted a minor material amendment application in relation to the Residential Planning Permission already granted using drawings prepared by another firm of architects.

Signature negotiated with C&W an assignment of the copyright in C&W's drawings and brought an action for copyright infringement against Fortis. Signature alleged that Fortis had infringed the copyright in the C&W drawings by: (i) using facsimile copies of the C&W drawings, or creating AutoCAD versions of the same, for marketing or architect/tendering/estimating purposes, and in the construction of the building; and (ii) using C&W drawings to make computer generated images of what something built in accordance with those drawings might look like, and subsequent use of those images in marketing materials.

John Baldwin QC was satisfied that the C&W drawings were original. He considered the similarities between the C&W drawings on the one hand and the drawings and AutoCad versions alleged to infringe the copyright in them on the other. In some cases the Judge concluded that they were not sufficiently similar for there to be reproduction of a substantial part of the C&W drawings, while others were sufficiently similar. In relation to the computer generated images used by Fortis, the Judge found that while anyone comparing the drawings complained of with the drawings relied on might reasonably reach the conclusion that they were of the same building and that they were different views of the same building, they would not conclude that one was a copy of the other. Given that what was in the Fortis images by reason of it being derived from the C&W drawings did not constitute a substantial part of the C&W drawings, there was no infringement.

As quantum was not in issue at trial, the Judge said that it would not be appropriate for him to assess quantum but rather to make an order for an enquiry or account in the usual way. Even considering the cumulative effect of the points relied upon by Signature to show that Fortis had committed the acts of infringement flagrantly, the Judge was of the view that Signature had failed to make this out. Further, as the benefits from the infringement as distinct from the grant of planning consent were unclear, he was not satisfied that Signature had established a claim for additional damages under Section 97(2). As Signature was unable

to show a sufficient threat of actual or likely damage, the Judge also refused injunctive relief, commenting that it was not a function of the civil courts to punish a defendant who infringed copyright in order to satisfy the feelings of a claimant, even one who felt genuinely aggrieved or angry at a defendant's conduct.


Katharine Stephens, Emma Green and Hilary Atherton

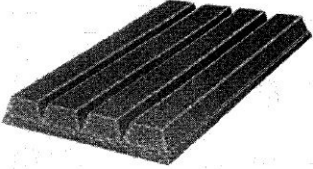

Reporters' note: We are grateful to our colleagues at Bird & Bird LLP for their assistance with the preparation of this report: Rebekah Sellars, George Khouri and Sam Triggs.



The reported cases marked * can be found at <http://www.bailii.org/databases.html#ew> and the CJ and GC



TRADE MARKS

Decisions of the GC

<p>GC T-397/15 <i>PAL-Bullermann GmbH v EUIPO; Symaga, SA</i> (14.12.16) Reg 207/2009</p>	 <p>- machines and machine tools; motors and engines (except for land vehicles); machine coupling and transmission components (except for land vehicles); agricultural implements; incubators for eggs (7)</p> <p>- household or kitchen utensils and containers (not of precious metal or coated therewith); combs and sponges; brushes (except paint brushes); brush-making materials; articles for cleaning purposes; steel wool, unworked or semi-worked glass (except glass used in building); glassware, porcelain and earthenware not included in other classes (21)</p>	<p>The GC upheld the BoA's decision not to revoke the mark in its entirety for lack of genuine use pursuant to Art 51(1)(a).</p> <p>The evidence of use submitted by the proprietor (which comprised invoices, a price list and a catalogue) showed use of the mark in a form different from that in which it was registered, i.e. PAL (word element) only and the figurative signs PAL Industries and PAL Industries The Center of Evolution.</p> <p>The BoA was correct in finding that the mark derived its distinctive character from the word element PAL, and that the figurative element, though striking, was merely decorative. The absence of the figurative element on the documents adduced did not mean the mark had been used in a form which altered its distinctive character, and the documents thus provided evidence of use.</p> <p>Despite the fact that the mark did not appear on certain invoices, the Board was also correct to find that the invoices established use of the mark. Reference codes entered on the invoices corresponded to references in both the price list and catalogue, wherein appeared products distributed under the mark.</p>
<p>GC T-391/15 <i>Aldi GmbH & Co. KG v EUIPO; Cantina Tollo SCA</i> (15.12.16) Reg 207/2009</p>	<p>ALDIANO</p> <p>- alcoholic beverages (except beer) (33)</p> <p>ALDI</p> <p>- alcoholic beverages (except beer) (33)</p>	<p>The GC upheld the BoA's decision that the evidence filed in the opposition was insufficient to demonstrate the earlier mark had been put to genuine use.</p> <p>However, the BoA had failed to assess the documents submitted in evidence as a whole, and had been wrong to conclude that the earlier mark was not used to distinguish the goods for which genuine use was asserted. The earlier mark was affixed to the labels of bottled goods; the fact that it was small and not displayed on the front of the packaging was irrelevant for the purpose of determining genuine use.</p> <p>Nevertheless, the evidence submitted was insufficient to demonstrate genuine use in relation to one wine product, and did not demonstrate the required extent of use in</p>

		<p>respect of the other two wine products: there was no indication that the advertising materials had in fact been published, nor of the frequency of any such publication. On balance, genuine use had not been established.</p>
<p>GC T-112/13 <i>Mondelez UK Holdings & Services Ltd v EUIPO; Société des produits Nestlé SA</i> (15.12.16) Reg 207/2009</p>	 <p>- sweets, bakery products, pastries, biscuits, cakes, waffles (30)</p>	<p>The GC annulled the BoA's decision that the mark had acquired distinctive character through use pursuant to Art 7(3) and Art 52(2).</p> <p>First, the BoA had erred in finding that the mark had been used for all the goods covered by the registration. The goods for which the mark had been used could reasonably be classified as sweets or biscuits, but use had not been demonstrated for bakery products, pastries, cakes or waffles.</p> <p>Second, the BoA had incorrectly assessed the geographical scope of the mark's acquired distinctiveness.</p> <p>Survey evidence was adduced in respect of 10 of the 15 countries which comprised the EU at the relevant time. 45% of those surveyed immediately identified the commercial origin of the goods by the mark. Since those 10 countries represented 83% of the population of the EU, the BoA inferred that 50% of the total population of the EU recognised the mark as belonging to Nestlé.</p> <p>However, the BoA was wrong to conclude that the mark had acquired distinctiveness throughout the EU. The correct question was not whether the mark had acquired distinctiveness in the EU as a bloc, but rather whether it had acquired distinctiveness in every member state.</p>
<p>GC Joined Cases T-678/15 and T-679/15 <i>Novartis AG v EUIPO</i> (15.12.16) Reg 207/2009</p>	 <p>- pharmaceutical and veterinary preparations (5)</p>	<p>The GC annulled the BoA's decision refusing registration of the marks pursuant to Art 7(1)(b).</p> <p>The GC held that, in light of the goods, the marks lacked distinctive character because they would be seen to represent a stylised outline of an oval-shaped pharmaceutical lozenge or pill viewed from above and from an angular perspective. The relevant public, made up of average consumers, would be very unlikely to distinguish the shape of a pill from the marks. The stylisation, the slight twist in the composition and elements of light and</p>

		<p>shadow, distinguished the marks from a representation of a pill.</p> <p>Although a sign consisting of a basic geometrical figure would not be regarded as a trade mark (unless acquired distinctive character could be established), the marks were not too simple to have the minimum level of distinctive character sufficient to allow the relevant public to remember and recognise the marks as indications of commercial origin.</p>
<p>GC T-399/15 <i>Morgan & Morgan Srl International Insurance Brokers v EUIPO; Grupo Morgan & Morgan</i> (19.01.17) Reg 207/2009</p>	 <p>Morgan & Morgan</p> <p>- insurance, real-estate and financial services (36)</p>  <p>MMG TRUST MIEMBRO DEL GRUPO MORGAN & MORGAN</p> <p>- accounting services (35) - insurance, real-estate and financial services (36) - legal services (45)</p>	<p>The GC upheld the BoA's decision allowing the opposition pursuant to Art 8(1)(b) on the basis that there was a likelihood of confusion between the two marks.</p> <p>The BoA had correctly held that the relevant public was the general public, despite the fact that the services were directed at both professional and non-professional users (<i>Ergo Versicherungsgruppe v OHIM; Société de développement et de recherche industrielle</i>, T-220/09).</p> <p>The mark applied for was composed of a large figurative element which occupied an important position within the mark and was likely to be perceived by the relevant public as 'M & M'. Nevertheless, it was not the dominant element as the relevant public would focus attention on the word element MORGAN & MORGAN.</p> <p>In the earlier mark, also a composite mark, the element MORGAN & MORGAN, although a secondary element due to its position and font, was not negligible on account of its distinctiveness and capacity to provide consumers with information.</p> <p>There was a degree of visual and phonetic similarity between the signs at issue, albeit not high, and the shared element MORGAN & MORGAN created a low level of conceptual similarity. Since the services were largely identical, the BoA was correct to find a likelihood of confusion between the marks. Such a finding was not called into doubt by the fact that the opponent had tolerated the applicant's use of domain names incorporating the word element.</p> <p>It was not possible for the applicant to seek to rely on an earlier unregistered mark which it claimed to have acquired prior to the application for the mark at issue to invalidate</p>

		the opponent's earlier mark: such an argument should be considered by way of separate invalidity proceedings.
<p>GC T-701/15 <i>Stock Polska sp. z o.o. v EUIPO; Lass & Steffen GmbH Wein und Spirituosen-Import</i> (19.01.17) Reg 207/2009</p>	 <p>- alcoholic beverages (except beers) (33)</p> <p>LUBECA - alcoholic beverages (except beers) (33) (German mark)</p>	<p>The GC upheld the BoA's finding that there was a likelihood of confusion between the marks at issue pursuant to Art8(1)(b).</p> <p>The GC held that consumers of the goods in question would have an average level of attention, since the goods were for everyday consumption and were widely available in supermarkets, department stores, restaurants and cafés.</p> <p>The marks shared the word element LUBE and both finished with the letter A. The figurative crown element was not particularly distinctive and, being commonly used for alcoholic beverages, was regarded as merely decorative. The dissimilarity between the word elements and the additional figurative element in the mark applied for were insufficient to overcome the similarities between the word elements, taking into account that the word elements were more distinctive than the figurative elements.</p> <p>The marks had no clear meaning for the relevant German public so the visual and phonetic similarities were not outweighed by the conceptual differences. Given that the goods at issue would be ordered verbally for consumption in bars, restaurants or nightclubs, a likelihood of confusion would arise on the basis of phonetic similarity alone.</p>
<p>GC T-258/08 <i>Matthias Rath v EUIPO; Portela & Ca., SA</i> (24.01.17) Reg 207/2009</p>	<p>DIACOR - food supplements, dietetic supplements, vitamins, minerals (5)</p>  <p>- pharmaceutical products, bandage materials, disinfectants, veterinary products (79) (Portuguese mark)</p>	<p>The GC upheld the BoA's decision to allow the opposition on the basis that there was a likelihood of confusion with the earlier mark pursuant to Art 8(1)(b).</p> <p>The BoA was correct to find that the earlier mark had only been put to genuine use in relation to 'antitussive medicines' as a subcategory of pharmaceutical products. Use of the word element DIACOL also amounted to genuine use of the earlier mark, as such use did not alter the distinctive character of the mark as registered.</p> <p>The level of attention of the relevant Portuguese public was relatively high given the nature of the goods at issue, which were targeted at the end user. The goods shared only a very low level of similarity but the</p>

		marks were highly similar both visually and phonetically. Neither mark carried a significant meaning to the relevant public. On this basis, DIACOL, being the most distinctive element of the earlier mark, had at least a normal distinctive character. Notwithstanding the relatively high level of attention of the relevant public, the high degree of similarity between the marks was capable of offsetting the low degree of similarity between the goods.
GC T-96/16 <i>Solenis Technologies LP v EUIPO</i> (24.01.17) Reg 207/2009	STRONG BONDS. TRUSTED SOLUTIONS. - chemicals for use in industry; chemicals for use in industrial water treatment (1)	The GC upheld the decision of the BoA, which refused registration for the mark applied for on the basis that the mark was descriptive and lacked distinctive character pursuant to Art 7(1)(b) and (2). The mark would be understood by the relevant public as an indication that the goods provided solid adhesive strengths which provided trusted solutions. The BoA had been correct to find that the relevant public would view the mark as an indication of the quality of the goods at issue. The mark would also be perceived as a promotional formula which carried a laudatory meaning in relation to those goods. The mark was therefore devoid of distinctive character.
GC T-88/16 <i>Opko Ireland Global Holdings Ltd v EUIPO; Teva Pharmaceutical Industries Ltd</i> (26.01.17) Reg 207/2009	ALPHAREN - pharmaceutical and veterinary preparations containing magnesium iron hydroxycarbonate or hydrotalcite or derivatives of these compounds; pharmaceutical and veterinary preparations for use in renal dialysis and in the treatment of renal diseases and kidney ailments; phosphate binders for use in the treatment of hyperphosphataemia (5) ALPHA D3 - pharmaceutical preparation for regulating calcium (5) (Hungarian, Lithuanian and	The GC upheld the BoA's decision that there was a likelihood of confusion between the marks pursuant to Art 8(1)(b). The BoA was correct to assess the relevant public as both average consumers and health professionals. Despite the goods at issue being prescription only, end consumers may form part of the relevant public for such goods. Patients suffering from kidney disease would have a high degree of attentiveness. The goods were highly similar, all being intended for patients suffering from chronic kidney failure. This view was not altered by the fact that the products could not be taken together. The marks were similar to a low degree on account of the shared ALPHA element, which the average consumer would see as the first letter of the Greek alphabet rather than as a biomechanical term. This element did not create any particular link to the goods at issue, and therefore could not be regarded as having

	Latvian marks)	<p>a weak distinctive character.</p> <p>Although there was a weak visual similarity between the marks, there was a certain phonetic and conceptual similarity. Notwithstanding the average consumer's high level of attention (which could not be compared that of a doctor or pharmacist), there was a likelihood of confusion between the marks.</p>
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Labels of quality may be considered as standalone trade marks

W. F. Gözze Frottierweberei GmbH, Wolfgang Gözze (“Gözze”) v Verein Bremer Baumwollbörse (“VBB”) (Opinion of Advocate General Wathelet; C-689/15; 01.12.2016)

AG Wathelet opined that the use of a mark as a label of quality was capable of constituting use for the purpose of Article 15 and that neither Articles 7(1)(g), 52(1)(a) nor Article 73(c) allowed such a mark to be revoked or found to be invalid where the proprietor failed to ensure that expectations relating to the quality associated with that mark were in fact met.

VBB, an association representing the interests of businesses in the cotton textile sector, was the proprietor of the following EU figurative trade mark (the "Cotton Flower" mark), registered in particular for textiles:



VBB licensed the Cotton Flower mark to textiles businesses on the agreement that the mark would only be used for high quality goods made from cotton fibres and compliance with such standard was liable to verification by VBB. Gözze, a textile business, marketed, *inter alia*, towels bearing hangtags which had the Cotton Flower mark (or a highly similar mark) affixed to the back. VBB did not license Gözze and therefore brought infringement proceedings. Gözze counterclaimed that the Cotton Flower mark was purely descriptive and therefore lacked distinctive character and should not have been registered as a trade mark.

Following a request for a preliminary ruling by the Overlandesgericht Düsseldorf, AG Wathelet opined that use of a quality mark was capable of constituting use as a trade mark for the purposes of Article 15, provided that such use simultaneously fulfilled the origin function. Article 9(1)(a) should therefore be interpreted to allow the proprietor of a quality mark to prevent competitors from using an identical sign for identical goods or services covered by the registration for the quality mark where such use was liable to adversely affect one of the mark's functions, such as the indication of the quality of the goods. However, where another business used an identical or similar mark in respect of identical goods or services, Article 9(1)(b) should be interpreted as allowing the proprietor of the quality mark to challenge use of the later mark only where there was a likelihood of confusion.

In relation to the second question, the Advocate General found that neither Article 52(1)(a) on declarations of invalidity, Article 7(1)(g) on deceptive marks, nor Article 73(c) on revocation of

rights in collective marks allowed for the invalidity or revocation of a mark, which was also a label of quality, where the proprietor of the mark failed to ensure that expectations relating to the quality that the public associated with the mark were being met, by carrying out actual or periodic quality controls at its licensees.

Court of Appeal dismisses challenge to plain tobacco packaging legislation

***MHCS Societe en Commandite Simple & Anr v Polistas Ltd & Ots** (Judge Melissa Clarke; [2016] EWHC 3114 (IPEC); 02.12.16)**

Judge Melissa Clarke found that the sale by Polistas of 'Veuve Clicquot' branded merchandise outside the terms of the consents granted by the brand owner amounted to trade mark infringement and passing off and awarded £125,000 in damages.

MHCS was the internationally-known French producer of Veuve Clicquot champagne. It owned UK and European trade marks (the "Veuve Clicquot Marks") for VEUVE CLICQUOT in Class 33 and for the following device in Classes 33, 35 and 41:



The Second Claimant, Moët Hennessy UK Ltd, represented MHCS's interests in the UK, including sponsoring the British Open Polo Championship known as 'The Veuve Clicquot Gold Cup' ("VCGC"). The two claimant companies brought proceedings for trade mark infringement under Section 10(3) & Article 9(1)(c) and for passing off against Polistas and its director and majority shareholder. Polistas produced high quality polo clothing and polo-related merchandise for the professional polo and consumer markets, which it sold under the "POLISTAS" brand through a number of shops, concessions and trade stands in the UK and abroad and through a website and online shop operated by its wholly-owned subsidiary, the Third Defendant. Every year between 2007 and 2010, Polistas became an official supplier to VCGC (pursuant to an agreement or agreements with Moët Hennessy) for the production, promotion and sale of polo shirts, t-shirts and caps branded with the Veuve Clicquot Marks and other 'Veuve Clicquot' insignia. However, a dispute arose as to the scope and purpose of the consents granted to Polistas by MHCS and Moët Hennessy.

As the only issue in dispute was consent, the Judge applied *Zino Davidoff SA v AG Import Ltd* (Joined Cases C-414/99, C-415/99 and C-416/99) and stated that the burden of proof was on Polistas to unequivocally demonstrate consent. Unusually in IPEC, the issues of liability and quantum had not been split for trial, and the Judge identified the following among the issues to be determined:

Was the relationship between the MHCS/Moët Hennessy and Polistas from 2007 – 2010 inclusive: (a) a series of annually negotiated agreements or (b) some other agreement, and if the latter, then what other agreement?

The Judge was satisfied on the evidence that the relationship was a series of annually negotiated agreements, agreed by email. It was clear from the documentary and witness evidence that in each year a new decision was required from MHCS/Moët Hennessy as to whether they were going to order shirts from Polistas for the VCGC that coming summer, and enter into an 'official

supplier' arrangement, although the agreement of the previous year was used as a starting point for negotiating the new one.

What were the terms of such agreements?

Looking at the agreements for each year separately, the Judge found that while the 2007 agreement did not limit Polistas' advertisement and communication of official supplier status to the period of the VCGC only, the 2008, 2009 and 2010 agreements did. However, she found that in each case the parties did not specify or agree (i) a term or procedure for termination of the agreement (including the consent); or (ii) a sell-off period for existing stock in the event of termination of the agreement. While this did not mean that Polistas' use of the Veuve Clicquot Marks was not unequivocal (it was), the Judge found as a matter of law that: (i) as no term or procedure for termination of the agreement was granted, the agreement could be terminated by MHCS/Moët Hennessy at will upon reasonable notice; and (ii) as no sell-off period was agreed, Polistas' right to promote or sell existing stock also ceased on the date of termination of the agreement.

Did such agreement(s) terminate and if so, when?

The Judge found that an email from Moët Hennessy to Polistas in 2011 had been insufficient to terminate the 2007-2010 agreements because its wording suggested that the agreements had already been terminated and expressed a preference, rather than a request, that Polistas cease to use the Veuve Clicquot Marks. However, she was satisfied that a letter from MHCS/ Moët Hennessy's solicitors in 2012 was effective to terminate each of the agreements.

Which acts, if any, amounted to infringement of the Claimants' trade marks?

Taking into account that MCHS's UK mark for VEUVE CLICQUOT was filed in October 2011 and its EU device mark was filed in January 2008, the Judge concluded that all sales and manufacture/importation of the branded merchandise by Polistas outside the terms of the consents after each of those dates amounted to infringement of the respective Veuve Clicquot Mark. The Judge went on to find that the sale of the branded merchandise outside the terms of the consents granted between 2007 and 2010 and the promotion, offering and exposing of the branded merchandise for sale amounted to passing off, as did the manufacture and/or importation of branded merchandise by Polistas in 2011 and its retail sale of branded merchandise in 2011 which went beyond the consent which had been granted for use of the Veuve Clicquot Marks for staff clothing only.

Joint tortfeasorship

Finding that the director and majority shareholder of Polistas was the controlling mind of the First and Third Defendants and directed them and their acts in accordance with a common design, the Judge found that the three defendants were jointly and severally liable as joint tortfeasors for the acts of infringement of the Veuve Clicquot Marks and passing off.

Damages

Neither the appropriate royalty rate nor the profits made were discernible from the evidence, and the Judge therefore assessed damages on the basis of the value of the goods supplied to MHCS/Moët Hennessy in return for the limited consents between 2007 and 2010. From that, the court could, she said, extrapolate what the parties as willing licensor and willing licensee would have been willing to agree as a fee for a licence covering the use to which the Veuve Clicquot Marks were put. She settled on a figure of £125,000, being six years at £20,000 per annum (from VCGC Finals Day in 2010 to present), plus £5,000 for the pre-2010 infringements.

PASSING OFF

Implying membership of a trade association held to amount to passing off

The National Guild of Removers and Storers Ltd ('NGRS') v Bee Moved Ltd & Ots* (Mr Recorder Douglas Campbell QC; [2016] EWHC 3192 (IPEC); 13.12.16)

The Judge found that one of the Defendants' advertisements for its moving services amounted to passing off but rejected the NGRS's claim in respect of a description of Bee Moved as a "member of NGRS" which appeared on a directory page within a website operated by a third party.

NGRS was a trade association which represented members of the removals and storage industry. It alleged that various advertisements relating to Bee Moved's removal and storage services amounted to passing off.

Mr Recorder Campbell found that a "Moving Checklist" which appeared on Bee Moved's website amounted to passing off because it included a bullet point which stated "use a removal company who is a member of the National Guild of Removers and Storers". The Judge found that the bullet point was not just general advice but implied that Bee Moved was itself a member of the NGRS. He also rejected Bee Moved's argument that the public would notice the absence of the NGRS logo on Bee Moved's website with the result that the bullet point would not imply any trade connection to NGRS.

However, the Judge found that Bee Moved was not liable for a reference on a third party website which described Bee Moved as being a "Member of NGRS". Although Bee Moved had, when it became a member of the website, provided the description which had been accurate at the time, Bee Moved had later asked for the reference to be removed when it had ceased to be a member of NGRS some years previously. Although the reference had been removed, a crash of the third party website's system had caused the reference to reappear on the website directory page at a later date. The Judge found that Bee Moved could not be responsible for acts done by an independent third party where it did not know of such acts, did not intend them, and where no question of agency, authorisation, or procuring arose.

DESIGNS

Guidance for pleadings in unregistered design cases

Action Storage Systems Ltd v G-Force Europe.com Ltd* (Judge Hacon; [2016] EWHC 3151 (IPEC); 07.12.16)

Judge Hacon found that design features of Action Storage's stackable lockers were original, not commonplace, and not methods or principles of construction, although some features were excluded by the 'must fit' defence. He found that G-Force had committed primary and secondary acts of infringement.

Action Storage made and supplied plastic stackable lockers of the type used in schools under the brand name "eXtreme Lockers". G-Force launched a range of lockers sold under the name 'SuperTuff'. Action Storage alleged that the design of the SuperTuff lockers was created by copying that of the eXtreme lockers and that G-Force had infringed Action Storage's unregistered design rights in the design of the eXtreme lockers as a whole, and also in the designs of parts of the lockers. The fronts of the lockers are shown below:



Not features of shape and configuration

The Judge rejected G-Force's argument that certain pleaded features of Action Storage's eXtreme locker did not constitute features of shape and configuration due to Action Storage's use of the terms 'approximate' and 'general' to define features of its lockers in its pleading. Although the Judge was of the view that there was some ambiguity in the pleading, he said that the solution was for G-Force to have sought clarification rather than 'sitting on their hands' and attempting to make the most of the ambiguity at trial, where Action Storage confirmed that they relied only on designs precisely as embodied in the eXtreme lockers.

Lack of originality

The Judge concluded that the design of the eXtreme locker as a whole was original over the prior art, as were the designs of the exterior and interior of the eXtreme door, and therefore G-Force's allegation of lack of originality failed, save in relation to the eXtreme's moulded hinges. The Judge said that any distinction between the UK and EU tests for originality in the copyright sense would make no difference on the facts. He also rejected G-Force's argument that the designs were commonplace.

Method or principle of construction

While the Judge did not doubt that the ribs and rear panel of the eXtreme locker each enabled it to perform its functions, there was no evidence that those functions could be achieved only by means of the particular shape of side ribs or rear panels embodied in the eXtreme locker. Alternative designs would have worked just as well and therefore neither of the design features targeted was a method or principle of construction.

Must fit

The Judge found that the shapes of the top and bottom panels of the eXtreme locker enabled some stability when one locker was stacked onto another and that this was achieved by a sufficient degree of precision in the fit between top and bottom panels. Therefore, G-Force's 'must fit' argument succeeded in respect of those design features.

Infringement

Taking all the features of the designs into account, the Judge concluded that the SuperTuff lockers were made substantially to the overall design of the eXtreme locker in each of its sizes. He held that Action Storage had established primary and secondary infringement of its design rights in the design of the eXtreme locker as a whole and the designs of the overall dimensions and proportions of the locker, the shape of the oval indentation, the shape of the side panel and the shape of the rear panel.

Judge Hacon also indicated that it would be helpful if the claimant in a design right case set out in its Particulars of Claim the significant features of the design or designs as it saw them and the extent to which those features were to be found in the defendant's accused article. He said it might sometimes be useful to employ a labelled diagram to locate each significant feature. He

also commented that the defendant may, in its Defence, adopt the claimant's list of significant features or propose amendments, and also admit or deny the presence of significant features in the design of his accused article.

IP ENFORCEMENT

Right to information under IP Enforcement Directive can be exercised outside IP proceedings

NEW WAVE CZ, a.s. v ALLTOYS, spol. s r.o. (CJ (Ninth Chamber); C-427/15; 18.01.2017)

Following a request for a preliminary ruling referred from the Czech Supreme Court, the CJ held that Article 8(1) of the Intellectual Property (IP) Enforcement Directive (2004/48/EC) would apply in a situation where, after the definitive termination of proceedings which found the infringement of an IP right, an applicant in separate proceedings sought information on the origin and distribution networks of the goods or services which provided the basis of the infringement.

The expression "*in the context of proceedings concerning an infringement of an intellectual property right*" could not be understood as referring solely to proceedings seeking a finding of an infringement of an IP right, and did not preclude Article 8(1) from also applying to separate proceedings. The obligation to provide information under Article 8(1) was directed not only at the infringer of the IP right in question but also at 'any other person' as further detailed in subsections (a)-(d) of that provision, including, for example, those found in possession of infringing goods on a commercial scale. The CJ noted that Article 8(1) applied to those persons, even though they were not necessarily parties to the IP infringement proceedings.

The right of information provided for in Article 8(1) was a specific expression of the fundamental right to an effective remedy guaranteed in Article 47 of the Charter of Fundamental Rights of the European Union and thereby ensured the effective exercise of the fundamental right to property, including the IP right protected under Article 17(2) of the Charter. That right of information enabled an IP rights holder to identify the infringer and take the necessary steps, such as applying for an interlocutory injunction or damages. Without full knowledge of the extent of the infringement of the IP right, the rights holder would not be in a position to determine or calculate precisely their entitlement to damages as a result of the infringement.

Calculation of damages under the IP Enforcement Directive

Stowarzyszenie Oławska Telewizja Kablowa w Oławie ("OTK") v Stowarzyszenie Filmowców Polskich w Warszawie ("SFP") (CJ (Fifth Chamber); C-367/15; 25.01.17)

In response to a question referred by the Polish Supreme Court on a provision under Polish law (later deemed to be unconstitutional), the CJ held that Article 13 of the IP Enforcement Directive (2004/48/EC) did not preclude Member States from enacting national legislation which provided for the payment of a set amount of damages for copyright infringement which was two times the value of the licence fee which would otherwise have been payable. Such a provision was compatible with the IP Enforcement Directive even if Member States did not impose an obligation on the rights holder to prove their actual loss or any causal link between infringement and such loss.

The CJ held that Article 13 applied a minimum standard and did not preclude national legislation from favouring the rights holder by, for example, providing that a lump sum of damages equal to twice the notional royalty should be paid to the rights holder. The CJ also referred to other relevant international agreements, many of which permitted contracting states to grant wider protection than those agreements provided for. The fact that there was no obligation on Member States to provide for punitive damages did not prohibit the introduction of this measure. Although there may be exceptional cases where payment of twice the amount of the royalty would exceed the actual loss suffered by the claimant so as to amount to an abuse of rights prohibited under Article 3(2), the Polish Court would have discretion to award such a sum.


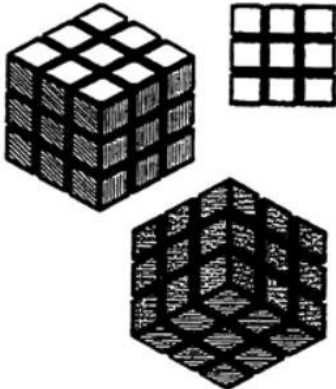
Katharine Stephens, Emma Green and Hilary Atherton

Reporters' note: We are grateful to our colleagues at Bird & Bird LLP for their assistance with the preparation of this report: Rebekah Sellars, George Khouri, Georgie Hart, Paul Sweeden, Toby Sears, Zain Ali, James Fowler and Sam Triggs.

The reported cases marked * can be found at <http://www.bailii.org/databases.html#ew> and the CJ and GC decisions can be found at http://curia.euro.pa.eu/jcms/jcms/j_6/home



TRADE MARKS



Decisions of the GC and CJEU

<p>GC T-579/14 <i>Birkenstock Sales GmbH v EUIPO</i> (09.11.16) Reg 207/2009</p>	 <p>- surgical, medical, dental and veterinary apparatus and instruments; artificial limbs, eyes and teeth; suture materials; suture materials for operations; orthopaedic footwear and parts thereof (10)</p> <p>- leather and imitations of leather, and goods made of these materials; animal skins, hides; bags; rucksacks; purses; trunks and travelling bags; umbrellas; whips, harness and saddlery (18)</p> <p>- footwear and parts/ fittings thereof; inner soles; clothing; headgear; belts; shawls; neckerchiefs (25)</p>	<p>The GC partially annulled the BoA's decision that the mark lacked distinctive character pursuant to Art 7(1)(b) in respect of certain goods in Classes 10 and 18.</p> <p>The BoA had erred in holding that it was possible for the mark to be used as a raised surface pattern on the packaging of 'artificial limbs, eyes and teeth', 'suture materials; suture materials for operations' and 'animal skins, hides', to enable a more secure grip. Packaging for these goods would merely be for transport purposes, making it unlikely to have a surface pattern for decorative purposes. The BoA therefore incorrectly assessed the distinctiveness of the mark in relation to those goods.</p> <p>It was not unlikely for the remaining goods to have a surface pattern applied for decorative or technical purposes. Given the simplicity of the mark and the infinite number of different designs used for surface patterns, the mark did not depart from the usual practices of the sectors concerned. The relevant public would therefore perceive the mark as a simple surface pattern and not as an indication of commercial origin.</p>
<p>CJ C-30/15 P <i>Simba Toys GmbH & Co. KG v EUIPO; Seven Towns Ltd</i> (10.11.16) Reg 207/2009</p>	 <p>- three-dimensional puzzles</p>	<p>The application to cancel the mark was rejected by the Cancellation Division whose decision was upheld by both the BoA and the GC. Nevertheless, the CJ held that the mark was invalid pursuant to Art 7(1)(e)(ii) as it consisted exclusively of the shape of goods necessary to obtain a technical result.</p> <p>The GC held that the essential characteristics of the mark were a cube and grid structure on each surface of the cube and that this grid structure did not perform any technical function</p>

	(28)	<p>on the basis that inferring the existence of an internal rotating mechanism would not have been consistent with the requirement that any inference of technical function must be drawn as objectively as possible from the shape of the mark as represented.</p> <p>The CJ held the decision was vitiated by an error of law: the GC should have assessed the essential characteristics of the shape in the light of the technical function of the <i>actual</i> goods, namely a 3-D puzzle. The analysis of the graphic representation could not be made without, where appropriate, additional information on the actual goods (<i>Lego v OHIM</i>, C-48/09P and other cases). This meant that the GC had been wrong not to take into consideration the rotating capability of the puzzle.</p> <p>Furthermore, the CJ noted that the registration would protect all types of 3-D puzzles, regardless of the principles by which they functioned, contrary to the objective of Art 7(1)(e)(ii).</p>
<p>GC T-315/15 <i>Dale Vince v EUIPO</i> (17.11.16) Reg 207/2009</p>	<p>ELECTRIC HIGHWAY - transmission, distribution and supply of electricity and gas; transmission, distribution and supply of hydro electricity; storage, transportation and delivery of gas and electricity; transmission, distribution and supply of electricity for vehicles (39)</p>	<p>The GC upheld the BoA's decision that the mark was descriptive within the meaning of Art 7(1)(c).</p> <p>The BoA was correct to conclude that the services at issue were aimed at professionals working in the field of energy supply distribution and average consumers of electricity and users of electrical vehicles.</p> <p>The GC endorsed the BoA's assessment that the mark complied with the rules of English syntax. The relevant public would understand it as referring to a road equipped with charging stations for electric vehicles, rather than any metaphorical meaning.</p> <p>The GC confirmed that this interpretation was sufficiently direct and specific to the services at issue, enabling the relevant public to perceive without further thought the</p>

		<p>nature and intended purpose of those services. It was irrelevant that the mark was not actually put to use in a descriptive way but sufficient that the mark may have been used for such purposes.</p> <p>In light of the above, it was not necessary for the BoA to consider Art 7(1)(b).</p>
<p>GC T-349/15 CG <i>Verwaltungsgesellschaft mbH v EUIPO; Perry Ellis International Group Holdings Limited</i> (24.11.16) Reg 207/2009</p>	<div data-bbox="517 539 799 680" data-label="Image"> </div> <p>- clothing and accessories namely, swimsuits, jackets, shorts, leotards, swimsuits, swim trunks, casual shirts, shorts, workout pants, warm-up shirts and suits, cover-ups, socks, sport bras, sweatshirts, sport shirts, T-shirts, underwear; headwear and footwear (25)</p> <div data-bbox="475 1099 834 1294" data-label="Image"> </div> <p>- protective helmets for sports; sunglasses and goggles for sports (9) - clothing; footwear, in particular sports shoes; headgear (25) - protective clothing for sports (28) (EUTM & German marks)</p>	<p>The GC upheld the BoA's decision that there was no likelihood of confusion between the marks pursuant to Art 8(1)(b).</p> <p>The BoA was right in its conclusion that the goods were either identical or highly similar.</p> <p>In considering the perception to the relevant public (i.e. the general public) of the mark applied for, the BoA had erred in part: it should have held that the words 'pro player' were descriptive of the sporting nature of certain of the goods in Class 25 and therefore weakly distinctive for those goods.</p> <p>Nevertheless, the error did not affect the BoA's conclusion that the word element was co-dominant with the figurative letter 'p' as, following <i>Xentral v OHIM – Pages jaunes</i> (T-134/06), a weak distinctive character of an element of a composite mark can still constitute a dominant element. Therefore, as the BoA had held, the signs should not be compared solely on the basis of the figurative elements comprising the letter 'p'.</p> <p>As a consequence, the BoA rightly concluded that there was a very low degree of visual and phonetic similarity between the signs such that there was no likelihood of confusion.</p>
<p>GC T-2/16 <i>K&K Group AG v EUIPO; Pret a Manger (Europe) Ltd</i> (30.11.16)</p>	<p>Pret A Diner</p> <p>- meat, fish, poultry and game; meat extracts; preserved, frozen, dried and cooked fruits and vegetables... (29) - coffee, tea...flour and</p>	<p>The GC upheld the BoA's decision that the mark applied for would take unfair advantage of the distinctive character of the earlier mark, pursuant to Art 8(5).</p> <p>The BoA correctly assessed that the earlier marks had been put to genuine use in respect of certain goods in Classes 29 and 30 and services in</p>

<p>Reg 207/2009</p>	<p>preparations made from cereals, bread, pastry and confectionery (30)</p> <ul style="list-style-type: none"> - services for providing food and drink in restaurants... food and drink catering (43)  <ul style="list-style-type: none"> - snack foods; prepared meals; all being available for immediate consumption (29) - coffee, tea; sandwiches; cakes; prepared meals; all being available for immediate consumption (30) - self-service restaurants; restaurants; cafés; cafeterias; catering services (43) 	<p>Class 43.</p> <p>The GC held there was a certain visual and phonetic similarity between the marks and that the average consumer in the UK would perceive a link between them. The earlier mark had a 'very significant' reputation in the UK and, as a result of the very powerful image produced by the earlier mark (which was inherently distinctive), the mark applied for would take an unfair advantage of the reputation of the earlier mark.</p> <p>The risk was further substantiated by the fact that the earlier mark and its shortened version PRET were recognised by the relevant public as household names.</p>
<p>GC T-458/15 <i>Automobile Club di Brescia v EUIPO; Rebel Media Ltd</i> (30.11.16) Reg 207/2009</p>	 <ul style="list-style-type: none"> - vehicles; apparatus for locomotion by land, air or water (12) - precious metals and jewellery (14) - leather and imitations of leather (18) - clothing, footwear, headgear (25) - advertising, in particular for competitions with electrical vehicles; organisation and arranging of advertising events; commercial sponsoring, also on the internet; business management; business administration; office functions (35) - education; providing of training; entertainment; sporting and cultural activities (41) <p>MILLE MIGLIA</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 relevant territory was the EU and the relevant public consisted of both the general and professional public.</p> <p>The BoA had not erred in its comparison of the goods and services at issue: 'advertising, in particular for competition with electrical vehicles', 'commercial sponsoring, also on the internet' and 'business management' in Class 35 and 'sporting and cultural activities' in Class 41 were similar (rather than identical) to services covered by the earlier marks.</p> <p>The GC endorsed the BoA's assessment of the figurative elements of the mark applied for - whilst essentially decorative, they were not completely negligible in the overall impression given by the mark.</p> <p>The BoA was correct to find that the marks were visually similar to a low degree and phonetically similar to a below average degree. Conceptually, the word 'miglia' had no meaning for</p>

	- various goods and services in Classes 12, 14, 18, 25, 35 and 41	the non-Italian speaking public. Therefore, in light of the average distinctive character of the earlier mark, the BoA was correct to find that there was a likelihood of confusion.
GC T-24/16 <i>Sovena Portugal</i> — <i>Consumer Goods, SA v EUIPO; Mueloliva, SL</i> (13.12.16) Reg 207/2009	FONTOLIVIA - edible oils and fats; olive oils (29) FUENOLIVA - virgin olive oil (29) (Spanish mark)	The GC annulled the BoA's decision to refuse registration of the mark applied for pursuant to Art 8(1)(b). The BoA had incorrectly held that the evidence filed demonstrated that the earlier mark had been put to genuine use in relation to the goods at issue within a substantial part of Spain. Three of the ten invoices did not conclusively show use of the earlier mark, and six of the remaining seven showed sales to a single wholesaler over a period of less than a year. The evidence was therefore insufficient to demonstrate that the earlier mark had been put to use to the required extent and duration. The remaining evidence was tenuous and did not demonstrate serious evidence of public onward use of the mark. The Opposition was therefore rejected.
GC T-548/15 T-549/15 <i>Ramón Guiral Broto v EUIPO; Gastro & Soul GmbH</i> (13.12.16) Reg 207/2009	CAFÉ DEL SOL  - goods and services in Classes 30, 35, 41, 42, 43 and 45  - services in Class 42	In joined opposition proceedings, the GC annulled the BoA's decisions that the oppositions were unfounded due to a failure to submit evidence in the language of the proceedings, pursuant to Rule 19 Regulation 2868/95/EC. The BoA held, after it raised the issue of its own motion, that Mr Guiral Broto had not substantiated the scope of protection of the earlier figurative mark as he failed to provide an English translation of the colour claim and the descriptive part of the registration certificate for that mark, as required under Rule 19. The BoA consequently dismissed the Opposition pursuant to Rule 20(1), without giving Mr Guiral Broto the opportunity to be heard on the issue of the procedural irregularity. Rule 50(1) and Art 76(2) conferred discretion on the BoA to decide

		<p>whether to accept supplementary evidence in the event of procedural irregularity. As such, it could not be ruled out that if Mr Guiral Broto had been heard on the issue, a supplementary translation may have been submitted, which may have led to a different outcome. The BoA's decisions therefore infringed the principle that the parties should be heard.</p>
<p>GC T-58/16 <i>Apax Partners LLP v EUIPO; Apax Partners Midmarket</i> (13.12.16) Reg 207/2009</p>	<p>APAX</p> <ul style="list-style-type: none"> - paper, cardboard; printed matter and photography; instructional and teaching material (16) - advertising; business management; business administration; office functions (35) - insurance; financial affairs; monetary affairs; real estate affairs (36) <p>APAX</p> <ul style="list-style-type: none"> - printed matter and publications of all types (16) - business services, especially business management assistance, commercial or industrial management assistance; business management consultancy (35) - investment activities; financial and monetary affairs (36) <p>(International registration designating Spain)</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 BoA was correct to find that 'photographs' were similar to 'printed matter' covered by the earlier mark as the latter may be entirely devoted to photography. Both kinds of goods shared a common purpose to display text and/or images.</p> <p>The BoA was also correct to find a low degree of similarity between 'advertising' and 'office functions' covered by the mark applied for and the 'business management' services covered by the earlier mark.</p> <p>'Business administration' services in Class 35 were held to be similar to 'business management' services covered by the earlier mark, as they shared the same purpose and were addressed to the same target consumers. The GC endorsed the BoA's assessment of 'insurance' services in Class 36 as being similar to 'financial affairs'.</p> <p>Given the identity of the marks at issue, the BoA was correct to find a likelihood of confusion on the part of the relevant public.</p>

Court of Appeal dismisses challenge to plain tobacco packaging legislation

The Queen on the application of British American Tobacco (UK) Ltd & Ors ("the tobacco companies") v Secretary of State for Health* (Green J; [2016] EWHC 1169 (Admin); 19.05.16)

The CA (Lewison LJ giving the lead judgment) dismissed the appellant tobacco companies' appeal from an order of Green J dismissing claims for judicial review of The Standardised Packaging of Tobacco Products Regulations 2015 (the "2015 Regulations"), reported in *CIPA Journal*, July 2016.

The 2015 Regulations restricted the tobacco companies' ability to advertise their brands on tobacco packaging or upon tobacco products themselves, limiting tobacco product packaging to certain standardised colours or shades. The tobacco companies challenged the 2015 Regulations as unlawful on a number of grounds, including the following:

Trade Mark Directive (TMD)

The CA rejected the tobacco companies' argument that the 2015 Regulations were a breach of the TMD because they, at the least, constituted an interference with the rights or freedoms conferred by a registered trade mark. The CA held that registration of a trade mark did not give rise to a positive legal right to use it. It reached this conclusion because relevant legislation (including the TMD, CTMR and TRIPS) expressed trade mark rights in negative terms, and because the right or freedom to affix a distinguishing sign to goods or to designate services by a distinctive sign existed independently of the registration of any trade mark. The CA rejected the tobacco companies' first counterargument to this, i.e. that CJEU case law or Article 17 of the Charter of Fundamental Rights of the European Union had turned negative rights into positive rights by virtue of registration. The CA also rejected a second counterargument that a trade mark gave a positive right to use it because an unused trade mark was liable to be revoked. The CA reasoned that genuine use did not require use in the whole of the EU and a mark would not be revoked if there were proper reasons for non-use, which constituted reasons arising independently of the will of the trade mark owner, including government requirements for goods or services protected by the mark.

Community Design Regulation (CDR)

The CA rejected the tobacco companies' argument that the 2015 Regulations were in breach of the CDR because the CDR granted a positive right to use a Community registered design and use could not be prevented in only part of the EU. The CA rejected this submission because: (i) the registration of a design did not give rise to an absolute right to use that design (but merely conferred the right to stop someone else from using it), and (ii) the use of a design was not prohibited by the 2015 Regulations in any part of the EU; it had only been prohibited for the *packaging of cigarettes* in part of the EU and so the tobacco companies were free to use their designs throughout the EU (including in the UK) to package anything else.

Article 1 of Protocol 1 (A1P1) of the European Convention on Human Rights (ECHR)

Green J had rejected the tobacco companies' submission that the State had, by introducing the 2015 Regulations, unlawfully expropriated their property rights without offering to pay compensation, contrary to A1P1 of the ECHR. The CA agreed with Green J that this was a question of control of use rather than of expropriation and that therefore a fair balance test was to be adopted when considering whether there was an obligation on the State to pay compensation to the tobacco companies. The CA concluded that the Judge was entitled to conclude that the 2015 Regulations struck a fair balance for the purposes of A1P1.

Articles 17 and 52 of the Charter of Fundamental Rights of the European Union

The CA concluded that whether the restriction introduced by the 2015 Regulations complied with the Charter was resolved by an assessment of proportionality in the context of the objectives pursued by the impugned measure, the importance of the rights they affected, and the extent of the interference. The Charter added nothing material in this respect to the issue of proportionality under A1P1, and the CA held that the Judge was entitled to find that the 2015 Regulations were compatible with the Charter.

Common law

The CA agreed with Green J that the common law did not assist the tobacco companies in their attack on the validity of the 2015 Regulations. The tobacco companies relied on case law which concerned the destruction of property in order to argue that the 2015 Regulations were invalid because they made no provision for any compensation. However, as this was a case about control of use rather than destruction of property, the CA rejected this argument.

Incompatibility with CTMR

The CA rejected the tobacco companies' argument that the 2015 Regulations were in breach of the CTMR (now EUTMR) because they denied their CTMs their unitary character and effect across the EU. The CA said that there were three answers to this point: (i) Article 110(2) TMD entitled a member state to use its civil, administrative or criminal law to prohibit the use of a CTM to the extent that the use of a national trade mark may be prohibited under the law of that member state; (ii) regulation 13 made it explicit that compliance with the 2015 Regulations would amount to "proper reasons" for non-use both under the CTMR and the domestic legislation; and (iii) if there was a flaw in the 2015 Regulations, it lay in regulation 13 which was clearly severable from the rest of the 2015 Regulations.

Competence and compatibility with TRIPS

The CA went on to find that the 2015 Regulations were also compatible with TRIPS for the reasons given in the judgment of Green J. It also concluded that the 2015 Regulations fell within the shared competence of the EU and Member States because they concerned the functioning of the internal market. Therefore, to the extent that the EU had not "occupied the ground", the UK was entitled to regulate the packaging of cigarettes.

Proportionality

Green J had rejected the tobacco companies' complaint that the 2015 Regulations were disproportionate because the measures they introduced were not appropriate or suitable for meeting their stated objective of improving public health. He also rejected the argument that the 2015 Regulations were disproportionate because there were other equally effective but less restrictive measures, finding that Parliament had acted reasonably in concluding that there was no equally effective less restrictive measure which met the aims and objectives of standardised packaging. He also went on to reject the complaint that the 2015 Regulations failed to strike a fair balance between the competing interests of the State (invoking public health) and the tobacco industry (invoking private rights to property).

While the CA expressed their disapproval of Green J's proposed process for expert evidence in judicial review proceedings, its criticisms did not affect its conclusion that that the Judge had not erred in law in reaching his conclusion on the general issue of proportionality.

Article 24(2) of the Tobacco Products Directive (TBD2)

The CA rejected the tobacco companies' submissions that the UK government and Parliament failed properly to take into account that the TBD2 states that it shall not affect the right of a Member State to maintain or introduce further requirements in relation to the standardisation of tobacco products packaging where it was justified, taking into account the "high level of protection of human health achieved through the Directive". The CA said that specific comparative evidence of the impact of TPD2 and the standardised packaging measures was not required by Article 24(2), and the evidence taken into account by the Secretary of State considered the benefits of standardised packaging, which was plainly an aspect of tobacco regulation which was not covered by TPD2.

The CA also went on to dismiss arguments made by appellants who were the producers of the tipping paper that wrapped around the filter of a cigarette, thereby dismissing the appeal on all grounds.

Infringement and passing off actions stop use of Titanic Spa but not use of Titanic Quarter and Titanic Quarter Hotel Liverpool

***Property Renaissance Ltd T/A Titanic Spa ("Titanic Huddersfield") v Stanley Dock Hotel Ltd T/A Titanic Hotel Liverpool & Anr ("Titanic Liverpool")** (Carr J; [2016] EWHC 3103 (Ch); 02.12.16)**

Pursuant to an Order of Norris J, Carr J heard together: (i) "The Appeal": Titanic Liverpool's appeal from a decision of the hearing officer to revoke its TITANIC QUARTER device mark for non-use (which he allowed), (ii) "The IPEC Claim": a claim by Titanic Huddersfield against Titanic Liverpool for infringement of its TITANIC SPA mark and passing off (which succeeded in respect of past acts but, having regard to steps taken and proposed to be taken by Titanic Liverpool, failed in relation to future acts), and (iii) "The High Court Claim": a claim by Titanic Liverpool and Titanic Belfast against Titanic Huddersfield for infringement of various TITANIC QUARTER marks and invalidity of the TITANIC SPA mark (which failed). The Judge granted a declaration that Titanic Liverpool was entitled to use the signs "Titanic Quarter" and "Titanic Quarter Hotel Liverpool" in relation to hotels in the UK.

Titanic Huddersfield had, since 2005, run a luxury spa in a Huddersfield textile mill which had been known since 1911 as Titanic Mills and offered overnight accommodation. In 2011 it filed a word mark for TITANIC SPA which was registered for various services in Classes 35, 41, 43 and 44. Titanic Liverpool had opened Titanic Hotel Liverpool in 2014 and had advertised the hotel's "T-Spa". Following complaints from Titanic Huddersfield it had rebranded the spa as "the Spa" and later as the "Maya Blue Spa". However, Titanic Huddersfield maintained its claim for trade mark infringement and passing off in respect of both the spa and the use of "Titanic" in the name of the hotel. Titanic Liverpool operated its hotel under licence from Titanic Belfast which was the proprietor of several trade marks for (or which included) the words "Titanic Quarter", certain of which pre-dated the registration of the TITANIC SPA mark and the opening of the Titanic Spa. Titanic Quarter was the biggest property development scheme ever undertaken in Northern Ireland. Both Titanic Belfast and Titanic Liverpool were operated and controlled by the same individual, who had chosen to expand the Titanic brand from Northern Ireland to Liverpool due to its historic connections with the ill-fated RMS Titanic.

The Appeal

Carr J found that the hearing officer had erred in refusing to admit further evidence of use of the TITANIC QUARTER device mark. He therefore allowed Titanic Belfast's appeal and determined a fair specification of services for that mark, having regard to the use which had been made of it.

The IPEC Claim

Considering whether Titanic Huddersfield's TITANIC SPA mark had been infringed by the acts of Titanic Liverpool in respect of the Titanic Hotel Liverpool, the Judge found that there was a likelihood of confusion within the meaning of Section 10(2) between TITANIC SPA and "Titanic Hotel"/"Titanic Liverpool" because the average consumer might believe it was the Liverpool branch of Titanic Spa. He did not accept, as alleged by Titanic Huddersfield, that the dominant and distinctive element of the TITANIC SPA mark was the word "Titanic" and that the word "spa" added no significant level of distinctiveness to the mark. On the contrary, he considered it to be a composite mark which did not contain any negligible elements. However, he considered there to be a conceptual similarity between TITANIC SPA and the sign "Titanic Hotel" because it was common for hotels to have spas and the average consumer might therefore believe goods or services provided under those names to come from the same or economically linked undertakings.

Applying the relevant factors set out by the CA in *Maier v Assos* [2015] EWCA Civ 220, when considering the question of honest commercial practices in the context of the own name defence, Carr J concluded that Titanic Liverpool was not able to rely on the own name defence under Section 11(2). Although it had taken measures to prevent confusion arising, the Judge concluded, on balance, that they had been somewhat belated and there had been instances of actual confusion before the spa had been rebranded. However, the Judge went on to find that, provided Titanic Liverpool undertook to place a prominent notice on its website which made it clear that there was no connection with Titanic Huddersfield and ceased all use of the word "spa" in connection with its hotel, the own name defence should succeed in respect of the future.

The High Court Claim

As the Judge had rejected Titanic Huddersfield's wide claim, to the effect that it could monopolise all use of the word "Titanic" in the name of a hotel, the "squeeze" advanced by Titanic Belfast by way of a counterclaim failed. He further went on to find that there was no likelihood of confusion between the Titanic Quarter marks and the "Titanic Spa" sign, and therefore the challenge to the validity of the Titanic Spa mark failed.

The Judge accepted that Titanic Huddersfield had acquired goodwill in the name "Titanic Spa" in relation to the provision of spa services with temporary accommodation, but did not accept that it had acquired a substantial goodwill throughout the UK in the mark "Titanic" alone. He considered that, before the rebranding, there was an actionable misrepresentation by Titanic Liverpool which was evidenced by instances of both "wrong way round" and "right way round" confusion. However, once Titanic Liverpool had taken its proposed steps to avoid a likelihood of confusion, he found that there would be no passing off.

Concluding that it would serve a useful purpose, the Judge granted a declaration sought by Titanic Belfast and Titanic Liverpool that they were legitimately entitled to use the signs "Titanic Quarter" and "Titanic Quarter Hotel Liverpool" and a device mark incorporating "Titanic Quarter".

GROUNDLESS THREATS

***Nvidia Corporation & Ots v Hardware Labs Performance Systems Inc ("HLPS")* * (Mann J; [2016] EWHC 3135 (Ch); 06.12.16)**

Mann J allowed HLPS's application for summary judgment or striking out of Nvidia's claim for groundless threats.

Nvidia Corp was the parent company of the Nvidia group, of which the other eleven claimants were subsidiaries based around the world. Of those that were relevant, three were English, and two were German. The Nvidia group manufactured and sold hardware for generating graphics in computers, and used the designations GTX and GTS in that regard. HLPS was a Philippine corporation which claimed to be a pioneer in the computer watercooling industry and owned three EUTMs for GTX, GTS and GTR in various classes. HLPS's German attorneys sent a letter, written in English, to Nvidia Corp at its California address. Nvidia claimed that this amounted to a groundless threat of proceedings in the UK under Section 21, and HLPS applied for summary judgment and striking out of Nvidia's claim.

The Judge agreed with the dicta of Mr Stephen Jourdan QC, sitting as a deputy judge in *Tech 21 UK Ltd v Logitech Europe SA* [2015] EWCH 2614, that it was appropriate to consider whether a letter threatening proceedings would have been understood by a reasonable recipient, who had received correct legal advice on the provisions governing where proceedings for infringements of the relevant rights could be brought. However, Mann J was

of the view that the letter in the present case did not contain enough legal technicalities to even require legal explanations to be given, as he thought that it was clear on its face that the letter as a whole did not threaten proceedings outside of Germany. While the letter was addressed to the parent company of the Nvidia group which suggested a world-wide approach, examples provided of alleged infringing trade mark use were examples of the parent acting through its German subsidiary. There was no explicit or implicit reference to proceedings in the UK and a reference to a potential pan-European injunction was not sufficient to replace what had already been said in the letter. The Judge therefore found that it was sufficiently clear without the need for a trial that the letter sent to Nvidia on HLPS's behalf did not contain a threat to sue in the UK.

Mann J went on to dismiss for lack of good reason Nvidia's application to stay its claim for a declaration of non-infringement. He also rejected HLPS's application for the remaining proceedings to be transferred to IPEC or to be run in the shorter trial scheme, because the proceedings were too substantial.

PASSING OFF

Professional reputation distinct from goodwill

Juthika Bhayani v Taylor Bracewell LLP ("TB")* (Judge Hacon; [2016] EWHC 3360 (IPEC); 22.12.16)

Judge Hacon allowed TB's application for summary judgment in respect of Ms Bhayani's claim for passing off. However, the application for summary judgment did not succeed in relation to Ms Bhayani's claim to revocation of TB's trade mark for BHAYANI BRACEWELL.

Ms Bhayani was a solicitor of some note at a firm in Sheffield, specialising in employment law. She was invited to join TB as a salaried partner to expand the employment law side of their business. She entered into both a contract of employment and partnership agreement with TB, in which it was agreed that the firm would offer services under the name 'Bhayani Bracewell'. TB subsequently registered a UK trade mark for BHAYANI BRACEWELL. After the breakdown of her relationship with TB, Ms Bhayani left and set up the second claimant, Bhayani Law Ltd, which specialised in employment law. For a time, TB continued to offer employment law services under the Bhayani Bracewell name, and Ms Bhayani claimed that TB had, in this and other respects, falsely represented that she was still involved with the business.

The Judge found that the professional acts Ms Bhayani had carried out which had earned her the reputation she enjoyed were done either in the course of the business of her previous firm or that of TB. Therefore, the relevant goodwill vested in those firms and not Ms Bhayani. Ms Bhayani's personal reputation had to be distinguished from goodwill, which was required to form the basis of a claim for passing off, and it was long-established that goodwill generated by the activities of employees in the course of their employment vested in the employer and that, likewise, goodwill generated in the course of duties carried out within a partnership vested in the partnership. (However, the Judge distinguished this from goodwill generated by acts done outside duties to the employer or partnership, citing *Irvine v Talk Sport* [2002] EWHC 367. He also observed that if a solicitor moved from firm A to firm B and firm A represented that the solicitor was still an employee or partner, then the goodwill associated with the name of the solicitor would vest in firm B and would provide a cause of action. In the present case Ms Bhayani's new firm was not pursuing a claim in passing off and this was therefore not relevant).

Judge Hacon therefore held that Ms Bhayani had no realistic prospect of establishing that in law she owned goodwill on which to base a case of passing off against TB. However, he found

that Ms Bhayani's claim for revocation of the BHAYANI BRACEWELL trade mark under Section 46(1)(d) (i.e. that it was liable to mislead the public to believe that Ms Bhayani was still associated with TB) had a realistic prospect of success and therefore the application for summary judgment did not succeed.

COPYRIGHT

Additional damages

***Phonographic Performance Ltd v Raymond Hagan & Ots** (Judge Hacon; [2016] EWHC 3076 (IPEC); 30.11.16)**

Judge Hacon awarded PPL additional damages in the sum of £2,000 under Section 97(2) CDPA for infringement of copyright by Mr Hagan.

Mr Hagan was found to have infringed copyright in sound recordings by the playing of those recordings without a licence from PPL in two bars of which he was the premises licence holder. PPL sought additional damages under Section 97(2) and claimed damages arising from unfair profits pursuant to Article 13(1) of the Enforcement Directive. Both required knowledge on the part of Mr Hagan that he was infringing and the Judge found that this condition was satisfied because: (i) Mr Hagan had previously held a licence from PPL and therefore by implication knew how the system worked; (ii) he was sent various letters by PPL's solicitors; (iii) infringement continued after Mr Hagan was given notice of the proceedings; and (iv) it was widely known among those in the hospitality industry that it was necessary to obtain a licence from PPL in order lawfully to play recorded music in public.

Judge Hacon recapped the relationship between Section 97(2) and Article 13(1) as he had discussed in *Absolute Lofts South West London Ltd v Artisan Home Improvements Ltd* [2015] EWHC 2608 (IPEC), i.e. Article 13(1) provided an EU-wide baseline minimum of protection for owners of IP rights, so where it provided for more extensive remedies than Section 97(2), a successful claimant could rely on that article. To the extent that Section 97(2) provided the greater remedy, the copyright owner could rely on that section. However, it did not follow that national law and the Directive could be cumulatively applied to double-up damages. Due to the overlap between the relief provided by Section 97(2) and the unfair profits provision of Article 13, the Judge said that in practice this would mean choosing between one and the other. However, separate relief under Article 13(1), in particular that related to non-economic factors, would always be additionally available in the (limited) circumstances in which it was appropriate.

Non-economic factors did not arise in the present case, and the Judge concluded that PPL had already been compensated for its financial loss by payment of the licence fees that Mr Hagan should have paid. As regards unfair profits, although Mr Hagan had benefitted indirectly from the music played in his pubs, he would have been entitled to benefit in this way had he paid the licence fee, which he had now paid. Therefore, the Judge was of the view that damages had already been awarded in this respect. The Judge observed that the focus in Article 13(1) was on prejudice suffered by the rightholder, not how flagrantly the defendant had conducted himself (although he said that Article 13(1) may be flexible enough to take flagrancy into account). He considered that PPL was entitled to further relief on account of Mr Hagan's flagrancy under Section 97(2), taking into account that an important factor was the extent to which an award of additional damages was likely to be dissuasive (whether to the defendant or other actual or potential infringers), as required by Article 3 of the

Enforcement Directive. Given that Mr Hagan was bankrupt and had been described as illiterate and an alcoholic, the Judge awarded just £2,000 to PPL under Section 97(2). However, he said that other flagrant infringers may require a good deal more dissuading and were therefore liable to expose themselves to an award of additional damages on a higher scale.

Part 36 offers in IPEC

Applying by analogy a recent decision of the CA in *Broadhurst v Tan* [2016] EWCA Civ 94, a road traffic accident case, Judge Hacon held that rule 36.14(3)(b) of the CPR overrode rule 45.31, concluding that the limit on costs in the IPEC, both stage costs and the overall cap, did not apply to an award of costs under rule 36.14(3)(b), i.e. an award of costs to the claimant on the indemnity basis from the date on which the relevant period expired.

Katharine Stephens, Hilary Atherton and Emma Green

Reporters' note: We are grateful to our colleagues at Bird & Bird LLP for their assistance with the preparation of this report: Georgie Hart, Sam Triggs, Zain Ali, Rebekah Sellars, and Toby Sears.

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