

Bird & Bird & IP Case Reports

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Trade mark decisions

High Court finds no likelihood of confusion where non-distinctive elements the only similarities between marks: *Hilary Atherton reports*

***Nicoventures Holdings Ltd v The London Vape Company Ltd ('LVC')** (Birss J; [2017] EWHC 3393 (Ch); 21.12.17)**

Birss J upheld Nicoventures' appeal from the Hearing Officer, finding that there was no likelihood of confusion under Section 5(2)(b) between LVC's mark and the mark applied for by Nicoventures.

Nicoventures applied to register the following mark in the UK in respect of, among other things, "electronic cigarettes" in Class 34 and "retail store services connected with the sale of e-cigarettes" in Class 35:



The Hearing Officer upheld VPC's opposition based on its earlier mark which was registered in respect of "electronic cigarettes" in Class 34, as shown below:



The Hearing Officer found that there was a likelihood of confusion under Section 5(2)(b). Birss J was of the view that the Hearing Officer was correct to conclude that the components "THE" "VAPE" and "co" were entirely descriptive and non-distinctive, but that he had erred in not taking this into account in his assessment of the likelihood of confusion. Birss J referred to *Whyte and Mackay v Origin* [2015] EWHC 1271 (Ch) in which Arnold J said that "...if the only similarity between the respective marks is a common element which has low distinctiveness, that points against there being a likelihood of confusion".

Although the marks in the present case had a high degree of visual, aural and conceptual similarity, that similarity arose from the common elements of the terms VAPE and CO and the combination of those two words, which individually and in combination were descriptive and non-distinctive in respect of the relevant goods. Birss J said that even taking into account imperfect recollection, the differences in the two marks would take on a greater significance for the average consumer than they might otherwise. Although the stylised aspects of each mark were not very remarkable, they were entirely different. The Judge therefore held that there was no likelihood of confusion and that that the opposition should be dismissed.

Jurisdiction under Article 125(5): *Hilary Atherton reports*

***The Black & Decker Corporation ('BDC') v Dvize BV** (Arnold J; [2017] EWHC 3387 (Ch); 21.12.17)**

Arnold J held that the Court had jurisdiction in respect of BDC's claim for trade mark infringement by Dvize in the UK.

BDC licensed the well-known BLACK + DECKER and STANLEY trade marks (registered in the EU, the "Marks") to third parties on behalf of its parent company which was a supplier of industrial and domestic tools. Dvize was a Dutch manufacturer and distributor of garden tools. Dvize was licensed by BDC to use the Marks pursuant to a manufacturing and distribution agreement which expired at the end of 2016. Dvize contended that the parties entered into a replacement agreement in May 2016 under which it was licensed to use the Marks until the end of 2021. BDC denied that a replacement agreement had been entered into and contended that it unilaterally granted Dvize consent to use the Marks until the end of 2017 unless terminated earlier, and that it terminated that consent with effect from October 2016. BDC applied to the Court for an interim injunction to restrain Dvize from using the Marks in the UK until the conclusion of the trial, and Dvize applied to the Court to challenge its jurisdiction to try BDC's claim.

BDC contended that the Court had jurisdiction under Article 125(5) (which conferred jurisdiction in respect of acts committed or threatened within the UK). It was common ground that the relevant standard of proof was that of a "good arguable case". Applying the test for what amounted to a "threat" as stated by Birss J in *Merck Sharpe Dohme Corp v Teva Pharma BV* [2013] EWHC 1958 (Pat), Arnold J concluded that there was a good arguable case that Dvize threatened to use the Marks in the UK. This was in particular because: (i) Dvize's case positively asserted that it was entitled to use the Marks throughout the EU, including the UK; (ii) Dvize had agreed through inter-solicitor correspondence that it would undertake not to sell any products using the Marks in the UK until the end of trial in the event that the Court decided it had jurisdiction; and (iii) a witness statement served on behalf of Dvize stated that "even if only a UK wide injunction is granted, it is likely to cause significant damage to the Defendant's reputation and to its business".

As Dvize had offered an undertaking not to use the Marks in the UK until the conclusion of trial in the event that the Court concluded that it had jurisdiction over BDC's claim on the merits, it was not necessary for Arnold J to consider the merits of BDC's application for an interim injunction. However, he went on to say that he would have granted an interim injunction had it been necessary for him to consider the issue.

IPEC finds infringement through use of mark in Amazon listings: Hilary Atherton reports

***Birlea Furniture Ltd & Anr v Platinum Enterprise (UK) Ltd & Anr** (Judge Melissa Clarke; [2018] EWHC 26 (IPEC); 11.01.18)**

The Judge found the defendants jointly liable for infringement of Birlea's EUTM for BIRLEA by advertising, offering for sale and selling beds through two listings on Amazon.co.uk ("Amazon").

Birlea's BIRLEA mark was registered for, among other things, "furniture" and "beds" in Class 20. Birlea was an importer and wholesaler of furniture, including beds, selling to companies who then re-sold to the retail market. One of its customers was Amazon and it was a vendor seller on Amazon for that purpose. Platinum Enterprise was also a trading company that imported and sold furniture, including beds, on Amazon. Birlea previously supplied products to Platinum Enterprise for re-sale online, including a specific style of metal daybeds called 'Torino' daybeds. However, the trading relationship between them broke down. Birlea claimed that Platinum Enterprise had infringed its EUTM for BIRLEA pursuant to Article 9(1)(a)/Article 9(2)(a) by selling 'Torino' daybeds on Amazon via two specific listings which used the BIRLEA mark in their titles. Platinum Enterprise accepted that it had used the listings to advertise and sell beds and did not deny that the sign complained of, if used, infringed the BIRLEA mark. However, it disputed that it had used the sign complained of for the purposes of Article 9(1)(a)/Article 9(2)(a).

The Judge accepted Birlea's submission that as a matter of law it was the seller on an online marketplace who made use of the signs displayed on a product listing within it. She also accepted that there was no requirement for the seller to have knowledge of use of the sign for infringement to be made out, only that there was in fact actual use in such a way that a link was established between the sign complained of and the goods marketed by the seller. The evidence showed that the title of the two listings as shown in past sales orders printed from Platinum Enterprise's Amazon account bore the BIRLEA mark. The Judge rejected Platinum Enterprise's theory that Amazon's standard procedure was to execute a partial retrospective change to the title of sales orders which were accessed or printed later, i.e. by using the sales title of the listing at the time the relevant order was placed but inserting as a prefix the trade mark from the 'brand' field, in this case "Birlea", if that changed over time.

Platinum Enterprise accepted that a finding of infringement of the BIRLEA mark followed from the Judge's finding that the relevant listings contained the "Birlea" sign at the time it used the listings. The Judge went on to find that the second defendant (an employee, shareholder and director of Platinum Enterprise) was jointly liable with Platinum Enterprise as joint tortfeasor.

BURGERISTA mark found valid and infringed by 'Burgista': Hilary Atherton reports

***Burgerista Operations GmbH v Burgista Bross Ltd & Ots** (Judge Hacon; [2018] EWHC 35 (IPEC); 12.01.18)**

Judge Hacon held that the mark BURGERISTA was not descriptive of people who made, served, or enjoyed burgers and was therefore validly registered. As use of the sign 'Burgista' by the defendants in the EU would infringe the BURGERISTA mark under Article 9(2)(b), Burgerista was entitled to an injunction. However, there was no threat of

infringement under Article 9(2)(c) as the BURGERISTA mark had not acquired a reputation outside a small area of Austria.

Burgerista was a company in the burger restaurant business. It started in 2012 as a restaurant in Leonding, Austria trading under the name 'Burgers'. It expanded and in 2014 the trading name was changed to 'Burgerista'. At the date of trial, there were 18 restaurants in the chain, nine in Austria and nine in Germany. Burgerista owned an EUTM for BURGERISTA registered in respect of, among other things, "*provision of food and drink; restaurants; canteens and bars*" in Class 43.

The fourth defendant, UK Prosper Ltd ("UPL"), entered a franchise agreement with a Hong Kong company called Burgista Bros Ltd (the first defendant) in 2015 and opened a burger restaurant in London that year. It was the first restaurant in Europe to be franchised and the agreement stated that UPL had the exclusive right to use the 'Burgista Bros' name for up to 20 restaurants. By the time of trial, UPL had four franchised restaurants in London. Burgerista brought infringement proceedings, claiming infringement of its BURGERISTA mark under Article 9(2)(b) and (c) and seeking an injunction to restrain further use of the Burgista sign. The defendants counterclaimed for invalidity of the BURGERISTA mark pursuant to Articles 52(1)(a) and 7(1)(c).

Validity

Judge Hacon rejected the defendants' claim that the BURGERISTA mark was descriptive and therefore invalid. He found that at the date of registration of the mark in October 2014, the average consumer's understanding was a long way from an immediate perception, without thought or explanation, that 'burgerista' had any of the three alternative meanings proposed by the defendants, i.e. a person who made burgers, a person who served burgers, or a person who was very enthusiastic about burgers.

Infringement – Article 9(2)(b)

The Judge found that the BURGERISTA mark was infringed under Article 9(2)(b). He found no conceptual similarity between 'Burgerista' and 'Burgista' because the word 'burgerista' had some conceptual quality due to inclusion of the word 'burger' whereas 'burgista' did not. However, the features that the mark and sign had in common were not descriptive and confusion could therefore not be dismissed as irrelevant on that basis. The marks were visually and aurally similar and evidence adduced by Burgerista that Google searches for 'burgerista' returned results for UPL's restaurants led the Judge to conclude that there was a likelihood of confusion. On that basis, each of the signs used by the defendants were found to infringe, namely: BURGISTA, BURGISTA BROS, and the following two device marks:



Article 9(2)(c)

The Judge said that, had the BURGERISTA mark had a reputation in the EU, he would have found infringement under this head. However, when the defendants first started using the 'Burgista' sign in the EU, the BURGERISTA mark was far from being known throughout Austria and had not become known outside of Austria save possibly to a very limited extent. (It was known in Vienna, Linz, Salzburg and Pasching only.) Therefore, the test for reputation set out by the CJEU in *Pago International GmbH* (Case C-301/07) and in *Iron Smith v Unilever* (Case C-125/14) was not met and the claim for threatened infringement therefore failed under this head.

Beverly Hills Polo Club mark found infringed by one, two and three-horse signs: *Hilary Atherton reports*

***Lifestyle Equities C.V. & Anr v Santa Monica Polo Club Ltd ("SMPC") & Ots** (Mr Recorder Douglas Campbell QC; [2017] EWHC 3313 (Ch); 21.12.17)**

Recorder Campbell (sitting as a judge of the High Court) held that two of SMPC's marks infringed Lifestyle's Beverly Hills Polo Club mark under Article 9(2)(b)/Section 10(2), and that all three of its signs infringed under Article 9(2)(c). A claim

for passing off also succeeded in respect of all but the three-horse signs. A claim brought by one of the defendants for unjustified threats was dismissed.

Lifestyle was owner of a number of EU and UK registered trade marks, including for the following device:



Lifestyle and the exclusive licensee of the marks (the second defendant) claimed that the marks had been infringed by SMPC's dealings in goods bearing a number of logos, each of which contained the name "SANTA MONICA POLO CLUB" and a representation of at least one polo player, with a raised stick, on a pony, which was shown side on and running, a sample of which are shown below:



The Judge held that the one and two horse signs used by SMPC infringed Lifestyle's mark under Article 9(2)(b)/Section 5(1)(b). In respect of the two-horse signs, the Deputy Judge said that the fact that they were mirror images of each other went some way towards neutralising the visual impact of the difference between the signs and Lifestyle's mark. Further, Lifestyle's use of its mark had been substantial up to 2012. In respect of SMPC's three-horse signs, the Judge was of the view that the overall impression was different such that there was no likelihood of confusion. Lifestyle's claim for passing off succeeded to the same extent, i.e. not for the three-horse signs but for the other signs.

The Judge went on to find that each of SMPC's one, two, and three-horse signs infringed Lifestyle's mark under Article 9(2)(c). In respect of the three-horse signs, even though there was no likelihood of confusion, the Judge considered that the average consumer would make a link with Lifestyle's mark so as to give SMPC an unfair advantage. This was particularly because Lifestyle's mark was very well-known for clothing at the relevant date and occupied a premium position in the market.

Finally, a counterclaim by the eleventh of the twelve defendants for unjustified threats was rejected. It was a wholesaler of the infringing goods which it had sold to the retailer TK Maxx and claimed that it had been aggrieved by unjustified threats made by Lifestyle to TK Maxx. The Judge agreed with Arnold J in *Samuel Smith Old Brewery (Tadcaster) v Lee (t/a Crompton Brewery)* [2011] EWHC 1879 (Ch) that a threat to join someone into existing proceedings was just as actionable as a threat to issue proceedings against that person. However, as all the goods had been found to infringe, it followed that there was a defence of justification.

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