



## TRADE MARKS


Please note the referencing changes in this section of the report, which follow the implementation of EU Regulation 2015/2424 on 23 March 2016 and the resulting amendments to Regulation No 207/2009 on the Community Trade Mark.


A European Union trade mark, formerly a Community Trade Mark or CTM, will be referred to as an EUTM. The renamed European Union Intellectual Property Office will be abbreviated as the EUIPO, save where the original case name refers to OHIM. The Regulation considered in the decisions shall be indicated in the left hand column of the table.

## Decisions of the CJ and GC

Ref no.	Application (and where applicable, earlier mark)	Comment
[GEMA]		
GC <b>T-34/15</b> <i>Wolf Oil Corp v EUIPO; UAB SCT Lubricants</i> (01.06.16) Reg 207/2009	<b>CHEMPIOIL</b> - hydraulic fluids; brake fluids (1) - cleaning preparations; cleaning preparations for oil-soiled engines; car care products and various cleaning products for vehicles (3) - lubricants; dust absorbing, wetting and binding compositions and various industrial and other oils (4)  - antifreeze and antifreeze compositions (1) - cleaning, polishing, scouring and abrasive preparations; soaps, rinsing oils; stain removers; polishing paper; cleaning fluids for car windows (3) - industrial oils and greases; lubricants; dust laying compositions; fuels, including motor spirit, and illuminants (4)	<p>The GC upheld the BoA's decision that there was no likelihood of confusion between the marks pursuant to <b>Art 8(1)(b)</b>.</p> <p>It was not disputed that the marks were visually and phonetically similar, albeit less similar visually than aurally since the earlier mark contained a red background.</p> <p>The BoA was correct to find that the earlier mark would be understood by the vast majority of the relevant public within the EU as 'champion' was a common word with an immediately obvious meaning used extensively in various fields of daily life such as the arts, literature, cinema, music or sport.</p> <p>In contrast, CHEMPIOIL did not convey a clear concept and was unlikely to be perceived as a variant of CHAMPION.</p> <p>The BoA was therefore correct to find that a consumer would make a distinction between the marks at issue despite their visual and phonetic similarities and that there was no likelihood of confusion between the marks.</p>
GC	<b>MAGNEXT</b>	Following a referral back from the CJ, the GC annulled the BoA's decision

<p><b>T-292/12 RENV</b>  <i>Mega Brands International, Luxembourg, Zweigniederlassung Zug v EUIPO; Diset, SA</i>  (01.06.16)</p>	<p>- toys and playthings, in particular multi-part construction toys, its parts, accessories and fittings (28)  <b>MAGNET 4</b>  - games, toys, gymnastic and sports articles not included in other classes, decorations for Christmas trees (28)  (Spanish mark)</p>	<p>that there was a likelihood of confusion between the marks under <b>Art 8(1)(b)</b>.  The definition of the relevant public, composed of average Spanish-speaking consumers, and the partial identity of games/playthings and toys were not disputed.  The BoA had omitted to take into account the element '4' in the earlier mark in its assessment of likelihood of confusion, which led to the CJ's annulment of the original GC decision. '4' was a visually separate element and distinguished the marks at issue, which had low visual similarity. The marks had low phonetic similarity – '4' in the earlier mark would be understood and pronounced as 'cuatro' by the relevant public. The presence of this element counterbalanced the shared 'MAG' element and the similarity between 'NET' and 'NEXT'.  Conceptually the marks were dissimilar. The earlier mark was associated with magnetic properties while the mark applied for had no conceptual meaning (beyond the word 'next') which was identifiable and understood by the relevant public. Further, the earlier mark had only a weak distinctive character as it conveyed a message associated with the characteristics of the goods in question.</p>
<p>GC  <b>T-510/14 and T/536/14</b>  <i>Staywell Hospitality Group Pty Ltd and Sheraton International IP, LLC v EUIPO; Sheraton International IP, LLC and Staywell Hospitality Group Pty Ltd</i>  (02.06.16)  Reg 207/2009</p>	 <p>- advertising; marketing; business management; retail services; promotional services (35)  - real estate services (36)  - services for providing food and drink; temporary accommodation; hotel services (43)</p>	<p>The GC upheld the BoA's decision that there was a likelihood of confusion between the marks pursuant to <b>Art 8(1)(b)</b>.  The BoA's assessment of the relevant public as the general public or business customers with at least an average level of attention was correct given that the services in question were not usually selected on a daily basis and could be relatively expensive.  The parties had not disputed the OD's decision that the Class 36 and 43 services covered by the mark at issue were identical or at least highly</p>

	 <p><b>ST REGIS</b></p> <p>- insurance, financial affairs; monetary affairs; real estate (36)</p> <p>- services for providing food and drink; temporary accommodation (43)</p> <p><b>ST REGIS</b></p> <p>- hotel services and private butler services (42)</p>	<p>similar.</p> <p>The BoA was correct to find that the Class 35 services covered by the mark applied for were dissimilar to the Class 43 services of the earlier figurative mark being different in nature, provided by different undertakings and directed at other types of users.</p> <p>The GC endorsed the BoA's finding that the figurative element of the mark applied for and the earlier figurative mark would be perceived as a decorative element and PARK would be seen as descriptive of the services at issue. The GC found that the marks at issue were visually similar as both contained the distinctive 'REGIS' word element and both contained heraldic imagery. The marks were also phonetically and conceptually similar as a result of the shared 'REGIS' element: the similarity would be increased if the relevant public understood the term as carrying a connotation of royalty given its literal meaning 'of the king' in Latin.</p>
<p>[EDEGA]</p>		
<p>GC</p> <p><b>T-654/14</b></p> <p><i>Revolution LLC v EUIPO</i></p> <p>(02.06.16)</p> <p>Reg 207/2009</p>	<p><b>REVOLUTION</b></p> <p>- financial consulting; providing venture capital, development capital, private equity and investment funding; management of private equity funds (36)</p>	<p>The GC upheld the BoA's decision that the mark was devoid of distinctive character under <b>Art 7(1)(b)</b>.</p> <p>It was not disputed that the relevant public comprised average consumers and professionals who spoke English, French or Slovene and would therefore understand the word 'revolution'. The relevant public's degree of attentiveness was higher than average in respect of the services at issue which involved significant investments and were not contracted daily but the BoA was correct to qualify the attention of the relevant public may be relatively low in respect of a promotional sign.</p> <p>The BoA was correct to conclude that the mark applied for, in relation to the financial services covered, amounted to a promotional message in the nature of laudatory advertisement which highlighted the innovative or fundamentally different offering of the</p>

		<p>services at issue.</p> <p>The GC endorsed the BoA's finding that the vagueness and imprecision of the word 'revolution' did not give the mark any specific originality or resonance which made it capable of indicating the commercial origin of the services.</p>
<p>GC</p> <p><b>T-385/15</b></p> <p><i>Loops, LLC v EUIPO</i></p> <p>(14.06.16)</p>	 <p>- toothbrushes (21)</p>	<p>The GC upheld the BoA's decision to dismiss an appeal against a refusal to register the mark under <b>Art 7(1)(b)</b>.</p> <p>The GC endorsed the BoA's finding that the relevant public for toothbrushes was the average consumer. The mark did not depart significantly from the norms of the sector, incorporated several characteristics which served a functional purpose and had on balance, characteristics similar to other of toothbrush variations available on the market.</p> <p>In light of this assessment, the BoA did not err in finding that the average consumer in the European Union would perceive the mark applied for, as a whole, merely as a variant of a toothbrush, and that the mark applied for was as a result devoid of distinctive character.</p>
[VERENIGING]		
<p>GC</p> <p><b>T-614/14</b></p> <p><i>Fútbol Club Barcelona v EUIPO;</i></p> <p><i>Kule LLC</i></p> <p>(16.06.16)</p> <p>Reg 207/2009</p>	<p><b>KULE</b></p> <p>- precious metals; jewellery, precious stones; horological and chronometric instruments (14)</p> <p>- leather; animal skins, hides; bags; umbrellas, parasols and walking sticks; wallets; whips, harness and saddlery (18)</p> <p>- clothing, footwear, headgear (25)</p> <p><b>CULE</b></p> <p>- precious metals, jewellery, precious stones; horological and other chronometric instruments, medals, trophies (14)</p> <p>- leather; bags, umbrellas,</p>	<p>The GC upheld the BoA's decision to reject the opposition to registration of the mark applied for.</p> <p>The GC confirmed that the BoA had provided an adequate statement of reasons in deciding whether or not to take the additional evidence produced out of time before it into account for the purposes of giving the decision it was required to take and in doing so was correct to find that Fútbol Club Barcelona had not provided proof of genuine use of the three earlier Spanish marks and the earlier well known mark for the purposes of <b>Art 42(2)</b>.</p> <p>The evidence, which included a screenshot of the Real Academia</p>

	<p>parasols and walking sticks, whips, harness and saddlery (18)</p> <p>- clothing, footwear, headgear (25)</p> <p>(Spanish marks and well known marks)</p>	<p>Española, print-outs from Wikipedia, websites dedicated to sports news in Spain, extracts from the Spanish dictionary and a lottery ticket, showed the word 'culé', a term used to refer to a player or supporter of the Barcelona football club.</p> <p>The evidence did not concern the goods in question and therefore was not, in itself, capable of showing genuine use of the earlier marks in connection with the relevant goods.</p> <p>The BoA was therefore correct to reject the opposition against the registration of KULE.</p>
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## Trade Marks

### High Court rejects judicial review of plain tobacco packaging legislation

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

**Green J** rejected the tobacco companies' application for judicial review challenging the legality of the **Standardised Packaging of Tobacco Products Regulations 2015** (the "2015 Regulations").

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:

#### Proportionality

The Judge rejected the 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).

#### Non-expropriation of property without compensation

The Judge rejected the tobacco companies' submission that the State had unlawfully expropriated their property rights without offering to pay compensation contrary to **A1P1** of the **ECHR**. While intellectual property (including trade marks and certain types of goodwill) was capable of amounting to "property" for the purposes of **A1P1**, the Judge was of the view that the 2015 Regulations amounted to a control of use of the tobacco companies' trade marks, not an expropriation of property. This was because (i) the trade marks remained the property of the tobacco companies and the 2015 Regulations preserved their registration rights, (ii) the tobacco companies remained entitled to market themselves through the affixing of a brand name and their own names (they were not required to sell their products as a homogenous unidentified commodity); (iii) their trade marks could still

perform their role as an identifier of origin; (iv) the curtailment of use of the tobacco companies' trade marks did not result in the tobacco companies being unable to conduct their business; and (v) the interference with the tobacco companies' intellectual property rights was unequivocally in the public interest.

As this was a case of control of use rather than of expropriation, 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. However, as the property rights in this case directly served the promotion of a trade profoundly adverse to the public interest, the Judge concluded that no compensation was payable.

#### Violation of the unitary character of trade marks in the CTMR and CDR

The Judge rejected the tobacco companies' submission that the **CTMR** was exhaustive of all derogations from the unitary right conferred on trade mark proprietors and that there were no provisions of the **CTMR** which allowed Member States to derogate from those rights. The Judge held that, firstly, CTMs were subject to overriding treaty obligations such as the **TFEU** and the **Tobacco Products Directive** which permitted and encouraged Member States, in furtherance of public health, to introduce restrictions on the use of CTMs. Secondly, the 2015 Regulations were not inconsistent with **Article 110(2) CTMR** (which provided that use of a trade mark could be prevented under the laws of Member States). Insofar as there were differences in treatment between national marks and CTMs in the 2015 Regulations, these were logical and justified and could, in any event, be severed from the remainder of the Regulations if found to be unlawful and liable to be nullified. The Judge went on to conclude that the 2015 Regulations were consistent with the **CDR**.

#### **Declaration of non-infringement ("DNI") of a European trade mark**

##### ***Skyscape Cloud Services Ltd ("Skyscape") v Sky PLC ("Sky") & Ots\** (Judge Hacon J; [2016] EWHC 1340 (IPEC); 08.06.2016)**

Skyscape was unsuccessful in obtaining a declaration that its use of various SKYSCAPE signs (the "Signs") in relation to email services did not infringe any of Sky's one UK and four European trade marks.

Despite UK trade mark legislation not including any express provisions to grant a DNI in the absence of trade mark infringement proceedings, **Judge Hacon** stated that his jurisdiction was derived from **CPR Part 40.20** which permitted the court to make "*binding declarations whether or not any other remedy is claimed.*" However, before a court could make such a negative declaration the "*issue [to be determined] must [have been] sufficiently clearly defined to render it properly justiciable*" (*Nokia v InterDigital* [2006] EWHC 802 (Pat)). In circumstances where Skyscape had suggested several options for extensive declarations (two put forward during the course of the trial), and pleaded that it was willing to accept any narrower declaration which the Court was inclined to make, **Judge Hacon** rejected the proposed declarations. He stated that, in order to have been successful, Skyscape had to have put forward a sufficiently manageable number of draft DNIs prior to any Case Management Conference, the scope of which "*should [have been] apparent from the words of the declaration itself and should not require the reader to conduct research into related facts.*"

To determine whether any DNI should have been granted, **Judge Hacon** considered Sky's "best case" and, on that basis, whether Skyscape's use of the Signs infringed Sky's European trade marks under **Article 9(1)(b)** or **(c)**. The burden of proof lay with Skyscape to show no infringement occurred. Applying the threshold requirements for considering whether there was similarity between a mark and a sign set out in *Spear & Sons v Zynga* [2015] FSR 19, Skyscape was found not to have met the high threshold of showing that there was not even a faint similarity between the mark and the Signs.

**Judge Hacon** then confirmed the finding in *Maier v Asos* [2015] FSR 20 that, for assessing confusion under **Article 9(1)(b)**, Sky was entitled "*to rely on a notional and fair use of the mark in relation to all of the goods and services in respect of which it [was] registered.*" The reason for any absence of actual confusion might have been that the mark had so far only been used in relation to some of the goods or services for which it was registered so that the opportunity for confusion to arise had not yet occurred.

The Court considered that the relevant average consumer would split "Skyscape" into two conceptual parts ("Sky" and "scape") and that that they would be familiar with (but have an imperfect recollection of) Sky using its marks with another word as composite names for its services. Therefore the average consumer would take Skyscape's services to have been a replacement or modification of Sky's services. Therefore, Skyscape had not met its burden of proof under **Article 9(1)(b)**.

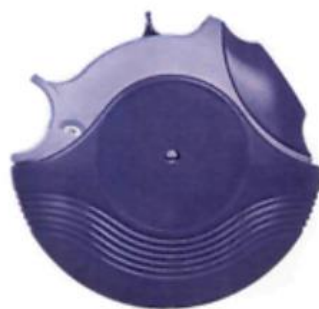
In relation to **Article 9(1)(c)**, **Judge Hacon** referred to *Comic Enterprises v Twentieth Century Fox* [2016] EWCA Civ 41 and agreed with the finding that it was not necessary that the degree of similarity create a likelihood of confusion, but that the average consumer would call the mark to mind when it saw the Sign. He also confirmed that for there to be detriment to the distinctive character of the mark there must be a serious likelihood of a change in the economic behaviour of the average consumer of the services for which the mark was registered. Despite the evidential burden for the DNI lying with Skyscape, it was appropriate for Sky to still have to show a likelihood of change to the economic behaviour. While there was no direct evidence, it was likely that a link between "Sky" and "Skyscape" would lead to a dilution of the SKY mark. Skyscape had therefore not proved that there was no likelihood of detriment to the distinctive character of the SKY mark.

**Judge Hacon** also referred to his own decision in *Jack Wills v House of Fraser* [2014] FSR 39 where he found that, where the objective effect of the use of the Sign was "*to enable the defendant to benefit from the reputation and goodwill of the trade mark*", that amounted to unfair advantage, even if the defendant did not intend to exploit that reputation and goodwill. Given that SKY was a "*very well known mark indeed*" and given the likelihood of a link between "Sky" and "Skyscape" in the mind of the average consumer, Skyscape had not shown that unfair advantage would *not* be taken of the distinctive character or repute of the SKY trade mark.

### **High Court gives summary judgment on validity of colour mark**

**Glaxo Wellcome UK Ltd & Anr v Sandoz Ltd\*** (Judge Hacon; [2016] EWHC 1537 (Ch); 28.06.16)

Glaxo brought a claim for trade mark infringement against Sandoz and Sandoz counterclaimed for revocation of Glaxo's EU trade mark. In Sandoz's application for summary judgment, **Judge Hacon** held that Glaxo's EU trade mark was invalid as it was not a sign nor capable of being represented graphically within the meaning of **Article 4**. Glaxo's trade mark was registered in Class 10 in respect of 'Inhalors' (sic), 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*".

**Judge Hacon** first considered how a trade mark registration should be construed where there was a potential difference between the visual representation and the description (especially in the context of colour *per se* marks). It was held that the designation of the mark with the INID code provided an inflexible starting point, i.e. the mark had to be construed as consisting exclusively of one or several colours.

**Judge Hacon** also held that it not was possible for a colour *per se* mark to encompass more than one form. As with other marks, it must be a single sign, in particular to allow certainty as to whether a potentially infringing sign was identical to the registered mark.

**Judge Hacon** described 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. The only interpretation which gave a single sign was that the mark was the outline of the visual representation with the precise proportions of light and dark colour areas as shown. Given that other interpretations were possible, and in particular the written description could potentially cover an infinite number of marks, **Judge Hacon** held that the mark was not sufficiently precise and uniform nor sufficiently clear and unambiguous. The mark therefore failed to meet the requirements of **Article 4** and was declared invalid. Glaxo's claim was dismissed.

**Katharine Stephens, Hilary Atherton and Emma Green**

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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](http://curia.europa.eu/jcms/jcms/j_6/home)