


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


May 2020



# Trade mark decisions

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

Ref no.	Application (and where applicable, earlier mark)	Comment
<p>CJEU  <b>C-567/18</b>  <i>Coty Germany GmbH ("Coty") v Amazon Services Europe Sàrl, Amazon Europe Core Sàrl, Amazon FC Graben GmbH, Amazon EU Sàrl ("Amazon")</i></p> <p>2 April 2020            Reg 207/2009</p> <p><b>Reported by:</b>  <i>Lauren Kourie</i></p>	 <p>- perfumes, essential oils, cosmetics (3)</p>	<p>On a preliminary reference from the German Federal Court of Justice, the CJ held that a service provider who merely stored goods on behalf of a third party seller, unaware that those goods infringed trade mark rights, did not itself infringe the trade mark because it did not use the trade mark in its own commercial communication.</p> <p>Coty became aware of perfumes bearing its DAVIDOFF mark being sold by third parties through the Amazon platform. Coty subsequently brought an action for trade mark infringement against Amazon. In order to determine Amazon's liability for storing infringing goods in their warehouse via the 'Fulfilled by Amazon' service, the referring court sought clarification on the correct interpretation of stocking goods under article 9(2)(b) (now article 9(3)(b) of Regulation 2017/1001).</p> <p>The CJ held that for the 'stocking' of goods to be classified as 'using' the mark for the purpose of infringement, it is necessary for the storage provider itself to pursue the aim of offering the goods for sale or putting them on the market. In this case, only the third party sellers used the mark with this intention. In contrast, Amazon's service merely created the technical conditions necessary for the third parties' use of the marks.</p>

Ref no.	Application (and where applicable, earlier mark)	Comment
<p>GC  <b>T-77/19</b>  <i>Alcar Aktiebolag v EUIPO; Alcar Holding GmbH</i></p> <p>26 March 2020            Reg 207/2009</p> <p><b>Reported by:</b>  <i>Rebecca Slater</i></p>	 <p>- dealer services, sales and advertising in relation to vehicles and boats (35)</p> <p>- vehicle and boat renting and hire services; providing information about automobiles and boats for lease by the internet (39)</p> <p><b>ALCAR</b></p>	<p>The GC upheld the BoA's decision that there was a likelihood of confusion between the marks under article 8(1)(b).</p> <p>The GC upheld the BoA's finding that there was a low to average degree of similarity between the goods covered by the earlier mark and the services applied for. The GC noted that although goods were generally different from services by their nature, they could be complementary, or share the same purpose and therefore compete with each other.</p> <p>The GC upheld the BoA's finding that the marks were visually highly similar on grounds that they both contained the</p>

- anti-theft devices for wheels (6)
- exhaust systems (7)
- vehicle parts and accessories, namely disc edges of aluminium or steel, wheel nuts and wheel screws, valves for pneumatic tyres, snow chains (12)

word element 'ALCAR'. The presence of the '.se' element in the mark applied for did not distinguish it from the earlier mark as it was merely secondary. Similarly, the graphic representation of the mark applied for did not contain sufficient originality to differentiate between the marks.

The BoA was also correct to find a high degree of phonetic similarity and a neutral degree of conceptual similarity.

Ref no.	Application (and where applicable, earlier mark)	Comment
GC <b>T-688/18</b> <i>Exploitiemaatsc happij De Berghaaf BV v EUIPO; Brigade Electronics Group plc</i>	<b>CORNEREYE</b>  - cameras; monitors; apparatus for the recording and reproduction of images; dataprocessing apparatus (9)  <b>BACKEYE</b>  - closed circuit television apparatus comprising television cameras and television monitors, all for mounting on vehicles or mobile apparatus, and for use in assisting drivers in manouvering, parts and fittings for the aforementioned goods (9)	The GC annulled the BoA's decision that there was a likelihood of confusion under article 8(1)(b).  The BoA had erred in taking into account the semantic meaning of the marks when it found that they had phonetic and visual similarity. Further, the terms BACK and CORNER were not conceptually similar.  The GC held that the common EYE element was not sufficient to establish similarity between the marks, as this would be perceived by the relevant public as referring to the function of the goods and was therefore descriptive.  Evidence of the earlier mark's acquired distinctiveness was also not sufficient to offset the lack of similarity between the marks.
5 March 2020 Reg 2017/1001		
<b>Reported by:</b> <i>Megan Curzon</i>		

## High Court concludes SkyKick case

***Sky Plc & Ors v SkyKick UK Ltd & Anr (Arnold LJ; [2020] EWHC 990 (Ch); 29 April 2020)\****

*After referring three questions about the assessment of marks filed in bad faith to the CJEU, Arnold LJ reviewed the CJEU's ruling and gave judgment as to whether SkyKick had indeed infringed Sky's marks. Justin Bukspan reports*

### Facts

Sky alleged that Skykick had infringed four of its EU trade marks and one UK trade mark by using 'SkyKick' and variants of that word and that it had committed passing off. In particular, SkyKick had used 'SkyKick' in relation to a product which automated the migration of business email accounts from Microsoft Office to Microsoft Office 365. SkyKick denied infringement and passing off and counterclaimed for a declaration that the SKY marks were wholly or partially invalid because their specifications lacked clarity and precision and that the marks had been applied for in bad faith.

### The earlier decisions

At trial, Arnold J as he then was, dismissed the claim for passing off but found that some of SkyKick's activities were fully or partially covered by the goods and services in Classes 9 and 38, some of which were very broad, like "computer software" and "telecommunication services" ([2018] EWHC 155 (Ch)). After reviewing SkyKick's counterclaim, Arnold J referred several issues to the CJEU.

The CJEU (Case C-371/18) held that:

1. Lack of clarity and precision was not a ground to invalidate a registration;
2. An application made without any intention to use the mark for the goods and services covered and with the intention either of undermining, in a manner inconsistent with honest practices, the interests of third parties, or of obtaining, without even targeting a specific third party, an exclusive right for purposes other than those falling within the functions of a trade mark, had indeed been made in bad faith. If such bad faith was established in relation to some of the goods and services in the application, then the mark would only be held partially invalid in respect of those goods and services; and
3. Member States were not precluded from including in their national trade mark law the requirement for applicants to declare their intention to use the trade mark in respect of the goods and services applied for.

#### Validity of the SKY marks: lack of clarity and precision

On the basis of the CJEU's decision, Arnold LJ held that Sky's marks could not be declared invalid due to the lack of clarity and precision of the terms covered.

#### Validity of the SKY marks: bad faith

Following the CJEU's response regarding partial invalidity for bad faith, SkyKick sought permission to add "telecommunications services" and "electronic mail services" to the list of specific services that it had alleged to have been applied for in bad faith. Arnold LJ refused to grant permission as it was far too late to raise the allegation.

Nevertheless, Arnold LJ found that Sky's marks had been partially filed in bad faith. Sky had no intention to use the marks for all the relevant goods and services at the time of filing or for the foreseeable future, rather, the application had been made purely as a "legal weapon" against third parties. Furthermore, the Judge held that Sky had made a false declaration of intent in relation to the UK Trade Mark, which was plainly inconsistent with honest practices.

On that basis, Arnold LJ proceeded to review the 8 terms previously identified and narrowed some of them down to reflect what Sky had actually provided for its customers. For example, "computer software" was replaced with:

*“computer software supplied as part of or in connection with any television, video recording or home entertainment apparatus or service; computer software supplied as part of or in connection with any telecommunications apparatus or service; electronic calendar software; application software for accessing audio, visual and/or audio-visual content via mobile telephones and/or tablet computers; games software”.*

Other terms properly reflected Sky's business and were left unchanged, in particular "telecommunications services" and "electronic mail services".

#### Infringement under article 9(2)(b) of the Regulation/article 10(2)(b) of the Directive

In the earlier judgment, Arnold J (as he then was) had concluded that if the marks were validly registered, then SkyKick had infringed them. He had specifically held that SkyKick's email migration services were identical to "electronic mail services" and he saw no justification for reconsidering that conclusion following the decision of the CJEU.

In relation to "telecommunication services", counsel for Sky drew Arnold LJ's attention to a series of decisions of the General Court which he submitted stood as authority for the proposition that terms which were not clear and precise were to be disregarded in any claim for infringement. SkyKick agreed with this submission. Arnold LJ reviewed the cases and summarized the applicable principles of interpretation as follows:

1. General terms are to be interpreted as covering the goods or services clearly covered by the literal meaning of the terms, and not other goods or services.

2. In the case of services, the terms used should not be interpreted widely, but confined to the core of the possible meanings attributable to the terms.
3. An unclear or imprecise term should be narrowly interpreted as extending only to such goods or services as it clearly covers.
4. A term which cannot be interpreted is to be disregarded.

Applying these principles, Arnold LJ held that "telecommunications services" should be interpreted as meaning services consisting of or relating to telecommunication per se. It followed that "telecommunication services" included services consisting of or relating to email. However, this added nothing to Sky's infringement case based on "electronic mail services". That aside, none of SkyKick's products were held to be identical to "telecommunication services". However, although Arnold LJ thought some of SkyKick's products could be similar to such services, it was not necessary for him to consider the point in detail.

## Trade mark infringement where a mark has been revoked for non-use

### ***AR v Cooper International Spirits LLC, St Dalfour SAS, Établissement Gabriel Boudier SA (CJ; C-622/18; 26 March 2020)***

*Where a trade mark has been revoked for non-use, Member States may decide whether the proprietor can rely on infringements prior to revocation. Theo Cooper reports.*

#### Background

AR was the owner of the semi-figurative trade mark SAINT GERMAIN, registered on 12 May 2006 for goods and services in Classes 30, 32 and 33. AR brought infringement proceedings against various parties for a liqueur sold under the name 'St-Germain' in the Paris Regional Court. In parallel proceedings, the SAINT GERMAIN trade mark was revoked by the Regional Court in Nanterre, France. This revocation was upheld by the French Court of Appeal on 11 February 2014.

Notwithstanding the revocation, AR maintained its infringement claims in the Paris Regional Court for the period prior to revocation of the mark, but these were dismissed on the basis that there had been no use of the mark since it had been filed. This decision was upheld in the French Court of Appeal, which found, inter alia, that AR could not successfully prove an adverse effect on the mark where there has been no use of the mark by its owner.

AR appealed this judgment, the French Court of Cassation referred to the CJEU the question of whether, under articles 5(1)(b), 10 and 12 of Directive 2008/95/EC, a proprietor could obtain compensation for injury caused by infringement of a mark in circumstances where the mark was revoked for non-use upon expiry of the five year period after registration.

#### Decision

The Court cited its earlier judgment in *Länsförsäkringar AB v Matek A/S (C-654/15)*, that article 51(1)(a) of Regulation 207/2009 conferred a grace period in which a proprietor could rely on the exclusive rights of a trade mark for all the goods and services registered, without having to demonstrate such use.

Considering article 5(1)(b), the first subparagraph of article 10(1) and the first subparagraph of article 12(1) of Directive 2008/95/EC, read in conjunction with recital 6, the CJEU held that EU Member States could decide whether to allow a trade mark proprietor the right to claim for trade mark infringement where the mark has been revoked for non-use upon expiry of the grace period, in relation to the time before revocation took effect. The Court also held that Member States were free to determine the date on which such revocation took effect.

Furthermore, in determining whether the goods or services of the alleged infringer were identical or similar to the goods or services covered by the EU trade mark at issue, the Court held that the rights of the proprietor during this period had to be assessed by considering the goods and services for which the mark was registered, rather than those on which the mark was actually used. The present case was distinguished from *Länsförsäkringar* on the basis that it specifically concerned the question of the scope of that exclusive right on expiry of the grace period where the trade mark had already been revoked.

In the circumstances, the CJEU found that under French legislation revocation occurred upon expiry of the five-year period following registration, and that France had not made use of the option provided for in article 11(3) of Directive 2008/95 to legislate that where a counterclaim for revocation was made, a trade mark could not be successfully invoked in infringement proceedings if it was established that the mark could be revoked pursuant to article 12(1). Therefore, French legislation allowed for a trade mark proprietor to rely on infringement of its exclusive rights during the grace period, even after those rights were revoked. The CJEU did however note that the extent of the proprietor's exclusive rights following expiry of the five-year period, in the event of a counterclaim or a defence lodged by a party in infringement proceedings, could be affected by a finding that the proprietor had not begun to make use of the mark at that time.

In addition, the Court held that damages had to be "appropriate to the actual prejudice suffered" by the proprietor of the trade mark and accordingly non-use remained an important factor in determining the existence or extent of injury sustained by the proprietor.

## **Burlington Arcade finally succeeds against Burlington Fashion**

***Tulliallan Burlington Ltd ("Tulliallan") v EUIPO, Burlington Fashion GmbH ("Burlington Fashion")* (CJ; Joined cases C-155/18 P to C-158/18 P; 4 March 2020)**

*The CJEU provides clarification on the relevance of Praktiker to trade marks registered at the date of the judgment, and also the conditions set out in article 8(5). Tom Hooper reports.*

Tulliallan is the proprietor of a well-known shopping arcade in London which specialises in luxury goods such as jewellery and fashion boutiques. Tulliallan opposed four international registrations designating the EU filed by Burlington for the word mark BURLINGTON and three figurative marks containing that term (see below). The contested marks were filed in classes 3, 14, 18 and 25. All classes, other than 25, were opposed.



Tulliallan's oppositions were based on articles 8(1)(b), 8(4) and 8(5) of Regulation No. 207/2009 and their earlier registered rights and reputation in the word mark BURLINGTON and also a number of figurative marks incorporating the term BURLINGTON ARCADE. These registrations covered shopping arcade services, real estate services and the leasing or management of property in classes 35 and 36. Some of them also covered entertainment services in class 41.

The oppositions were successful at first instance at the EUIPO, and the applications were refused. The BoA then annulled the EUIPO's decision on the basis that, whilst Tulliallan had shown a broad reputation in relation to class 35 and 36 services, they had not shown a reputation for retail services. Accordingly, the goods and services were found to be dissimilar such that a likelihood of confusion did not exist, despite the identity and close similarity in the marks.

Tulli Allan appealed to the GC which held that the BoA's conclusion that reputation had not been established in relation to retail services was wrong. This was because the leading case of *Praktiker Bau-und Heimwerkermarkte* (Case C-418/02) did not support the BoA's conclusion that shopping arcades or centres should be excluded from the definition of retail services. Instead, the GC found that the concept of retail services in class 35 would encompass shopping arcade services in relation to sales.

The GC therefore held that Tulli Allan had a reputation in relation to retail services. However, notwithstanding this finding, the GC held that Tulli Allan were unsuccessful under article 8(5) as they failed to submit consistent evidence showing that use of Burlington Fashion's marks took unfair advantage of the distinctive character or repute of the earlier marks. Similarly, in relation to article 8(4), Tulli Allan had simply not provided the factual or legal material necessary to succeed under that heading.

The GC held that the article 8(1)(b) ground failed due to the lack of similarities between the goods and services in a finding which was also impacted by *Praktiker*. The GC found that, for the term "retail services" in class 35, it was necessary for the goods being sold to be precisely specified. According to the GC, the absence of any precise statement of the goods which may be sold in the various shops comprising a shopping arcade such as Burlington Arcade precluded any association between those shops and the goods covered by the contested trade marks. In the absence of such a statement, the GC held that no similarity or complementarity could be established between the services covered by the earlier marks and the goods covered by the marks applied for.

The case was then appealed to the CJEU; the AG largely agreed with the GC that Tulli Allan failed to meet the criteria to succeed under the grounds in articles 8(4) and 8(5). The main reason for this was that the reputation of the BURLINGTON shopping arcade was closely linked to the shops trading from the arcade, and also to nearby places such as Burlington Gardens. As a result, whilst BURLINGTON was closely associated with Tulli Allan's arcade, it was not an invented word solely used by them and so consumers would not be deterred from visiting the arcade, thus changing their economic behaviour, simply because another retail premises had the BURLINGTON name.

In relation to article 8(1)(b), the AG took the view that the GC had incorrectly applied *Praktiker* in finding that retail services needed to specify the goods being offered for sale. In the case of *EUIPO v Cactus* (C-501/15 P), the EUIPO held that the need to specify the exact goods being retailed did not apply to trade marks registered before the *Praktiker* decision, i.e. before 7 July 2005 because the decision did not have retrospective effect. As a result, in relation to Tulli Allan's three marks which pre-dated the *Praktiker* decision, it was not necessary for Tulli Allan to specify the exact goods being sold under their "shopping arcade services" in class 35 for there to be similarity between the goods and services. Therefore, the AG was of the opinion that the appeal should be allowed in relation to these three marks and recommended that the CJEU pass the case back to the GC for reconsideration.

Despite the AG's opinion, the Court finally determined Tulli Allan's claims and declined to refer the case back to the GC. In relation to the article 8(1)(b) appeal, the Court agreed with the AG opinion, and found that *Praktiker* was only concerned with trade marks applied for registration, and not the protection conferred to trade marks at the time of the *Praktiker* decision. Therefore, the GC's judgment that the "absence of any precise statement of the goods which may be sold in the various shops comprising a shopping arcade, such as the shopping arcade referred to by the earlier trade marks, precluded any association between those shops and the goods of the mark applied for" was an error in law and that ground of appeal was upheld in favour of Tulli Allan.

The Court also found that the GC had erred in its application of the conditions in article 8(5). It reiterated that the three conditions (being (1) link, (2) reputation and (3) risk that use of the mark applied for without due cause would take unfair advantage of, or be detrimental to, distinctive character or the repute of the earlier trade mark) were cumulative and that only one need not be satisfied for the ground of opposition to fail. It was found that the GC merely assessed the third condition and found that there was no risk of unfair advantage, detriment, etc, occurring. In doing so, they circumvented the need to assess the other two conditions.

The Court went on to state that the GC's approach to risk/injury was an error in law as their assessment was stricter than required by case law. As had been set out in *Intel Corporation* (C-252/07), when considering the third condition of article 8(5), and whether one of those injuries existed, a global assessment of the factors relevant to the case should be made. In the earlier decision, the GC based their assessment on a number of references to "attractiveness", for example finding that insufficient evidence had been provided to show that

use of the applied for marks would make the earlier marks "less attractive" or whether the use would reduce the "commercial attractiveness" of the arcades.

Such ambiguous references from the GC to "attractiveness" could not confirm beyond all doubt that they had in fact correctly assessed whether there was a risk of detriment to the distinctive character or the repute of the earlier marks, within the meaning of article 8(5). As a result, the GC's finding that there was no risk of such a reduction in attractiveness was not capable of proving that there was no risk of unfair advantage being taken of the distinctive character or the repute of the earlier trade marks. They had not correctly assessed the requirements and evidence and so this part of the appeal was also upheld in Tulliallan's favour.

The CJEU set aside the GC judgments, and annulled the BoA decisions.

## No genuine use through second-hand sales

***Aiwa Co. Ltd v Aiwa Corporation (Mann J; [2019] EWHC 3468 (Ch); 13 December 2019)\****

*On appeal to the High Court, Mann J upheld the Hearing Officer's finding, albeit for different reasoning, ruling that second-hand sales of Aiwa branded products did not constitute genuine use. Lauren Kourie reports.*

### Facts

Sony Corporation sold goods under the Aiwa brand before they were discontinued in 2008. Since 2008 there had been no retail sales of new goods using the Aiwa marks. However, there had been second-hand promotions and sales by third parties, as well as some limited after-sale services and activities by Sony and Aiwa Co. Ltd.

Having been set up to re-establish the Aiwa brand, Aiwa Co. Ltd acquired the majority of the Aiwa trade mark portfolio from Sony. A third party, Aiwa Corporation, later filed an application to register an Aiwa mark in the UK. Aiwa Co. Ltd opposed the registration based on its earlier marks and Aiwa Corporation responded with revocation proceedings for non-use of Aiwa Co. Ltd's marks under sections 46(1)(a) and (b).

The Hearing Officer found that the evidence of second-hand sales did not amount to genuine use of the marks in issue. Accordingly, he ordered the revocation of Aiwa Co. Ltd's registrations and dismissed the opposition against Aiwa Corporation's application.

### Two separate elements in determining genuine use

On appeal, the Judge took issue with the Hearing Officer's conflation of the issues of genuine use and consent, holding that the absence of proprietor consent did not automatically mean there was no genuine use and that both elements needed to be examined in a reasoned manner.

Taking first the issue of consent, the Judge considered whether Sony had consented to use of the Aiwa brand in the context of the second-hand sales. Aiwa Co. Ltd submitted that, when the goods were initially put on the market, Sony exhausted its rights and gave implied consent for onward sales, which included implied consent to genuine use of the mark in the context of those onward sales.

The Judge dismissed this argument and confirmed that the doctrine of exhaustion does not equate to the proprietor's implied consent for second-hand sales for the purposes of establishing genuine use. The Judge stated that the doctrine was not phrased in terms of consent and reiterated that exhaustion means the proprietor cannot complain about infringement "not because he is taken to have consented to that use, but because he has no more rights in relation to those goods". Accordingly, the Judge found that there was no consent for the purposes of establishing genuine use. The Judge nonetheless went on to consider the second element of genuine use.



In applying the eight principles for genuine use established in *The London Taxi Corporation Ltd v Frazer-Nash Research Ltd* [2016] FSR 579, the Judge found the level and nature of activity generated in relation to the second-hand sales was incapable of maintaining a market share or preserving an outlet for the goods bearing the mark. The Judge accepted Aiwa Co. Ltd's submission that the appearance of the Aiwa mark on second-hand goods was capable of distinguishing goods originating from Sony from other goods. However, the Judge held this was not enough in of itself to amount to genuine use and that the additional principles in *The London Taxi Corporation* needed to be satisfied.

Additionally, the Judge held that the evidence of second-hand sales was "rather thin," and in particular there was no evidence of actual sales during the critical 5-year period. In fact, the Judge stated that Aiwa Co. Ltd "ought to have done better" in providing evidence of second-hand sales and a healthy second-hand market in the goods. Therefore, the Judge upheld the Hearing Officer's decision, finding neither consent nor genuine use in relation to the second-hand sales.

## Ownership of goodwill and copyright in a business, brand and logos

***Shua Ltd v Camp and Furnace Ltd ("C&F")* (Halliwell J; [2020] EWHC 687 (Ch); 24 March 2020)\***

*In two sets of proceedings, the first relating to passing off and copyright infringement and the second relation to a petition under s.994 of the Companies Act 2006, HHJ Halliwell considered as preliminary issues the ownership of the goodwill of the business and brand and copyright in the logos. Louise O'Hara reports.*

### Facts

Shua alleged that C&F was liable for passing off and copyright infringement by using Shua's brand "Bongo's Bingo" ("BB") and logos. Shua had three shareholders, Mr Joshua Burke and Mr Jonathan Lacey (who each held 42.5% of the shares) and C&F (which held 15% of the shares). C&F defended Shua's claim on the grounds that it was a co-the owner of the BB goodwill and was entitled to an equitable licence to use the logo.

Mr Burke worked as a promoter and events manager. Mr Burke was employed by C&F to promote and manage events at a venue owned by C&F. C&F agreed that Mr Burke was permitted to promote and organise his own events at the venue, provided that he generated an acceptable level of business for C&F whilst he was working for them.

Mr Burke met Mr Lacey during the time he worked for C&F. Mr Lacey was a DJ acting under the stage name "Jonny Bongo". Mr Burke and Mr Lacey met in early 2015 to explore Mr Lacey's interest in hosting events at the venue. During this meeting, Mr Lacey explained that he had a new idea to incorporate a bingo theme into his offbeat version of a traditional pub quiz. Mr Burke made arrangements with Mr Lacey to stage a new club night at the venue named "Bongo's Bingo".

The event was a success and Mr Burke and Mr Lacey continued to hold events at the venue. C&F was entitled to the bar receipts, and paid Mr Burke 15% of the net profits from the bar in addition to his salary. In light of the success of the venture, Mr Burke resigned from C&F to work directly with Mr Lacey. Mr Lacey subsequently assigned the goodwill in the brand to himself and Mr Burke, and later, once it was incorporated, to Shua.

Despite Mr Burke's resignation from C&F, it was understood that he intended to continue to host event nights at the venue and wished to retain his entitlement to 15% of net profits from the bar at any such events. On 15 June 2015, Mr Burke and C&F met to discuss the future relationship between Mr Burke and C&F.

An email C&F sent following the meeting sought to confirm that C&F had "a 15% "stake" in Bongos Bingo on the road". This was agreed by Mr Burke by way of return email. It was clear from the witness evidence that the word "stake" had been placed in inverted commas as it wasn't clear to the parties at the time what form C&F's interest in the venture was going to take. The expression was kept deliberately vague so that it could have meant a 15% share of income or 15% share of the business. Some time after Shua was incorporated, 15% of the shares in Shua were transferred to C&F upon C&F's request.

#### Ownership of goodwill in the business

The Judge noted that where an entertainer personally develops a name and attracts a public following, goodwill subsists in that person regardless of whether a third party engaged them to provide services. The Judge considered that it was "overwhelmingly clear" that the goodwill in the BB brand initially belonged to Mr Lacey in his personal capacity. The concept of an entertainment medium fusing bingo with rave and dances was developed by Mr Lacey, with some limited involvement of Mr Burke. The success of the club night was primarily based on Mr Lacey's act: until 2017 events were personally presented by Mr Lacey and witness evidence from C&F confirmed that the BB event was "heavily driven by (or dependent upon) [Mr Lacey's] personality".

The Judge was not convinced that C&F had played a significant part in creating the BB concept, with witness evidence focusing on peripheral details such as lighting. It was not relevant that C&F had incurred expenses in connection with the BB events. C&F generated substantial revenue from bar receipts in respect of the BB events well in excess of its initial expenditure.

As a result, Mr Lacey was solely entitled to the BB goodwill when he assigned the goodwill to both himself and Mr Burke and later to Shua.

#### Ownership of the copyright in the logos

Mr Burke engaged a third party, Mr Joe Murphy, to draw logos for BB, the copyright in relation to which was later assigned to Mr Burke and then to both Mr Burke and Mr Lacey.

The Judge was convinced that, despite the commission taking place during the time that Mr Burke was employed by C&F, on the basis that C&F did not restrict Mr Burke from engaging in promotional activities outside the limits of his employment, it could not be assumed that he engaged Mr Murphy in his capacity as employee. Accordingly C&F had no rights in the copyright in logos used by BB.

The reported cases marked \* can be found at <http://www.bailii.org> and the CJ and GC decisions can be found at [http://curia.europa.eu/jcms/jcms/j\\_6/hom](http://curia.europa.eu/jcms/jcms/j_6/hom)

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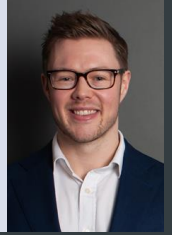
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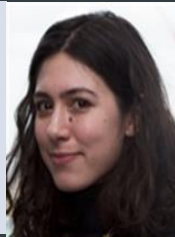
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