Rihanna v Topshop: Image rights in the UK

The Court of Appeal of England and Wales has found that the sale by the well-known retailer Topshop of a t-shirt bearing an image of the famous pop star Rihanna without her permission amounted to passing off and was therefore unlawful. Rihanna won in the High Court and Topshop appealed, unsuccessfully, to the Court of Appeal.

Why is this significant?

This is the only UK case in recent memory in which a celebrity has succeeded in preventing a retailer from using their image on merchandise, rather than in advertising material. Previously, it was generally understood that merely putting a celebrity’s image on merchandise without their permission did not constitute an infringement of their rights. This case indicates that, while this general principle still applies, it is subject to exceptions.

What do I need to know?

The Court of Appeal agreed with the High Court judge’s decision that Topshop’s sale of the t-shirt amounted to passing off because it amounted to a misrepresentation that there is no ‘image right’ as such under UK law. There are exceptions to the general principle that the outcome was highly dependent on the particular facts, in particular both Rihanna’s past public association with Topshop and the particular features of the image itself. Nevertheless, it is likely that this decision will fuel further image right cases, particularly given that celebrities are increasingly branching out from their original field into the world of fashion.

What next?

While the decision might be said to widen the scope of ‘image rights’ in the UK, the general principle still stands that there is no ‘image right’ as such under UK law. There are exceptions to the general principle but these are likely to be tightly construed. Two of the three Court of Appeal judges regarded this case as ‘close to the borderline’, indicating that the outcome was highly dependent on the particular facts in particular Rihanna’s past public association with Topshop and the particular features of the image itself.

Rihanna v Topshop: Image rights in the UK

By Hilary Atherton

London

hilary.atherton@twobirds.com

The Court of Appeal of England and Wales has found that the sale by the well-known retailer Topshop of a t-shirt bearing an image of the famous pop star Rihanna without her permission amounted to passing off and was therefore unlawful. Rihanna won in the High Court and Topshop appealed, unsuccessfully, to the Court of Appeal.

Why is this significant?

This is the only UK case in recent memory in which a celebrity has succeeded in preventing a retailer from using their image on merchandise, rather than in advertising material. Previously, it was generally understood that merely putting a celebrity’s image on merchandise without their permission did not constitute an infringement of their rights. This case indicates that, while this general principle still applies, it is subject to exceptions.

What do I need to know?

The Court of Appeal agreed with the High Court judge’s decision that Topshop’s sale of the t-shirt amounted to passing off because it amounted to a misrepresentation that there is no ‘image right’ as such under UK law. There are exceptions to the general principle that the outcome was highly dependent on the particular facts, in particular both Rihanna’s past public association with Topshop and the particular features of the image itself. Nevertheless, it is likely that this decision will fuel further image right cases, particularly given that celebrities are increasingly branching out from their original field into the world of fashion.

What next?

While the decision might be said to widen the scope of ‘image rights’ in the UK, the general principle still stands that there is no ‘image right’ as such under UK law. There are exceptions to the general principle but these are likely to be tightly construed. Two of the three Court of Appeal judges regarded this case as ‘close to the borderline’, indicating that the outcome was highly dependent on the particular facts, in particular Rihanna’s past public association with Topshop and the particular features of the image itself.

Nevertheless, it is likely that this decision will fuel further image right cases, particularly given that celebrities are increasingly branching out from their original field into the world of fashion.
Online counterfeiting in China - how to deal with a growing trend

One of the key trends on the Chinese counterfeiting landscape in recent years has been the explosion of counterfeit products and sites appearing online. Whereas counterfeiters in the past used to have a physical factory or store, nowadays many of these entities operate in a purely digital environment and distribute their products on a global basis.

Recent high profile spats between Alibaba (the world’s largest e-commerce site) and the Chinese government demonstrate that these problems are not diminishing and the online threat is likely to be a recurring headache for brand owners for the foreseeable future. So what should brand owners do to minimise this threat?

You need the tools to protect yourself...

All brand owners need to obtain basic IP rights in China if they are to have any hope of protecting themselves. Even if the rights holder’s primary market is outside China, Chinese focused rights are essential to any programme aimed at reducing or eliminating the threat from online pirates.

Trade marks

Trade mark protection is a must. Since China operates a ‘first to file’ trade mark system (rather than a first to use) it is crucial that brand owners file for their key marks in China at an early stage. It should be noted that the Chinese Goods and Services Classification list has recently been amended to add various new types of internet products and services, including e-commerce in Class 35, and these new services should be considered in any filing strategy.

Copyright registration - overlooked but useful...

Copyright is becoming an increasingly useful tool to ‘fill in the gaps’ where a brand owner does not have clear trade mark rights in China. Registration is relatively easy to obtain and even simple stylized words and phrases (that would not ordinarily attract copyright protection in some jurisdictions) are being granted registration. We have found that an official registration certificate can be useful in China to demonstrate that the rights holder has some form of prior right and this can assist in convincing platform owners and ISPs to take down counterfeit sites and products. It is also useful to prepare copyright registrations for anything that can be used in e-commerce channels, for instance, logos, packages, labels, promotional materials and product pictures.

Service providers will only act where evidence is clear

Alibaba (www.1688.com for the Chinese market; www.alibaba.com for the overseas market), Taobao (www.taobao.com), TMall (www.tmall.com) and JD (www.jd.com) are the key e-commerce sites in China. Each has their own ‘notice and takedown’ processes to enable complaints to be filed against suspicious products and sites. From our experience, these processes do work and can be a time and cost effective way to combat online counterfeiting. However, a hastily written email complaint will not cut it. The main online platforms receive hundreds of complaints daily and only those complaints which follow mandated processes (which often involve registering online) and are supported by clear evidence of prior rights (e.g. trade mark or copyright certificates) will have much chance of success.

Counterfeit sites outside the e-commerce platforms

Stand-alone counterfeit websites pose their own problems. While all traditional remedies are available (e.g. cease and desist letters, administrative action or litigation), the main difficulty in shutting down stand-alone sites is identifying the people behind the sites. That said, the Chinese market is highly regulated and many products or services require government approval or licences to be able to launch in China. Thus, if products or services sold online do not have proper approval, administrative action filed on the basis of unlicensed business may in certain cases be a viable option.

So what should brand owners do to minimise this threat?

You need the tools to protect yourself...

All brand owners need to obtain basic IP rights in China if they are to have any hope of protecting themselves. Even if the rights holder’s primary market is outside China, Chinese focused rights are essential to any programme aimed at reducing or eliminating the threat from online pirates.

Trade marks

Trade mark protection is a must. Since China operates a ‘first to file’ trade mark system (rather than a first to use) it is crucial that brand owners file for their key marks in China at an early stage. It should be noted that the Chinese Goods and Services Classification list has recently been amended to add various new types of internet products and services, including e-commerce in Class 35, and these new services should be considered in any filing strategy.

Copyright registration - overlooked but useful...

Copyright is becoming an increasingly useful tool to ‘fill in the gaps’ where a brand owner does not have clear trade mark rights in China. Registration is relatively easy to obtain and even simple stylized words and phrases (that would not ordinarily attract copyright protection in some jurisdictions) are being granted registration. We have found that an official registration certificate can be useful in China to demonstrate that the rights holder has some form of prior right and this can assist in convincing platform owners and ISPs to take down counterfeit sites and products. It is also useful to prepare copyright registrations for anything that can be used in e-commerce channels, for instance, logos, packages, labels, promotional materials and product pictures.

Service providers will only act where evidence is clear

Alibaba (www.1688.com for the Chinese market; www.alibaba.com for the overseas market), Taobao (www.taobao.com), TMall (www.tmall.com) and JD (www.jd.com) are the key e-commerce sites in China. Each has their own ‘notice and takedown’ processes to enable complaints to be filed against suspicious products and sites. From our experience, these processes do work and can be a time and cost effective way to combat online counterfeiting. However, a hastily written email complaint will not cut it. The main online platforms receive hundreds of complaints daily and only those complaints which follow mandated processes (which often involve registering online) and are supported by clear evidence of prior rights (e.g. trade mark or copyright certificates) will have much chance of success.

Counterfeit sites outside the e-commerce platforms

Stand-alone counterfeit websites pose their own problems. While all traditional remedies are available (e.g. cease and desist letters, administrative action or litigation), the main difficulty in shutting down stand-alone sites is identifying the people behind the sites. That said, the Chinese market is highly regulated and many products or services require government approval or licences to be able to launch in China. Thus, if products or services sold online do not have proper approval, administrative action filed on the basis of unlicensed business may in certain cases be a viable option.

So what should brand owners do to minimise this threat?

You need the tools to protect yourself...

All brand owners need to obtain basic IP rights in China if they are to have any hope of protecting themselves. Even if the rights holder’s primary market is outside China, Chinese focused rights are essential to any programme aimed at reducing or eliminating the threat from online pirates.

Trade marks

Trade mark protection is a must. Since China operates a ‘first to file’ trade mark system (rather than a first to use) it is crucial that brand owners file for their key marks in China at an early stage. It should be noted that the Chinese Goods and Services Classification list has recently been amended to add various new types of internet products and services, including e-commerce in Class 35, and these new services should be considered in any filing strategy.

Copyright registration - overlooked but useful...

Copyright is becoming an increasingly useful tool to ‘fill in the gaps’ where a brand owner does not have clear trade mark rights in China. Registration is relatively easy to obtain and even simple stylized words and phrases (that would not ordinarily attract copyright protection in some jurisdictions) are being granted registration. We have found that an official registration certificate can be useful in China to demonstrate that the rights holder has some form of prior right and this can assist in convincing platform owners and ISPs to take down counterfeit sites and products. It is also useful to prepare copyright registrations for anything that can be used in e-commerce channels, for instance, logos, packages, labels, promotional materials and product pictures.

Service providers will only act where evidence is clear

Alibaba (www.1688.com for the Chinese market; www.alibaba.com for the overseas market), Taobao (www.taobao.com), TMall (www.tmall.com) and JD (www.jd.com) are the key e-commerce sites in China. Each has their own ‘notice and takedown’ processes to enable complaints to be filed against suspicious products and sites. From our experience, these processes do work and can be a time and cost effective way to combat online counterfeiting. However, a hastily written email complaint will not cut it. The main online platforms receive hundreds of complaints daily and only those complaints which follow mandated processes (which often involve registering online) and are supported by clear evidence of prior rights (e.g. trade mark or copyright certificates) will have much chance of success.

Counterfeit sites outside the e-commerce platforms

Stand-alone counterfeit websites pose their own problems. While all traditional remedies are available (e.g. cease and desist letters, administrative action or litigation), the main difficulty in shutting down stand-alone sites is identifying the people behind the sites. That said, the Chinese market is highly regulated and many products or services require government approval or licences to be able to launch in China. Thus, if products or services sold online do not have proper approval, administrative action filed on the basis of unlicensed business may in certain cases be a viable option.
Lucky Strike obtains favourable ECHR judgments in German advertising cases

By Dr. Stefan Engels and Amir Heydarinami

Hamburg
stefan.engels@twobirds.com
amir.heydarinami@twobirds.com

The European Court of Human Rights (ECHR) has rejected the claims of two German celebrities, whose names and other details were used in a German advertising campaign for Lucky Strike, the cigarette manufacturer.

The celebrities, Dieter Bohlen and Prince Ernst August of Hannover, did not agree to the use of their names for commercial purposes. Despite this, the ECHR held that no breach of personal rights had occurred because the advertisements contained satirical references to events of public interest which were already in the public sphere.

The case brought by Prince Ernst August of Hannover related to a Lucky Strike advertising billboard which showed a picture of a crumpled cigarette packet, accompanied with the slogan, “Was that Ernst? [which means ‘serious’ in German] Or August?”. The advertisement’s slogan was an ironic reference to two altercations that had received media coverage in Germany many years before. The first incident, in 1998, allegedly involved Prince August and a cameraman, while the second incident, in 2000, allegedly involved the Prince and a nightclub manager.

The case brought by Dieter Bohlen, a German musician and TV personality, related to a Lucky Strike advertising billboard bearing the words, “Look, dear Dieter, this is how you write great books easily”. Certain words in the slogan had been crossed out (to give the appearance of having been deleted), although the words were in fact still legible. This was an allusion to reports that, following litigation, Dieter Bohlen had been forced to remove several passages from his sensational book Behind the Scenes.

Although both Prince Ernst August and Dieter Bohlen were initially awarded damages by the lower German courts, the German Supreme Court overturned these decisions and ruled in Lucky Strike’s favour in 2008.

The ECHR upheld the verdicts of the German Supreme Court, confirming that it is permissible for advertisements to make reference to individuals in the public eye (even without the relevant person’s consent), provided that:

• the advertisement concerns an issue or event of public interest;
• the individual involved has been the subject of public debate in respect of that issue or event;
• the advertisement only contains information that is already known to the public; and
• the advertisement does not do any additional damage to the reputation of the individual.

In the Dieter Bohlen and Prince Ernst August cases, the ECHR determined that these criteria had been fulfilled. The ECHR noted that the German Supreme Court’s judgments had identified a fair balance between freedom of expression and respect for private life.
Comparative advertising – UK courts examine supermarket price promises

A recent UK case has illustrated that European courts can have a wide degree of discretion when determining whether an advertiser has selected like-for-like goods in its comparative advertising.

The case related to a campaign by UK supermarket chain Tesco, in which Tesco offered its customers a refund if the customer would have been able to purchase products equivalent to those included in Tesco’s scheme for a lower total price at one of its main competitors. One of those competitors, Sainsbury’s, argued the comparison did not comply with the Comparative Advertising Directive (or equivalent measures under English law) as a number of Sainsbury’s ‘own label’ products were objectively tested in accordance with ethical certification schemes, or were otherwise produced in accordance with high environmental practices. As the equivalent Tesco products did not comply with the same standards, Sainsbury’s argued those products could not be deemed to ‘meet the same needs or be intended for the same purposes’, or be considered as being ‘sufficiently interchangeable’ as required by UK and EU law.

In its initial ruling, the UK’s Advertising Standards Authority (ASA) stated it considered the ‘same needs’ test had been met, given that foods, such as meat or eggs, were interchangeable and were intended for the same purpose. The ASA acknowledged there would be differences in environmental and ethical sourcing practices, but on the evidence were satisfied that Tesco had taken those elements into account when selecting which products to compare.

The ruling was appealed to an independent reviewer; then ultimately was subject to a (rare) application for judicial review. However, neither overturned the initial ASA ruling.

The case is illuminating in its rejection of two key arguments advanced by Sainsbury’s:

- The ‘sufficiently interchangeable’ test could not be satisfied where objective ‘non-price’ elements (e.g. a fair trade accreditation) were relevant to a comparison, and those elements would be a material factor on the decision-making process for a reasonable proportion of customers.
- The court rejected the idea that there was any such absolute requirement under EU law.

The case also provides another example of how the English courts generally interpret the Comparative Advertising Directive in a manner that is most permissive to comparisons.
Parla inglese? Australia’s lesson on the Italian language

Most readers will recognise that ‘barista’, ‘cappuccino’, and ‘espresso’ are Italian words, and are part of the deeply engrained Australian coffee culture. Anyone who drinks coffee knows what these words mean. We also recognise Italian words like ‘rosso’ (red), ‘ciao’ (hello or goodbye) and ‘buongiorno’ (good day), but what about ‘ORO’ (gold) and ‘CINQUE STELLE’ (five stars)? Would an Australian coffee snob understand what these words mean?

The Australian case of Cantarella Bros Pty Limited v Modena Trading Pty Limited was the final chapter of a heated dispute between the two traders covering both trade mark infringement, and trade mark registrability. In short, Cantarella has two registered trade marks for ‘ORO’ and ‘CINQUE STELLE’ for coffee goods, and sued Modena for trade mark infringement. The battle made its way up to the High Court, and in the process Modena hit back with their own claim arguing that the ‘ORO’ and ‘CINQUE STELLE’ registrations should be removed from the trade marks register because they were just Italian words for ‘gold’ and ‘five stars’, and therefore not distinctive or ‘unique’ enough to be registrable.

The decision in Cantarella Bros has:

- sensibly clarified the test to be applied in establishing the meaning of foreign words is that of the ‘ordinary signification’ of the word in Australia, rather than considering the meaning of the word once translated;
- broadened the scope for registration of trade marks, by finding that words making a ‘skilful allusion’ to the characteristics or quality of goods are prima facie registrable, provided they do not contain a ‘direct reference’ to such characteristics or quality; and
- given hope to traders wishing to use foreign words as trade marks to ‘skilfully allude’ to the nature of their goods.

The High Court considered two issues. The first issue addressed the meaning of the two words. The court accepted Cantarella’s argument that the words have to be judged by how an Australian coffee snob understands them. The court agreed that only a very small minority of Australians (those who were Italian speakers) would understand what ‘ORO’ and ‘CINQUE STELLE’ mean. To the rest of us, the words have no obvious meaning, and therefore not distinctive or ‘unique’ enough to be registrable.

The second issue considered was whether or not other traders might legitimately want to use the words to describe their own goods or services. Because the words were not understood well enough to have any meaning in Australia, the court held that other traders would not have the need or legitimate wish to use the words to make a ‘direct reference’ to the character or quality of their goods.

The obvious implication being that, as learned as Australians are, we still need to brush up on our Italian. Ciao!
The new Singapore International Commercial Court as a forum for resolving brand licensing disputes in Asia

By Lorraine Tay, Dharma Sadasivan and Laura Holt
Singapore and London
lorraine.tay@twobirds.com
dharma.sadasivan@twobirds.com
laura.holt@twobirds.com

In January this year, Singapore established a new court - the Singapore International Commercial Court (SICC). The SICC’s international nature and its special procedural rules mean it has the potential to become an attractive forum for resolving brand licensing disputes in Asia.

The SICC offers a number of advantages for resolving disputes concerning brand licensing agreements in Asia:

- Singapore’s geographical location means that the SICC is conveniently placed to adjudicate disputes that relate to agreements covering Asia, especially for companies that centrally manage their brands in the region from Singapore.
- As the court can hear disputes concerning agreements governed by foreign law and allows parties to be represented by lawyers qualified in foreign law, parties maintain the freedom to choose the governing law of their agreements. This may be particularly beneficial where a single agreement is used to cover licensing in multiple countries or is between parties of different nationalities since a neutral law can be selected.
- The SICC is a division of the Singapore High Court with a panel of specialist commercial judges from Singapore and international judges from both civil and common law traditions, a number of whom have experience with IP disputes.
- The SICC rules seek to combine the best features of arbitration and litigation. For example, as with arbitration, proceedings may be kept confidential and parties may elect a governing law that differs from the seat of the dispute, while third parties can be joined to a case and orders for disclosure made, as provided by litigation.

Despite these advantages, before deciding on the SICC as the forum of choice, it is important to recognise that whether or not an SICC judgment can be enforced in another jurisdiction will depend on the private international law of the country in question. In general, because the SICC is constituted as a superior court, its judgments may be enforced through existing reciprocal enforcement provisions in other jurisdictions including New Zealand, Sri Lanka, Malaysia, Australia, Hong Kong, and most states in India, in addition to the usual common law action on judgment debts. It is less clear whether SICC judgments may be enforced in civil law countries with no reciprocal enforcement provisions.

Companies planning or managing multinational licensing strategies in Asia should consider whether or not the SICC is a useful forum for resolving regional brand licensing disputes. The creation of the SICC clearly contemplated that the resolution of IP disputes would fall within the scope of its jurisdiction, given that the SICC’s international panel of judges includes specialists in IP. This can only serve to strengthen the IP regime in Singapore and help companies protect their brands and other IP as they conduct business in the region.
Nordic update: Finland’s specialised IP court and its role in resolving Finnish trade mark appeals and other IP disputes

In September 2013, Finland established a new centralised and specialised IP court in Helsinki. It was the first country in the Nordic region to do so.

The new Finnish IP court, which is officially called the ‘Market Court’, has exclusive jurisdiction to hear all IP cases at the first instance, although IP cases which involve criminal proceedings remain within the remit of the District Courts. Since September 2013, the Finnish IP court has received more than 300 trade mark cases. Approximately 90% of the cases received by the Market Court have been trade mark application appeals relating to administrative decisions taken by the Finnish Patent and Registration Office. The remaining cases received have been general trade mark disputes, including claims for trade mark infringement.

As appeals relating to the administrative decisions of the Finnish Patent and Registration Office are now decided in the Market Court, it is anticipated that the court is likely to continue to have a steady flow of trade mark cases. New case law from the Finnish IP court is of particular importance for two reasons:

• The court benefits from the expertise of specialist IP judges who have particular interest and experience in IP law; and
• The judgments of the Market Court will in the majority of cases be final decisions because an appeal against a Market Court judgment is usually only possible if the Supreme Court grants leave to appeal (and historically this has only been granted in about 10% of cases in which permission was sought).

The forthcoming European patent reform with the Unified Patent Court (UPC) is one of the key factors driving these changes to the way that Finland handles IP cases. Indeed, Finland has decided to set up its own local division of the UPC in connection with the Market Court.
Q&A with Charlie Everitt, IP Director, Virgin Enterprises Limited

Charlie Everitt is IP Director at Virgin Enterprises Limited (VEL), the company which owns and licenses the Virgin brand. Who better to give BrandWrites an insight into the issues which matter to major brands today? Brand Writes caught up with Charlie to get his thoughts on the questions below.

What have been the biggest changes affecting brand owners in the past few years?

The growth of the internet, and more recently social media, has probably been the single biggest thing. Social media brings great advantages, allowing brand owners to communicate with their customers in a new and authentic way. On the other hand, it brings challenges - both in terms of opening up a new territory for trade mark abuse, but also in terms of the need to control your own message. There are numerous examples of brand owners who have got it right (and wrong).

What challenges do you see for brand owners in the future?

Anti-IP sentiment seems to have grown in the last couple of years and will continue to be an issue that challenges trade mark owners. It's vitally important that trade mark owners are not prevented from taking effective enforcement action to protect their brands - often, their biggest assets and the subject of massive and sustained investment. Collectively, brand owners need to get better at making sure that consumers understand the social and economic benefits of IP, including brands, so that they can see enforcement action within the right context.

What have been the biggest changes affecting brand owners in the past few years?

The growth of the internet, and more recently social media, has probably been the single biggest thing. Social media brings great advantages, allowing brand owners to communicate with their customers in a new and authentic way. On the other hand, it brings challenges - both in terms of opening up a new territory for trade mark abuse, but also in terms of the need to control your own message. There are numerous examples of brand owners who have got it right (and wrong).

What challenges do you see for brand owners in the future?

Anti-IP sentiment seems to have grown in the last couple of years and will continue to be an issue that challenges trade mark owners. It's vitally important that trade mark owners are not prevented from taking effective enforcement action to protect their brands - often, their biggest assets and the subject of massive and sustained investment. Collectively, brand owners need to get better at making sure that consumers understand the social and economic benefits of IP, including brands, so that they can see enforcement action within the right context.

What have been the biggest changes affecting brand owners in the past few years?

The growth of the internet, and more recently social media, has probably been the single biggest thing. Social media brings great advantages, allowing brand owners to communicate with their customers in a new and authentic way. On the other hand, it brings challenges - both in terms of opening up a new territory for trade mark abuse, but also in terms of the need to control your own message. There are numerous examples of brand owners who have got it right (and wrong).

What challenges do you see for brand owners in the future?

Anti-IP sentiment seems to have grown in the last couple of years and will continue to be an issue that challenges trade mark owners. It's vitally important that trade mark owners are not prevented from taking effective enforcement action to protect their brands - often, their biggest assets and the subject of massive and sustained investment. Collectively, brand owners need to get better at making sure that consumers understand the social and economic benefits of IP, including brands, so that they can see enforcement action within the right context.

What challenges do you see for brand owners in the future?

Anti-IP sentiment seems to have grown in the last couple of years and will continue to be an issue that challenges trade mark owners. It's vitally important that trade mark owners are not prevented from taking effective enforcement action to protect their brands - often, their biggest assets and the subject of massive and sustained investment. Collectively, brand owners need to get better at making sure that consumers understand the social and economic benefits of IP, including brands, so that they can see enforcement action within the right context.

What challenges do you see for brand owners in the future?

Anti-IP sentiment seems to have grown in the last couple of years and will continue to be an issue that challenges trade mark owners. It's vitally important that trade mark owners are not prevented from taking effective enforcement action to protect their brands - often, their biggest assets and the subject of massive and sustained investment. Collectively, brand owners need to get better at making sure that consumers understand the social and economic benefits of IP, including brands, so that they can see enforcement action within the right context.

What challenges do you see for brand owners in the future?

Anti-IP sentiment seems to have grown in the last couple of years and will continue to be an issue that challenges trade mark owners. It's vitally important that trade mark owners are not prevented from taking effective enforcement action to protect their brands - often, their biggest assets and the subject of massive and sustained investment. Collectively, brand owners need to get better at making sure that consumers understand the social and economic benefits of IP, including brands, so that they can see enforcement action within the right context.
Innocent’s English High Court fight to keep the ‘Dude’ logo

Innocent has succeeded in holding onto its famous ‘Dude’ logo after an English High Court battle, despite not having signed a contract with the logo’s designer. Even so, this case highlights the potential difficulties that can arise when businesses do not tie down contracts with key suppliers.

Background
In 1998, the company behind Innocent smoothies reached an agreement with Deep End Design Ltd for Deepend to take on the design requirements for all aspects of the Innocent brand in return for shares in Innocent.

Deepend created the now famous ‘Dude’ logo in March 1999 and Innocent smoothies launched a month later, but Innocent and Deepend never formalised their deal:
- a draft contract was left unsigned;
- Innocent did not transfer the shares to Deepend; and
- copyright in the ‘Dude’ logo was not assigned to Innocent.

Fifteen years later, Deepend tried to stop Innocent claiming rights in the ‘Dude’ logo, and the parties had to seek the court’s help.

Decision
The High Court in London found that Innocent was entitled to force Deepend to assign the copyright in the ‘Dude’ logo even though Deepend had never got its shares in Innocent, holding that:
- There was no valid legal assignment of the copyright in the logo to Innocent as their draft contract had never been signed and showed an intention to assign the copyright in future works only on the condition that Innocent approved Deepend’s designs. An agreement to assign copyright in future works could not be subject to further conditions.
- Despite that, it made no commercial sense to find the contract invalid even though it had been labelled ‘Heads of Agreement’ and ‘Subject to Contract’. The parties had acted as if the contract was in force.
- The obligation on Deepend to transfer copyright to Innocent and the obligation on Innocent to transfer shares to Deepend were separate conditions. The only requirement for the transfer of copyright to take effect was Innocent’s approval of the designs.
- The ‘Dude’ logo had been created specifically for Innocent and was of no use to Deepend or any of its other clients. It was impractical to find that Innocent only had an implied licence to the copyright, as Deepend could terminate such a licence at any time with damaging consequences for the Innocent brand.

Practical Tips
1. Both companies were young start-ups in 1999, but the courts will not always be forgiving. For a key asset like a brand logo it is essential to get the (simple) paperwork in place.
2. Designers should ensure assignment of copyright only takes effect once payment (or in Deepend’s case, their shares) is received.
3. Where a design has clearly been created for a particular brand, the courts are usually willing to imply at least a licence to the copyright. However, third parties will be reluctant to invest in a business if a key asset could be taken away at a whim and taking the matter to court is an expensive way to ensure brand protection.
Collective marks and the Polish Herbapol case

The recent Polish Herbapol dispute is a case study of a company in Poland seeking to establish registered trade mark protection for its own distinct identity despite operating under an umbrella organisation’s collective trade mark.

Collective marks

European trade mark law makes a distinction between individual trade marks granted for a single company and collective trade marks, which can be granted for an organisation of associated members. A business using a collective trade mark will usually belong to a particular umbrella organisation in which members are linked by common features, such as manufacturing method, quality of products or policy.

Examples of organisations that might use collective trade marks include employers’ associations, chambers of commerce or professional associations. Under this structure, the umbrella organisation remains the sole owner of the collective trade mark, but it may authorise its members to use the mark provided they comply with certain rules relating to their use of the mark. Some famous CTMs that are registered as collective marks include Gruyere, Eurovision and Lurpak.

During the Communist era, the Herbal Industry Union (known as ‘Herbapol’) was a centralised, state-run organisation that produced food, medicinal products and herbal beauty products. In the 1990s, the union was dissolved and most of its manufacturing plants were privatised and became independent companies.

The mark as shown in Figure 1 was registered as a collective trade mark in Poland in 1996 (the Herbapol Collective Mark) and the manufacturing plants that had previously formed part of the Herbal Industry Union operated under the Herbapol Collective Mark. However, as time passed each plant began to add an indicator of geographical origin in their use of the Herbapol Collective Mark.

The mark as shown in Figure 2 was registered in 2001 by Herbapol Wroclaw as its own, separate Polish trade mark (the Herbapol Wroclaw Mark). In the subsequent dispute, Herbapol Wroclaw argued that the companies that previously comprised the Herbal Industry Union no longer used the same specifications for their products and that a geographical indicator was required in order to differentiate products made in one Herbapol plant from products made in another Herbapol plant.

In 2012, the Polish Patent Office invalidated the Herbapol Wroclaw Mark due to its similarity with the earlier Herbapol Collective Mark. This decision was recently confirmed in 2015 by Poland’s Supreme Administrative Court.

The conclusion from this case is that, in Poland, a member of an umbrella organisation that uses a collective trade mark cannot for its own use register a separate trade mark containing the original collective trade mark. This applies even if the new trade mark has an additional distinctive element, such as a word or graphic.

It appears that if Herbapol Wroclaw had wanted to protect the Herbapol Wroclaw Mark by registration, this trade mark could only have been registered in favour of the umbrella organisation, where its use then would have been regulated by the rules accepted by associated members. This suggests that registration of a collective trade mark therefore equips the umbrella organisation with full control over its use by associated companies.
Is the sun setting on Capri Sun’s shape mark in the Benelux?

Capri Sun markets concentrated juice drinks which are sold in laminated foil pouches. Capri Sun has an international trade mark for the shape of the pouches, which is designated for the Benelux. In 2014, the shape mark was the subject of dispute in two Dutch cases.

Capri Sun sought to obtain cease and desist orders against two competitors for their alleged infringement of Capri Sun’s shape mark. However, the actions backfired since the shape mark was declared invalid by two Dutch courts.

In both sets of proceedings, Capri Sun claimed infringement of its shape mark and ‘slavish imitation’ of its juice containers. The defendants countered with a claim for invalidity of the shape mark, arguing that the shape was necessary to obtain a technical result.

In assessing this argument, both courts identified the following essential characteristics of the shape mark for the small stand-up pouch:

- rectangular shape;
- welded seams at the top and sides;
- rounding at the bottom (also called the ‘belly’ by parties);
- the pouch tapers off towards the bottom; and
- made of a reflective material.

The courts considered that all characteristics were necessary to obtain a technical result, on the basis of user-friendliness, economy of the manufacturing process, ensuring a water-tight pouch and maximising shelf-life. Since all essential characteristics were regarded as necessary to obtain a technical result and as the stand-up pouch did not contain any important non-functional elements, the courts declared the registered shape mark to be invalid for the Benelux.

All that remained for Capri Sun was its claim for slavish imitation of the juice pouch. The Court of The Hague concluded that since all characteristics of the pouch were functional, the alleged similarity could not constitute slavish imitation. The Court of Amsterdam came to the same conclusion but on different grounds, ruling that the alleged infringer did not fail in its duty to prevent confusion because it had very prominently placed its trade name on the packets, thereby giving the packets a different overall impression.

In the end, despite two attempts, Capri Sun did not prevail. It remains to be seen what the Court of The Hague will say on appeal. In a comparable case in Germany, the German Patent and Trade Mark Office at first instance declared the similar German shape mark invalid. However, despite this decision, the Oberlandesgericht Cologne on appeal has maintained an injunction against one of Capri Sun’s competitors for infringement of the mark, meaning the sun may perhaps continue to shine on the shape mark in Germany.

By Manon Rieger-Jansen
and Nina Dorenbosch
The Hague
manon.rieger.jansen@twobirds.com
nina.dorenbosch@twobirds.com
Assessing the impact of non-distinctive/weak components of trade marks in the examination of likelihood of confusion

The impact of non-distinctive/weak components of trade marks is a relatively common issue for any trade mark owner or applicant. However, the issue is less straightforward than it may initially appear.

The European Trade Mark and Design Network has recently published a ‘common practice’ document containing guidelines on how the TM offices of the EU have agreed to approach this issue. The document represents another important step on the road towards common practice across the IP Offices of the EU in a variety of areas.

This particular common practice sets out four objectives when approaching the impact of non-distinctive/weak components on the assessment of likelihood of confusion and contains a number of useful examples to illustrate these principles, including:

- A coincidence in an element with a low degree of distinctiveness will not normally lead to likelihood of confusion. Example:

  ![Example](image)

  (Class 9: Credit cards)

  vs.

  ![Example](image)

  (Class 43: Holiday accommodation services)

- There may be likelihood of confusion if the other components are of a lower (or equally low) degree of distinctiveness, or are of insignificant visual impact and the overall impression of the marks is similar. Example:

  ![Example](image)

  (Class 11: Refrigerators)

- There may also be such likelihood if the overall impression of the marks is highly similar or identical. Example:

  ![Example](image)

The common practice can be found here: https://www.tmdn.org/network/documents/10181/aed01c40-9004-4d9a-950c-6590768f6498

By Paola Ruggiero and Licia Garotti

Milan
paola.ruggiero@twobirds.com
licia.garotti@twobirds.com

Q&A with Mark Holah, Partner, Bird & Bird

The international IP group welcomed new partner Mark Holah at the beginning of 2015. A key addition to the firm’s international brand management practice, Mark’s expertise and market place recognition will help to ensure that we remain one of the leading practices in this area. Mark was previously head of the trade mark and brand protection group at Fieldfisher, where he spent 13 years; II as a partner. He has over 20 years’ experience of advising on intellectual property issues, with a particular focus on brand protection and trade mark portfolio management.

Do you have any horror stories about companies which haven’t protected their brand successfully?

Lots, including several clients I’ve worked with. An obvious example is a famous London nightclub that allowed someone else to apply to register their trade mark first – it took several years, a huge amount of money and a trip to the Court of Appeal to get ownership of the mark back.

What has been a career highlight so far?

Shallow I know, but I can’t look beyond one of the Spice Girls recommending me to another of the Spice Girls. I’m not saying which ones…

Do you have any dos and don’ts for new brands breaking into the market?

The most important thing to do is proper trade mark (and where relevant design) clearance searches. There is no point putting a lot of effort and expense into developing a brand that you can’t protect or, even worse, that someone else can stop you using. The most important thing to avoid is ignoring the previous two sentences!

What changes to EU trade mark law are likely in 2015?

There are changes to the Trade Marks Directive and Community Trade Mark Regulation under discussion that should come into effect in 2015. These will affect the law in many ways, one of the most important being how terms in specifications are interpreted, which will have an effect on the infringement rights given by many registrations.

Finally, why did you choose to come to Bird & Bird?

Because the firm has for many years been considered to have one of the, if not the, best IP practices in Europe. Add to that our commitment to being a leading brand protection practice and why would I want to be anywhere else?
PIPCU’s Operation Ashiko takes down over 2,000 sites selling counterfeit goods

The UK Police Intellectual Property Crime Unit (PIPCU) is starting to settle into its role having gone from suspending approximately 2,000 websites in its first 8 months of existence to shutting down a similar amount in the first six weeks of 2015 alone. Counterfeit goods available on these sites included brands such as Abercrombie & Fitch, Burberry and Tiffany.

Concerned brand owners can report a site selling counterfeit goods at the website here: https://www.cityoflondon.police.uk/advice-and-support/fraud-and-economic-crime/pipcu/Pages/Make-a-referral.aspx

Brand watch

A snapshot of what’s happening in the world of trade mark law and recent topical decisions.

Je suis Charlie - OHIM responds to speculative trade mark applications

The Community Trade Mark Office (OHIM) has issued a statement in relation to the controversial trade mark applications for the rallying slogan “Je suis Charlie”.

The first trade mark application covered Benelux and was made less than 24 hours after the tragic events in Paris. The application covered goods spanning from cleaning and toilet preparations to clothing.

OHIM explained that according to its Guidelines on Community Trade Marks, an application which consisted of or which contained the phrase “Je suis Charlie” is likely to be subject to an objection under Article 7(1)(f) as the registration could be considered “contrary to public policy or to accepted principles of morality” as well as “devoid of distinctive character” under Article 7(1)(b).

Generally OHIM does not comment on individual applications but it made an exception in this case because the issue could be considered to be of overriding public interest.

OHIM Fast Track trade mark procedure proves successful

The new Fast Track service offered by OHIM cuts the time taken to publish Community Trade Mark applications by half. The accelerated service was launched in late November 2014 and according to OHIM, 21.5% of all CTM applications during the first week of its operation opted for the accelerated route.

The service is available free of charge to applicants who comply with certain conditions determined by a five-step online form. The goods and services for the specification can only be selected from the Common Harmonised Database of Goods and Services which is already accepted by OHIM and virtually all national IP offices in the EU.

Puzzling proceedings resolved with Rubik’s Cube 3D trade mark upheld

In 2006 Simba Toys challenged the registration of the Rubik’s Cube as a three dimensional Community Trade Mark, arguing that its shape was based on technical function and so not registrable. This argument was rejected by OHIM, resulting in an appeal. The General Court ruled that the grid-like structure with nine squares separated by a black border was capable of being represented graphically and was sufficiently distinctive. The technical function allowing the cube to rotate was a separate invisible feature and was therefore not an essential characteristic of the mark. Furthermore, the mark does not prohibit third parties from developing other types of 3D puzzles with a rotating capability. This suggests that technical function arguments are unlikely to succeed in invalidating a registration unless the technical function itself is apparent from the representation of the trade mark.

PIPCU’s Operation Ashiko takes down over 2,000 sites selling counterfeit goods

The UK Police Intellectual Property Crime Unit (PIPCU) is starting to settle into its role having gone from suspending approximately 2,000 websites in its first 8 months of existence to shutting down a similar amount in the first six weeks of 2015 alone. Counterfeit goods available on these sites included brands such as Abercrombie & Fitch, Burberry and Tiffany.

Concerned brand owners can report a site selling counterfeit goods at the website here: https://www.cityoflondon.police.uk/advice-and-support/fraud-and-economic-crime/pipcu/Pages/Make-a-referral.aspx

By Sara Nielsen and Zain Ali

London

sara.nielsen@twobirds.com
zain.ali@twobirds.com
Wearable technology - bridging the gap between fashion and technology

Jonathan Ive’s latest invention, the Apple Watch, has been hotly anticipated by technology enthusiasts worldwide for many months. Wearable technology is bridging the gap between fashion and technology and it looks like Apple is clearly making the link. For the fashion conscious there are several metal options to choose from, including 18 carat yellow and 18 carat rose gold, proving that this isn’t just for the tech crowd.

Recently we have seen further examples of the new technology/fashion relationship from other leading tech brands, such as Google working with fashion designers for its launch of Google Glass.

To stay ahead of the game, do consumer electronic brands now need to be fashion focused?

For more information, visit:

Positive branding – can it make you happier?

Big brands such as Coca-Cola and Dove are now trying to improve consumers’ state of mind or are even looking to have an important role in their pursuit of happiness. Although the concept of positive branding has been around for some time, major brands are now trying to place a greater emphasis on appealing to consumers on a personal level and using emotional connection as currency.

Examples of this trend include the Starbucks ‘paying it forward’ movement or, most recently, the McDonalds ‘Pay with Lovin’ campaign where instead of paying with money, patrons could pay with acts of kindness or love such as hugging or calling a loved one.

Of course, this isn’t entirely selfless as it will help these brands enhance their brand perception and strengthen their relationship with consumers.

Upcoming industry events

Brand ManageCamp
1 - 2 October 2015
Las Vegas, USA
Billied by Forbes as one of the ‘Must-Attend’ conferences of the year for brand owners.
http://brandmanagencamp.com/

INTA 137th Annual Meeting
2 - 6 May 2015
San Diego, USA
INTA is the world’s largest and most widely-attended trade mark event.
http://www.inta.org/2015AM/Pages/Home.aspx

Brand2Global Conference
29 September - 1 October 2015
London, UK
The annual Brand2Global Conference is designed for those responsible for global marketing, international market share and revenue.
http://www.brand2global.com/

Sustainable Brands Rio
25 - 27 August 2015
Rio de Janeiro, Brazil
The annual Sustainable Brands events aim to promote brand sustainability and encourage innovation.
http://www.sustainablebrands.com/events

World Brand Congress
11 – 12 August 2015
Singapore
The World Brand Congress brings together some of the world’s most successful and well-known brands.
http://www.worldbrandcongress.com/

Upcoming industry events

28
Contacts
For further information please contact:

Nick Aries
Tel: +44 (0)20 7415 6000
nick.aries@twobirds.com

Lorraine Tay
Tel: +65 6534 5266
lorraine.tay@twobirds.com

Follow us
@twobirdsIP
www.linkedin.com/company/318488

twobirds.com