

# Make Your *Mark*

Autumn 2018

Since we last wrote about the implications of Brexit for IP and for Maucher Jenkins back in the Spring issue of **Make Your Mark**, some further developments have occurred in this ongoing saga. This issue of **Make Your Mark** looks at the consequences for trade marks in light of the “Joint statement from the negotiators of the European Union and the United Kingdom Government on progress of negotiations under Article 50 TEU on the United Kingdom’s orderly withdrawal from the European Union” issued on 19 June 2018, which amended certain areas of the draft Withdrawal Agreement. In parallel, the UK and the EU started discussions on the content of a political declaration on their future relationship, and we also discuss the White Paper on the Future Relationship between the UK and the EU, published by the UK Government on 12 July 2018, as well as the Communication by the European Commission on preparing for the withdrawal of the UK from the EU, published on 19 July 2018.

By 14 January 2019, the EU Trade Mark Directive 2015 will be implemented into UK law and we summarise the important changes that this will introduce to the Trade Marks Act 1994 in a handy table (see “UK implementation of the new TMD”).

In other news, we consider personalities’ names as trade marks and the difficulties faced by sporting celebrities such as Roger Federer, Lionel Messi and Jesse Lingard and Cristiano Ronaldo.

This issue’s *Snippets* flag up the need to be aware of the rules concerning an applicant’s request for proof of use from the opponent, and when additional evidence may be filed in trade mark opposition proceedings. We also explore the difficulties inherent in registering flags and two-letter marks, positional marks on shoes and geographical indications in the context of alcohol.

In the UK court diary, we take a look at the passing off claim bought by a tattooist who traded under the name “Prick” against his prickly neighbour, a cacti shop which traded under the same name in the same locality. Finally, we explain why the UK High Court decided to set aside a notice of discontinuance related to the EU trade marks at issue in a trade mark war.

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# THE GREAT BRITISH BREAK OFF: HOW WILL BREXIT AFFECT TRADE MARKS?

**So, what do we know? Well, intellectual property rights were specifically addressed in the White Paper on the Future Relationship between the UK and the EU (published by the UK Government on 12 July 2018) and - although trade marks and designs were not mentioned - the document noted that “arrangements on future cooperation on IP would provide important protections for right holders, giving them a confident and secure basis from which to operate in and between the UK and the EU”. It also contained the explicitly stated intention “to explore staying in the Court and unitary patent system after the UK leaves the EU”, and that the UK would establish its own geographical indication (GI) scheme. The White Paper also proposed that disputes between the UK and EU would be resolved under what the UK Government called “an Association Agreement”.**

The White Paper contained some comfort for lawyers in relation to the implications that Brexit might have on their rights to practice in the EU, namely a proposal for a system for the mutual recognition of professional qualifications which would enable professionals to provide services across the UK and EU. However, it remains to be seen whether the EU accepts the UK’s proposals.

In response to the paper, Kate O’Rourke (CITMA Immediate Past-President and Chair of CITMA’s Brexit committee) said: “It is reassuring to see the government is seeking a bilateral agreement on civil judicial cooperation and to implement provisions on the mutual recognition

*of professional qualifications. However, business deserves certainty that UK Chartered Trade Mark Attorneys will continue to be able to represent them at the EU Intellectual Property Office after Brexit. It is also vital for business that there is legal certainty on the future of EU trade marks and registered community designs in the UK. We were encouraged that the Draft Withdrawal Agreement signalled the UK Government’s intention to grant all European Union registered trade mark and design right holders an equivalent UK right after the end of the transition period and will be looking for reassurance from the government that this policy will be implemented, with or without an agreement with the EU.”*

## **Will the CJEU play any role in the UK post-Brexit?**

According to the Commission, the “issues surrounding the governance of the Withdrawal Agreement, including the role of the Court of Justice of the European Union, are still unresolved”. Two possible scenarios were outlined in the Communication:

1. *If the Withdrawal Agreement is ratified before 30 March 2019, so that it can enter into force on that date, EU law will cease to apply to and in the United Kingdom on 1 January 2021, i.e. after a transition period of 21 months, the terms of which are set out in the Withdrawal Agreement; or*
2. *In the absence of an agreement on a Withdrawal Agreement, or if the Withdrawal Agreement is not ratified in time by both parties, there will be no transition period and EU law will cease to apply to and in the United Kingdom*

*as of 30 March 2019 (also referred to as the ‘no deal’ or ‘cliff-edge’ scenario).*

The Commission asked the European Parliament and the Council to give priority treatment to the legislative proposals related to Brexit, so that the acts can enter into force by the withdrawal date. The Commission also stated that it would continue and increase its preparedness work, and would review the situation after the European Council (Article 50) meeting on 18 October 2018.

## **Geographical indications**

One area that was not agreed at negotiator level in either the March or June drafts of the Withdrawal Agreement concerned GIs. However, some clarity was provided by the White Paper, which specifically stated that “the UK wants equivalence arrangements on wider food policy rules” and that “included in the remit of wider food policy rules are the specific protections given to some agri-food products, such as Geographical Indications (GIs)”. This should come as no surprise given that, as the document noted, “significant GI-protected products from the UK include Scotch whisky, Scottish farmed salmon, and Welsh beef and lamb”. The document also pointed out that GIs recognise the heritage and provenance of products which have a strong traditional or cultural connection to a particular place and provide registered products with legal protection against imitation, and protect consumers from being misled about the quality or geographical origin of goods.

The White Paper proposed that the UK would establish its own GI scheme after exit from the EU, consistent with the WTO

Agreement on Trade-Related Aspects of Intellectual Property (TRIPS). Further, it proposed that the new UK framework would go beyond the requirements of TRIPS, and provide a clear and simple set of rules on GIs, and continuous protection for UK GIs in the UK. The scheme would be open to both UK and non-UK applicants.

### **What is the does this all mean for IP rights holders?**

We know that the UK system for protecting trade mark rights is not affected by the decision to leave the EU, and that EU registered rights will continue to be valid in the remaining EU member states when the UK leaves the EU. It has been agreed that EU registered rights will continue to be protected in the UK after the transitional period. According to the agreed text of the draft Withdrawal Agreement, it is clear that all EUTMs and RCDs will, by some means, and if required by the owner, essentially be converted into a corresponding UK right. Article 51 proposed that this registration process should be *“carried out free of charge by the relevant entities in the United Kingdom, using the data available in the registries of the European Union Intellectual Property Office”* but this text was not agreed in the

March draft and not mentioned in the subsequent Joint Statement issued in June. However, on 19 July 2018, MPs took part in a general debate on “Exiting the European Union and Sanctions”, held in the House of Commons, at which the Parliamentary Under-Secretary of State for Exiting the EU, Mr Robin Walker, said *“we have agreed to protect all existing EU trademarks, community-registered designs and unregistered designs in the UK as we leave the EU. In place of those EU-level rights, 1.5 million new UK trademarks and registered designs will be granted automatically and for free”*.

Although it's clear that any rights registered or granted before the expiry of the transitional period will be “converted” into an equivalent UK right without re-examination, the situation for pending EUTMs and RCDs is less attractive. Under Article 55, the owner of a EUTM or RCD still pending at the end of the transitional period will be entitled to file a corresponding UK application within 9 months from the end of the transition period. This new UK application will retain the filing date of the EUTM (and priority date if applicable). The obvious disadvantage is additional costs incurred by the applicant in filing a UK application. However, the reader should also bear in mind that further costs could be incurred through duplication of proceedings, such as oppositions against the EUTM and UK application, as well as rights lost through failure to correctly monitor the 9 month re-filing period.

Similar considerations would also apply to international trade marks; the onus would now appear to be on the UK to take measures to ensure that protection continues, although it is not clear whether this would be as a standalone national registration or a new UK designation of the international registration. It's also not expressly stated that the converted rights wouldn't be re-examined, although we expect this would be the case.





# THE GREAT BRITISH BREAK OFF: (continued)

## What should trade mark owners do now?

In light of the above, clients should check that appropriate definitions of the “European Union” have been used in co-existence, licence and other agreements. In addition, it is advisable to check for any disputes that could straddle the end of the transition period, such as EUIPO oppositions and cancellations that are in the cooling off period or are due to enter the cooling off period. If such actions are based on UK rights, it might be advantageous for the opposing party to ensure that the proceedings are completed before the end of the transition period. If a seniority claim has been made from a UK registration, clients should ensure that the UK registration does not lapse if protection in the UK is still required.

## If my EUTM has not been put to genuine use in the UK for five years preceding its conversion to a UK registration on 1 January 2021, should I re-file?

The good news is that UK trade mark registrations converted from EUTMs will not be liable to cancellation by third parties on the ground that the corresponding EUTM was not put to genuine use in the UK before the expiry of the transitional period. Therefore it would seem that re-filing is unnecessary. However, after the transitional period the usual rules for EUTMs (in Europe) and UKTMs will apply.

## Should I change my current filing strategy in light of these developments?

In the event of a “no-deal” Brexit, filing new UK applications for all EUTMs will be necessary from March 2019. However, assuming a deal is struck and the transition period is agreed, we recommend that clients continue to file EUTM and International (EU) applications as usual until at least December 2019. This is because, based on the EUIPO’s speed of registration, the majority of routine EUTM and International (EU) applications filed by 31 December 2019 should have been granted before the transition period

expires on 31 December 2020 and will automatically convert into equivalent national UK registrations. It is key to note that applications pending before the EUIPO will not be recognised in the UK after Brexit. Therefore, where there is a chance that a pending EUTM application might not proceed to registration before the transition period due to objections by either the EUIPO or third parties, clients should consider filing both an EU and UK trade mark. Therefore, from January 2020, it may be prudent to file both a national UK application and EUTM or designate both territories in an International application.

Even if all EUTM registrations automatically have effect in the UK, there is likely to be some period of uncertainty before this takes effect. We would therefore recommend that clients consider re-filing their EUTMs in the UK, especially where the mark is a house mark or house logo, and therefore of high commercial importance.

## Representation at the EUIPO

As the reader will no doubt be aware, the question of whether the UK should rejoin the EEA (with all the requirements and commitments that this would entail), is currently the subject of much debate within the UK. Under the current rules of the EUIPO, professionals who are qualified in member states of the EEA are entitled to represent others before the EUIPO. If, therefore, the UK leaves the EU and does not rejoin the EEA, UK Chartered Trade Mark Attorneys will not be able to act before the EUIPO. As far as Maucher Jenkins is concerned, we are a pan-European firm with offices in Munich and Freiburg, as well as London and Farnham. Therefore, even in the event where the UK did not remain in the EEA, due to our strong presence in Germany, we would still be entitled to represent clients in EUTM and RCD matters and would be well-placed generally to continue delivering our services as usual, namely advising clients around the world regarding IP rights within and outside the EU.

## A word about domain names

Owners of “.eu” domain names who are based in the UK should take note of a subsequent document published by the European Commission on March 27 2018, entitled “Notice to stakeholders: withdrawal of the United Kingdom and EU rules on ‘.eu’ domain names”. This notice states that (subject to any transitional arrangements) all EU regulatory frameworks for the “.eu” top-level domain will no longer apply to the UK as of 31 March 2019. The likely practical consequences for UK-based proprietors of “.eu” domain names are as follows:

- Any party established in the UK but not in the EU will no longer be eligible to register or renew .eu domain names.
- As of 31 March 2019, the Registry for .eu will be entitled (on its own initiative and without submitting the dispute to any extrajudicial settlement of conflicts) to revoke all domain names where the registered proprietors do not reside, or are not established, within the EU.
- As of 31 March 2019, IP owners seeking to challenge “.eu” domain names that are identical or confusingly similar to a name in respect of which a right is recognised or established by national and/or EU law cannot rely on UK registered or unregistered rights (save for the exception of “well-known marks”, as defined under Article 6bis of the Paris Convention).
- As of 31 March 2019, agreements between the Registrar and the registrant of a .eu domain name that designate UK law as the applicable law should be amended so as to designate the law of a EU Member State.

## Conclusion

The current aim is for the EU and UK to agree the Withdrawal Agreement in October 2018, accompanied by the political declaration on their future relationship, which should provide just enough time for the conclusion process in the EU (Council with the consent of the European Parliament) and ratification in the UK. If agreed, the draft Withdrawal Agreement would provide for a transition period between the withdrawal date (i.e. 30 March 2019) and 31 December 2020. However, as the Commission has warned, the Withdrawal Agreement might either not be agreed at all or not be ratified in time – in that case, there would be no transitional period and EU law will cease to apply to the UK from the end of March 2019 (the so-called “cliff-edge” scenario) and, therefore, the European Commission has proposed “contingency planning” in order to put in place temporary measures until a long-term deal is in place.

A period of uncertainty is clearly expected. However brand owners should, at this stage, continue to conduct “business as normal” with their usual filing strategies in place. Once we reach January 2020, a rethink will be necessary to ensure the correct trade mark and design protection is sought. Proprietors of .eu domain names should review their domain name strategy now and consider assigning ownership of any .eu domain names registered in the name of a UK-based individual or entity to an EU-based individual or entity. If that is not possible, then an alternative strategy would be to register another domain name now and re-direct traffic there, to keep website traffic running smoothly.

It is important to remember that UK businesses will continue post-Brexit to have to access to the international trade mark system known as the “Madrid System” to protect their trade marks, which allows users to file one application, in one language, and pay one set of fees in order to protect trade marks in up to 113 territories, including the EU. On 13 June 2018, the UK became a member to the Hague Agreement for the International Registration of Industrial Designs, which means that UK applicants can now directly apply for design protection in up to 68 countries by filing a single international application with WIPO and, post-Brexit, UK businesses will still be able to register a Community design, which will cover all remaining EU member states.



# UK IMPLEMENTATION OF THE NEW TMD

The Trade Mark Regulations 2018 (SI 2018/825), which implement the Trade Marks Directive (EU) 2015/2436 will come into force on 14 January 2019. Amongst the changes to be introduced to the Trade Marks Act 1994 are the following:

DEFINITION OF "TRADE MARK" CHANGES (SECTION 1)	
NEW	PREVIOUS
<p>The requirement for graphical representation is to be removed.</p> <p>The new test is that the mark should be represented on the register so as to allow parties to determine the <b>clear and precise</b> subject matter of the protection.</p>	<p>This references any sign capable of being represented graphically.</p>
COMMENT	
<p>The new definition introduces language from the <i>Sieckmann</i> criteria, namely that the representation should be "clear" and "precise".</p> <p>The <i>Sieckmann</i> case also includes requirements that the representation should be: self-contained, easily accessible, intelligible, durable and objective; these are not specifically mentioned in the substituted wording in the Act.</p> <p>It remains to be seen whether the amendment will enable more non-traditional marks to be registered, or whether the emphasis on the <i>Sieckmann</i> criteria will in fact limit future possibilities.</p> <p>On a practical level, the UK IPO intends to allow a wide range of digital file formats in due course (including mp3 and mp4 format, in addition to jpeg files).</p>	

ABSOLUTE GROUNDS OF REFUSAL (SECTION 3)	
NEW	PREVIOUS
<p>Additional grounds are added under the absolute refusal head.</p> <p>These will apply to the following types of marks:</p> <ul style="list-style-type: none"> <li>• Designations of origin;</li> <li>• Geographical indications;</li> <li>• Traditional specialities;</li> <li>• Plant varieties.</li> </ul>	
COMMENT	
<p>This should remove the need to oppose on these grounds, now that they are included in the absolute grounds for examination.</p>	



EXTENSION OF ACTS OF INFRINGEMENT (SECTION 10)	
NEW	PREVIOUS
The affixing of a trade mark to packaging, labels, tags, or the offering, placing on the marked of such items;	This looks to add to the current provision which references persons applying the trade mark to such materials becoming liable when applying the mark, if he knew or had reason to believe that he was not duly authorised by the proprietor or licensee.
<b>COMMENT</b>	
The change here is particularly aimed at counterfeiters, who will, for example, often package labels and tags etc separately from the copycat goods when importing.	
NEW	PREVIOUS
Use of a trade mark as a trade or company name	The Company Names Tribunal allows objections to a company's registered name because of its similarity to another name in which the objector has goodwill.  Trading names may be challenged under the common law tort of passing off.
<b>COMMENT</b>	
The trade mark infringement test of confusing similarity is thought broader than that applied by the Company Names Tribunal. Accordingly, introducing this use as infringing should assist in preventing third parties adopting company names incorporating the trade marks of others.  Whilst the own name defence remains for natural persons, this is removed for companies.	
NEW	PREVIOUS
Use in comparative advertising where this results in a breach of the Business Protection from Misleading Marketing Regulations 2008 ("the 2008 Regulations").	There is legislation in place governing comparative advertising: see the 2008 Regulations.
<b>COMMENT</b>	
Article 10(3)(f) of (EU) Directive 2015/2436 requires that a trade mark proprietor should have amongst his rights, the ability to prevent use of the sign in comparative advertising in a manner that is contrary to Directive 2006/114/EC. By referencing the 2008 UK Regulations, the Act allows parallel conditions already set out under domestic legislation to be used, which may allow some certainty in spite of Brexit negotiations in the meantime.	



# UK IMPLEMENTATION OF THE NEW TMD (continued)

## RIGHT TO PREVENT GOODS ENTERING THE UK WITHOUT BEING RELEASED FOR FREE CIRCULATION (SECTION 10A)

NEW	PREVIOUS
<p>The owner of a registered trade mark can prevent third parties bringing goods into the UK, even where these are in transit and not for free circulation in the UK, where they have arrived from a “third country” (that is for these purposes a customs territory outside of the EU), and they bear a sign identical with the registered trade mark (or the mark is such that it cannot be distinguished in its essential aspects from the trade mark), without authorisation.</p>	<p>The 2011 decisions in <i>Philips</i> (C-446/09) and <i>Nokia</i> (C-495/09) previously provided that goods in transit could be seized only in cases where they were intended to be put on the market for sale in the EU; meaning when goods were shipped from a third country to another third country via an EU Member State, where they were ultimately being put on the market outside the EU, there was no power to detain and destroy them in transit in the EU.</p> <p>Regulation (EU) 608/2013 concerning customs enforcement of intellectual property rights introduced the proposition that where suspected counterfeit goods were detained in transit in the EU, it was necessary for the importer to demonstrate that they were destined for a country outside of the EU, and would not be put on the market in the EU itself. Hence putting the onus on the importer to prove this point.</p>

### COMMENT

This strengthens the rights of trade mark owners as against counterfeiters. Regulation (EU) 608/2013 was thought not to go far enough in attempting to fix the lacuna left by the *Philips* and *Nokia* decisions.

Directive 2015/2436 means counterfeit and pirated goods from a third country can be stopped in transit in the EU, unless the importer/owner of the goods can demonstrate that the trade mark owner would not have been able to prevent the sale of those goods in the destination third country.

Further changes may be required in the event that the UK leaves the EU Customs Union.

## PROHIBITION ON THE USE OF A TRADE MARK REGISTERED IN THE NAME OF AN AGENT OR REPRESENTATIVE (AMENDMENT TO SECTION 5 AND NEW SECTION 10B)

NEW	PREVIOUS
<p>The amendments to Section 5 (relative grounds for refusal), introduces misappropriation by an agent or representative as a separate ground of opposition.</p> <p>Section 10B allows a trade mark owner to take action against their agent or representative who has applied to register the owner’s mark without their consent. The owner may prevent the use of the mark, and may apply to have the register rectified so that they are substituted as owner in place of that agent or representative.</p>	<p>Currently only the owner of a well known mark (under the Paris convention or WTO Agreement) registered in the UK by an agent of the foreign owner may apply for rectification of the register to substitute their name (under section 60). This is the case unless the agent or representative is able to successfully justify their action.</p> <p>Otherwise, in the case of misappropriation by an agent or representative, a trade mark owner must object on the grounds of bad faith (under section 3(6) of the 1994 Act).</p>

### COMMENT

The introduction of misappropriation by an agent or representative as a clear ground of opposition may reduce the effort and evidence needed, as compared to bringing the case under bad faith. The proprietor can assert that he has not given consent, and need not show that the actions met with the bad faith tests, that the action of the other party fell below the standards of acceptable commercial behaviour judged by ordinary standard of honest people.



#### NON-USE AS A DEFENCE IN INFRINGEMENT PROCEEDINGS (SECTION 11A)

NEW	PREVIOUS
A new section is introduced which prevents proprietors of registered trade marks from relying on unused rights in infringement proceedings.	Currently those facing an infringement action based upon registrations which are vulnerable to non-use registration would need to counterclaim for revocation.
<b>COMMENT</b>	
The introduction of this requirement means that those bringing infringement proceedings need to be very clear about the scope of their use. Whilst this would no doubt be considered in the context of a possible counterclaim, it may assist in further focussing the mind of those threatening proceedings, and should reduce wasted costs.	

#### REGISTRATION: SUPPLEMENTARY PROVISIONS (SECTION 41)

NEW	PREVIOUS
An amendment to section 41 allows the division of a registration.	Currently it is possible to divide an application by dividing out certain classes or goods and services; there is no provision to do this for a registration. Concerning the division of applications, if there is an outstanding opposition, it is not possible to divide out any goods or services which are the subject matter of the opposition.
<b>COMMENT</b>	
The amendment here allows a similar position in respect of registrations. Division of the registration in terms of particular classes, or goods and services is now possible, provided there are no outstanding proceedings (invalidation or cancellation) in respect of those goods or services which are to be divided out.	

#### SIMILARITY OF GOODS AND SERVICES (SECTION 60A)

NEW	PREVIOUS
A new section makes clear that goods and services should not be seen to be similar, simply because they appear in the same class number under the Nice Classification. Likewise, goods and services should not be regarded as dissimilar where they appear in different Nice classes.	This position is already largely understood from case law and UK IPO precedents.
<b>COMMENT</b>	
This practice is now encapsulated in the 1994 legislation.	

#### REPRODUCTION OF TRADE MARKS IN DICTIONARIES, ENCYCLOPAEDIAS ETC. (SECTION 99A)

NEW	PREVIOUS
This provides that a trade mark owner can request that any entry of a trade mark in a dictionary, encyclopaedia or similar reference work, which gives the impression that a mark is generic, is amended to make clear that the trade mark is registered.	Whilst owners may frequently police use of their marks which could render them generic, there is no enactment requiring such an amendment under the current 1994 Act.
<b>COMMENT</b>	
This new section even allows application to the court for an order to require a publisher to make the amendment described, and it may even order destruction of copies of any printed work in the publisher's custody, possession or control.	

# WHAT'S IN A NAME?

**Personal names can be registered as trade marks. As Section 1 of the Trade Marks Act 1994 (TMA 1994) states, “A trade mark may, in particular, consist of words (including personal names), designs, letters, numerals or the shape of goods or their packaging”, and this provision even extends to common names; for example, “Nichols”, a surname which occurs frequently in the London telephone directory (*Nichols plc v Registrar of Trade Marks; C-404/02*).**

Successfully registering a person's name as a trademark can allow that person to establish a monopoly right to a brand built around the name, which brings financial benefits from licensing agreements and merchandising and safeguards against third party usage. As such, it is a move that is becoming increasingly popular, particularly in this age of social media branding strategies.

However, it can be difficult to register names as trade marks, as illustrated by some recent cases involving sports celebrities.

It has been widely reported that the Swiss tennis star Roger Federer signed a reported \$30 million (£23.3m) per year endorsement deal with the Japanese retailer Uniqlo, better known for casual clothing. The most surprising feature of the deal was that the American sportswear giant Nike, the company that had previously sponsored Federer for twenty years, retained the rights to the famous “RF” logo. Nike owns the trade mark rights in the RF logo in various countries covering clothing and footwear, despite the fact that Federer has retained the rights to trade marks covering his full name and signature.

How the deuce will this be resolved? Well, it seems likely that Nike and Federer will come to an agreement rather than battling it out in a court of law. Federer has commented that *“The RF logo is with Nike at the moment, but it will come to me at some point. I hope rather sooner than later, that Nike can be nice and helpful in the process to bring it over to me. It's also something that was very important for me, for the fans really. Look, it's the process. But the good news is that it will come with me at one point. They are my initials. They are mine. The good thing is it's not theirs forever. In a short period of time, it will come to me”*.

The sharp-eyed observer then noticed that the launch material for Uniqlo's new Federer-inspired clothing range featured the star's signature rather than the RF logo.

In the writer's view, it was not a smart move to agree to a clause that allowed Nike to retain ownership of the RF logo after termination of the endorsement contract, but it's not game, set and match. Federer cleverly managed to retain the rights and obtain trade mark registrations for his full name and, should Nike not want to play ball, Federer could design and register a brand new logo.

Turning from tennis to football, a recent decision of the EU General Court (GC) confirmed that Argentinian soccer player Lionel Messi could register his name as a trademark for sports equipment and clothing (*Messi Cuccittini v EUIPO; T-554/14*). The GC found that Messi's reputation went beyond the purely sporting field and he was famous enough to overcome phonetic similarities with Spanish bicycle clothing brand Massi.

Lionel Messi applied to register the figurative mark shown below for rescue apparatus and instruments (class 9), clothing, footwear, headgear (class 25) and gymnastic and sporting articles not included in other classes (class 28).



The EUTM application was opposed by Jaime Masferrer Coma, on the basis of earlier MASSI word marks (since transferred to the intervener, JM.-EV e hijos, SRL) which covered (amongst other things) helmets for cyclists, protective gear against accidents, devices for personal protection against accidents (class 9), clothing, footwear, headgear (class 25), and bicycle gloves, protections for the shoulders, elbows and knees (class 28).

The opposition was upheld by both the Opposition Division and the Board of Appeal. The Board took the view that there was a likelihood of confusion between the marks at issue because, on the one hand, the goods included in Classes 9 and 25 were identical and the goods in Class 28 covered by the mark applied for were similar to, or very similar to, the “cyclist helmets” included in class 9 designated by the earlier mark and, on the other hand, that the marks at issue were similar because their dominant elements - consisting of the terms “massi” and “messi” - were almost visually and phonetically identical.

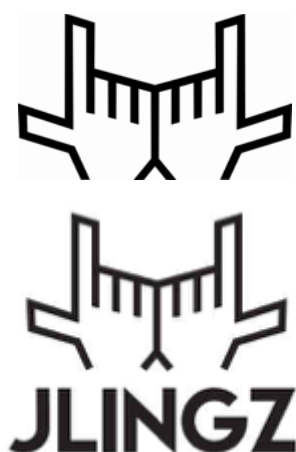


However, from a conceptual point of view, the Board found that only football and sport enthusiasts would associate “messi” with the surname of the famous football player.

It got better when Messi appealed to the GC, which reached a different conclusion as regards the conceptual difference between the marks, namely “fame” and the consumers’ perception of it. It was common ground that the relevant public consisted of average consumers of the EU, normally informed and reasonably attentive and advised and who purchased clothing, sporting goods and protective devices. Although the GC took the view that the mark applied for was almost identical visually and phonetically, it disagreed with the finding of the EUIPO and the Board that the reputation enjoyed by Lionel Messi concerned only the part of the public that was interested in football and sport in general. The GC said that *“he is a public figure known to most informed people, reasonably attentive and knowledgeable, who read the press, watch the news on television, go to the movies or listen to the radio”*. Instead of considering whether some of the relevant public would find it difficult to tell the two marks apart, the Board should have examined whether a significant part of the relevant public was unlikely to make a conceptual association between the term “messi” and the name of the famous soccer player. The fact that both brands are in the sports market did not assist the opponent, as even though some might be unaware of the Argentinian striker, this was unlikely to be the case for the average consumer as the GC found that the fame of Lionel Messi extended beyond the field of play. The GC’s decision to overturn the Board’s ruling shows that

fame can be a significant factor in the court’s assessment of the likelihood of confusion, and that assessment of the notoriety of trade mark owner depends on the subjective evaluation of the judge. It will be interesting to see the outcome of the appeal in this case lodged on 19 July 2018 (*J-M. -E.V. e hijos v Messi Cuccittini*; C-474/18 P).

Staying on the football pitch, in the weeks leading up to the 2018 FIFA World Cup, the England football player Jesse Lingard applied to register four trademarks at the UKIPO, essentially covering clothing, footwear and headgear in class 25: two word marks for his nickname ‘JLingz’, and two figurative marks, featuring the image of his goal celebration, in which Lingard places his wrists together and uses his fingers to make a “JL” shape to represent his initials:



There are penalties under the TMA 1994 for the unauthorised use of a trade mark. Simply imitating the celebration shown above with your hands wouldn’t fall foul of the legislation, but the marks do give Lingard the power to prevent others from using the logos in the course of trade.

The success of football players in monopolising their names in the EU is not, unfortunately, mirrored in China where third party use of the names of famous World Cup players to market products is particularly widespread. Here, we understand that several companies have successfully registered various names and nicknames as trademarks for their own products, which has resulted in products such as “Messi” fruit juice, “Harry Kane” babywear and even a “Cristiano Ronaldo” flush toilet.

However, there is another reason why Ronaldo, Messi, Lingard et al would want to register their name as a trademark, and that is to block trade mark trolls.

In fairy tales, a troll was said to extort money from someone attempting to cross a bridge. In the context of trade marks, a troll will try to extort money from an unsuspecting person who attempts to adopt a similar mark. That person will then have to either pay the troll for a licence to use the mark or choose to go to court and litigate the matter.

By registering names as trade marks, sports personalities (and others) are able to build a brand, prevent third parties from making money off their celebrity and stop trade mark trolls from getting there first and hence cut future legal costs. It’s child’s play!





# SNIPPETS

## The term “Glen” certainly evokes Scotland, but does it make you think of Scotch Whisky?

“Scotch Whisky” can only be sold in the EU if it is made in Scotland. The product at issue in this case was a German whisky marketed in the EU under the brand “Glen Buchenbach”, a name made up of a pun derived from Berglen (the hometown of the Waldhorn distillery that makes the whisky) and from the river Buchenbach which runs through the valley where Berglen is located. The distiller Mr Michael Klotz included the statements “Deutsches Erzeugnis” (German product) and “Hergestellt in den Berglen” (produced in the Berglen) on the label.

The Scotch Whisky Association (SWA), an organisation that promotes, protects and represents the interests of the whisky industry in Scotland and around the world, brought an action before the Regional Court of Hamburg. It argued that because the Gaelic word “Glen” was very widely used in Scotland - particularly as an element of the trade mark in the names of Scottish whiskies - it evoked an association with Scotland and Scotch Whisky in the minds of the relevant public, despite the information on the label which specified that the product was of German origin.

After considering the arguments, the Regional Court of Hamburg found that the word “glen” was Gaelic for “a narrow valley” and that 31/116 Scottish distilleries benefiting from EU protection were named after the glen they were located in. However, there were also whiskies produced outside of Scotland which had “glen” as part of their name, such as the

whiskies “Glen Breton” from Canada, “Glendalough” from Ireland and “Glen Els” from Germany.

As the success (or not) of the claim depended on the interpretation of the Regulation on the definition, description and presentation of spirit drinks (110/2008/EC), the Regional Court of Hamburg decided to stay the proceedings and refer questions to the CJEU (*Scotch Whisky Association v Klotz*; C-44/17).

The CJEU ruled as follows:

- An “indirect commercial use” of a registered geographical indication required that the designation in question must be used in a form that was either identical or phonetically/visually similar to the protected designation.
- The decisive criterion for infringement was whether the name of the product in question could directly trigger an image in the mind of the average European consumer of the product for which the indication was protected.
- It was not sufficient if the disputed name only evoked in the minds of the relevant public some vague association with the protected geographical indication or related geographical area.
- No account should be taken of the surrounding context, not even where the disputed element was accompanied by an indication of the product’s true origin.

The decision means that the geographical indication “Scotch Whisky” could be infringed if the average European consumer thinks directly of “Scotch Whisky” when confronted with the German Whisky called “Glen Buchenbach”, which

gives a broad scope of protection under the Regulation. Allowing the national court some wiggle-room in cases where the disputed element is not used prominently and is surrounded by information which gives a clear indication of the product’s origin would be within the spirit of Section 127 of the German Trade Mark Act, which provides that “*Indications of geographical origin may not be used in the course of trade for goods or services which do not originate in the place, area, region or country [...] provided that there is a risk of misleading as to the geographical origin in spite of the divergence or the additions*”. There is also the question of whether the disputed designation is “Glen” or “Glen Buchenbach”, which will be another matter for the District Court of Hamburg to consider when applying the measures dispensed by the CJEU.





**Another day, another trade mark dispute involving a spirit (*Boutique Coffee Brand Limited v Chivas Holdings (IP) Limited*; O/221/18): what a tonic for the soul!**

Boutique Coffee Brands (a coffee and tea wholesalers based in Plymouth) had applied to register a figurative mark for Plymouth Breweries for a variety of beverages (including spirits) and services involving food and drink:



Chivas Holdings (IP) Limited opposed this UKTM application on the basis of its earlier EUTMs for the word PLYMOUTH and the figurative signs shown below:

**CHIVAS HOLDINGS (IP) LIMITED**



THE 9921644 MARK



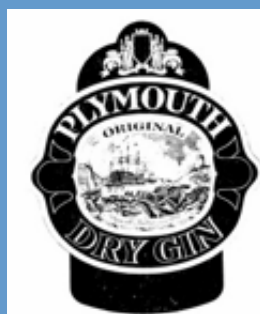
THE 9893306 MARK

Boutique Coffee Brands denied all the grounds and pointed out that its ship device was a historically accurate representation of the Mayflower which had transported the Pilgrims from Plymouth in England to Plymouth in Massachusetts, where they established the first permanent New England colony in 1620.

In their evidence, Chivas included documents showing the history of PLYMOUTH gin packaging since the late 1880s, which included images of friars (reflecting the location of the gin distillery in what was once a Dominican Order monastery built in 1431), ships and simple word labels.



However, the Hearing Officer said that the ship device first used by PLYMOUTH gin in 1980 looked more like a ship from the 1800s such as HMS Agamemnon or HMS Victory:



The Mayflower image as shown in Chivas' 9921644 and 9893306 marks did not appear until 1998.

The goods covered by the marks could be ordered orally in public houses, but the Hearing Officer noted that customers would look at the bottles before placing an order. Also, the cost was relatively low, but the average consumer was likely to pay at least a reasonable level of attention to the goods at issue, bearing in mind that they would want to select the correct type, flavour, strength, etc.

The Hearing Officer then proceeded to analyse the marks and concluded that:

- Chivas' PLYMOUTH word mark was not descriptive of the goods and was in fact a well-known city in SW England and suggested a simple geographical location.
- Chivas' 9921644 mark consisted of a device of a sailing ship from the 17th century. Although said to be the Mayflower, it was doubtful that the average consumer would immediately draw this name to mind: *"it is more likely to be seen as simply a galleon from the time of Drake and pirates"*.
- Chivas' 9893306 mark was very "busy" with a great deal of wording, but the word "Plymouth" and the ship device were prominent.

There was not enough evidence to support the suggestion that there was a likelihood of confusion in respect of Chivas' 9921644 mark, but the fact that the Hearing Officer found that there was a likelihood of confusion between all of the goods and services in Classes 32, 33 and 43 applied for under the mark in suit and registered under Chivas' 9893306 mark meant that the Plymouth Breweries figurative mark could not be registered for those goods and services.

Plymouth Gin used to be the only gin in the UK to have a protected Geographical Indication (GI) within the EU, awarded as a result of court cases in the 1880s brought by original owners Coates & Co under the "passing off" legislation to prevent London distillers producing a "Plymouth" gin. Its protected GI status has since been allowed to lapse and efforts have instead focused on protecting the name Plymouth Gin as a brand name and a trade mark which is now owned by Chivas Holdings (IP) Limited. As this case shows, sometimes trade mark protection can trump protected GI status.

# SNIPPETS (continued)

**A recent opposition before the UK Trade Marks Office (TRUMP TV; O-409-18) involved DDTM Operations LLC (“DTTM”), a US company linked to Donald Trump, against “Trump International Ltd”, a UK company which has the notorious Michael Gleissner registered as its sole Director.**

Trump International Ltd, the applicant, filed a UK trade mark application for TRUMP TV with respect to various services in classes 38 (including telecommunications and broadcasting services), and 41 (including the production of radio and television shows, and entertainment services). DTTM Operations LLC (“DTTM”) opposed the application on the basis of earlier registrations for TRUMP (both word and logo marks).

DTTM submitted that the company purporting to be the owner of the application did not exist on 30 October 2016, when the filing was made. In fact, Trump International Ltd was incorporated on 31 October 2016. Accordingly, their grounds under section 3(6) stated that the applicant:

- did not legally exist at the filing date and so firstly, had misled the Registrar as to its ability to hold the application
- could not be said to have a bona fide intention to use the mark
- had as its sole Director Michael Gleissner (“G”), a notorious filer of numerous disparate IP rights (which again raised the question of true bona fide intention to use)
- could not fail to be aware of the reputation of the TRUMP trade mark, meaning the application was made to take advantage of the reputation, to damage it, or otherwise disrupt the legitimate interest of the DTTM
- made an application which formed an “instrument of fraud” under *Glaxo v Glaxowellcome Ltd* [1996] FSR 388.

DTTM’s evidence included details of an earlier set of cases involving G, who brought cancellation actions against several Apple Inc. registrations. These were struck out as an abuse of process



and a costs award in excess of £38,000 was made against him. The applicant’s representatives attempted to distinguish that case on the basis that they concerned G in his personal capacity whereas here he was a director of the applicant company. The applicant also claimed that the application to set up a company had actually been filed on the same day as the trade mark application. Otherwise, the applicant’s only defence to the bad faith grounds was that it was under no obligation to show an intention to use the mark at issue, and that if and when it became registered, it would have five years in which to commence use.

The Hearing Officer found that even though G was not acting in his personal capacity in filing the current application, he was clearly the controlling force behind the company, and so there was no reason to distinguish this case on the facts. In the ALEXANDER decision (O/036/18) which also involved G, it was noted that an overall assessment should be made which takes account of all relevant factors,

including the intention of the applicant when the trade mark filing was made.

The Hearing Office considered it disingenuous of the applicant to deny that there was widespread public awareness of the Trump name at the time the application was filed (a few months before Mr Trump became US president, to say nothing of the Trump Tower, and various investments in luxury resorts, including the Turnberry golf resort). Further, he found that the filing was one of a series of abusive registrations made in an attempt to appropriate a famous third party mark. Hence, it was unlikely that the application was made with a bona fide intention to use the mark, rather it was more likely that it was done with the intention of gaining some advantage deriving from the notoriety of Mr Trump.

Accordingly, it was found that the applicant had acted below the standards of acceptable commercial behaviour judged by ordinary standard of honest people, and the application would be refused in





its entirety for bad faith. Compensatory costs awards were available in cases of unreasonable behaviour, whilst it did not follow that a bad faith case necessitated an off-scale award, in this case there were a number of aspects of the behaviour of the applicant which together warranted an off-scale award. This was made for in excess of £15,000 which included professional fees for both UK and US attorneys.

This sensible decision offers at least some hope to trade mark owners who become involved in disputes involving Michael Gleissner-owned companies before the UKIPO. The level of the award of costs made by the Hearing Officer is taken from a limited set scale and is typically within the region of £1,500 to £2,000. Some flexibility is built in to the scale of costs, provided “one side has behaved unreasonably” and the good news is that the UKIPO now appears to be taking a harsher view of his mysterious activities.

In the last issue of *Make Your Mark*, we explored the position taken by the European, German and English courts in relation to shape marks. In contrast, here we have a case where the Court of Justice of the European Union (CJEU) has ruled that a mark consisting of the colour applied to the sole of a high-heeled shoe “does not consist exclusively of a shape” and is not covered by the prohibition of the registration of shapes (*Louboutin v Van Haren Schoenen BV*; C-163/16).

In January 2010, Louboutin obtained the registration of a Benelux trade mark for goods in class 25, namely “footwear (other than orthopaedic footwear)”. In April 2013, the registration was amended to cover “high-heeled shoes (other than orthopaedic shoes)”.

Louboutin’s red sole mark consisted “of the colour red (Pantone 18 1663TP) applied to the sole of a shoe as shown (the contour of the shoe is not part of the trade mark but is intended to show the positioning of the mark)”, and is depicted below:



In the course of 2012, Van Haren (a Dutch shoe retailer) sold high-heeled women’s shoes with red soles. Louboutin initiated proceedings before the Rechtbank Den Haag (District Court, The Hague, Netherlands), alleging that Van Haren had infringed the red sole mark. Van Haren challenged the validity of the mark, on the basis that it was a two-dimensional figurative mark that consisted of a red coloured surface.

The Hague District Court did not consider Louboutin’s red sole mark to be a merely 2D mark as the colour red was inextricably linked to the sole of the shoe. Since the mark at issue consisted of a colour applied to the sole of a shoe, it was clearly an element of the goods. However, it was unclear whether the concept of “shape”, within the meaning of Article 3(1)(e)(iii) of the Trade Mark Directive 2008/95 was limited solely to the 3D properties of a product, such as its contours, measurements and volume, to the exclusion of properties that are not 3D, such as colour.

In those circumstances, the Dutch court decided to refer the following question to the CJEU for guidance:

*“Is the notion of ‘shape’, within the meaning of Article 3(1)(e)(iii) of [Directive 2008/95] (respectively referred to in the German-, [Dutch-] and French-language versions of [that directive] as ‘Form’, ‘vorm’ and ‘forme’), limited to the three-dimensional properties of the goods, such as their contours, measurements and volume (expressed three-dimensionally), or does it include other (non-three-dimensional) properties of the goods, such as their colour?”*

In passing judgment, the CJEU noted that (as had been observed by the German, French and United Kingdom Governments, as well as by the Commission), the mark did not relate to a “specific shape of sole for high-heeled shoes” since the description of the mark explicitly stated that the contour of the shoe did not form part of the mark; instead, it was intended purely to show the positioning of the red colour covered by the registration.

The CJEU added that “in any event, a sign, such as that at issue in the main proceedings, cannot be regarded as consisting ‘exclusively’ of a shape, where, as in the present instance, the main element of that sign is a specific colour designated by an internationally recognised identification code”.

The CJEU concluded that “Article 3(1)(e)(iii) of Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks must be interpreted as meaning that a sign consisting of a colour applied to the sole of a high-heeled shoe, such as that at issue in the main proceedings, does not consist exclusively of a ‘shape’, within the meaning of that provision”.

As the CJEU decided that the answer to the question referred was that the concept of “shape” did not extend to the colours of goods, the grounds for refusal under Article 3(1)(e)(iii) were inapplicable. Accordingly, the case will now return to the Netherlands court.

This is an encouraging result for both trade mark practitioners and brand owners; if this decision had gone the other way, it would have been like stepping on a landmine with a devastating impact as many non-traditional trade marks would potentially have been invalid.

**A recent case before the CJEU (*EUIPO v Puma; C-564/16*) has confirmed that previous decisions of the EUIPO (and corroborating decisions at a national level in EU Member States) must be examined and taken into account if filed as evidence of the reputation of an earlier trade mark in opposition proceedings.**

The applicant, Gemma Group Srl applied to register the figurative sign shown below for goods and services in Class 7 corresponding to machines for processing of wood, machines for processing aluminium and machines for treatment of PVC:



Puma opposed the registration on the basis of the earlier international figurative trade registrations shown below for goods and services in Classes 18 (Bags etc), 25 (Clothing etc) and 28 (Games, toys etc):



The Opposition Division rejected Puma's opposition. It took the view that it was not necessary, for reasons of procedural economy, to examine previous decisions of the EUIPO and the national courts, and concluded that the relevant public would not establish a link between the marks due to the differences between the goods covered by each of those marks. The Board of Appeal upheld that decision.

However, the GC annulled the Board of Appeal's decision, and ruled that the Board had infringed the principle of sound administration, in particular the EUIPO's obligation to state the reasons on which its decisions are based, and that the Board had also failed to carry out a full examination of the reputation of the Puma's earlier marks by failing to take into account previous decisions on the same issue. The EUIPO appealed to the CJEU.

Puma had put forward three previous decisions in its written pleadings before the Opposition Division. As the CJEU observed: *"nothing precluded earlier EUIPO decisions determining the existence of reputation in other inter partes proceedings from being relied on in that context as evidence in support of the reputation of that earlier mark, in particular where they are identified in a precise manner and their substantive content is set out in the notice of opposition in the language of the case, which was what occurred in the present case"*.

The CJEU concluded that the GC had not disregarded the principle of sound administration and had not erred in law by finding that, in the circumstances of the present case, it was incumbent on the Board of Appeal (in accordance with the principle of sound administration) to either provide the reasons why it considered that the findings made by EUIPO in the three previous decisions relating to the reputation of the earlier marks had to be disregarded in the present case, or request that Puma submit supplementary evidence of the reputation of the earlier marks. Accordingly, the EUIPO's appeal was dismissed.

This decision is of practical importance for trade mark proprietor(s) who give notice of opposition based on Article 8(5) of the EUTMR, as the CJEU has held that trade mark owners can now rely on previous decisions of the EUIPO that do not involve the same parties (and corroborating national decisions) as evidence that the reputation of their trade mark has already been established. If the EUIPO has already found that a particular trade mark has a reputation for the purposes of Article 8(5), then that finding must be regarded as a finding of fact, and the evidence accepted by the EUIPO as the basis of that finding must, in principle, appear in the statement of reasons on which the previous decision is based. Since the previous EUIPO decision relies on the evidence in support of its finding, re-filing such evidence is no longer crucial in the context of subsequent opposition proceedings: the previous decision is sufficient in itself.

Contrary to EUIPO's argument in the present case, taking account of previous EUIPO decisions in such a context does not pose any conflict with the adversarial nature of the opposition proceedings, and does not prevent a unique finding being made in the particular opposition proceedings in question. However, trade mark owners should not rely on past decisions as the sole means of evidence; as the CJEU stated, *"even where, as in the present case, the opponent relies on marks which have been recognised previously as having a reputation by EUIPO, it is still required to challenge the applications to register subsequent marks on a case-by-case basis by establishing in each case the reputation of the marks which it relies on. The reputation of an earlier mark depends, not only on the evidence presented by the proprietor of that mark, but also on the counter-arguments presented by the other party to the proceedings."*



**Another trade mark case involving footwear has been reported, this time involving the position of stripes on footwear; in particular, the long running saga of the Adidas three-stripe mark (*Shoe Branding Europe BVBA v EUIPO*; T-85/16).**

The Belgian footwear company Shoe Branding had filed a EUTM application for a position mark consisting of two parallel lines covering “safety footwear for the protection against accidents or injury” in Class 9:



This EUTM application was opposed by adidas AG on the basis, inter alia, of an earlier EUTM registration for a figurative mark covering footwear in Class 25:



The opposition was rejected by the Opposition Division, but the Second Board of Appeal took a different view. Given a certain degree of similarity between the marks at issue, the similarity of the goods covered by those trade marks and the high reputation of the earlier mark, there was a likelihood that the relevant public might establish a link between the marks at issue and that the use of the mark applied for could take unfair advantage of the reputation of the earlier mark, without that use being justified by due cause.

Having drawn that conclusion, the Board upheld the appeal and allowed the opposition on the basis of Article 8(5) of Regulation No 207/2009. Shoe Branding appealed to the (European) General Court (GC).

The GC agreed with the Board and allowed the opposition.

It was common ground that adidas had challenged the use by Patrick International SA (a predecessor of Shoe Branding) of a mark consisting of two parallel stripes affixed to a shoe and that, by a judgment of 12 November 1990, the Landgericht

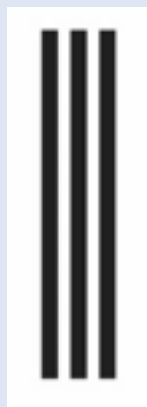
München (Regional Court, Munich, Germany) prohibited that company from marketing its goods bearing that mark because there was a likelihood of confusion with adidas’ earlier national marks. There had also been opposition proceedings between the parties in 2004 and 2010 and, therefore, the coexistence of the marks at issue could not be categorised as “peaceful”. The GC also noted that the slogan “two stripes are enough” had been used in a 2007 promotional campaign run in Spain and Portugal to promote goods sold under the mark featuring two stripes.

In view of the above, the GC ruled that the EUIPO had been correct to find:

- It was likely that the use of the marks applied for would take unfair advantage of the repute of the earlier mark.
- Shoe Branding had not demonstrated the existence of due cause for the use of the mark applied for.

Accordingly, the GC dismissed the action and ordered Shoe Branding to pay the costs.

However, this is not the end of the battle of the stripes. In 2014, Shoe Branding filed a request for a declaration of invalidity against adidas’ EUTM registration number for a figurative mark described as consisting of “three parallel equidistant stripes of equal width applied to the product in whichever direction” covering “clothing, footwear; headgear” in Class 25:



Shoe Branding argued that the mark lacked distinctiveness and that the mark was positional not figurative. It submitted that the Office should have invited adidas to remedy the discrepancy by changing the mark type to “other”. In Case R 1515/2016-2, the EUIPO’s Second

Board of Appeal agreed, pointing out that the exhibits (such as the one below) showed doubtful use, because the marks consisted of two not three parallel black (or dark) stripes against a white (or lighter coloured) background:

The Board found other items of proof even less convincing; for example, in the logo shown below “*the figurative element is so completely eclipsed by the word ‘Adidas’ that it looks like mere decoration*”:



The EUIPO held that the mark lacked “secondary meaning” or “acquired distinctiveness” and ordered that the registration be removed from the EU Trademark Register. Adidas appealed the decision, and this is due to be heard by the GC this year.

It will be interesting to see whether the GC agrees with the EUIPO’s reasoning that the chance of stripes being seen as denoting a connection with a specific clothing provider is equal to the chance of stripes being “perceived as a simple decoration on a shirt or hat”. On the other hand, the EUIPO also said that “a different conclusion might be reached if the contested mark contained something in addition to the three vertical lines, that is to say something that would draw attention to the lines or make them stand out against a particular background. The lines might, for example, be stylised or placed inside a geometrical figure, such as a square, a circle or a pentagon or set into a differently coloured background”.

This suggests that - should the GC agree - applicants wanting to err on the side of caution should try to protect trade marks for stripes in every colour in which they wish them to be used. Stay tuned!

**In one fell swoosh, we go from stripes and bounding cats to a recent UK court case (*Frank Industries Pty Ltd v Nike Retail BV* [2018] EWHC 1893 (Ch)), involving the small Australian company Frank Industries, which owns a UK and EU word mark for LNDNR registered for “clothing” including “sportswear”. The marks related to a range of ladies’ premium activewear clothing.**

In January 2018, the American multinational sportswear company Nike embarked on a new advertising campaign entitled “nothing beats a Londoner” aimed at young London-based customers, which used the sign LDNR in conjunction with its well-known “Swoosh” mark and also in conjunction with the words “Nothing beats a”.



A fortnight after the launch of the advertising campaign, Frank wrote to Nike, complaining that the LDNR composite signs infringed its LNDNR marks. However, Nike carried on using the signs, and launched a YouTube video in the following week, which appeared on television and in cinemas.

Understandably teed off, Frank began proceedings against Nike, claiming (i) an injunction restraining Nike from infringing the marks and from passing off and; (ii) an order for delivery up of infringing material. The High Court granted Frank an interim injunction.

Eleven days after the hearing, the Court of Appeal had to consider whether the judge was wrong to make the order that accompanied the prohibitory injunction, which required Nike to delete the signs LDNR, LNDNR, LDNER and LNDER from its social media accounts, including Twitter, Facebook, Instagram and YouTube.

The Court of Appeal concluded that the High Court ruling disregarded the fact that:

- Deleting Instagram posts would cause the whole conversation to disappear, and that it would be impossible to restore the comments of those people who had joined in the conversations.

- Deleting a post on Twitter (a “Tweet”) would lose not only the post itself but all the likes and re-Tweets.
- Amending a YouTube video was not as simple as the judge had envisaged – it would actually entail its removal and reposting (with a different URL) - and Nike would lose all the comments, shares and likes, which at the time of the appeal hearing had reached the level of millions.

The Court of Appeal accepted that Instagram posts did not have to be deleted, but could instead be archived so as to remain in existence but invisible to the public and resurrectable post-trial, should Nike be found not to have infringed the marks. It also accepted that the title of a video on YouTube could be changed without affecting the content or URL address, and that there was a YouTube facility that allowed blurring or pixilation of the signs at issue.

However, the Court of Appeal was particularly concerned by Twitter, as it considered deleting existing posts would have irreversible and far-reaching consequences for Nike and it would not be right to deprive Nike of the benefit of continuing conversations between young Londoners. Although it considered that the prohibitory injunction would rightly stop Nike from adding any more posts that featured the offending signs before the trial, it did not want to stop Nike from responding to queries arising out of existing Tweets.

Accordingly, the Court of Appeal reversed the High Court ruling that the signs be deleted from Nike’s Twitter feed and ruled that Nike would be able to archive Instagram posts rather than simply deleting them. It also said that the YouTube video didn’t need to be removed provided the offending signs were blurred.

In this particular case, the Court of Appeal seemed to be more aware than the High Court of the potential of social media to be a valuable commodity to trade mark holders - as Lord Justice Lewison said, “*the dialogue between Londoners, evidenced especially by Twitter, was also an important part of Nike’s ambition to*

*connect with young Londoners*” – as well as understanding the potential damage inflicted on the alleged infringer by the consequences of deleting all existing social media postings.

After the terms of the order were agreed, the next stop for the dispute was the IP Enterprise Court, where the key question was how the average consumer perceived the signs LNDNR and LDNR in context.

Many of Frank’s products were prominently branded with LNDNR and its range of ladies’ activewear clothing was sold in a number of high-end and exclusive outlets in 20 countries across the EU and the rest of the world, including premium online retailers such as Net-a-Porter and premium stores such as Harrods.

On the other hand, Nike said it had been using the abbreviation LDN “for approximately 6 – 8 years”. It was common ground that LDN was a recognised abbreviation for London, as evidenced by use of the brand BBC LDN by BBC LONDON, the top-ten hit song called LDN released by the singer Lily Allen and common use in social media, including in the form of the hashtag #LDN.

The use of LDNR by Nike was first proposed in a meeting in May 2016, and mock-ups of the logo which included LDNR with Nike’s Swoosh were created in June 2017. Nike admitted that they had carried out a trade mark search in July 2017 and had found Frank’s LNDNR marks. The only clothing supplied by Nike which bore the LDNR composite sign was approximately 130 T-shirts given out to Nike LDNR award winners and brand ambassadors. Somewhat surprisingly, 65 of those T-shirts bore @ symbols next to both LDNR and the Swoosh. One such t-shirt is modelled by Sir Mo Farah, below.





Nike claimed that Frank's LNDR mark was inherently descriptive but were unable to point to any dictionary or other reference (even of an online variety) which defined LNDR as Londoner, and failed to establish that LNDR would have been perceived as meaning Londoner when used in respect of clothing (e.g. on a swing ticket or label or embroidered on the chest of a T-shirt) in the absence of some context suggesting that meaning.

The judge found LNDR was inherently distinctive in relation to clothing and rejected Nike's attacks on the validity of Frank's marks.

The judge then considered whether Nike had infringed the marks and found that:

- LDNR was visually and aurally similar to LNDR;
- There was a high degree of conceptual similarity because those who perceive LDNR as meaning Londoner would be likely to perceive LNDR as meaning the same thing.

But, had Nike used any of the signs in relation to clothing?

Frank's strongest case was use of the LDNR composite sign on the t-shirts mentioned above. The judge found that:

- There was no context to inform a consumer seeing someone wearing a T-shirt of the meaning of LDNR except that, in all probability, the person in question would be in London;
- Of the people who perceived LDNR to mean Londoner, some would also think it was a brand name, particularly in the case of the T-shirts that bore © symbols.

The judge concluded that Nike had used LDNR "in relation to" clothing. Furthermore, there was evidence of actual confusion on the part of consumers who, having seen Nike's advertising campaign, hadn't noticed that Nike were using LDNR rather than LNDR and mistakenly thought that there either was or might be a collaboration or tie-in between Frank and Nike.

Bearing all of the above in mind, the judge concluded that there was a likelihood of confusion due to the use of each of the signs at issue. Accordingly, the judge held that Nike had infringed Frank's trade marks. Frank's claim for passing off also succeeded.

The speed of these proceedings (7 months from the launch of Nike's advertising campaign to judgment) was due to the interim junction and a swift trial in the IPEC, and shows how fast the court system can just do it when needed.



**The respondents in *Cartier International AG v British Telecommunications PLC* [2018] UKSC 28, including Cartier International AG (“Cartier”), are members of the Richemont Group, which is known for selling luxury goods, including jewellery.**

The appellants, BT, are two of the five largest internet service providers (“ISPs”) in the UK, who were subject to the original action (three of those ISPs choosing not to appeal). BT provides networks to enable subscribers to access content on the internet. The ISPs are not responsible for content. They have no contractual relationship with the operators of websites, which are accessed via their telecommunications networks. Nevertheless, their services enable consumers to visit websites selling counterfeit copies of branded luxury goods.

In 2014, Cartier were granted blocking injunctions requiring the ISPs in the action to block access to specified websites, their domains and any other IP addresses or URLs notified to them whose purpose was to allow customers to access certain “target” websites, i.e. those advertising infringing product. Such injunctions under the CDPA 1988 have been granted a number of times in recent years to prevent copyright infringement. However, there is no equivalent statutory provision under the TMA 1994, corresponding to that enactment. However, in this particular case the Court of Appeal decided that the first instance judge, Arnold J, was correct in finding the courts would have jurisdiction to grant such injunctions under a general power in the Supreme Courts Act 1981, s 37(1).

Accordingly, the current appeal was concerned with the issue of costs to the ISPs of implementing website-blocking orders.

These costs could include: (i) that of hardware/software needed to carry out the action; (ii) managing the blocking system, including customer service; (iii) initial implementation costs; (iv) updating sites following liaison with rights holders; and (v) liabilities incurred by malfunctions. The issues were concentrated on those anticipated under heads (iii) to (v).

The main guidance from the E-Commerce Directive and earlier relevant decisions was that, insofar as an intermediary such as an ISP may be liable, costs should not be excessive.

According to the tradition of our national courts, an innocent party would be expected to be indemnified against the costs of complying with an injunction (applying the principles of *Norwich Pharmacal* orders). Thus an innocent intermediary, such as an ISP, should be indemnified against a website blocking order. Otherwise, it would be unjust to expect ISPs to contribute to key costs when they were mere conduits, who were legally innocent (presuming for example, this was under circumstances where they could not be expected to review the content and offerings of every website accessed via their services). Accordingly, it was held that ISPs could expect to recover costs (iii) to (v) where they were legally innocent, and such costs should be reasonable compliance costs which should be modest in the context.

Copyright holders have long enjoyed the right to obtain website blocking injunctions and, as this decision reminds us, this remedy is also available for brand owners. Whether against a website that facilitates copyright infringement or a website that sells counterfeit goods, the end goal is the same, namely to prevent access to the site.





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**From bling to tin, and a UK decision that deals with fresh evidence in trade mark appeals (*Consolidated Developments Ltd v Cooper* [2018] EWHC 1727).**

Consolidated Developments Limited (“CDL”), a landlord with premises in an area of Soho known as Tin Pan Alley, sought to revoke four UK trade mark registrations. Three were for TIN PAN ALLEY. The fourth was for the abbreviated version “TPA”. CDL claimed that the marks had not been put to genuine use during a particular five year period by the proprietor, Mr Cooper, or with his consent. Three of the marks were revoked in full for non-use, but one of the TIN PAN ALLEY registrations was maintained for “*providing advertising space on websites, for others*”.

Cooper appealed to the Appointed Person, seeking to introduce additional evidence of use (without any actual challenge to the reasons for the decision). CDL appealed the partial maintenance of the one remaining registration. The Appointed Person referred the case to the High Court on the question of the introduction of the evidence.

The general principle is there is a need to adduce all relevant evidence at the first hearing. There could be exceptions; these were considered in *Ladd v Marshall* [1954] 1 WLR 1489; relevant criteria included: (i) that the evidence could not have been obtained with reasonable diligence for use at the original trial; (ii) that the evidence would have an important influence on the result of the case; and (iii) that it should be credible.

In *Hunt-Wesson Inc’s Trade Mark Application* [1996] RPC 234, the principles in *Ladd v Marshall* were approved, but other factors should be considered where dealing with a trade mark opposition rather than with a trial. A UKIPO decision could allow a statutory monopoly, which may have a significant impact on other traders. Factors to be considered include: (i) whether the evidence could have been filed earlier (and how much earlier); (ii) explanation for late filing and delay; (iii) nature of the mark; (iv) nature of the objections; significance of the new evidence; whether the other side would be significantly prejudiced by the admission of the evidence in a way that could not be compensated (such as by costs order);

the desirability of multiplicity of proceedings; and the public interest in not admitting onto the register invalid marks.

Cooper explained he was suffering from depression at the time when the evidence was originally due: these circumstances, including the liquidation of his business, and the illness of his wife, affected his ability to perform the task. Whilst the court was sympathetic, as there was no medical certificate to substantiate the illness, and the evidence which was sought to be introduced should have been available at the time of the original hearing, it found on balance it was not appropriate to introduce the evidence, which would have had the effect of remitting the case to the Hearing Officer for a re-hearing. Mr Cooper’s appeal was denied. Likewise CDL’s appeal was dismissed, as this also looked to be a request for a re-run of the original arguments. Hence, where the admission of fresh evidence on appeal would require that the case be remitted to a rehearing at first instance, the interest of the parties and the public in fostering finality in litigation are particularly significant and may tip the balance against the admission of such evidence.

## Can you trade mark a flag? A recent Board of Appeal decision shows that the outcome depends on assessment of the sign as a whole.

Birmingham City University applied to register the figurative EUTM shown below for its Centre for Brexit Studies, covering (amongst other things) education and instructional services (*Birmingham City University v EUIPO*; R 2741/2017-4).



The EUIPO rejected the application on the basis that the applied-for mark contained an element which consisted of partial representations of flags - namely the "Union Jack" and the flag of the EU - which were protected under Articles 6ter (1)(a) and (b) of the Paris Convention (as referred to under Article 7(1)(h) EUTMR).

Birmingham City University appealed, noting that technically the sign applied for was not even a Union Flag as it only showed 50% of the design. It also provided letters of consent from the relevant UK and EU authorities, as required under Article 7(1)(h) EUTMR.

The examiner argued that that the aim of Article 6 ter (1)(a) was to preclude the registration and use of trade marks which are identical to State emblems or "*which are to a certain extent similar to them*", so that the right of the State to control the use of the symbols of its sovereignty is not adversely affected, and so that the relevant public is not misled about the origin of the goods and services.

The Board of Appeal found that the sign was "*a newly designed flag consisting of halves of two different flags. A flag of this kind does not exist. No State in the world bears this flag. Nor is this symbol protected on behalf of an intergovernmental organisation. In order to assess whether the sign corresponds to a State flag, it must be assessed as a whole*".

According to the Board, the emblem applied for must "*in heraldic terms*" imitate the protected flag as a whole. In the case at hand, the inclusion of a portrayal of merely a part of each flag, by way of a diagonally sliced section, reassembled into a flag-like form, could not be said to constitute an imitation of either flag from a heraldic point of view.

In addition, the Board pointed out that the wording "University" and "Centre

for Brexit Studies" clearly indicated that the EUTM applicant would examine the implications of the decision of the United Kingdom to leave the EU from a scientific ("university") point of view, and excluded an interpretation that the EUTM applicant claimed to be endorsed by the UK Government (or by the EU, or by both) for the mark or the services rendered under it. The Board concluded that the composite flag-shaped device was no more than a generic reference to the notion of Brexit, i.e. a reference to a political decision with major economic implications, involving the UK and the (rest of the) EU: "*Had the competent services of the EU Commission been concerned about any likelihood to mislead the public, they would not have granted their consent to the filing of the present EUTM application, we may assume*".

Accordingly, the Board upheld the appeal and annulled the contested decision.

This decision illustrates that it is possible to trade mark a flag in certain situations, provided that the flag you're interested in trademarking is not a true representation of the flag or coat of arms or other State emblem of the UK or any other country or the Union. It is wise to consult a trademark attorney about the design of your sign before you put it into production, to avoid your logo being rejected by the UKIPO or the EUIPO.

In the writer's view, this is a sensible decision. In this particular case, the applicant was somewhat hoisted by

their own petard because they did not originally obtain letters of consent before applying to register the mark. In observations submitted to the EUIPO, the applicant tried to argue that, as the partial representations of the Union Jack and the EU flag would be perceived by the public as simply being illustrative of Brexit, it was not necessary to obtain any authorisation by the competent authorities. However, it's clearly stated in Chapter 9, Section 2.2.1 of the "Guidelines for Examination of EUTMs" that, with regard to trade marks in conflict with flags and other symbols, "*Registration of these emblems and signs, as well as any imitation from a heraldic point of view, either as a trade mark or as an element thereof, must be refused if no authorisation has been granted by the competent authority*" and further in Section 2.3 that "*the fact that the EUTM applied for contains only part of the protected 'emblem' does not mean that there may not be an imitation from a heraldic point of view*".

The EUIPO stated in its decision explaining the reasons for rejecting the application that "*the Office has informed the applicant that this ground for refusal may be overcome by submitting an authorisation to register the trade mark from the competent authority of the relevant state or organisation*". However, in this particular case it was not only the fact that letters of consent were obtained which swung the verdict in favour of the applicant, it was also the fact that the degree of stylisation took the sign outside the scope of heraldic imitation, something which EU case-law suggests is tricky to assess.

**Two recent decisions have confirmed that very small differences between signs can be crucial where the opposition is based on likelihood of confusion.**

The English language skills of the average Spanish consumer proved to be the key factor in the first case (*Convivo GmbH v EUIPO*; T-288/16) which concerned opposition proceedings against an application by Convivo GmbH to register an international registration designating the EU for the word sign M'COOKY to cover a range of pastry and confectionery, services for providing food and drink, and temporary accommodation. The opponent, Porcesadora Nacional de Alimentos C.A. Pronaca, opposed on the basis of its earlier Spanish figurative mark (shown below) which covered meat, fish, poultry and game; preserved, dried and cooked fruits and vegetables; eggs, milk and milk products in Class 29, and the ground relied on in support of the opposition was likelihood of confusion under Article 8(1)(b) of the EUTMR.



The Board had found that the marks were visually and phonetically similar to an average degree. However, the marks were found to be conceptually dissimilar. The Board took the view that the dominant and distinctive element of both marks was “cook” and there was a likelihood of confusion between the marks at issue for a large section of the Spanish public.

The GC agreed with the Board's dissection of the relevant public into an English-speaking part and a non-English speaking part, and found the Board had correctly held that a significant number of Spanish consumers, particularly the older generations, would not be capable of grasping the meaning of the word “cook” and that, for that non-English-speaking section of the relevant public, the word “cook” would be “a meaningless, fanciful

expression”. Further, as regards the blue background in the form of an almond and a cook's hat above the element ‘mr.’, the GC found the Board had rightly held that the impact was limited. Those graphical elements were purely decorative and did not alter the dominant character of the term “cook” within the marks at issue. The minor visual differences between the terms “cook” and “cooky” would go unnoticed among the relevant public, especially since the only different letter was at the end of the words.

The GC agreed with the Board that the signs were phonetically similar as their pronunciation coincided in the sound of the letter “m”, located at the beginning of the word elements, and the sound of the word “cook”, and those two elements were placed in the same order. It followed that, since the relevant public had an average level of attention, the goods and services in question were identical or similar, that the signs at issue were similar visually and phonetically and that the earlier mark had a normal level of distinctiveness, the Board had correctly concluded there was a likelihood of confusion. Unsurprisingly, the Spanish consumer was viewed by the EUIPO as having limited language skills. The way is therefore open down in Alicante for oppositions based on likelihood of confusion between signs that contain words in the English language as dominant ingredients.

In the second decision (O/228/18), the mark applied for was MISTER CHEF to cover a range of bakeware, cookware and utensils in class 21. It was opposed on the basis of a likelihood of confusion with the earlier UK registrations for MASTERCHEF and MASTER CHEF covering kitchen utensils and containers in Class 21.

The opponent, Shine TV, also claimed that use of MISTER CHEF would take unfair advantage of the reputation of another earlier UK registration for MASTERCHEF which was registered for, amongst other things, a TV series in the reality genre in the field of cooking and food in Class 41. Due to its heavy merchandising of the MASTERCHEF brand, Shine TV claimed that the public were accustomed to seeing cooking goods related to the

TV show and, consequently, might think that MISTERCHEF cooking goods were somehow related to the MASTERCHEF TV show.

The applicant, Mr Chef Ltd, denied the claims and requested that Shine TV provide proof of use, but did not specify for which trade marks. The UKIPO's registrar therefore wrote to Mr Chef Ltd, requesting clarification. As Mr Chef Ltd failed to reply, Shine TV Ltd was able to rely on the registrations of its earlier MASTERCHEF marks in class 21 without having to show use of any of the marks in relation to the goods for which they were registered. However, they decided to file evidence, namely a witness statement stating that MASTERCHEF was used for a TV competitive reality cooking show, together with details of its history and popularity. An exhibit provided examples of MASTERCHEF merchandise in two documents (one in French), but failed to show where or when the goods were offered for sale or sold.

Weighing all the relevant ingredients up, the difference between the respective marks was held to be sufficient to avoid a likelihood of confusion. The Hearing Officer found that the relevant public would not make any link between, on the one hand, the contested mark and the goods covered by the application and, on the other hand, the earlier mark and the entertainment services for which it had a reputation. Although the earlier mark had acquired at least a normal level of distinctive character through use for a TV show based on a competition to identify highly skilled chefs, Shine TV Ltd had not established that, at the relevant date, the UK public would have been aware of the merchandising of MASTERCHEF goods.

The striking out of the applicant's request for proof of use from the opponent illustrates the importance of understanding the standard opposition proceedings before the Trade Marks Tribunal.



**Here's another decision highlighting the importance of understanding the rules concerning an applicant's request for proof of use from the opponent, and when additional evidence can be filed (*mobile.de GmbH v EUIPO*; C-418/16 P).**

Germany's largest on-line vehicle marketplace, mobile.de, owned a EUTM for the word "mobile.de" and the figurative mark shown below in classes 9, 16, 35, 38 and 42.



Rezon OOD, the largest group of specialized media outlets in Bulgaria, filed two applications for declarations of invalidity against the two EUTMs, on the basis of an earlier Bulgarian trade mark registration for the figurative mark shown below, registered for services in Classes 35, 39 and 42.



Rezon was asked to submit evidence to demonstrate genuine use of the earlier national mark. The applications for a declaration of invalidity were rejected by the Opposition Division on the ground that the evidence was not adduced. However, following an appeal by Rezon, the Board of Appeal took into account additional evidence produced before the appeal board and found that, in each of the contested decisions, Rezon had proved genuine use of the earlier national mark for certain advertising services in Class 35. Accordingly, the Board annulled the Cancellation Division's decisions.

The German applicant appealed to the GC, which ordered that the two cases be joined and dismissed the actions in their entirety. In response, Mobile.de lodged an appeal against the GC's ruling and argued that it had erred in law by holding that the Board of Appeal was entitled to take account of evidence of genuine use produced for the first time before it.

However, the CJEU ruled in favour of Rezon, in the following terms:

- Under Article 95(2) of the European Union Trade Mark Regulation No 2017/1001, the EUIPO **may** disregard facts or evidence which are not submitted in due time by the parties concerned.
- The EUIPO was in no way prohibited from taking account of facts and evidence which are submitted or produced out of time.
- The EUIPO had a broad discretion to decide, while giving reasons for its decision in that regard, whether or not to take such evidence into account.
- The Board may also decide on measures of inquiry, including the production of facts or evidence. In turn, such provisions demonstrate the possibility of seeing the underlying facts of a dispute multiply at various stages of the proceedings before EUIPO.
- The Board enjoyed the discretion to decide whether or not to take into account additional or supplementary facts and evidence which were not presented within the time limits set or specified by the Opposition Division.
- However, it cannot be inferred therefrom, a *contrario*, that during the examination of an appeal against a decision of a Cancellation Division, the Board of Appeal does not have such discretion.

It followed that the GC had not erred in law by finding that the Board of Appeal was entitled, when examining an appeal directed against a decision of a Cancellation Division, to take into account additional evidence of genuine use of the earlier mark concerned not produced within the time limits set by that division.

The CJEU also recalled that taking facts or evidence into account which had been produced out of time was particularly likely to be justified where that the material was, on the face of it, likely to be relevant to the outcome of the application for a declaration of invalidity brought before the EUIPO and, secondly, that the stage of the proceedings at which that late submission took place and the circumstances surrounding it did not argue against such matters being taken into account.

The case discussed above illustrates that it is worth filing any evidence that comes to light after the time limit provided for submission has expired because the EUIPO might still take such evidence into account, so long as it's likely to be relevant to the outcome and the stage of the proceedings at which that late submission takes place and the circumstances surrounding it do not argue against such matters being taken into account.



**Ew, here we have a GC decision involving two-letter marks, this time confirming the difficulties faced by owners of earlier trade marks that wish to oppose the registration of other marks consisting of the same letters but in a different sequence (*El Corte Inglés, SA v EUIPO*; T-241/16).**

The applicant, Spain's only remaining department store chain El Corte Inglés, applied to register the stylised two letter mark EW (shown below) as a EUTM for a variety of goods in classes 3, 18 and 25.



The application was opposed by the Dutch fashion chain WE Brand Sàrl on the basis of an earlier word mark WE covering, inter alia, goods in classes 3, 18 and 25.

The Opposition Division took the view that there was a likelihood of confusion between the marks at issue in respect of all of the contested goods, except for the "walking sticks" in Class 18 covered by the EW application. The Board of Appeal confirmed that the Opposition Division's

decision had become final in so far as it had accepted the mark applied for in respect of the "walking sticks" in Class 18, and found that the significant visual and phonetic similarities meant that there would be a likelihood of confusion between the marks on the part of the relevant public, which in the Board's view consisted of average Italian- and Spanish-speaking consumers.

However, the GC annulled the Board of Appeal's decision.

The mere presence of the letters "e" and "w" in the signs at issue was insufficient support for the conclusion that there was an average degree of visual similarity. According to the GC, when faced with very short signs consisting of only two letters in different order, the relevant public could easily distinguish between the two marks. Consequently, the GC held that there was a low degree of visual similarity between the signs at issue.

As regards the phonetic comparison, the GC pointed out that the relevant public would pronounce the earlier "we" mark as "ve" or "güe", or even, with regard to English-speaking consumers, as "wi". As for the "ew" mark, the relevant public could, as the Board of Appeal said, pronounce it as "ev". What's more, the

fact that the "ew" mark applied for began with a vowel whereas the earlier "we" mark began with a consonant created a difference in the pronunciation of the signs at issue. Consequently, the GC held that the signs at issue were phonetically similar to a low degree, or even different for English-speaking consumers.

As regards the conceptual comparison, the GC agreed with the Board of Appeal's finding that that the "ew" mark applied for was meaningless for the relevant public.

It followed that the overall impression made on the relevant public by the signs at issue wasn't capable of giving rise to a likelihood of confusion, even though the goods at issue were identical or similar. Accordingly, the GC annulled the Board of Appeal's decision and ordered a costs award in favour of El Corte Inglés, SA.

This case illustrates the criteria applied by the GC when assessing two-letter marks and the challenges that trade mark owners face when enforcing their two-letter marks in the EU.



# PRICK UP YOUR EARS: HAVE YOU HEARD THE ONE ABOUT THE TATTOO ARTIST AND THE CACTI SHOP?

**The value of trade mark registration cannot be underestimated. Unless it is registered as a trade mark, there is no monopoly in a brand name and thus the heavy burden remains on a claimant wishing to establish a claim in passing off to establish goodwill and reputation, in addition to proving misrepresentation and damage. There is little doubt that this can quickly become an expensive and time consuming exercise, which is heavily brought into focus given that recoverable costs for cases brought in the IPEC are subject to an overall cap of £50,000. In *Henry Martinez t/a Prick v Prick Me Baby One More Time Ltd t/a Prick* [2018] EWHC 776 (IPEC), the Intellectual Property Enterprise Court dismissed a passing off claim brought by Amy Winehouse’s tattooist, Henry Martinez, who traded under the name Prick, against a cactus shop which traded under the same name in the same locality.**



Henry Martinez, a tattoo artist professionally known as “Henry Hate”, has run a tattoo and piercing parlour in Shoreditch called Prick Tattoos since 2001. He is well known as a tattoo artist and he has had a number of celebrity customers, most famously Amy Winehouse for whom he created the iconic “Cynthia” tattoo which the singer displayed on her right upper arm. The website for the tattoo parlour can be found at [www.henryhate.com](http://www.henryhate.com).

Mr Martinez, and the company through which he runs his tattoo parlour, the second claimant Henry Hate Studio and Prick Tattoo Parlour Ltd, have also negotiated and entered into commercial deals with third parties for wider visual art works, for example collaborating with Fred Perry to design a tattoo-like applique for a shirt that it was producing with the Amy Winehouse Foundation. Mr Martinez, as “Henry Hate”, also sells and exhibits artistic works on media other than skin.

The defendants, Ms Gynelle Lyon and her company Prick Me Baby One More Time Ltd, have run a cactus and succulent plant shop called “Prick” in Dalston since July 2016. The name “PRICK” appears on the outside of the shop only, painted in all-black serif script on the glass of the shop window and also in black on a small white sign jutting out from the far end of the fascia board. The defendants also have a website under the URL [prickldn.com](http://prickldn.com) which is the domain also used for business emails. They also operate a number of social media accounts incorporating the handle “prickldn”.

According to the claimants, the defendants’ use of the word “PRICK” amounted to passing off. The issues

for the court were: (i) whether the claimants’ goodwill associated with signs incorporating the word “PRICK” extended beyond the provision of tattooing and piercing services supplied from the tattoo parlour, and if so, to what extent; and (ii) whether the use of that word by the defendants amounted to a material misrepresentation that the goods or services offered by them were those of the claimants or were somehow authorised by or connected with the claimants.

However, on the evidence, there was no material misrepresentation by the cactus shop that the goods and services it offered were somehow authorised by or connected with Mr Martinez or his company. Her Honour Judge Melissa Clarke agreed with the defendants that it was hard to imagine two businesses with two less closely related activities and, taking into account dissimilarities in their respective get-ups, found that the claimants had failed to discharge the burden of proving that a substantial number of consumers would be deceived into thinking that the businesses were connected.

In relation to the “allusive nature” of the pun inherent in the use of the word “PRICK” for the two businesses, the judge considered that rather than assuming there was a connection between the businesses in that the name had been chosen for that purpose, the public was more likely to come very quickly to an appreciation that the name referred to the specific properties of a cactus or tattooing, as the case may be, appreciate the humour, and so not go on to assume that there was any such connection.





## Comment

While not everyone's first choice as a name to trade under, "PRICK" is undoubtedly distinctive. Mr Martinez, whose reputation as an artist was not disputed, may feel rather aggrieved that he has to share the name with a plant shop just around the corner. But while there was no doubting that the tattoo parlour's goodwill, albeit local, was sufficient to bring a passing off claim, parts two and three of the classic trinity presented the claimants with a significant evidential burden in circumstances where the respective business get-ups were poles apart and where the issue before the court was whether a *material* misrepresentation had been made. The dissimilarities in get-up were highly important to whether there was a material misrepresentation. Additionally, whilst there was no requirement for the claimants to show a common field of activity or trade, as noted above, the judge accepted that the commonality of the parties' respective fields of activity was material to the issue of likelihood of confusion.

There was some evidence of confusion, one woman managing to land on Mr Martinez's website at *henryhate.com* when looking for a cactus, but for the judge this was a question of mere confusion rather than deception. The evidence of another woman, who mistakenly left a five star review of her tattoo on the cactus shop website, was dismissed as that of "a moron in a hurry". This is a reminder to gather and present quality evidence which extends beyond "a moron in a hurry" or mere confusion as, although misrepresentation can still be found where there is no evidence of confusion, misrepresentation must be calculated to deceive. Interestingly, the judge all but dismissed the evidence of several witnesses for the claimants on the point of deception as they were not

consumers in the sense that they were not ordinary members of the public who were in the market for the claimants' goods and services. Most notably they were all closely connected with the claimants and had particular personal knowledge of Mr Martinez.

But even if the claimants had proof of deception, which they did not, this would have to equate to material misrepresentation, to prove any damage. Although the judge did not deal with the issue of damage in any detail, she did allude to it insofar as she found that the one instance of deception (of itself insufficient to establish deception of a substantial number of consumers) could not damage the claimants' goodwill. It was "inherently likely" that a person seeking a tattoo who came across a cactus shop would be told that it was a cactus shop and then go to the tattoo parlour instead, without any damage being caused to the claimants' goodwill. The unsatisfactory aspect of this logic, however, is that a certain amount of free riding, albeit unintentionally, on a locally well-known brand of a different kind of business may have to be tolerated by the owner of the goodwill in that brand.

Notably, both parties obtained registered UK trade marks in 2016 for the word "PRICK". Mr Martinez has registered the word "PRICK" and a stylised word mark, in classes 2, 8 and 44. Meanwhile Prick Me Baby One More Time Ltd has registered the word "PRICK" and a logo incorporating the word in classes 21 and 31.

The case appears to be settled for now. Meanwhile, though, it seems safe to say Mr Martinez's prickly neighbour will remain a thorn in his side for some time to come.

# MUCH ADO ABOUT CLOTHING: DISCONTINUANCE DISMISSED

**In *Walton International Ltd v Verweij Fashion BV* [2018] EWHC 1608 (Ch), the High Court set aside a notice of discontinuance which discontinued the claim so far as it related to the EU trade marks, finding that to allow it would give the claimants a “collateral advantage” because it would shield the EU trade marks from a determination of their validity in the present case while allowing the claimants to bring further proceedings based on any of the EU trade marks against the defendant in any other Member State.**

In a trade mark war in which the parties were in dispute in other European jurisdictions, the High Court revoked all of the claimants’ trade marks for GIORDANO (except one, which Mr Justice Arnold found invalid on relative grounds), and held the claimants liable for passing off. A notice of discontinuance had been served on the eve of trial: *“thus most of the costs had been incurred, and the parties were about to commence battle”*. In those circumstances, the court would have required an undertaking that the claimants would not bring further infringement and/or opposition (or cancellation) proceedings based on any of the EU trade marks against the defendant in any other Member State. However, the claimants refused to give that undertaking. In those circumstances, Arnold J considered that the service of the notice of discontinuance amounted to an abuse of process: its effect would be to shield the EU trade marks from a determination of their validity in the present case while allowing the claimants to use them in further infringement and/or opposition (or cancellation) proceedings in other Member States pending determinations by the EUIPO.

The claimants (Walton) are part of the Giordano group, a fast-fashion retailer based in Hong Kong with core markets outside Europe (in Asia, Australasia and the Middle East), although they made sales to the UK and EU via international websites. Walton’s brands include “Giordano”, “Giordano Junior”, “Giordano Ladies”, “BSX” and “Concepts One”. The defendant (Verweij) is based in the Netherlands and sells high-quality menswear in Europe under the labels “Baileys” and “Giordano”. Both businesses are well-established and have used the GIORDANO trade mark since the 1980s.

Although GIORDANO is an Italian family name, neither side is Italian. Giordano Ltd was founded in Hong Kong by Jimmy Lai in 1981, and he chose the name from a pizza restaurant in New York, thinking that it would be advantageous to have an Italian name. Verweij is a family-run business founded by Arnold Verweij in 1955, which grew from modest beginnings in the form of a single retail shop in Rotterdam selling quality clothing imported from Italy and developed a wholesale arm to the business. In 1976, Verweij acquired a textile factory in Ireland to produce its own knitwear; this knitwear range has always been sold under the brand name BAILEYS (named after the pub in Dublin where Arnold Verweij signed the contract to purchase the factory). By the late 1980s, Arnold Verweij wanted to expand the business offering by way of a new brand name and clothing range; on a trip to Italy in 1989, he saw the name GIORDANO on some wine (it continues to be a brand of Italian wine to this day), and liked the fact that it sounded Italian, as Italian clothing was perceived to be particularly luxurious and fashionable.

Walton was the registered proprietor of UK and EU trade marks for the plain word GIORDANO, as well as the following trade marks shown below for various goods.



Walton registered UK and EU trade marks (UK864, UK444, UK398, UK757, EU150, EU651, EU335 and EU044) in the 1990s and 2000s. After this dispute began, Walton registered a further UKTM (UK297) in 2014. Walton alleged that Verweij had infringed its trade marks. Verweij registered a trade mark GIORDANO in the Benelux territory in 1989 and obtained international registration for other European countries. Verweij had used the GIORDANO sign both in plain type and in the form of various logos over the years (see below for an example), but neither side suggested that the different forms of use made any difference to the issues.







Verweij denied infringement and counterclaimed for revocation and/or a declaration of invalidity of those registrations, and for passing off.

The present case is one of around 60 trade mark disputes that have been or are being fought by the parties all round Europe, including before the EUIPO. The EUIPO cancellation proceedings in respect of EU651 and EU335 are currently stayed pending the outcome of these proceedings. On the evening before trial, Walton served a notice of discontinuance of the claim insofar as it related to the EU trade marks.

#### To discontinue or not to discontinue?

Arnold J began by considering whether the notice of partial discontinuance should be set aside. As Aikens J observed in *Sheltam Rail Co (Pty) Ltd v Mirambo Holdings Ltd* [2008] EWHC 829 (Comm), a useful question to ask was whether, if permission of the court had been required to serve a notice of discontinuance, that permission would have been granted unconditionally; and the court was also

entitled to consider what the claimant was attempting to achieve by serving the notice. The professed objective of Walton was to simplify and streamline the issues for trial. Walton said that, during the course of preparing for trial, they had come to the (admittedly rather late) realisation that the EUTM infringement claims added little, if anything, to the UKTM infringement claims, and that the counterclaims would require the court to consider a number of additional issues, adding time and expense to the trial. However, Walton did not shrink from asserting that, as an inevitable consequence of their decision to discontinue the infringement claims, the court would be deprived of jurisdiction to determine Verweij's counterclaims relating to the EUTMs, regardless of Verweij's desire to continue with those counterclaims.

Turning to consider whether the court would permit Walton to discontinue unconditionally if permission were required, it seemed clear to Arnold J that the answer was no. The notice of discontinuance had been served on the eve of trial, in fact on

the same day that skeleton arguments were due to be (and were) exchanged and so most of the costs had been incurred, and the parties were about to commence battle. In those circumstances, Arnold J considered that the court would have required Walton to undertake not to bring any further claims for infringement of any of the EUTMs against Verweij in any other Member State without the court's permission. Walton were not prepared to offer such an undertaking. In the judge's view, Walton's position would require Verweij, "having got virtually to the door of this Court with its counterclaim, essentially to start all over again in the EUIPO", which would (at a minimum) entail a considerable delay in the resolution of Verweij's attacks on Walton's EUTMs. Moreover, Verweij would be exposed to the risk that Walton - having seen all of Verweij's criticisms of Walton's evidence filed in these proceedings - would take the opportunity to file better evidence in the EUIPO ("Even if the evidence was in fact no better, there would no doubt be arguments as to whether it was or not").



# MUCH ADO ABOUT CLOTHING: ... (continued)

In those circumstances, Arnold J considered that the service of the notice of discontinuance amounted to an abuse of process, because its effect would be to “shield” Walton’s EUTMs from a determination of validity by the court and to allow Walton to invoke the EUTMs in further infringement and/or opposition (or cancellation) proceedings elsewhere pending EUIPO determinations. That would give Walton a “collateral advantage”. Even if it did not amount to an abuse of process, Arnold J considered that the court should exercise its discretion to set the notice of discontinuance aside because it could then determine all of the issues raised in these proceedings justly and at proportionate cost.

## Subject-matter jurisdiction under European law

The next question was whether the decision to set the notice of discontinuance aside would be incompatible with European law

since it would involve the court determining a counterclaim relating to EUTMs where the counterclaim would not provide a defence to the infringement claim even if it was wholly successful (see *Adobe Systems Inc v Netcom Distributors* [2012] EWHC 1087 (Ch)). Arnold J explained that the subject-matter jurisdiction of a court in European law could be changed by procedural steps occurring after the service of the originating process (see *Anan Kasei Co Ltd v Molycorp Chemicals & Oxides (Europe) Ltd* [2016] EWHC 1722 (Pat)). In effect, what he concluded applying domestic procedural law was that it was simply too late, having got this close to trial, for Walton to be permitted unilaterally to discontinue their claim and, therefore, the court remained seised of both the claim and the counterclaim. It made no difference that Walton made it clear that they did not intend to pursue their arguments in support of the claim in any event.

## Revocation of Walton’s marks for non-use

On the evidence, Arnold J revoked all of the trade marks except UK297 with effect from five years after their respective registration dates. Walton accepted that, but for its infringement of their other marks, Verweij would have acquired goodwill in GIORDANO in relation to clothing by the filing date of UK297, and accordingly that their use of UK297 would have amounted to passing off. Walton contended that Verweij could not have acquired any goodwill in GIORDANO because it was infringing Walton’s other trade marks. However, it was not necessary for Arnold J to consider those arguments as he had concluded that all Walton’s other trade marks should be revoked for non-use, meaning that they could not be infringed. Accordingly, UK297 was held to be invalid on relative grounds. It followed that Verweij had not infringed any of Walton’s trade marks, and it also followed that Verweij’s counterclaim for passing off succeeded.

## Comment

In light of the fact that Verweij had been using the GIORDANO name since 1980s, coupled with the fact that its target market is Europe, it’s remarkable that the company hadn’t registered the mark at EUIPO before this trade mark war between the Giordano Group and Verweij broke out. As Arnold J said, “*the situation cries out for a commercial settlement, but in the absence of a settlement the courts and tribunals must decide each case*”.

Aside from settlement, the other way to disentangle from infringement proceedings in the UK is to serve a notice of discontinuance in relation to all (or part) of the claim. Discontinuance involves the claimant ending all or part of a claim against one or more defendants, with the general rule being that the claimant is then liable for the defendant’s costs of the claim. However, in this decision, Mr Justice Arnold held that such notices can be set aside in certain circumstances. The judgment illustrates the English court’s ability to exercise its discretion to allow the determination of all of the issues raised in legal proceedings, both justly and at proportional cost.

## Trade Mark Team News:

Congratulations to:



**Mark Webster** who passed the Bournemouth Course (PG certificate in IP).



**Dr. Janet Strath** and **Sean Lawlor** who both passed the CITMA paralegal course.



**Rebecca Powell** who has transitioned into a Paralegal Trade Marks role.

## Team News:

Welcome to:



**Ricky Foo** started as an Associate in our London office patents group. He qualified as a registered Singapore Patent Attorney in 2013 and as a Chartered Patent Attorney in 2015. Ricky advises and assists clients to strategically and cost-effectively secure multi-jurisdictional patent rights protection, and he has technical expertise in areas including information technology, fintech, data security, telecommunications, computer communication protocols, semiconductors and electronic devices.



**Andrew McGlone** joined our Farnham office in August as a Technical Assistant in our patents group. He graduated from the University of Glasgow with an honours degree in Electronic Engineering (BEng) in 2014. Upon completing his honours degree he was accepted into a PhD programme in electronics and nanoscale engineering.



**Elijah Lewis** joined the our London office in September as Technical Assistant in our patents group. He graduated from Warwick University in 2018 with a degree in Physics. In his final year at University, he conducted research into methods of improvement for Nuclear Magnetic Resonance, determining the usefulness of different symmetry sequences for varying applications.

## Out and about - external event attendance

Who	Details	When
Katie Cameron, Tanya Buckley	PTMG Autumn Conference, Dubrovnik, Croatia	3 - 6 Oct 2018
Nicole Ockl	ECTA 76th Autumn Council and Committee Meetings, Geneva, Switzerland	18 - 20 Oct 2018
James Cross, Angela Fox, Alvin Lam, Nicole Ockl, Timothy Young	AIPLA Annual Meeting, Washington, USA	25 - 27 Oct 2018
Felix Rummier	Lecture "Software and Patents", TU Munich, Germany	5 Nov 2018
Reuben Jacob, Dr. Fiona Kellas, Dr. Edward Rainsford	MEDICA Düsseldorf, Germany	12 - 15 Nov 2018
Phil Treeby, Dr. Kei Enomoto	APAA, New Delhi, India	17 - 21 Nov 2018
Alvin Lam	Technology Patent Network Conference, San Francisco, USA	18 Feb 2019
Katie Cameron, Tanya Buckley	PTMG Spring Conference, Rome, Italy	11 - 12 March 19
Maucher Jenkins Team	INTA, Boston, USA	18 - 22 May 2019
Reuben Jacob, Dr. Fiona Kellas, Dr. Edward Rainsford	BIO, Philadelphia, USA	3 - 6 June 2019
Nicole Ockl, Stephanie Foy, Richard Parsons	ECTA 38th Annual Conference, Edinburgh, UK	26 - 29 June 2019
Maucher Jenkins Team	AIPPI World Congress, London, UK	15 - 18 Sept 2019
Dr. Michael Nielen, Joanne Ling, Mark Webster	33rd MARQUES Annual Conference, Dublin, Ireland	17 - 20 Sept 2019
Maucher Jenkins Team	AIPLA Annual Meeting, Maryland, USA	24 - 26 Oct 2019

## Maucher Jenkins hosted events

Henrich Börjes-Pestalozza Johannes Lange	Free consultation for inventors, IHK Südlicher Oberrhein in Freiburg, Germany	4 Oct 2018 8 Nov 2018
Dr. Michael Nielen	IP Showcase and consultation for inventors, Tuttlingen, Germany	11 Oct 2018 6 Dec 2018
Dr. Michael Nielen	IP Showcase, Basel, Switzerland	24 Oct 2018
Henrich Börjes-Pestalozza	Free consultation for inventors, IHK Südlicher Oberrhein in Lahr, Germany	20 Dec 2018
Maucher Jenkins Team	Maucher Jenkins reception, AIPPI World Congress, London, UK	17 Sept 2019

**London**  
26 Caxton Street  
London, SW1H 0RJ  
T: +44 (0)20 7931 7141  
F: +44 (0)20 7222 4660  
london@maucherjenkins.com

**Farnham**  
Broadmeade House  
Weydon Lane Business Park  
Farnham, GU9 8QT  
T: +44 (0)1252 711149  
F: +44 (0)20 7222 4660  
farnham@maucherjenkins.com

**Edinburgh**  
93 George Street  
Edinburgh, EH2 3ES  
T: +44 (0)131 610 0256  
F: +44 (0)20 7222 4660  
Edinburgh@maucherjenkins.com

**Cambridge**  
St John's Innovation Centre  
Cowley Road, Milton,  
Cambridge, CB4 0WS  
T: +44 (0)1223 902418  
F: +44 (0)20 722 4660  
cambridge@maucherjenkins.com

**Munich**  
Liebigstrasse 39  
80538 Munich, Germany  
T: +49 (0)89 340 77 26-0  
F: +49 (0)89 340 77 26-11  
muc@maucherjenkins.com

**Freiburg**  
Urachstrasse 23  
79102 Freiburg, Germany  
T: +49 (0)761 79 174-0  
F: +49 (0)761 79 174-30  
freiburg@maucherjenkins.com

**Basel**  
Aeschenvorstadt 71  
CH-4051 Basel, Switzerland  
T: +41 61 225 44 90  
F: +41 61 225 44 89  
basel@maucherjenkins.com

**Beijing**  
A-1002, Huibin Building,  
No. 8 Beichendong Street  
Chaoyang District, Beijing 100101,  
China  
T: +86 (0)10 8498 9052  
F: +86 (0)10 8498 7962  
beijing@maucherjenkins.com

The information in this newsletter is for general information only and does not constitute legal advice. Advice should be sought from an attorney for specific matters.

[www.maucherjenkins.com](http://www.maucherjenkins.com) | [info@maucherjenkins.com](mailto:info@maucherjenkins.com)