

# CITMA REVIEW

ISSUE 447 FEBRUARY 2019

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## IMITATION GAMES

*When does the work of tribute bands  
mean trouble for IP rights holders?*

# LOOKING TO **GROW** YOUR TEAM?



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*Our 1,600 members are at the heart of the trade mark and design profession.*

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**CITMA** The Chartered  
Institute of Trade  
Mark Attorneys

# WELCOME & CONTENTS



**Tania Clark**  
CITMA President

“

*Music features heavily in this edition*

We hope you have time to enjoy this issue of the *CITMA Review* before the traditionally quieter month of January is over. It includes a review of the talks at the 2018 Autumn Conference, which will bring anyone who missed that event up to speed. We were pleased to host more than 170 delegates at the event, which concentrated on contentious proceedings before the UK IPO.

Music features heavily in this edition also, with an article on the IP challenges facing tribute bands and a commentary on the DEEP PURPLE trade mark decision.

As ever, our Christmas lunch events were well attended. Try to spot yourself or your friends on pages 6–7. Our next major networking and educational event will be the CITMA Spring Conference 2019, to be held at IET London: Savoy Place on 13th–15th March. See page 20 and [citma.org.uk](http://citma.org.uk) for further details.

I wish you all the best for 2019.

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## CITMA REVIEW

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# MORE POWER TO CITMA PARALEGALS

CITMA has continued to act on its commitment to promote the development of the CITMA Paralegal category

On 2nd January, CITMA launched its continuing professional development (CPD) scheme for CITMA Paralegals. The scheme is part of our commitment to help develop trade mark paralegals, administrators and formalities staff working within our profession.

Those who are part of the scheme must complete eight hours of CPD per year, up to four of which can consist of personal study. We are delighted to confirm that

the majority of CITMA Paralegal members will be taking part.

Anyone who passed the CITMA Paralegal Course before 2018 (or the course in its previous formats) was asked to opt in to the scheme. Members who passed in 2018 were automatically included. This will also be the case for those who pass the course in the future.

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View the full guidance at [citma.org.uk/citma-paralegal](http://citma.org.uk/citma-paralegal)

## CITMA PARALEGAL COURSE 2019

Our popular CITMA Paralegal Course will begin in September this year, rather than January, as has been the case historically.

We believe it will be more appropriate and better for the course to be aligned with the academic calendar. It will also help us to manage the course effectively and give participants the best possible learning opportunities while undertaking it.

We are also taking the opportunity, in this interim period, to review the course and update it where necessary. We are looking at the syllabus and course logistics to ensure that it continues to be a high-quality and relevant learning experience.

Registration is planned to open in the spring. If you are interested in attending, please email CITMA to register your interest at [tm@citma.org.uk](mailto:tm@citma.org.uk)

## OUR RENEWAL DEADLINE IS APPROACHING

The final deadline for renewing your CITMA membership is 28th February. Please log in to your account on the CITMA website and pay to continue enjoying the benefits of being a CITMA member. Act now at [citma.org.uk](http://citma.org.uk)

# Chris Skidmore announced as new IP Minister

In December, it was announced that Chris Skidmore MP has been appointed the new minister with responsibility for IP following the resignation of Sam Gyimah MP.

His role as Minister of State for Universities, Science, Research and Innovation includes responsibility for higher education, industrial strategy, science and research, as well as IP.

Mr Skidmore, who has been the MP for Kingswood since 2010, was



Parliamentary Under-Secretary at the Cabinet Office until 2018.

His other roles since becoming an MP include Deputy Chairman of the Number 10 Policy Board and Parliamentary Private Secretary to the Chancellor of the Exchequer.

## CASE COMMENTS NOW ONLINE

All case comments published in the *CITMA Review* since 2016, including the ones in this issue, are now available to read online. These articles offer insight into the most important UK and EU IP cases.

The new, fully searchable online archive allows you to easily find a case comment using keywords or the case number.

Access the full archive at [citma.org.uk/case-comments](http://citma.org.uk/case-comments)

## FAST STAT: NOMINET

UK domain name registry Nominet reports that 32,813 .uk domains were suspended between 1st November 2017 and 31st October 2018 – up from 16,632 over the preceding 12-month period.

Find out more at [nominet.uk](http://nominet.uk). Read our review of key Domain Resolution Service decisions from 2018 on page 26.

## MEMBER MOVE



### Carrie Bradley

Previously of Stobbs, Carrie Bradley has joined Kempner & Partners in Leeds as a Senior Chartered Trade Mark Attorney. Contact Carrie via email at [bradley@kempnerandpartners.com](mailto:bradley@kempnerandpartners.com) or by calling +44 (0)113 457 3465.

### Considering a career move?

Visit the CITMA jobs board at [citma.org.uk/job\\_board](http://citma.org.uk/job_board)

## BIG MOVES FOR TRADE MARKS, REPORTS WIPO

The latest research from WIPO shows that the volume of trade mark applications is up for the eighth consecutive year. Among the highlights:

**+30%**

growth in trade mark applications in 2017

**9.11 MILLION**

trade mark applications filed worldwide in 2017

**43.2 MILLION**

active trade mark registrations worldwide

**53%**

China's contribution to the increase in overall growth

Geographical spread of filing activity:

**66.6%**

Asia

**17.7%**

Europe

**6.4%**

North America

**9.2%**

Africa/LatAm/  
Caribbean/Oceania



Read the full report at [wipo.int](http://wipo.int)

# HERE'S TO THE YEAR

In December, CITMA members gathered at our annual Christmas lunches in London and Leeds to celebrate the festive season

PHOTOGRAPHY: SIMON O'CONNOR



SEE A FULL PICTURE GALLERY  
AT [bit.ly/CITMAflickr](https://bit.ly/CITMAflickr)

# Leeds hosts lively lunch

Festive spirit was in full force at the Northern Christmas Lunch held at Jamie's Italian in Leeds.



# CITMA EXAM AWARDS 2018



(L-R) Kashif Syed, Alexandra Nott, Maximilian Theiss, Joanna Furmston

**At the London lunch, CITMA's top learners from 2018 were recognised**

**KASHIF SYED, Beck Greener**  
Hogarth Chambers Award for the highest mark achieved by a Chartered Trade Mark Attorney on the Intellectual Property Litigation and Advocacy course at Nottingham Law School

**ALEXANDRA NOTT, Dehns**  
Highest mark achieved by a Student member on the Trade Mark Law and Practice Postgraduate Certificate at Queen Mary University of London

**MAXIMILIAN THEISS, Wynne-Jones IP**  
CompuMark Award for the highest mark achieved on the 2018 CITMA Paralegal Course

**JOANNA FURMSTON, Dehns**  
Highest mark achieved by a Student member on the Professional Certificate in Trade Mark Practice course at Nottingham Law School

**NEIL RITCHIE, Hanna IP**  
Highest mark achieved by a Student member on the Postgraduate Certificate in IP at Bournemouth University

## Autumn Conference 2018



Delegates enjoyed networking sessions over tea and coffee

# CONFERENCE TACKLES CONFLICT

Allister McManus reports on the highlights of the CITMA Autumn Conference 2018

**I**n November, the impressive International Convention Centre in Birmingham played host to the CITMA Autumn Conference 2018. The event brought together a notable cross-section of IP professionals from the UK, EU and US, with talks provided by Chartered Trade Mark Attorneys, solicitors, barristers and in-house counsel.

The theme for 2018 was “Relative disharmony – earlier rights and

resolving conflict”, an area of trade mark practice with which most attorneys deal on a daily basis. One area of focus was resolving matters amicably via mediation, an option that is arguably not as popular as it should be in trade mark disputes. Let’s hope the lessons of the conference have an impact in addressing this imbalance.

The next few pages summarise some of the highlights of the conference. Here’s to autumn 2019!

### PRACTICAL ADVICE ON PASSING OFF

—  
Ese Akpogheneta of Nucleus IP focused on best practice at the UK IPO and EUIPO, including the dos and don’ts and pros and cons of registered trade marks (RTMs) and passing off. Among her key points was that passing off must be proved, with a high evidentiary burden and inevitable cost implications – good detailed evidence



Ese Akpogheneta is no fan of classic rock – but her presentation was certainly a crowd-pleaser

## OPPOSITION POST-BREXIT: AN EU TOOLKIT

Post-Brexit, it won't be possible to oppose EU trade marks based on unregistered UK rights. With this in mind, Peter Brownlow of Bird & Bird discussed some useful unregistered rights available in remaining Member States that may form the basis of an opposition at EUIPO:

**The Netherlands** (i) company names exist by use in trade and are protected against confusion with other company names or trade marks; (ii) unfair competition in the form of “slavish imitation” (*slaafse nabootsing*) under Article 6:162 of the Dutch Civil Code (Sport Direct Holding BV v Sportsdirect.com Retail Ltd).

**Germany** (i) unregistered trade marks used in commerce with market recognition; (ii) distinctive company names protected once used; (iii) distinctive title rights for books, magazines and films once used; (iv) unfair competition with a similar concept to passing off (macro consult GmbH v MIP Metro Group IP GmbH).

**France** (i) all company names are protected via registration, but you must establish a likelihood of confusion; (ii) trade names “known by the public” are protected as long the name is used; (iii) unfair competition or parasitism under Article 1240 of the French Civil Code (Alexander Gugler v EUIPO [Gugler France, Intervener]).

**Spain** (i) Article 90 of the Spanish Trade Mark Law – registration of trade names confers the exclusive right to use the name in economic transactions, and use in three Spanish cities can be sufficient (Agora SA v Lagora, Opposition Division).

is required. It tends to be an add-on in many oppositions, or a “Hail Mary” action of last resort. Always explain to clients that passing off is a lengthy process with higher costs, Ese advised. In contrast, RTMs have a high value, with clear and easily evidenced ownership, and a low evidentiary burden and cost if registered for less than five years.

Ese also explained that passing off can be effective when you need to stop an RTM and a client's mark is not registered. But be cautious, she said, as a passing off right has to be earlier than an RTM. A third party may have earlier passing off rights and turn the tables on your client.

She then discussed the key specific and differing requirements of each office, noting first that passing off is unique to the UK and is not an EU right. You must make that distinction (don't tick the “EU” box) or you could jeopardise an opposition.

EUIPO does not fully understand passing off and requires guidance and more information than the UK IPO, Ese added. You must quote s5(4)(a) of the Trade Marks Act 1994 (TMA 1994) and

also detail what passing off is by setting out the classic trinity and established common-law precedent. Put enough in your case to explain why the opponent has a passing off right, or risk the opposition being rejected.

Although the UK IPO does not require a detailed definition, it does need more specific information than EUIPO – namely the opponent's date of first use. This can prove difficult when filing under time constraints with limited information. Ese advised using the internet for research and calling the client, if possible. The UK IPO will generally request further information if required.

Finally, Ese provided a useful summary of recent cases where earlier unregistered rights have succeeded or failed, including: THE WILLOW TEA ROOMS (UK IPO); ROC-A-FELLA v ROCAFELLA (UK IPO); DEEP PURPLE (EUIPO); and SKY LOFTS v SKY (EUIPO). Despite eliciting the biggest reaction from the crowd by claiming she had never heard of Deep Purple, Ese was forgiven thanks to her informative and practical presentation. ▶

# Autumn Conference 2018

## NON-TRADE MARK RIGHTS - WHAT AND WHY

Roland Mallinson of Taylor Wessing gave a talk on oppositions and cancellation actions based on lesser-used “non-trade mark rights”, which he jokingly referred to as “an even poorer relation” of RTMs. These range from the well-known protected designation of origin (PDO) and protected geographical indication (PGI) to traditional speciality guaranteed (TSG) and traditional terms for wine (TTWs), and also encompass image rights. Roland provided examples such as “Château 1855”, “Vin de Pays”, “Jamón Serrano” and even “Traditional Bramley Apple Pie Filling”. He noted the legal basis for these rights in the EU Trade Marks Directive, TMA 1994 and EU Trade Mark Regulation, and advised attorneys to consult the E-Bacchus database for TTWs and the DOOR database for TSGs. Helpfully, Roland also gave examples of cases involving these types of challenges.



Roland Mallinson rounded off the morning sessions with his presentation on “non-trade mark rights”

## COMMERCIAL OPTIONS FOR RESOLUTION

As well as providing a lunchtime briefing on diversity initiative IP Inclusive, CITMA First Vice-President Richard Goddard and James St Ville of 8 New Square offered a well-received discussion on commercial ways to resolve disputes. James acknowledged that everyone has different experiences and favourite tactics, but advised of some perhaps less-utilised tools, including mediation.

The speakers explained that mediation fuels discussion and maximises the chances of resolution by providing a common platform for a productive conversation. The mediator is a trusted third party who can get the parties’ positions to overlap once they have explained everything.

Mediation can be powerful. A mediator will probe arguments,

take the best litigation outcomes and compare them with settlement. Mediators are flexible in searching for solutions and have techniques that you may not have considered, leading to unexpected solutions.

Mediation is also an agreed process, which is confidential, and encourages the active involvement of the parties, including private discussions with the mediator.

The two speakers suggested that the recently introduced UK IPO mediation services should be used more frequently, as the mediators are now becoming quite experienced and show real strength. The low cost can be attractive to small and medium-sized businesses in particular, and does not equate to a low-quality service.



James St Ville (pictured) and Richard Goddard discussed less-utilised tools, including mediation



Michael Hicks provided a rundown of how best to approach UK IPO proceedings

“  
*Michael advised against using witness statements as an excuse to regurgitate legal arguments*”

## BEST PRACTICE AT THE UK IPO

Michael Hicks of Hogarth Chambers gave a comprehensive talk on best practice, strategy and tactics in UK IPO proceedings. He included advice on assessing a client’s ultimate objectives and its attitude to and awareness of risk (eg exposure to non-use attacks), and noted the need to manage expectations so that a client is not shocked by a decision or risky ideas.

When it comes to deciding whether to oppose or file a claim, or both, Michael suggested that plans be made well in advance. He stressed the need to be aware of issues relating to multiple challenges and abuse of process, and noted *Henderson v Henderson*, *SPAMBUSTER*, *Special Effects v L’Oréal*, and *FIRECRAFT*.

### EMPHASIS ON EVIDENCE

Spending some time on the subject of evidence, Michael stressed the need to draft witness statements correctly. In particular, they should be expressed in the witness’s own words. He advised against using witness statements as an excuse

to regurgitate legal arguments, and discussed the need to stop witnesses from saying more than they know.

Michael added that incredible evidence can be rejected, but you must ask the UK IPO to disregard it. Do not ignore it. Hearsay evidence can be admitted, but is of low value because it is second-hand information.

He reminded the audience that survey evidence requires permission and you must detail how it will be carried out. While expert “opinion” evidence is allowed, you need permission for it also. Be aware of the expense involved, and that such evidence will be excluded if it is of little probative value.

Michael also noted that trade evidence is useful, but be cautious of straying into “opinion” (*Enterprise v Europcar*; *Rihanna*) *Fenty v Arcadia*). Evidence from company managers with second-hand information regarding confusion should be treated with caution, as such information does not say why the consumer is confused (*My Kinda Town v Soll*; *Thomas Pink*). ▶

## HONEST ADVICE

CMS’s Kelly Saliger discussed honest concurrent use (HCU), including the relevant law, using HCU before the UK IPO and EUIPO, statutory acquiescence, HCU as an infringement defence and the case law. She noted that:

- HCU has not progressed quickly because the UK IPO no longer blocks applications on relative grounds – but it will become a “hot topic”.
- There is no equivalent of HCU at EUIPO, though the CJEU accepts the concept (*Budweiser and Grupo SADA*), and coexistence is considered a factor, but the case law is mixed.
- Coexistence in the UK does not preclude opposition at EUIPO.
- The parties to HCU must have coexisted peacefully for a long period of time with no adverse

*Continues over the page*

# Autumn Conference 2018

effect on the RTM, ie the later mark has not or is not liable to have an adverse effect on the earlier mark's origin function.

- Acquiescence in the TMA 1994 and EU Trade Mark Directive is very similarly worded, but the UK deals with use, whereas the EU does not. Use must be for a continuous five-year period that only begins when Budweiser conditions are met.
- HCU is technically not a defence to trade mark infringement, but, in theory, there could be no infringement claim because the use does not impact the mark's functions.

## Main messages

Kelly went on to discuss the important cases of Budweiser; IPC Media v Media 10 Ltd (Ideal Home); Lindt; and Victoria Plumb Ltd v Victorian Plumbing Ltd. Takeaways included:

- Knowledge of the use must be absolute (eg there is a letter between the parties, or the brand is well known, or the parties have been at the same trade show together).
- There will be HCU if the respective marks have never signified only one business.
- There can be no effect on the functions of a mark where there has been coexistence for a significant period of time.
- Do not bid on keywords. It is not peaceful and therefore not HCU. Act in good faith.
- Consider how committed the client is to the brand. Is the client coexisting with a descriptive mark? And, if they do not want to rebrand, do they accept the restrictions and costs on moving forward?
- Look at the get-up of each business and keep as far from the other as possible.
- Discuss the key cases and principles with clients and recommend marketing strategies that will keep them away from these cases.



Bonita Trimmer armed delegates with a metaphorical sword and shield for earlier rights

“  
*If you do not win on s5(3) reputation, you are unlikely to succeed under s5(4)(a)*”

## EARLIER RIGHTS ROUND-UP

Bonita Trimmer of Browne Jacobson LLP provided a useful and detailed summary of recent UK Appointed Person/Court decisions in relation to earlier rights under s5(4) and s11(3) of the TMA 1994, including: Monster Energy Co (O/499/18); PYDREX (O/414/18); Telugu NRI Forum Corporation (O/210/18); Youdan Trophy (O/049/18); Mr Compensator (O/597/17); Caspian Pizza Ltd & Ors v Shah & Anor; and Student Union Lettings Ltd v Essex Student Lets Ltd.

Bonita described the concept of earlier rights in s5(4) as “the sword” (preventing registration by virtue of the law of passing off) and s11(3) as “the shield” (earlier right in a particular locality defence). Bonita's key take-home points included:

- Although there is no requirement for a “common field of activity”, that does not mean it is ignored.
- If you do not win on s5(3) reputation, you are unlikely to succeed under s5(4)(a).

- Producing evidence of actual customers (ie invoices) is key to establishing goodwill for the services you are relying on.
- Ensure the opponent is the correct owner of the goodwill. It has to be the actual proprietor of the right, and a belated assignment document will not rescue the case.
- Ensure that you have the “right type of goodwill”. Only goodwill that can be damaged by misrepresentation will be accepted.
- The precedent-setting Caspian Pizza case confirms that a local passing off right that is sufficient for s11(3) is also an “earlier right” for the purposes of s5(4)(a), following SWORDERS (O/212/06) and not Red Solicitors v Red Legal. Local goodwill can prevent a UK registration because a trade mark application operates as an extension of the use of that mark over the whole country.
- Prior local goodwill that also extends to another locality (even if the use is small) can be enough to prevent use and defeat a s11(3) defence.



## Allister McManus

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# LISTEN UP!

Douglas McPherson suggests extending your practice by lending an ear

**By far the** easiest route to practice growth is through your existing client base. If you can manage these relationships effectively, you'll generate new work – whether in the form of more work from the clients themselves or from the referrals they generate. The question is: how do you make sure your client relationships are generating those all-important opportunities? The key to unlocking the potential in your client relationships (increased retention, cross- and up-selling opportunities, and referrals) is to listen. Unless you're listening to your clients, how do you know what they consider the best possible level of service to be, or which of the extras you offer actually constitute genuine added value?

Far too many attorneys only find out a client is dissatisfied when it walks. Taking the time to listen to clients will uncover any unhappiness and put it right before they take the ultimate step.

### **DON'T BE SHY**

You may be concerned about asking for listening time. After all, your clients are very busy. However, they won't be too busy to take the time to feed back on how you could improve, provide more in certain areas, do things slightly differently or – crucially – make their businesses run better and their working lives easier.

And as long as you act on the suggestions your clients make, your client relationships will immediately

strengthen. First, because of the extra brownie points you'll earn just by conducting a listening exercise. Second, because who wouldn't choose to continue with an advisor who delivers exactly what they want in the way they want it delivered?

“

*As long as you act on the suggestions your clients make, your relationships will strengthen*

You may only interview half a dozen clients, but the common themes that come up will have a considerable impact on your practice. If a few clients suggest the same improvements, those improvements will likely benefit many other clients. At the very least, they will give you a reason to get in touch with other clients to tell them about the new

options you create. This gives you the perfect chance to begin a new conversation that could well lead to new instructions or introductions.

### **COMMUNICATIONS CLUES**

Clients may also clue you into the best ways to communicate with them (eg a webinar rather than a seminar, email tips rather than full-blown articles) so you can make your marketing more cost- and time-effective. They may point out a publication or conference you could be utilising to meet potential clients with a similar profile – again, this is insight that will help make your future business development more profitable and productive.

Ultimately, your clients are your practice. You may have a lot of nice words on your website, in your brochures or in your tender documents that articulate just how seriously you take client care, but unless you make an actual gesture, those words will never be truly felt. And if that commitment isn't felt, you will never maximise your retention, revenue or referral numbers.



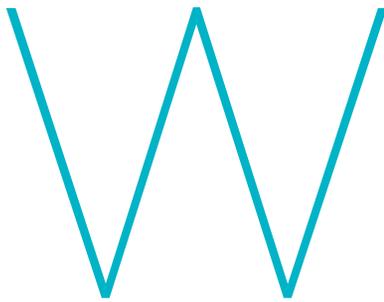
### **Douglas McPherson**

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He provides specialist marketing, business development and client research services to the legal sector.

# THE TROUBLE WITH TRIBUTES

Sincere appreciation or cynical appropriation?  
Trecina Surti looks at the clashes that can occur  
in the world of wannabes



Whether a popular band appreciates those paying tribute to its music or actively fights against them, the world of tribute acts is undeniably big business. The Cambridge Dictionary defines “tribute band” as “a group of musicians who play the music of a famous pop group and pretend to be that group”. Some of the best-known tribute bands – including Björn Again, The Bootleg Beatles and The Counterfeit Stones – have built up enthusiastic fan bases, merchandise lines and long-standing careers in their own right.

The craze is said to have been started by The Bootleg Beatles: the band formed off the back of the 1977 Broadway show *Beatlemania*. When the run ended, the cast formed into groups and kept on touring. However, others trace the

rise of tribute bands to Australia, where acts such as The Australian Pink Floyd sprung up in the late 1980s to make up for the fact so few acts toured there at the time.

Tribute bands tend to present themselves as just another form of fandom, albeit comprising fans who are talented musicians in their own right. Yet, depending on your viewpoint, their work can be seen as either a sincere compliment or a savvy attempt to make money from another’s creativity and reputation.

While fans booking to see a tribute band are unlikely to confuse it with the real deal, they will be expecting to hear the most familiar songs and recognise something of the visual identity of the original in the ersatz band – which can be where the trouble starts. Unsurprisingly, this is an area rife with IP-related infighting – not just between the tribute act and the original, but also between tribute acts fighting for supremacy.

## ORIGINAL SPIN

Some tribute bands put their own spin on the music. For example, GABBA (ABBA meets The Ramones), Beatallica (mash-ups of songs by The Beatles and Metallica) and Dread Zeppelin (reggae versions

of Led Zeppelin tracks). However, tribute acts usually perform straightforward versions of the original band’s songs, particularly songs that the original artists aren’t so keen to keep playing, while dressed in the clothes of whatever era fans consider to be that band’s heyday.

When it comes to names, puns are popular as a way to reference the original while simultaneously making it clear that the act is a tribute. Well-known examples include Fake That, Fan Halen, Pink Fraud, Not The Rolling Stones, The Pretend Pretenders and U2 2. Other tribute acts simply tack the word “experience” onto the end of the original act’s name – eg The Dolly Parton Experience. Others opt for humorous variations on the original name, such as Antarctic Monkeys, Fell Out Boy, Girls Louder, Happy Mondaze, Kins of Leon, KnotSlip, Oasish and Nervana.

Making reference to well-known tracks is another popular option – eg Jean Geanie (David Bowie), Live/Wire (AC/DC), The Rocket Man (Elton John), Wannabe (Spice Girls) or West End Girls (The Pet Shop Boys). Other tribute acts play on imagery associated with a group, such as ZoSo, a band named after ▶



“

*Tribute bands can be seen either as a sincere compliment or a savvy attempt to make money from another's creativity*

an occult symbol adapted by and associated with Led Zeppelin's Jimmy Page.

### TOO CLOSE FOR COMFORT?

While it is good to have a catchy tribute band name that is similar to the original, there are legal implications to take into consideration. Often, what is deemed to be acceptable will vary widely, depending on the band, its management and record label, and whether or not there is clarity as to who owns the trade mark for the original band's name and any associated IP rights.

When tribute band names are highly similar or almost identical to the original artist's name, this may constitute trade mark infringement if the original band has registered trade mark rights, or has acquired unregistered use rights through use in the name (including passing off), and objects to the tribute band's presence.

Even though audiences will not, for example, mistake the Copycat Dolls for the Pussycat Dolls, the imitation does have the potential to mislead fans and, of course, enables the tribute to benefit from the goodwill and reputation of the original band.

There may also be a problem if the tribute band uses similar logos and branding to those of the original band, as was the case in *Manowar v Womanowar* (see box, page 18). However, the fact that the tribute band members dress in a similar way or sound like the original artist will not fall into any category of copyright infringement or represent trade mark infringement (including passing off) in the UK and EU.

### YOU CAN'T "OWN" A LOOK

In a 2013 dispute heard by the District Court of The Hague, US actor Dan Aykroyd and the widow of John Belushi, his co-star in *The Blues Brothers*, sought to bring an infringement action against a *Blues Brothers* tribute show. While they were successful in their actions for trade mark infringement (based on two registered Community, now EU, trade marks), the Court did not agree that the distinctive *Blues Brothers* look – black suit, black hat

and black sunglasses – was protected by copyright.

Part of the decision rested on the fact that the appearance of the film's main characters, Jake and Elwood Blues, was deemed to be similar to the dress style of a number of blues legends from the 1950s, such as Reverend Gary Davis and John Lee Hooker. However, more generally, EU copyright laws do not grant exclusive right to a person's "distinctive style"; in other words, copyright does not subsist in someone's appearance or the way they dress.

Of course, when it comes to actual songs, under copyright law, an artist or band will have protection against unauthorised use of the music and the lyrics, provided the work is original. There will also be protection around the performance of the lyrics and music in a public place.

In theory, any tribute band would need to seek permission to perform the original music, but, in reality, the band and/or the venue that hosts it will deal with the country's collective management organisation, which administers the rights associated with the live performance of music. In the UK, this is the Performing Rights Society (PRS).

Of course, the original band also attracts revenue through tribute acts due to this licensing arrangement (assuming it wrote the songs), and there are examples of bands that are active in the management of their tribute acts, whether as a means to generate profit or simply as an attempt to ensure each act meets a certain quality standard. The Queen Extravaganza is produced by Queen's Brian May and Roger



*There are examples of bands that are active in the management of their tribute acts*

## THE RISE OF THE TRIBUTE FESTIVAL

Somewhat incredibly, the popularity of tribute bands has spilled over to tributes to popular live events. The Bootleg Beatles may have played the main stage at Glastonbury, but they're most often found at Glastonbudget, one of the world's most popular tribute festivals. It riffs off the name of the venerable summer institution, but, as its website makes clear, "Glastonbudget is in no way connected to Glastonbury or Glastonbury Festivals Ltd". And, while it also takes place on a farm, this farm is located in Leicestershire, some distance from the original's Somerset stomping ground.

While there may be the potential for a passing off claim in this instance, to date there have not been any cases, and Glastonbudget appears to have been running since 2005 without encountering any IP legal action. It may simply be that the owners of the Glastonbury brand do not have an issue with the tribute festival, or that an agreement has already been put in place.

Taylor, for example, while Frank Zappa's son Dweezil tours playing his father's music in the band Zappa Plays Zappa. T. Rex tribute act T. Rextasy is officially endorsed by the estate of Marc Bolan and plays anniversary acts for the late singer's family and friends, reportedly in Bolan's own clothes.

### REPUTATIONAL PARADOX

With so many popular tribute acts touring for an engaged fan base, knowing when to act against such activities can be a cause of some discomfort for bands – especially rock bands that position themselves outside the mainstream. Come down too heavily on a tribute and it may provoke a public backlash, which could result in greater reputational damage than simply allowing the band to exist. Plus, of course, as soon as you shut one tribute band down, another is likely to pop up to replace it.

Few rock stars wish to be seen as money-hungry or lacking in humour.



“  
*One and Only Direction routinely incurs the Twitter wrath of diehard One Direction fans*

Some have even made it part of their ethos to eschew any legal ownership of such rights, or are happy to share in the joke.

Threatening legal action can work, however, where there is a legitimate concern. For example, issuing cease-and-desist notices is a good route to make tribute bands change their name and/or stop using protected signs such as logos or slogans.

Other bands simply let their fans do the work of discouraging copycats. One Direction tribute band One and Only Direction routinely incurs the Twitter wrath of Directioners, diehard fans of the original band, via the hashtag #STOPyouarenot1D.

In the UK, the law of passing off would also usually come into play when the tribute band is using a similar or identical name/branding to that of the original band. For passing off, the claimant will need to establish that it has goodwill and a reputation in the name and that the

use of a similar/identical name will be a misrepresentation that is likely to cause damage to the claimant. A passing off claim can also be invoked if a tribute band uses the original band's images to advertise itself.

#### **WHEN TO ACT AND WHEN TO MONITOR**

A tribute band may actually be a good way of promoting the original band, keeping its work and legacy in regular view and stoking the enthusiasm of fans between authentic tours and releases. However, when tribute bands use near-identical names or branding, there is a real risk of consumer confusion, a potential loss in revenue for the original band and damage to reputation. In these circumstances, it may be necessary to take action.

As with all brand value, the first step should always be to assess the IP landscape associated with the band. Despite the value inherent in a successful band's name, ownership

of the associated trade mark rights is not always discussed or even considered at the time of the band's formation, emerging artists generally being more focused on making music than on IP issues. And, while a band's name is usually owned by all the members of the group, in some cases, it is owned by the producer or the record label. Not infrequently, there is no formal agreement between the parties as to ownership of the name.

In addition, although it is not possible to trade mark a personality, certain aspects of that personality might be registrable, eg surnames, famous names, signatures, and possibly slogans and some sounds. All these may seem incidental at the point of a group's formation, but will often become more iconic (and valuable) as the years progress.

Check that trade mark ownership has been agreed in writing, which provides the clarity needed to ensure prompt action against any unauthorised third-party use. ▶



Authentic clothing, haircuts and instruments are an integral aspect of many tribute bands' appeal

This can and should include acting against infringing use by unwelcome tribute bands or similar activity.

Of course, when a band does take action, it is advisable to be extremely cautious in the approach. A friendly letter before action in the first instance is recommended, in case there is an opportunity to negotiate the right outcome for both parties.

#### TRIBUTE BANDS: GETTING IT RIGHT

Having said all that, what's our advice to tribute bands? First, ensure that the name used for the tribute band is sufficiently different from that of the original group to ensure protection against trade mark infringement actions.

When promoting the band, take care that any artwork doesn't too closely resemble that of any third party – in particular, the original band – thereby infringing copyright in that original material and any related trade marks. Make sure it does not mislead people into thinking the tribute band is authorised by the original band. A byline after the band name that explicitly uses the phrase "tribute band" is also a sensible move.

If tribute bands do wish to use logos, colours or fonts that closely match those used by the original band, they should attempt to seek



*A byline that explicitly uses the phrase 'tribute band' is a sensible move*

consent prior to use in order to avoid receiving a cease-and-desist letter or facing a potential infringement claim.

Finally, it is important to ensure that the venues the tribute band chooses to perform in have a valid licence. Tribute bands performing in the UK can always contact PRS to ensure that they are protected from any copyright claims by having the relevant permission to use the right holder's work. ●

## WHEN BANDS BITE BACK

Tributes that have provoked the ire of their inspiration

### Blonde Jovi

Bon Jovi's attorneys sent a cease-and-desist letter to US tribute band Blonde Jovi in 2009. As well as complaining about the name, the letter called Blonde Jovi out for using Bon Jovi's "heart and dagger" logo mark on its website, and insisted that Blonde Jovi cease all use of that logo and their name. While Bon Jovi acknowledged that Blonde Jovi was a tribute band, it argued that the highly similar name constituted a likelihood of confusion and, as a result, allowed the tribute brand to free-ride on Bon Jovi's reputation. Blonde Jovi has since changed its name.

### The ABBA Teens

ABBA and its record label Universal Music regularly send out cease-and-desist letters insisting tribute acts containing the name, such as ABBA Queens and ABBA Mania, cease to do so. Björn Ulvaeus and Benny Andersson forced The ABBA Teens to be renamed The A\*Teens "to avoid confusion" after the band's cover of the ABBA classic "Mamma Mia" topped the charts in more than 10 countries.

### Let It Be

West End musical *Let It Be* was sued by the producers of an earlier, American Beatles tribute show called *Rain* on the grounds of copyright infringement. The *Rain* producers asserted that *Let It Be* used highly similar artwork, songs and costumes. The case was settled out of court; however, considering both shows were based on the original band, there were bound to be similarities with the songs and costumes.

### Manowar v Womanowar

In *Manowar v Womanowar*, a cease-and-desist letter was sent to Womanowar, a "feminist tribute band" to American metal group Manowar. The act was using a logo similar to that used by the original band.



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A large, stylized graphic of the letters 'IP' in a serif font, centered within a large white circle. The background is a light grey color with a white curved shape on the left side, creating a modern, abstract design.

IP

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# DOUBLING DOWN ON DISRUPTION

Prepare for two days of spirited discussion on today's key IP challenges

This year's annual CITMA Spring Conference will see participants tackle the topic of "Disruption: the world and IP". We are pleased to confirm that our keynote speaker will be Lord Smith of Finsbury, the Chair of IPReg and a former MP and UK Cabinet Minister.

The event will take place on 14th and 15th March 2019 at the IET London: Savoy Place, a centrally located conference venue just off the Strand in London. The talks will include discussion of such diverse topics as blockchain, Brexit, artificial intelligence and pharmaceuticals.

We are currently confirming an impressive line-up of speakers from private practice in the UK and EU, as well as in-house attorneys from huge names including IBM, Bayer and Superdry (see some of our key speakers in the box to the right).

### DON'T MISS OUT ON DESIGNS - AND DRINKS

This year's conference will be preceded by an Intensive Design Seminar on 13th March, hosted by Gowling WLG at More London Riverside, just down the river from the full conference venue.

Among the highlights, John Coldham, Partner at Gowling WLG, will chair an in-house panel discussion looking at how businesses

approach design protection from a number of perspectives.

Later in the day, Tom Sharman of Reddie & Grose will offer a practitioner's perspective. He will focus on UK filing numbers since the country joined the Hague System. Other speakers will include Appointed Person Daniel Alexander QC, alongside leading barristers, providing their own unique views.

We are also pleased to welcome The Hon Mr Justice Richard Arnold, who will address the effect of descriptions and representations on the scope of protection of designs.

Booking for the event is independent of the Spring Conference, but those registering for the conference can attend the seminar at a discounted rate.

After the seminar, attendees will be able to join other conference participants for a drinks reception at the nearby Brigade Bar & Kitchen to kick off the main event.

### GALA DINNER: HIGH TIMES

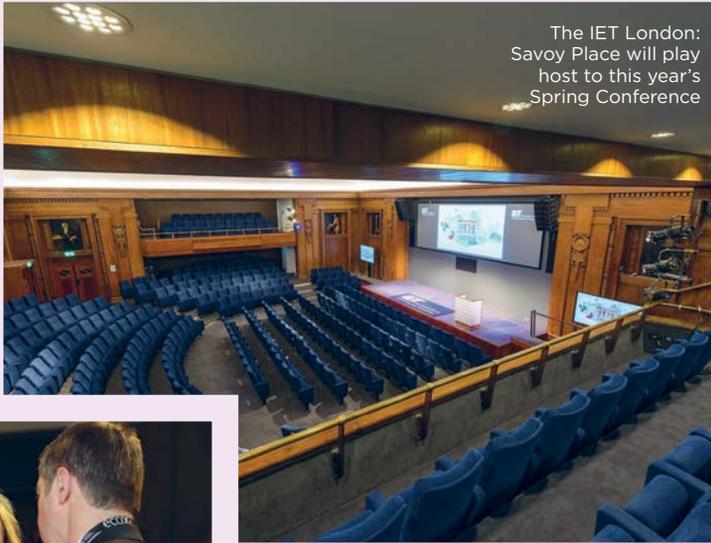
On the evening of Thursday 14th March, attendees will enjoy a Gala Dinner at Altitude 360, located on the 29th floor of Westminster's highest building, Millbank Tower. This modern venue offers spectacular, 360-degree views across the city. Don't miss this opportunity to network with speakers and attendees from all over the world.



### CONFIRMED SPEAKERS FOR THE CITMA SPRING CONFERENCE 2019 SO FAR INCLUDE:

- **The Rt Hon Lord Smith of Finsbury, Chris Smith**, Chairman, IPReg
- **James Sweeting**, Senior IP Counsel, Superdry
- **Sylvie Martin Acosta**, Head of IP, EMEA, IBM
- **Christian Schalk**, Senior Counsel, Bayer
- **Kelly Saliger**, CMS (pictured above)

Check [citma.org.uk](http://citma.org.uk) to keep up with further additions



The IET London: Savoy Place will play host to this year's Spring Conference



Informal events complement intensive sessions



## DELEGATE FEE INCLUDES:

- Entry to every session
- Nine earned hours of CPD
- Welcome drinks reception on 13th March
- Conference lunch on 14th March and lunch on 15th March
- Drinks reception and Gala Dinner on 14th March
- Tea and coffee
- Speaker presentations post-event
- Discounted entry to the Intensive Design Seminar on 13th March

Discounted rates are available for students and in-house attorneys. Find out more at [citma.org.uk](http://citma.org.uk)

## INTERESTED IN BEING AN EXHIBITOR?

Our Spring Conference is the perfect venue at which to showcase services for the IP profession. For information on sponsorship and exhibition opportunities, please contact [melanie.white@worldspan.co.uk](mailto:melanie.white@worldspan.co.uk)



# WHAT'S NEW COPYRIGHT?



The European Commission's new copyright directive leaves a number of questions unanswered, writes John Coldham

# ON

14th September 2016, the European Commission issued a proposal for a new Directive on Copyright in the Digital Single Market. The Directive was largely issued in response to the ever-changing digital landscape, the increasing availability of copyright-protected content online and the need to future-proof our laws to the greatest extent possible by providing a legal blueprint that would apply to developing and new technologies.

In particular, the Commission noted that the new Directive has been drafted with three main objectives:

1. more cross-border access for citizens to copyright-protected content online;
2. wider opportunities to use copyrighted material for education, research, cultural heritage and disability-related purposes; and
3. clearer rules for a functioning copyright marketplace that stimulates the creation of high-quality content.

The Directive is currently being negotiated by the European Parliament, Commission and Council as part of a closed-door trilogue, with the final vote scheduled for spring 2019. Previous drafts of the Directive were rejected in the first instance by the European Parliament for being too broad in scope. A heavily amended version of the text is now under review, but this current proposal still leaves many questions unanswered.

The draft Directive contains key provisions to enable wider access to copyright-protected materials for universities, cultural heritage institutions and research organisations, with a view to redressing uncertainties about using works that are protected by either copyright or database right. These rights include the ability to carry out data mining and reproductions of copyrighted works to preserve cultural heritage.

While the educational and research-led proposals have not caused much debate, other Articles of the Directive have proved to be more controversial. In particular, some commentators view Articles 11 and 13 as a threat to the way that many EU citizens enjoy online content. So, let's look at these Articles in greater detail and explore why they could be understood to reach further than initially intended.

## CAUSE FOR CONTROVERSY?

In Recitals 31–35 of the draft Directive, the Commission notes that “a free and pluralist press is essential to ensure quality journalism and citizens’ access to information ... The increasing imbalance between powerful platforms and press publishers ... has already led to a remarkable regression of the media landscape on a regional level”.

In response to these problems, the Commission proposed the current draft Article 11, which places certain obligations on Member States and information society service providers (ISSPs) in respect of an ISSP's use of press publications.

In summary, Article 11(1) requires Member States to provide press publications with rights to authorise or prohibit reproduction and communication to the public of their works so that they receive fair and proportionate remuneration for such uses of their works. Under Article 11(5), Member States are also obliged to ensure that authors receive an appropriate share of these additional revenues.

Under the draft Directive, an ISSP is defined as “any service normally provided for remuneration at a distance by electronic means and at the individual request of a recipient of services”. This definition is arguably unnecessarily broad and will catch a large number of online businesses that, for example, merely use quotes from press publications in order to promote or advertise their business or sector. The initial intention of the Commission was to target news-scraping services. However, the current wording will capture many other more generally focused businesses that simply operate online.



“

*Many businesses that host user-uploaded content will likely need to implement comprehensive licensing and review processes*

Given the breadth of the current definition, it is also unclear who is liable for payment of the additional remuneration. For example, if a seller on an online marketplace advertises its goods by quoting from a press review of those goods, both the seller and the online marketplace fall under the definition of an ISSP. It is uncertain whether a seller that provides a link to an article along with an extract from that publication will be responsible for the additional remuneration, or whether the online marketplace will.

#### **FAIR AND PROPORTIONATE?**

The draft Directive requires Member States to ensure that press publications, and also their authors, receive fair and proportionate remuneration. However, it does not provide any direction as to what constitutes such remuneration, other than that “the listing in a search engine should not be considered fair and proportionate remuneration”.

While the aim is laudable, the fact that limited guidance has been provided as to how remuneration will be calculated means that users who share links to publications are exposed to unknown liabilities. This uncertainty is exacerbated if we consider that the definition of “fair and proportionate remuneration” will differ in each Member State. Calculating the appropriate payments due in circumstances where an article is shared on a commercial social media page that can be accessed from various EU Member States may prove time-consuming, bureaucratic and cumbersome.



Article 11(2a) provides a limitation to the scope of Article 11, in that “[t]he rights referred to in paragraph 1 shall not extend to mere hyperlinks which are accompanied by individual words”.

In its current form, the draft Directive is opaque as to how many words will be considered more than “individual words” and where the cut-off point will be. For example, there may be circumstances where a link is contained in one post, with various subsequent posts or comments containing more than individual words. The Directive currently provides no detail regarding how ISSPs are expected to enforce or comply with this obligation.

#### **ARTICLE 13 REQUIREMENTS**

Article 13(1) provides that online content-sharing service providers (OCSSPs) perform an act of communication to the public, and therefore must conclude fair and appropriate licensing agreements with rights holders. Further, these licensing agreements must cover

uses of works uploaded by all non-commercial users of the OCSSP.

An OCSSP is “a provider of an information society service, one of the main purposes of which is to store and [give the public access to] a significant amount of copyright protected works or other protected subject matter uploaded by its users, which the service optimises and promotes for profit-making purposes”.

The definition is ultimately likely to catch not only sharing platforms for video and music, for example, but also any online library of copyright-protected works, subject to the relevant exclusions (discussed further below) and the meaning of a “significant amount of copyright protected works” (which is not defined in the Directive).

Under the current wording of the draft Directive, there are a number of parties that fall outside the definition of an OCSSP. These are:

- micro-enterprises that employ fewer than 10 people and whose annual turnover or balance-sheet total does not exceed €2m;



Even if sites such as these do not take down the content, platforms will either have to introduce content-recognition technology or risk liability if they stick with the current takedown procedures. Many businesses that host user-uploaded content will likely need to implement comprehensive licensing and human review processes.

#### ENDURING CONCERNS

When issuing this proposal, the President of the Commission noted that he wanted “journalists, publishers, and authors to be paid fairly for their work, whether it is made in studios or living rooms, whether it is disseminated offline or online, whether it is published via a copying machine or commercially hyperlinked on the web”. It remains unclear whether the Directive will truly be able to fulfil this ambition.

The definitions of both ISSP and OCSSP contain unclear and unquantified metrics, such as “fair and proportionate remuneration”, as discussed, and a “large number of copyright works”. These vague and uncertain terms will inevitably mean that more parties will fall within these definitions than initially anticipated.

If the act of monitoring for potentially infringing content becomes unnecessarily burdensome, whether in terms of time or money, there is the risk that European users’ access to copyright-protected content online will be significantly curtailed. If this is the case, it would ultimately undermine the Commission’s proposal to provide greater access to online content without borders. ●

*Read the full text of the amended copyright directive at [bit.ly/447\\_Copyright](http://bit.ly/447_Copyright)*

- small enterprises that employ more than 50 people and whose annual turnover and/or balance-sheet total does not exceed €10m;
- services acting in a non-commercial capacity, such as online encyclopaedias and providers of online services where content is uploaded with the authorisation of all rights holders (eg Wikipedia-style services);
- cloud service providers where the service is for individual use rather than public access;
- open-source software development platforms;
- online marketplaces whose main activity is online retail of physical goods (eg the core marketplace businesses of Amazon and eBay).

#### HOW WILL OCSSPs COMPLY?

The main controversy surrounding Article 13(2) is that an OCSSP will now be liable for the works uploaded by its non-commercial users. This provision has been widely criticised because it is unclear how OCSSPs will be able to check effectively and efficiently who owns the copyright in the content uploaded by its users.

Susan Wojcicki, CEO of YouTube, recently commented on the draft Article in a piece for the *Financial Times*, flagging that it would bankrupt YouTube’s creator economy. Wojcicki has claimed that, to avoid liability under Article 13, sites like YouTube and Reddit will simply remove content that is challenged, and European users will miss out.



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Alice Stagg, a Principal Associate, and Khemi Salhan, an Associate, co-authored.

# NOMINET'S NOTABLE LOSERS



Chris Hoole homes in on the few decisions that found against the complainant in 2018

Over the course of 2018, Nominet's Domain Resolution Service (DRS) handled in excess of 200 summary, final and appeal decisions. So, where to begin in identifying the most interesting cases of last year? Usefully, Nominet's website provides users with a clear and accessible tool to review decisions.<sup>1</sup> A cursory review shows that the majority of DRS applications were successful in 2018, with only a few resulting in no action. So, it seems fitting to look at a selection of failed applications and the varied reasons that were given for a finding against the complainant.

## NO HORSEING AROUND

Zoetis Services LLC and Zoetis, Inc v Trifega Ltd (D00020412) is an Expert's final decision concerning the domain name [equest.co.uk](http://equest.co.uk). The lead Complainant, Zoetis Services LLC, specialises in the development and manufacture of animal medicines and vaccines. Its equine antihelmintics (drugs to destroy parasitic worms) are sold under the mark EQUEST. It also owns a UK trade mark filed in 1995 and an EU trade mark filed in 2002 for EQUEST in class 5 for antihelmintics. The Respondent registered the domain on 6th July 2006.

Despite the fact that 12 years had passed since registration of the Respondent's domain, Zoetis claimed it had only just become aware of it. In support of its claim that the registration was abusive, it sought to rely on a previously adverse decision against Trifega in an unrelated case, and argued that the domain name was a blocking registration. It also noted that the domain website contained links to weight-loss products.

The Expert was not convinced. Though finding that Zoetis had established earlier rights, he found that the mark EQUEST was not unique to the Complainant, but used for niche goods, comprising the common prefix "e". The domain was registered without the Respondent's knowledge of the Complainant's existence and used simply as a holding page. Ultimately, "the Respondent was entitled to register the Domain Name [to make] notional fair-use of it in relation to its business of dealing in Domain Names". The Expert held that the domain was not an abusive registration.

In concluding, the Expert criticised the "presumptuous and dismissive attitude, expressed in the Complainant's Reply" regarding mediation. The Expert stressed that mediation should be explored by all parties to DRS disputes, potentially leading to costs savings and

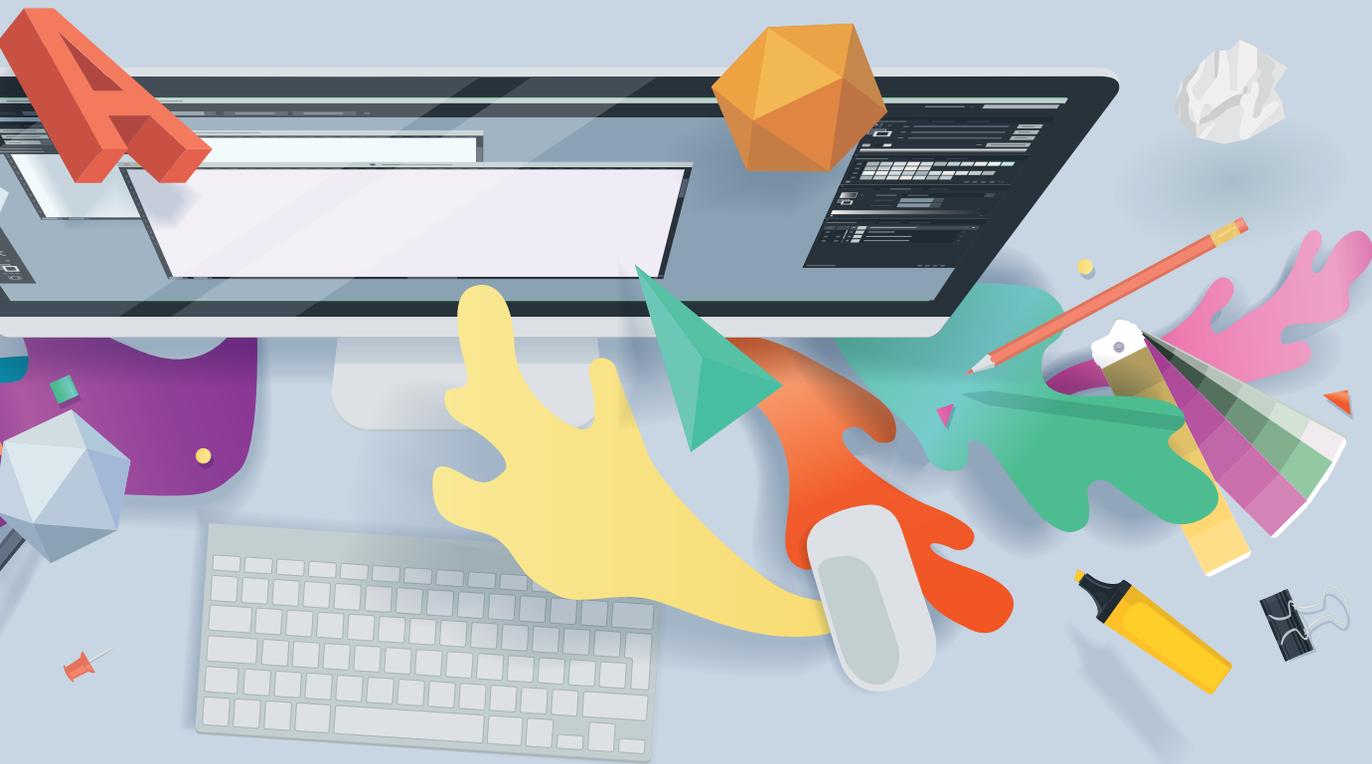
settlement without the need for a formal decision.

## TOO LITTLE ARGUMENT

H Ltd v Domain Capital, LLC (D00020410) is an Expert's final decision concerning the domain name [h.co.uk](http://h.co.uk). The Complainant alleged that, since 1992, it had made active use of an "H" logo. And, as the only company registered at Companies House under "H Ltd", it also claimed to be the only company entitled to the domain. H Ltd did not own any registered trade marks for H.

To succeed in any DRS action, a complainant must first establish enforceable rights under paragraph 2.1.1 of the Nominet Dispute Resolution Service Policy – ideally, in a registered trade mark, but this can also include unregistered rights. All is not lost even if a term is descriptive, provided the complainant can prove that the term has acquired a secondary meaning. Mere registration of a company name at the Companies Register does not itself give rise to any rights.

Here, the limited evidence of the Complainant's trading activity (which included financial statements from 2016, a VAT certificate and an example contract) were found to fall "well short" of what would be required to establish earlier unregistered rights or to demonstrate that "H" had acquired



**“ To succeed in any DRS action, a complainant must first establish enforceable rights under paragraph 2.1.1**

a secondary meaning. Accordingly, the Complainant failed to show any rights in the name, and the application failed.

Although the burden of establishing earlier rights in a name is not particularly high in DRS disputes, where the term is descriptive or, as in this case, comprises a single letter, the complainant is likely to face a difficult battle in establishing both rights and an abusive registration.

**A DISCRETIONARY TALE**

Aston Barclay v Ms Hazel Barrett (D00020278) is an Expert’s decision concerning the domain name [astonbarclay.co.uk](http://astonbarclay.co.uk). The Complainant is a car-auction business, purportedly established in 1984. The domain was registered in 2007.

The complaint filed was extremely brief and, although a Chair’s Warning was sent prior to final submission (an automatic notification that occurs when a potentially defective application is detected), no accompanying evidence was provided. In support of the complaint, the Complainant merely stated that it had operated since 1984 from five locations

and that the domain “is impacting AstonBarclays [sic] web presence and search optimization”.

The Expert was critical of the brevity of the complaint and, notwithstanding the obligation on the Complainant to explain all relevant background (under paragraph 18.1 of the Dispute Resolution Service Policy), exercised his discretion to check any material that is in the public domain. The Expert went on to review the Complainant’s website, [www.astonbarclay.net](http://www.astonbarclay.net). The respective WHOIS data for the Complainant’s website indicated it was registered in 2008. On the basis of these self-identified findings, the Expert held that the Complainant had rights in the term “Aston Barclay”, albeit weak ones.

Once more, the Respondent failed to reply. This meant, again, that the Expert was left to exercise his discretion. The Respondent was listed as an individual, but her address did incorporate the name of a company, Aston Barclay UK Ltd. On reviewing Companies House information, the Expert identified that the company was incorporated in 2007, with its nature given as “other human health activities”. The Respondent was the sole director. Further Google searches appeared to reveal a potential link to an active business, run by the Respondent. Due to the discretionary findings and dearth of evidence filed, the Expert could not find the domain to be an abusive registration.

This case highlights that, in certain cases, the Expert may exercise discretion to find evidence of rights on the complainant’s behalf, but that this should not replace detailed, substantive arguments. ●

[1. secure.nominet.org.uk/drs/search-disputes.html](http://1.secure.nominet.org.uk/drs/search-disputes.html)



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# Argos comes oh so close

Arguments around targeting look set to continue, says Carrie Bradley

**This case concerns** an appeal by the UK retailer Argos Ltd (AUK) against the High Court decision [2017] EWHC 231 (Ch) (the 2017 Decision), issued in favour of Argos Systems Inc (Argos US), a small, US-only retailer.

The 2017 Decision was high profile in IP spheres, as Argos US successfully defended all of AUK's claims for EU trade mark (EUTM) infringement and passing off in relation to an ongoing dispute over the domain name *argos.com* (the Domain) and the display of ads on the Google AdSense programme.

## CAUSE FOR COMPLAINT

Argos US has traded exclusively in the US in relation to its CAD software licensing services since 1991, and registered the Domain in 1992. AUK has traded predominately in the UK and Ireland, and registered *argos.co.uk* in 1996.

The parties did not cross paths until 2004, when the Domain began attracting traffic from internet users in the UK and Ireland (the UK Traffic), who were landing at the Domain in error. Data from Google Analytics noted that 90 per cent of the UK Traffic resulted from the users typing the Domain directly into their browsers, presumably based on their best guess of AUK's likely domain.

The ensuing dispute arose because, from 2008 to 2015, Argos US participated in the Google AdSense scheme, whereby it agreed to provide space on the Domain for Google to display the ads of third parties. In return, Argos US would receive a share of the advertising fees paid to Google. The amount of that revenue was determined by the number of "clicks" on the ads and the number of times that the ads were viewed by visitors landing on the Domain.

Throughout that period, AUK had also subscribed to have its ads displayed on third parties' sites. As a result, Google duly displayed AUK's ads on the Domain, which meant that Argos US began earning revenue from the volume of UK traffic mistakenly visiting the Domain. AUK consequently brought proceedings in the UK against Argos US.

## CURRENT APPEAL

AUK's previous claims under Article 9(1)(a) of Council Regulation (EC) No 207/2009 and passing off had been flatly dismissed, so it did not attempt to resurrect them in this appeal. AUK therefore ran its only surviving claim to infringement under Article 9(1)(c), on the basis that the revenue that Argos US had earned from the UK Traffic was evidence that it had taken unfair advantage of AUK's reputation in the trade mark.

While Argos US accepted AUK's reputation, it denied that it had made any use of AUK's mark in the UK. A key issue that therefore dominated discussion in this appeal was whether Argos US was targeting UK consumers.

## TARGETING CONCEPT

Targeting is a legal concept developed to determine whether a foreign website operated by an online-only trader based in one jurisdiction should be subject to the local trade mark laws and rights of another jurisdiction. In essence, if the website is not targeting local





searched for and arrived at the Domain, the display of the AUK ads on Argos US's electronic billboard served to further reinforce and establish that link, particularly since the UK Traffic could be redirected back to the AUK site by clicking on the ads.

However, the CoA went on to support the original finding that Argos US had not taken unfair advantage of the mark. Argos US's participation in the AdSense programme was a normal commercial activity, and the revenue it had derived was small in the context of its business. Further, none of the UK Traffic had ever clicked past the initial landing page.

#### SIGNIFICANT MESSAGES

Although AUK succeeded in advancing its case in a couple of important respects in this appeal, namely targeting and establishing a link, it was still unable to establish unfair advantage and so could not secure a finding of infringement. Despite this, the improvement in its position may encourage AUK to go on to appeal to the Supreme Court.

In the meantime, the most significant take-home for practitioners is the CoA's current position that, for the purposes of establishing trade mark infringement, even if an economic advantage is created as a result of the economic behaviour of consumers being altered, this will not necessarily amount to unfair advantage being taken of an EUTM's reputation.

#### KEY POINTS

- Online-only trade will constitute local use if "targeting" consumers
- Economic advantage doesn't necessarily amount to unfair advantage

## “ Clients should take note of the blocking feature available on Google's AdWords platform ”

consumers, then the use of a mark should not amount to the use in the course of trade in that jurisdiction.

In the 2017 Decision, AUK had failed to establish that targeting had taken place in relation to the UK Traffic. In this appeal, however, the Court of Appeal (CoA) found that it had. It reasoned that the average UK consumer would consider the AUK ads as being aimed at them, since the ads displayed content that was relevant to their interests, ie AUK's website.

#### OTHER NECESSARY ELEMENTS

Having established targeting, and so use in the UK, AUK still needed the requisite elements of link, unfair advantage and an absence of "due cause" in order to establish infringement. Contrary, again, to the 2017 Decision, the CoA found that the necessary link was established. The CoA reasoned that, although the UK Traffic already had the AUK mark in mind when they

A second observation is that we can probably expect to see an increase in cases of this nature in the future, whereby foreign websites are challenged as infringing the local trade mark rights of third parties based in other jurisdictions as a result of online-only trading. From a pragmatic point of view, clients wishing to avoid their ads appearing on competitors' websites should take note of the blocking feature available on Google's AdWords platform, through which specific domains can be excluded. Until then, practitioners are likely to be wrestling with the core issues of this case long into the future.



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# Poor conduct costs dear

Sarah Williams describes why the Court felt it should lift the costs cap

The Claimant in this case received a successful judgment in the IPEC in May 2018 against Language Empire and a second defendant on the grounds that its trade mark THEBIGWORD had been infringed.

While that judgment was a great success for the Claimant, the case has also set a precedent in relation to the IPEC costs cap, with an award of costs issued against the Defendant that amounted to almost four times the usual £25,000 limit.

**BENEFICIAL REGIME**

The cost-capping regime is considered one of the main benefits of the IPEC. (This was acknowledged by the judge, who, in deferring to the main judgment, said that it is only possible to lift the costs cap in “truly exceptional” circumstances.) However,

Rule 45.30 of the Civil Procedure Rules does allow for an exception to the capped costs scale due to an “abuse of process”.

With this in mind, it is worth noting that, during the initial trial, the Defendants were found to be “uncooperative”. In the request to set aside the costs cap, the representatives for the Claimant argued that significant costs had been incurred due to the actions it had to take as a result of the conduct of the Defendant. The lawyers acting for the Defendant tried to argue that each “uncooperative act” cited as an abuse of process was simply required in the normal course of proceedings.

In fact, HHJ Melissa Clarke agreed that some of the acts were not an abuse of process and, as such, the rule may

not apply. However, she noted that, in the earlier decision, the instances in which the Defendants had indulged in “dishonesty and obfuscatory conduct” were so numerous that she chose to use her “general discretion and broad powers” in relation to costs.

**SPIRITED SUMMATION**

The judge ordered the Defendants to pay nearly £100,000, a sum of almost four times the usual capped costs amount. In commenting on the decision, HHJ Clarke provided further detail, saying she “did not make the decision lightly”: “I accept and understand that the costs cap is a key feature and benefit of litigation in the IPEC, and that certainty about the application of the Scale Costs Scheme is extremely

important to facilitate access to justice for litigants in lower value intellectual property claims. However, where there is an abuse of the processes of the court, as Lord Diplock guides us, the court has a duty to identify it. If the court does not protect the integrity of the court processes to ensure that it meets the overriding objective to deal with cases justly and at proportionate cost, who will?”

“*Where there is an abuse of the processes of the court, the court has a duty to identify it*”

**KEY POINTS**

- ✦ The costs cap of the IPEC can be exceeded in “exceptional circumstances”
- ✦ The conduct of a party throughout a case can be used as the basis for an application to exceed the costs cap



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# All go for Glaxo

Charlie Bond explains why privilege did not prevail for contested email evidence

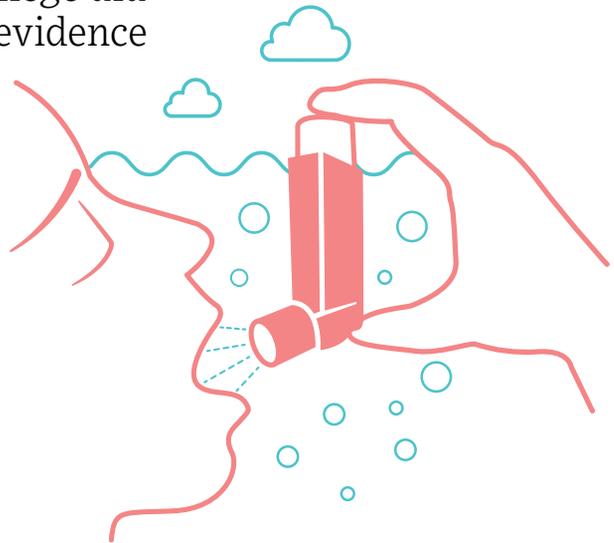
**Here, the Claimants** (both part of the Glaxo group) are suing the Sandoz Defendants for passing off their generic inhaler as the Claimants' branded inhaler, for which patent protection has expired. At the case management conference on 25th September 2018, the Claimants challenged the right of the Sandoz Defendants to withhold two documents from disclosure under legal advice privilege and litigation privilege.

## CAUSE FOR CONTENTION

Under Rule 31.19(3) of the Civil Procedure Rules, a party withholding a document from inspection must state in writing that it has the right to do so and the grounds on which it claims that right. The Defendants sought to withhold two internal email documents from inspection. Both originated from Susanne Groeschel-Jofer, an in-house lawyer for the fourth Defendant at the time the emails were sent, and related to the instruction of Bristows to give legal advice. The recipient of both emails was Dr Malaun, who worked for the fourth Defendant as a drugs regulatory affairs manager.

The Sandoz Defendants claimed privilege for two reasons:

- i. Employees of the Sandoz Group who received the emails were capable of instructing Bristows on behalf of the second Defendant and authorised to receive advice from Bristows on behalf the second Defendant, so their communications with Ms Groeschel-Jofer attracted legal advice privilege.
  - ii. Dr Malaun was authorised to request and receive advice where it was relevant to his functions, and it was within the scope of his authority to provide information for the purposes of obtaining legal advice.
- The Claimants objected, and Chief Master Marsh drew on *SFO v ENRC* [2018] EWCA Civ 2006 and *In Re RBS Rights Issue Litigation* [2016] EWHC 3161 (Ch), before concluding:
- i. Bristows provided legal advice to the second Defendant; there was no suggestion it was provided to the fourth Defendant, which employed Dr Malaun and Ms Groeschel-Jofer.
  - ii. The statement about Dr Malaun's authority did not say he was authorised to seek legal



advice from external lawyers acting for the second Defendant. His provision of information would not make the communication privileged unless he was the client obtaining legal advice.

Notably, the Master stated: "Preparatory work of compiling information by persons with no authority to seek or receive legal advice will never be subject to legal advice privilege." He concluded that the Sandoz Defendants had not demonstrated an entitlement to legal advice privilege in relation to the emails. The Claimants were therefore entitled to inspect them.

## CARE NEEDED

This decision highlights the level of care needed in compiling disclosure lists relating to privileged material and the evidence supporting any claim to privilege. Of particular importance is that fact-gathering, even when performed by an in-house lawyer for the purpose of obtaining legal advice, does not necessarily attract privilege.

## KEY POINTS

- ✦ Take care when preparing disclosure lists relating to privileged material and the evidence supporting any claim to privilege
- ✦ Be clear about which individuals are responsible for liaising with solicitors to avoid confusion
- ✦ Consider the requirements of the different forms of privilege; it cannot simply be assumed that privilege applies

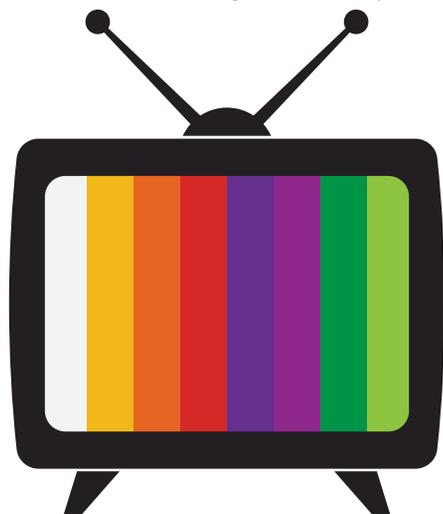


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# An orderly 'Q'

Richard May lines up the facts that led to a finding of likely confusion



**This case concerns** the perception of more than one average consumer in trade mark law. In February 2017, Samsung Electronics Co, Ltd (the Applicant) filed applications in the UK for two signs (depicted below right) for televisions in class 9 (the Applications).

In the consolidated proceedings that followed, Sky plc (the Opponent) opposed both Applications under sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994. The Opponent based the oppositions on two earlier marks – a UK trade mark registration and an EU trade mark application (also depicted below right). Both earlier marks covered class 9 and televisions.

The key point in the opposition was the extent to which the Opponent's marks would be seen as a letter Q. One of the Applicant's main points was that its marks clearly did constitute and/or contain a Q, whereas the Opponent's did not.

## PERCEPTION POINTS

The Hearing Officer (HO) focused on the Opponent's UK series registration (particularly the black-and-white mark) to the extent that it covered televisions, goods that were clearly identical to those for which the Applicant sought registration.

The case ultimately turned on the average consumer's perception of the marks. The Applicant argued that the average consumer would not perceive

the Opponent's marks as a Q, but instead as a metallic ring with a glinting effect added. The Opponent disagreed and argued that it was human nature to look for familiarity and meaning in signs, and, given that its marks look like a typical Q, they would be perceived as such.

The HO accepted this "very rough rule of thumb", but emphasised that consumers will not embark on an analytical exercise in looking for such meaning/familiarity. In other words, the perception will need to be fairly obvious. On this basis, the HO concluded that the average consumer would see the letter Q when it encountered the Opponent's marks, because they matched the typical size and orientation of a Q.

The HO also accepted the Opponent's fall-back position that, even if the notional average consumer did not see a Q, a significant enough proportion of consumers would do so to warrant the tribunal's intervention. In doing so, the HO applied the principle, explored in *Interflora v M&S* [2013] EWCH 1291 (Ch) and *Soulcycle v Matalan* [2017] EWCH 496 (Ch), that it is possible to have more than one average consumer in trade mark law.

The HO went on to conclude that the notional average consumer would, on seeing the Opponent's marks applied to televisions, simply assume the user of the plain Q was moving to a more ornate Q. Consequently, indirect confusion was made out.

## CASE FOR CONFUSION

This case highlights the now reasonably established principle that it is permissible to consider more than one type of average consumer in opposition proceedings. In this case, the HO decided that the notional average consumer would be confused, and also that a significant proportion of the relevant public would see the Opponent's mark as a Q and would go on to be confused.



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## KEY POINTS

- +
- The HO found that the average consumer's perception of a mark must be a fairly obvious one
- +
- The HO applied the principle that it is possible to consider more than one type of average consumer in opposition proceedings
- +
- To make out a likelihood of confusion, it is enough if a significant number of consumers would be confused, even if many, of whom the average consumer is representative, would not be

THE APPLICANT'S UKTM NO 3210646



THE APPLICANT'S UKTM NO 3210648



THE OPPONENT'S UKTM REGISTRATION NO 3157089



THE OPPONENT'S EUTM APPLICATION NO 015869951



# Gumtree comes unstuck

The Registrar wrangled with a variety of issues, writes Caroline Phillips

**On 23rd December** 2015, Michael Maurer (the Proprietor) applied for UK trade mark No 3142026 GUMTREE in classes 18, 25 and 28. The mark was registered on 1st April 2016. Gumtree.com Ltd (the Applicant), a classified ad website, filed an invalidation action against this registration under s47 of the Trade Marks Act 1994 based on s5(2)(a), s5(3) and s5(4)(a) grounds. The Applicant relied on EU trade mark (EUTM) No 3930989 GUMTREE (the Trade Mark) in class 35.

## CASE DETAIL

The Applicant filed evidence of use by way of a witness statement from its representatives and evidence showing use of the Trade Mark in three composite marks. The Registrar found there was use of the Trade Mark, but distilled the services down to “classified advertising services”.

The Applicant was unsuccessful under s5(2)(a) because, while the marks were identical, the Registrar did not find that bags, clothing and sports equipment were similar to classified ad services. The Applicant claimed the goods and services were similar because the goods could be advertised on the platform. The Registrar disagreed, finding they were not complementary, because the goods registered were not “indispensable or important” for the use of the services.

## INSUFFICIENT EVIDENCE

The Registrar found that the Proprietor had not filed enough evidence to show goodwill prior to its application, as there was no evidence of sales figures or turnover. Therefore, the relevant date was found to be the application date. The Registrar agreed that the Applicant had goodwill as of the application date, but did not consider that there would be a misrepresentation. This

was due to the lack of a common field of activity, and because there was nothing to show that there would be deception or confusion in the minds of the public beyond a “mere wondering”. The Applicant’s claim under s5(4)(a) failed.

The Applicant’s strong UK reputation was enough to show reputation in the Trade Mark (an EUTM) in respect of classified ad services. A link was found due to the enhanced distinctive character of the Trade Mark at the time of the Proprietor’s application. The Registrar did not find that there would be an unfair advantage, because the goods and services were not similar and the mere bringing to mind of the Trade Mark

was not enough. The claim of detriment to the distinctive character was also dismissed on the basis that the Trade Mark only functions as an indicator of origin for classified ad services (and not for any goods). Therefore, there would be no change of economic behaviour.

The application for invalidation failed and an award of costs was issued.

“

*The Applicant’s strong UK reputation was enough to show reputation in the Trade Mark*

## NEAT SUMMARY

The Registrar had to consider a number of legal issues, and neatly summarised the latest case law for each. Therefore, the case is a useful single reference point on proof of use, s5(2)(a) (comparison of goods and services), s5(4)(a) (relevant date for assessment, goodwill and misrepresentation, especially where there is a lack of a common field of activity) and s5(3).

## KEY POINTS

- ✦ Be mindful of the weight a client’s evidence will carry if a witness statement is from a representative and not someone with direct knowledge
- ✦ Remember the importance of evidence in the form of invoices and sales figures with the relevant dates when proving use



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# Playing against precedent

Blake Robinson is concerned by potential limits on reputational reach

## KEY POINTS

- The HO made a unilateral decision on a limitation without consultation with the Opponent or recourse aside from a formal appeal
- The power of enhanced distinctiveness and reputation may be reined in if this decision is upheld – only reaching the exact goods/services and not related or similar terms

**In this case**, telecommunications and entertainment provider O2 opposed an application for the mark CXO2 for goods and services that were identical, aside from one similar term (due to their registrations having a wide scope). O2 pleaded sections 5(2)(b) and 5(3) of the Trade Marks Act 1994 and relied on enhanced distinctiveness in relation to the s5(2)(b) ground.

The Hearing Officer (HO) was of the view that only when taking into account the enhanced distinctiveness of O2 might the Opponent be successful, and the Applicant and Opponent agreed that O2 had a significant reputation in relation to telecommunications and entertainment. Nonetheless, the HO felt that the Opponent's marks enjoyed enhanced distinctiveness only in relation to "telecommunications, namely mobile services".

In concluding the s5(2)(b) ground, the HO created an amended specification for the application, without consulting the Opponent (the Applicant was invited to make changes before the hearing, but did not do so). While the Registrar has the power to do this, precedent calls for consultation.

## NARROWED REACH

The amended specification removed all terms that related to mobile phones. The HO did not feel it would be appropriate to also remove terms that were related to the Opponent's enhanced distinctiveness, even those that are highly similar, but instead narrowly interpreted the reach.

It is difficult to envisage a consumer who would be confused by this mark if it were applied to mobile phones but not if it were applied to tablet computers. The specification handed down by the HO is arguably not

compliant with the POSTKANTOOR and IP TRANSLATOR specification principles. The "save for" limitations inserted by the HO create uncertainty as to what is and is not protected.

## REPUTATION AND LINK

The HO took a similar approach to the Opponent's reputation/link argument. He felt that the reputation was not sufficient for there to be a link for any terms in addition to those already reached in the s5(2)(b) ground, despite accepting the broader reputation for this ground. It is interesting that both grounds achieved the same result, despite the differing

tests. One expects link to have a further reach than likelihood of confusion, especially when the subject is closely related goods and services.

## OPPONENT APPEAL

The Opponent has appealed this decision, raising, *inter alia*, issues with the narrow interpretation of the enhanced distinctiveness and reputation, and the non-compliance and narrow nature of the HO's

amended specification. If this decision is upheld, it could be a step towards limiting the reach of enhanced distinctiveness and reputation, which would greatly diminish the power of a significant reputation. However, it is likely that this decision is a one-off, and I do not think it is time to reconsider strategies that rely on reputation just yet.

“

*If upheld, this decision could be a step towards limiting the reach of enhanced distinctiveness and reputation*



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# Food for thought

Gavin Stenton serves up the details of the Examiner's decision



**At Pizza Ltd** filed two new UK applications for signs (shown below right) covering clothing, footwear and headgear in class 25; various non-alcoholic beverages in class 32; restaurant and similar services in class 43; and, in the case of the @PIZZA mark (below right), various pizza- and non-pizza-related goods in class 30.

## CONSOLIDATED PROCEEDINGS

On 29th September 2017, ImaPizza LLC filed oppositions against both applications under sections 3(1)(a) and/or 3(1)(b) of the Trade Marks Act 1994 in respect of all the goods and services applied for. It alleged that the widespread use of the @ symbol on social media and in email addresses rendered the sign non-distinctive. The opposition against the @PIZZA mark also asserted that the word PIZZA was inherently non-distinctive and (under s5(2)(b) in respect of classes 30, 32 and 43) alleged likelihood of confusion with ImaPizza's senior EU trade mark registration No 15141872 for the &PIZZA mark (shown below right) in classes 30 and 32. Neither party filed evidence.

## OUTCOME

Following a hearing on 3rd August 2018, the Examiner dismissed all absolute grounds objections under sections 3(1)(a) and 3(1)(b). The Examiner held that the @ symbol was a sign capable of distinguishing the origin of any goods or services (and not just those covered by the specifications, which was the question under s3(1)(b)). This is consistent with the Registry's general practice of accepting applications comprising individual characters or numerals.

Regarding s3(1)(b), the Examiner disagreed that the general public would perceive the @ symbol as functional, highlighting the Opponent's failure to provide evidence supporting its assertion. It also noted that the goods and services in question were not electronic goods or services, where the @ symbol would typically be used in a technical or functional manner.

Further, the Examiner found that the stylisation of the @ mark provided more than a mere "figleaf of distinctiveness" (referencing Arnold J's comments in *Starbucks v BSB*). The presence of the distinctive @ element was therefore sufficient to render both the @ mark and the @PIZZA mark inherently distinctive, even in relation to pizza-related goods and services.

The opposition to the @PIZZA mark under s5(2)(b) was partially successful in relation to non-pizza-related goods in class 30 and all class 32 goods.

Finally, in relation to s5(2)(b), it is worth noting that the &PIZZA mark did not cover pizza or pizza-related goods and services (EUIPO having previously refused registration of these on absolute grounds). As such, and despite holding that the @PIZZA mark and the &PIZZA mark were similar to a medium/above medium degree, the Examiner held that there was no likelihood of confusion in relation to the dissimilar pizza-related goods and services covered by the @PIZZA mark. The opposition was, however, upheld in relation to the similar non-pizza-related goods in classes 30 and 32.

## KEY POINTS

★ The @ sign is registrable in principle, but could face an objection in relation to certain electronic, telecoms, broadcasting or social media-related goods and services

★ Factual assertions about how a mark will be perceived by the general public should be supported by evidence unless the fact is "too notorious to be the subject of serious dispute"

APPLICATION  
NO 3238199



APPLICATION  
NO 3238196

@PIZZA

EUTM REGISTRATION  
NO 15141872

&PIZZA



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# No safe space for Safe Skies

Arguments on the window for evidence went unheeded, says Eleni Mezulanik

**Safe Skies LLC** filed an appeal against a decision of the General Court (GC) relating to invalidity proceedings brought by Safe Skies against Travel Sentry Inc. In support of this appeal, Safe Skies relied on a single ground, alleging infringement of Article 52(1)(a) of Council Regulation (EC) No 207/2009 as amended by Regulation (EU) 2015/2424 (the Regulation).

## RELEVANT DATE

The GC held that the only relevant date for the purpose of assessing whether there are absolute grounds for refusal in invalidity proceedings is the filing date of the application for registration of the contested mark. In addition, the GC held that the possibility of taking into consideration material dated after the filing of the application for registration reinforces that interpretation. Therefore, the GC excluded from its assessment evidence dated after the filing of the application for registration of the contested mark.

The Appellant complained that the GC did not take into account evidence dated after the date of filing of the application for registration of the contested mark but before that registration. The Appellant's arguments claimed that the relevant date for the purpose of assessing whether there are absolute grounds for refusal in invalidity proceedings is the date of registration of the mark at issue. Following *Frosch Touristik v OHIM – DSR touristik (FLUGBÖRSE)* T189/07, and the case law cited, the only relevant date for the purpose of assessing an application for a declaration of invalidity is the filing date of the contested mark.

## PARALLELISM PRINCIPLE

The Appellant's assertion is based on the parallelism between Article 52(1)(a) and Article 7(3) of the Regulation. This dictates that the distinctive character of a mark must have been acquired through use before the filing of the application. As such, an application cannot rely, during the registration procedure, on the distinctive character acquired through use after the filing date. The relevant date for assessing whether there are absolute grounds for refusal is also applicable in invalidity proceedings. It is agreed that the Court could take into account evidence submitted after the filing date to enable it to draw conclusions as to the situation on the date of the application. But this would be provided that it serves to confirm or help to better assess the scope of the use of that mark during the relevant period and confirm the real intentions of the proprietor of that mark during the same period.

While the Appellant argued that, from the inference of the wording of the relevant provisions, EUIPO must also take into account new developments during the period of registration, it was held that this was manifestly unfounded.

The appeal was dismissed as being, in part, manifestly inadmissible and, in part, manifestly unfounded.

## KEY POINTS

- ✦ It is settled case law that the only relevant date for the purpose of the assessment in invalidity proceedings is the date of filing of the application for registration of the contested mark
- ✦ It is necessary to draw a distinction between evidence allowing conclusions to be drawn as to the circumstances at the date of registration of the mark at issue and those allowing conclusions to be drawn as to the circumstances at the filing date
- ✦ An appeal lies on points of law only



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# A lesson in goodwill

Listen, learn, read on... recommends Désirée Fields

**In April 2013**, ex-Deep Purple band member Ritchie Blackmore applied to register DEEP PURPLE as an EU trade mark for various goods and services in classes 9, 25 and 41. Current band member Ian Paice opposed the application, relying on Article 8(4) of Regulation (EC) No 207/2009, based on the earlier non-registered mark DEEP PURPLE and the UK law of passing off.

EUIPO's Opposition Division upheld the opposition in part, but granted the application for the goods in class 25 and for some of the goods in class 9. Both parties appealed. EUIPO's Fifth Board of Appeal (BoA) dismissed Paice's appeal in relation to computers and digital games, but allowed it for the goods in class 25 and for mouse mats, mobile phone accessories and sunglasses in class 9. Both parties appealed to the General Court (GC).

## GROUNDS FOR APPEAL

Blackmore argued that the BoA was wrong to find that Paice had the requisite goodwill and to refuse registration for a wider range of goods and services than was justified by the evidence, which related solely to live musical performances. Paice argued that the BoA failed to consider *Lego System Aktieselskab v Lego M Lemelstrich Ltd* [1983] FSR 155, according to which the absence of a common field of activity is not determinative for establishing a likelihood of misrepresentation. Paice also argued that Blackmore intended to deceive the public.

## APPEALS DISMISSED

The GC rejected Blackmore's appeal. Paice had provided independent proof that Deep Purple had an active and continuous presence in the UK and enjoyed considerable popularity. The GC found that "merchandising" was an essential part of a touring band's business and that the evidence showed that it generated significant revenue for Paice. There was no support for Blackmore's claims that the goods concerned were dissimilar or that the BoA had wrongly decided that the goodwill in the mark DEEP PURPLE extended to merchandising of a rock band.

The GC also rejected Paice's appeal, in particular deciding that, while the existence of a common field of activity was not determinative, this did not mean that it was irrelevant.

Computers and digital games were considered a remote field of activity compared with that of a rock band.

## EXTENT OF GOODWILL

This case illustrates the need for contractual provisions from the outset regarding the future ownership of goodwill attached to the name of a band or any organisation that could be seen as having equal rights holders. Problems can arise when members leave or when there is a complete breakup. In the latter case, the goodwill may belong to the "last one standing". The question also arises as to what extent goodwill in a band's name extends to other goods and services, with the category of goods that may be considered part of the business of a rock band on tour becoming increasingly extensive.

## KEY POINTS

- ✦ Contractual provisions regarding the future ownership of goodwill are necessary to avoid conflicts
- ✦ The existence of a common field of activity is not determinative, but has varying relevance depending on the facts of each case



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# Red Bull has wings clipped

Its similarity arguments failed to take off, writes Clare Liang

**This case concerns** an invalidation action filed by Red Bull GmbH against an EU trade mark registration for FLÜGEL, registered for goods in classes 32 and 33 in the name of Asolo Ltd.

On 24th September 1997, Asolo filed an application for FLÜGEL (meaning “wing” in German) covering: “Beers; mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for the preparation of drinks” in class 32 and “Alcoholic drinks (except beers)” in class 33.

The mark was registered and, on 5th December 2011, Red Bull filed an application for a declaration of invalidity relying on its earlier Austrian registrations for VERLEIHT FLÜGEL (meaning “gives wings”) and RED BULL VERLEIHT FLÜÜÜGEL, both registered in class 32 for energy drinks; and on the basis of Article 53(1)(a) of Regulation (EC) No 207/2009 (now Article 60(1)(a) of Regulation (EU) 2017/1001), read in conjunction with Articles 8(1)(b) and 8(5) of Regulation (EC) 207/2009 and Regulation (EU) 2017/1001. The Cancellation Division (CD) granted Red Bull’s application under Article 8(5) based on its conclusions on the repute of Red Bull’s earlier mark VERLEIHT FLÜGEL.

## ASOLO APPEALS

When Asolo appealed the CD’s decision, EUIPO’s Fifth Board of Appeal (BoA) also granted Red Bull a declaration of invalidity. The BoA found that the CD had erred in its reasoning as regards Article 8(5), but that, under Article 8(1)(b), the Asolo mark should be declared invalid because of the similarity of the marks and of the goods, resulting in a likelihood of consumer confusion.

Asolo then appealed the BoA decision to the General Court (GC). It argued that there was no likelihood of confusion because energy

## KEY POINTS

- ✦ Energy drinks and alcoholic drinks were found to be not similar
- ✦ The relevant public is used to and aware of the distinction between these goods

drinks and alcoholic drinks are not similar. However, Red Bull argued that mixing energy drinks with alcoholic drinks was very common among young people in Austria and that the drinks were interchangeable, in competition with each other and consumed by the same consumers at the same locations.

## GC DECISION

The GC noted that a very large number of alcoholic and non-alcoholic drinks are generally mixed, consumed or marketed together in the same establishments, or available premixed. To consider for that reason alone that the goods are similar would put a large number of goods that could be considered as “drinks” into one category.

The GC considered that the average consumer is aware of the distinction between alcoholic and non-alcoholic drinks, and will make that distinction when comparing energy drinks and alcoholic drinks. The mere fact that energy drinks can be consumed and marketed with alcoholic drinks is not sufficient to find the goods similar. The difference in nature – that is, containing alcohol or not containing alcohol – appeared to be a determining factor in the GC’s considerations. Despite the case law cited by EUIPO, where the courts acknowledged, in different circumstances, that alcoholic drinks and non-alcoholic drinks had a low degree of similarity, in this case, the GC did not find the goods similar and annulled in part the BoA’s decision.



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# An absolute (grounds) grilling

Laura Robyn reviews the Applicant's intelligence arguments

**This case concerns** an appeal against an EUIPO decision to refuse an application to register the word mark iGrill made by US barbecue giant Weber-Stephen Products LLC (WSP). The application was refused for all goods (computer software, computer hardware and electronic thermometers in class 9, and household, kitchen and barbecue utensils in class 21) under Articles 7(1)(b) and 7(1)(c) of Regulation (EC) No 207/2009. WSP appealed the refusal to the Board of Appeal (BoA).

## APPEAL DISMISSED

The BoA affirmed EUIPO's decision. It found that iGrill was a neologism composed of the prefix "i" and "grill". Relying on settled case law, the BoA held that the prefix "i" means intelligent or incorporating information technology (IT) and therefore lends a meaning to the sign. Because the goods applied for could be used to operate a grill or with one, the BoA concluded that the mark was inherently descriptive of those goods and not capable of registration.

WSP appealed to the General Court (GC), arguing that: (i) the level of the relevant public's attention had been incorrectly decided; (ii) the mark was not descriptive; and (iii) the BoA departed from EUIPO's decision-making practice.

## APPEAL POINTS

The Applicant's argument that the BoA had mischaracterised the level of attention paid by the average consumer to the class 9 goods (as high) was swiftly dismissed by the GC. The GC went on to consider the Applicant's arguments refuting descriptiveness, which were that:

- the evidence relied on by the BoA of the mark in use (on a US website) was no longer online at the time of the application;
- "iGrill" is a neologism that has no dictionary meaning;

- the capitalisation in "iGrill" is unusual in English syntax;
- the goods applied for were not intelligent grills or grills using IT (and grills using interfaces or electronic thermometers do not exist); and
- there is no link between the class 9 and 21 goods.

These arguments were rejected. It is sufficient that the sign might be used, and must be refused if at least one of its meanings designates a characteristic of the goods (DOUBLEMINT).

The GC also concluded that "iGrill" would be perceived by the relevant public as a combination of the prefix "i" and the commonly known English word "grill", so could not be a neologism without meaning. This meant the mark was descriptive, notwithstanding that "intelligent grill" technology does not (yet) exist.

In response to the Applicant's evidence that earlier "similar" variants (including its own US application) incorporating "i" had been registered, the GC reiterated its guidance on EUIPO's decision-making practice. While it must observe equal treatment and sound administration and have regard to consistency for the principle of legality, it must decide each case on the factual circumstances. The Court, in reviewing legality, is not bound by EUIPO's decision.

The mark fell foul of Article 7(1)(c), and so there was no need for the GC to consider the Article 7(1)(b) claim. It affirmed the BoA's decision and dismissed the appeal.

## KEY POINTS

- Examiners must use "special care" when considering previous decisions on "similar" applications, but are not bound by them
- Marks can be held to be descriptive of technology that does not yet exist, if that description will be understood by the examiner

“  
The Court, in reviewing legality, is not bound by EUIPO's decision



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# Repro rejection

Black-and-white copies just won't cut it, reports Sinéad Mahon

In 2014, Aldi Einkauf (Aldi) filed an EU trade mark application for ALDI in a number of classes, including class 35. Bulgarian supermarket Aldo Supermarkets (Aldo) filed an opposition based on an earlier Bulgarian mark (No 47361, show below right, top), which contained a colour representation of the mark.

EUIPO informed Aldo that the opposition was found to be admissible and specified a time limit within which Aldo could substantiate the earlier rights. An information sheet was attached, with "important notes", one of which said that the document substituting the registration certificate had to provide complete information about all the particulars of the registration. Aldo submitted a further black-and-white copy of the registration certificate (shown below right), indicating the colours "blue, orange and white", but without specifying the division of the colours.

## PROOF OF USE

Aldi requested proof of use of Aldo's marks and Aldo submitted some evidence in support of its claim. Aldi contested the fact that the Applicant had only submitted a black-and-white copy of its earlier mark, and Aldo submitted further representation of the mark, but didn't indicate its source.

In 2016, EUIPO upheld the opposition in relation to advertising and business services, but rejected the opposition in relation to retail services. Aldi appealed and the Board of Appeal (BoA) annulled the decision of the Opposition Division and rejected the opposition in its entirety. The BoA said that Rule 19 of Regulation No 2868/95 requires a reproduction of the mark as registered, so, if it is registered in colour, a colour reproduction should be provided. Aldo argued that Rule 19 does not expressly require a colour representation, but only a "copy of the relevant registration certificate", and appealed the BoA decision to the General Court (GC).

## FURTHER PLEAS

In the first plea, Aldo claimed an infringement of Rule 19 and that the BoA was wrong to dismiss the opposition on the basis that Aldo had not provided a colour representation of the mark as registered. The GC held that an exact reproduction of the mark, including colours claimed, is required. As the earlier right was not



## KEY POINTS

- ✦ If relying on an earlier trade mark other than an EUTM, an exact representation of the mark must be provided

- ✦ A black-and-white copy of a registration certificate cannot be relied on in relation to a mark registered in colour

BULGARIAN MARK  
(NO 47361)



ALDO'S  
ALTERNATIVE  
MARKS



an EU trade mark, the documents submitted were not proof of the existence, validity and scope of protection of the Bulgarian mark.

In relation to a second plea alleging contradictory reasoning, the GC found that this was a misreading of the contested decision by Aldo. In a third plea, Aldo complained that the BoA had raised of its own motion the absence of evidence of the existence of the earlier mark. However, Aldi had challenged the representation of the earlier mark and Aldo had an opportunity to provide the necessary evidence. There was no need to examine the fourth plea, the BoA having found that, even had evidence of the earlier mark been adduced, the opposition would have been rejected on the ground that the Applicant had not demonstrated genuine use of the earlier mark.

The GC dismissed the action in its entirety, a decision that demonstrates the need to ensure that earlier rights are accurately substantiated.



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The 2019 schedule of CITMA lectures and seminars is taking shape. See details at [citma.org.uk](http://citma.org.uk) →



# Events

More details can be found at [citma.org.uk](http://citma.org.uk)

DATE	EVENT	LOCATION	CPD HOURS
14th February	CITMA Webinar	Log in online	1
19th February	CITMA Paralegal Webinar	Log in online	1
26th February	CITMA Lecture - London	London	1
13th March	CITMA Intensive Design Seminar	Gowling WLG, London SE1	3
13th March	CITMA Networking Drinks Part of the CITMA Spring Conference	Brigade Bar & Kitchen, London SE1	
13th-15th March	CITMA Spring Conference Disruption: the world and IP	IET London: Savoy Place, London WC2	9
14th March	CITMA Gala Dinner Part of the CITMA Spring Conference	Altitude 360, London SW1	
27th March	CITMA AGM	London	
18th April	CITMA Webinar	Log in online	1
30th April	CITMA Lecture - London	London	1
14th May	CITMA Paralegal Webinar	Log in online	1
13th June	CITMA Webinar	Log in online	1
25th June	CITMA Afternoon Seminar - Edinburgh	Edinburgh	TBC
16th July	CITMA Webinar	Log in online	1
3rd September	CITMA Webinar	Log in online	1
6th September	CITMA Paralegal Seminar	London	TBC
24th September	CITMA Lecture - London	London	1
8th October	CITMA Webinar	Log in online	1
12th November	CITMA Paralegal Webinar	Log in online	1
14th November	CITMA Webinar	Log in online	1
26th November	CITMA Lecture - London	London	1

## THE TRADE MARK 20

### Q&A

# Victoria Rodriguez

seems to have a weakness for streaming

**I work as...** an Associate at Bristows in the brands department.

**Before this role, I was...** at the end of a five-year journey during which I moved to the UK from Argentina to do an LLM in IP at Queen Mary University of London, and then worked at Berwin Leighton Paisner for three years. I also did my first 10K run and qualified as an English solicitor!

**My current state of mind is...** busy but happy.

**I became interested in IP when...** I got my first computer from my dad, who is also a lawyer. I immediately thought: "This will be a game changer for IP rights in general."

**I am most inspired by...** the people with whom I work at Bristows – and Luke Skywalker.

**In my role, I most enjoy...** the view from my office, the Unilever shop – but my favourite thing is telling good news to our clients.

**In my role, I most dislike...** billing. And perhaps the coffee could be improved.

**On my desk are...** figurines of the Wile E. Coyote and Roadrunner cartoon characters, my coffee, my handbag (this is never on the floor!) and my to-do list.

**My favourite mug says...** "hoy puede ser un gran día", which means "today can be a great day".

**My favourite place to visit on business is...** the terrace at the



“

*I am most inspired  
by the people with  
whom I work – and  
Luke Skywalker*

Mondrian London hotel on the South Bank (especially during summer).

**If I were a brand, I would be...** Nespresso, because I would make myself and other coffee lovers happy.

**The biggest challenge for IP is...** (let's be honest) still Brexit.

**The best piece of advice I've been given is...** always be yourself.

**I can't live without...** Now TV, Netflix and Amazon Prime.

**The talent I wish I had is...**

remember the TV sitcom character ALF? He could read books in seconds by placing his hand over a book cover. That's a talent that would be useful for a solicitor!

**My ideal day would include...**

avocado toast, coffee and afternoon shopping, and end at the cinema with popcorn.

**In my pocket is...** my phone

(if I look for it and it's not there, I go into panic mode).

**When I want to relax, I...** go to the gym or head to central London for some shopping!

**In the next five years I hope to...** keep growing professionally, travel (I am planning to go to Japan this year) and start showjumping again.

**The best thing about being a member of CITMA is...** the events, where you get to meet wonderful people every time.

The Mondrian  
London hotel



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