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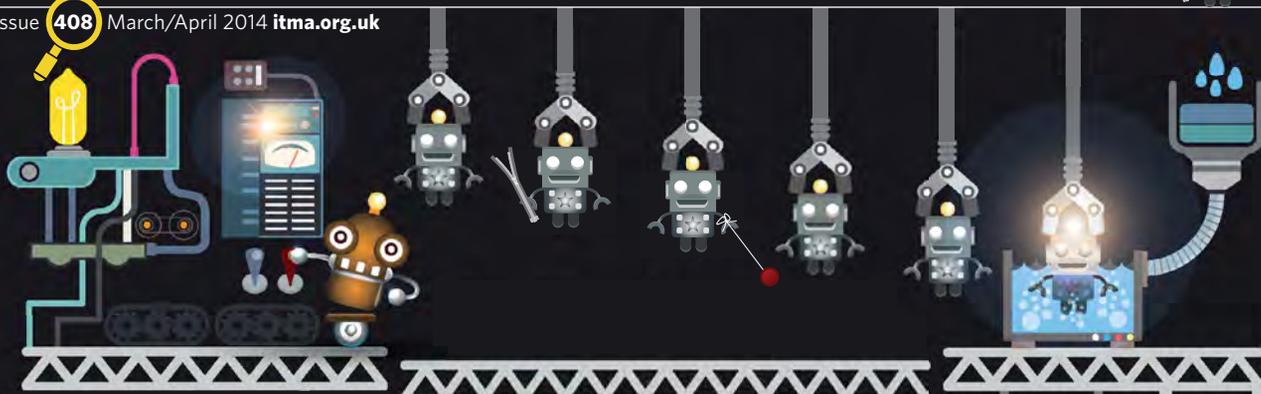
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ITMA REVIEW

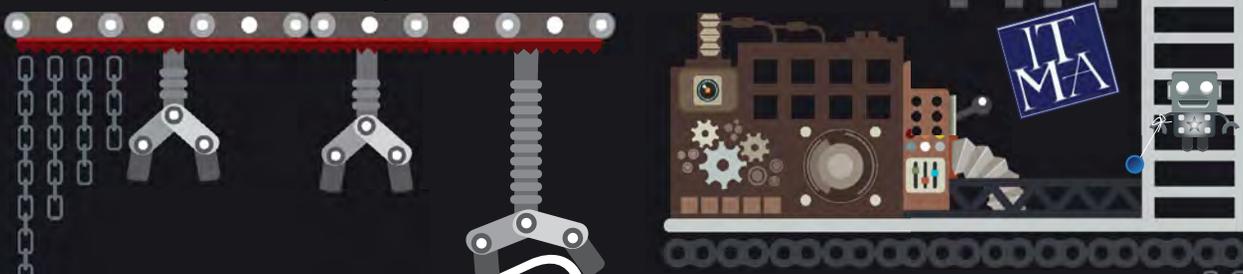
THE JOURNAL OF THE INSTITUTE OF TRADE MARK ATTORNEYS

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welcome

March/April 2014



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ITMA Review

Review content is provided by members on a voluntary basis, and reader suggestions and contributions are welcome. If you would like to contribute an article to a future issue, please contact Tania Clark by email at tclark@withersrogers.com and Caitlin Mackesy Davies at caitlin@thinkpublishing.co.uk

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Welcome to our spring *ITMA Review*, which has all the news from our charity quiz night for you to peruse during the breaks from our international Spring Conference.

Every year, ITMA members attending the quiz show just how much they know about many different things. But, after reading this issue, we will all know even more than we already did: from the IP

impact of Scottish independence to Guernsey image rights.

I am sure you will enjoy this issue, for which I have now written my penultimate *Review* introduction. So, while we are talking in Latin: *lege feliciter!*

Catherine Wolfe
ITMA President

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ITMA Insider

CEO bulletin

Highlights from, updates and additions to, Keven Bader's 19 December bulletin and across the ITMA membership



Intellectual Property Bill

ITMA, the IP Federation and CIPA jointly welcomed the adoption by the Government of the amendments to the Intellectual Property Bill in late January. These amendments, which were championed by the three organisations, spell out the Government's stated intentions, by limiting the criminal offences to deliberate copyists and to close copies – protecting legitimate competitors who have gone far enough to make new designs in their own right, and giving the criminal courts a test they will find easier to apply.

ABS application

The Legal Services Board (LSB) has recently recommended that the Lord Chancellor enable IPReg to be a licensing authority (LA) for alternative business structures. The application made to the LSB was not a formality and involved a lot of hard work by IPReg. We congratulate IPReg and believe that having IPReg as an LA will further protect the profession and the consumer.

OHIM website

OHIM is working hard to rectify the problems occasioned by its new website, and we have engaged with OHIM to confirm the seriousness of the problems and impact they have had on our members. OHIM has been providing regular updates and advising users to call the support number (+34 965 139 100) rather than email. Please make sure you call OHIM so that it knows if problems persist or new problems arise.

Action for Administrators

To follow on from the Trade Mark Administrators' Seminar on 28 March (check itma.org.uk for availability), a Round Table is planned for later in the year, which will see an animated discussion on several issues relevant to the Trade Mark Administrator's role. See itma.org.uk for further details soon.

STEP OUT THIS SUMMER!

We've now booked our venue for the ITMA Summer Reception, which this year moves to the elegant and historic surroundings of The In & Out Naval and Military Club in London's West End. Mark your calendar now and join us on **8 July**. For details, see itma.org.uk



We congratulate IPReg on being recommended as a licensing authority and believe that this will further protect the profession and the consumer

Member moves



Harrison Goddard Foote LLP is proud to announce the arrival of Stephanie Loeffler, who joined the firm's London office as a Partner on 15 January 2014. Stephanie can be contacted on sloeffler@hgf.com



Angela Thornton-Jackson is now Director of Jackson IP Ltd (jackson-ip.com) and is working as a freelance trade mark consultant. Angela can be contacted at ajackson@jackson-ip.com



Kempner & Partners LLP is pleased to announce that Amanda Mallon, former Head of Trade Marks and Designs at Walker Morris LLP, has joined its team of IP lawyers and Trade Mark Attorneys in Leeds

In memoriam: Shri AA Mohan & Kate Johnson

I TMA was saddened to receive news of the death of Overseas Member Shri AA Mohan, Founder Partner and Senior Advocate, Mohan Associates, India, in September 2013. Described on the firm's website as "one of India's pioneers in handling intellectual property law", Mohan was involved in many of India's most high-profile IP cases, including the 2007 "Novartis litigation", and had been a member of ITMA since 1998.

*W*e are also sorry to report that Kate Johnson passed away in January. Johnson entered the profession in 1969 and went on to become a Partner in the Manchester firm of Elwyn R Roberts & Co, before that business became part of Wilson Gunn. She specialised in trade mark matters as a Registered Trade Mark Attorney, and was a member of ITMA and a European Trade Mark Attorney.

Reader review

Angela Fox provides an opinion on *European Union Design Law: A Practitioners' Guide*

Designs have long stood in the shadows of IP. Designs really only become interesting when they are contested, and building a body of case law takes time.

However, in the 10 or so years since the Community Design Regulation came into effect, decisions by OHIM and the courts have put flesh on the bones of European design law. Consequently, this book is a timely contribution to the field. Design law in Europe is coming of age, and David Stone leads the reader on a fascinating tour of its highways and lesser-known byways.

The book explores the historical background of Community design law, the Community design courts system and concepts such as unitary character, the informed user and design freedom. Stone is insightful

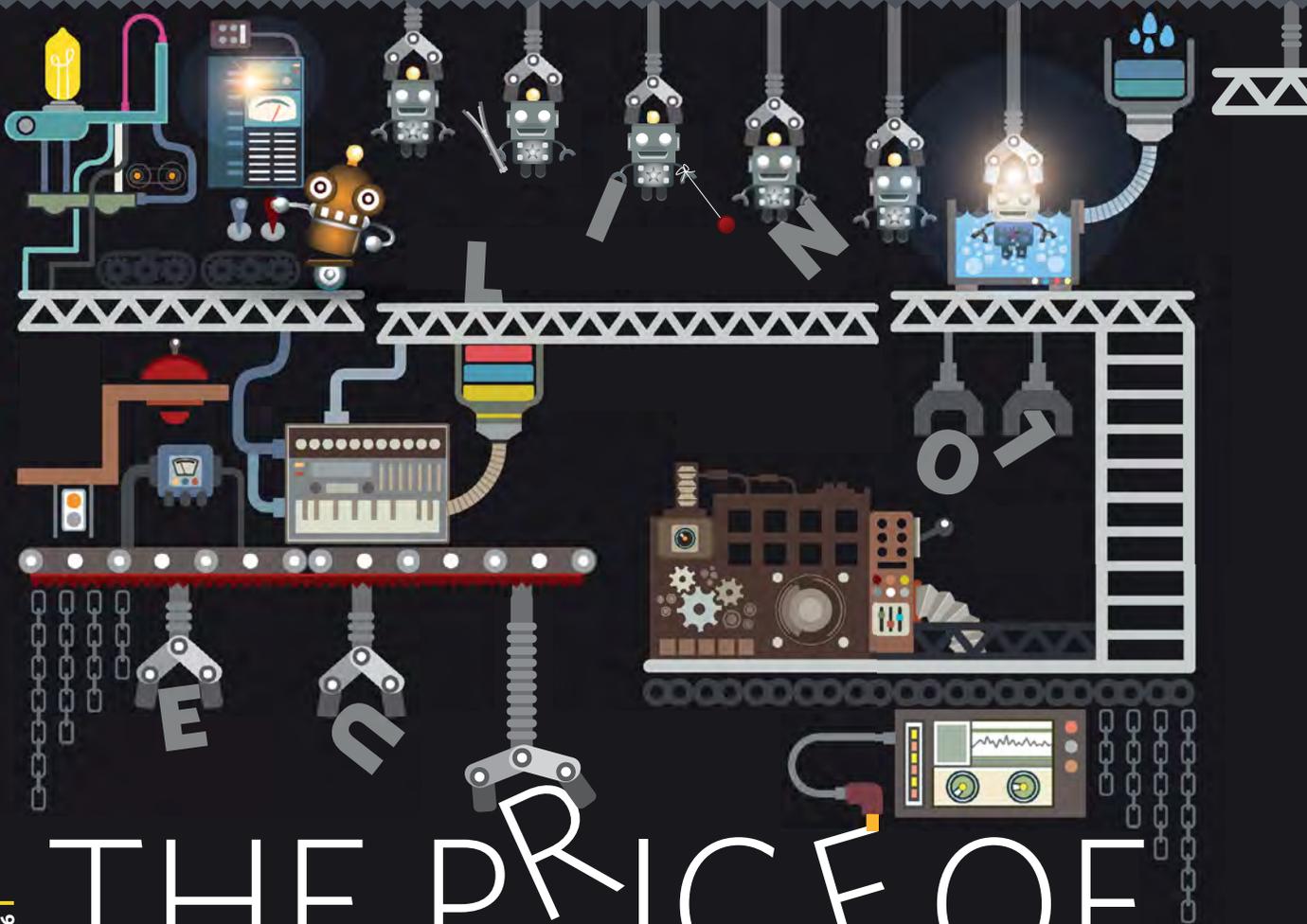
on designs as a tool in a right holder's armoury; his chapters on jurisdiction, infringement, defences and remedies leave little of importance untouched. Those interested in securing registered Community design protection will find useful guidance on the application process.

The book is clearly the fruit of meticulous research. It is opinionated, but authoritative; Stone's wide-ranging use of national and European case law to back up his positions makes the book a trove of useful information for anyone interested in design law, and an essential case preparation tool for design litigators.

More than that, though, the book is a pleasure to read. Stone has shown himself to be an able and accomplished guide.

***European Union Design Law: A Practitioners' Guide* (Oxford University Press, 6 December 2012, £155) by David Stone. Also available as an ebook.**

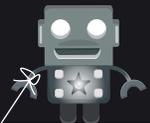




THE PRICE OF POPULARITY

*When is being a big name a big problem?
When it brings with it the danger of brand genericide,
as Birgit Clark explains*

M

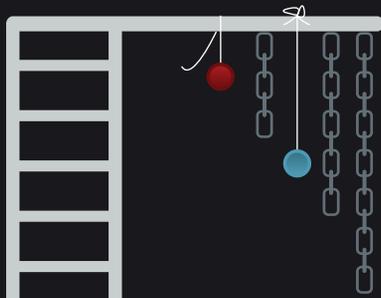


Provided it is used and policed properly, a trade mark should be able to retain its essential function of denoting trade origin. It is only once improper use of a mark, either by the owner or by third parties, starts to cause consumers to use a mark as the name of a good or service per se, that the mark's distinctiveness is at risk.

Somewhat ironically, two of the biggest risk factors are the popularity of a brand and the proprietor itself. A contributing factor appears to be how consumers instinctively tend to pluralise brand names and turn them into verbs. The term "brand genericide" has been used to describe the process through which a trade mark owner, sometimes unknowingly, participates in the destruction of the distinctiveness of its mark. Indeed, trade mark history is full of examples – often for innovative products – that have become generic: Zipper, Linoleum, Escalator, Shredded Wheat and Yo-Yo, to name but a few.

Legal background

Article 3(1)(d) of Directive 2008/95/EC ("the Directive") provides that trade marks that are "customary in the current language or in the *bona fide* and established practices of the trade" are not registrable. If such a registration is incorrectly obtained (ie the examiner fails to notice the generic nature of a sign), any such registration can be invalidated with retrospective effect.¹



'Brand genericide' describes the process whereby a trade mark owner participates in the destruction of the distinctiveness of its mark

More common – and the focus of this article – is the situation described by Article 12(2)(a) of the Directive², which provides that a trade mark can be revoked when it has become the common name for a product or service. This is the case, in particular, "if, after the date on which it was registered: (a) in consequence of acts or inactivity of the proprietor, it has become the common name in the trade for a product or service in respect of which it is registered." The law thus expressly recognises that a proprietor may contribute to the demise of its mark by inappropriate behaviour and/or a lack of policing. A revocation will have effect from the date at which it is proven the mark became generic.

Pickled precedent

In a famous Swedish referral to the Court of Justice of the European Union (CJEU)³ the revocation Applicant, who relied upon surveys of traders, claimed that the mark BOSTONGURKA had become a generic name for a type of pickled gherkins. The CJEU, in essence, was asked to clarify whose view was decisive when considering whether a mark had become generic: that of the end-consumer or that of the trade?

The wording ("in the trade") in the English language version of the Directive implies that the use made of

a trade mark by consumers is not relevant. However, the CJEU noted that the various national language versions of the Directive deal with this point differently. While some versions⁴ only refer to trade circles, the majority⁵ also include a reference to consumers and end-users, as well as trade circles, and do not restrict the class of relevant persons solely to those in the trade. The CJEU therefore held that the minority view expressed in some versions was incorrect and decided that the relevant circles should comprise all consumers and end-users, and – depending on the relevant market – also all those in the trade who deal with that product commercially. Bearing in mind the general aim of the Directive to guarantee the essential function of a trade mark as an indicator of trade origin, the latter may include intermediaries, whose influence on purchasing decisions and thus their perception of the trade mark must also be taken into consideration.

The owner's action

Article 51(1)(b) of the Directive imposes a duty – albeit not an absolute burden – on the proprietor to defend their trade mark from inappropriate use in the marketplace and media. A mark will be exempt from revocation, despite having

¹ The leading authority remains the "Bravo" cases: Merz & Krell GmbH & Co (C-157/99) and the STASH trade mark case in the UK (BL 0-281-04; Appointed Person)

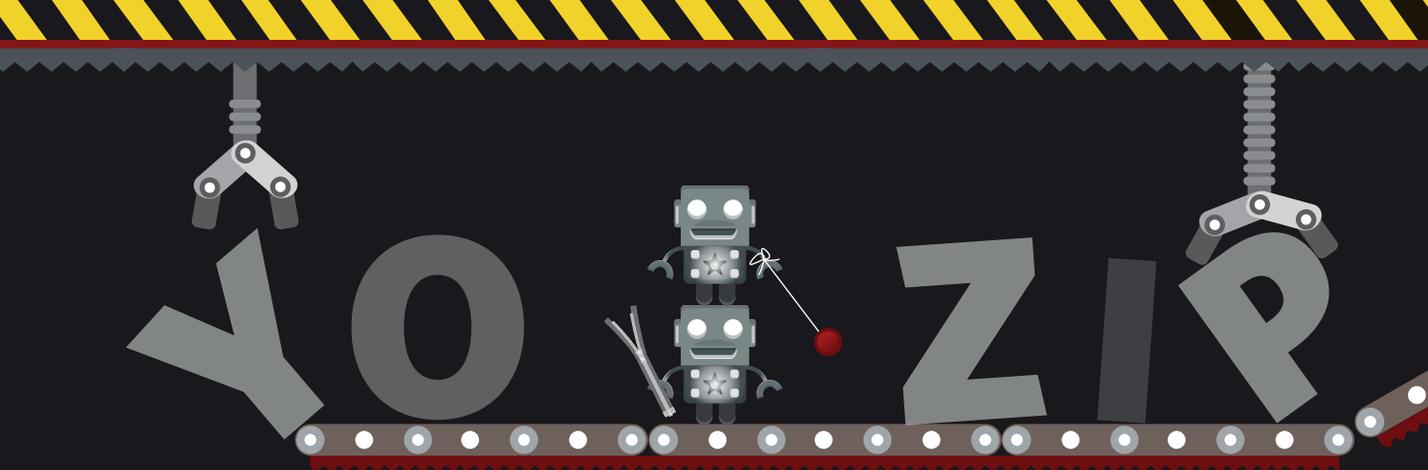
² Article 51(1)(b) of Council Regulation (EC) 207/2009 and section 46(1)(c) of the UK Trade Marks Act 1994 include equivalent provisions

³ Björnekulla Fruktindustrier AB v Procordia Food AB, C-371/02

⁴ English and Finnish versions of the Directive

⁵ French, Danish, Dutch, German, Greek, Italian, Portuguese, Spanish and Swedish versions of the Directive





➔ become generic, provided the proprietor can show that it took all reasonable steps to defend the mark, which may include bringing an infringement action.

It has recently been proposed that social media may require a revision of the rules on genericism: using a mark generically online should no longer be harmful provided that consumers can still identify its trade origin. While law and practice may eventually evolve this way, proprietors seem well advised to maintain traditional vigilance and refrain from “verbing up”. When social media giant Twitter recently submitted regulatory filings outlining its plans to go public, it recognised that its mark could become unenforceable and disclosed this to investors, noting: “There is a risk that the word ‘tweet’ could become so commonly used that it becomes synonymous with any short comment posted publicly on the internet, and, if this happens, we could lose protection of the trade mark”⁶. Twitter’s view is, however, in contrast to Microsoft’s Chief Executive Steve Ballmer’s statement upon the launch of the Bing search engine – albeit back in 2009 – in which Ballmer pointed out that the Bing name had the potential “to verb up” and work on a global scale.⁷

Great Austrian bake-off

A recent referral to the CJEU from Austria (Backaldrin Österreich The Kornspitz Company, Case C-409/12) addresses the question of genericism from a slightly different angle. Backaldrin Österreich The Kornspitz Company (“Backaldrin”) owns an Austrian trade mark for KORNSPITZ, covering a wide range of foodstuffs. Under this mark, Backaldrin produces a baking mixture, which bakers use to make a certain type of bread roll that they then sell on to end-consumers without revealing the use of the

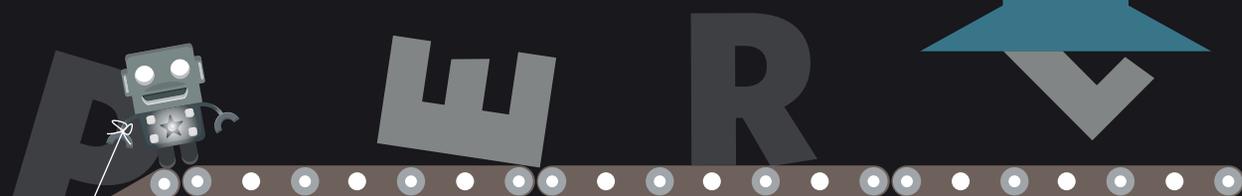
prefabricated dough. Backaldrin’s competitor, Pfahnl Backmittel, applied for revocation of the mark, arguing it had become the common name for this type of bread roll.⁸

The Austrian Trade Mark and Patent Office revoked the mark, stating that Austrian end-consumers perceived the sign KORNSPITZ as a type of bread roll, but not as the trade mark of an identifiable company. This was at least partly due to the acts or inactivity of Backaldrin, since bakers did not inform end-consumers of the use of the ready-made baking mixture.

On Backaldrin’s appeal, the Office accepted that the sign KORNSPITZ had become generic to end-consumers, but found that it was nonetheless functioning as a trade mark within the baking trade. Referring to *Bostongurka*, the Office stressed that the perception of intermediaries was relevant only where they influenced the purchasing decision of the end-user, for example through a sale consultation. To clarify matters, the Austrian Appeal Board referred three questions to the CJEU:

- 1) Has a trade mark become the common name... for a product or service, where:
 - a) although traders know that the mark constitutes an indication of origin, they do not generally disclose this to end-consumers; and
 - b) end-consumers no longer understand the trade mark as an indication of origin, but as the common name for goods or services?
- 2) Can the conduct of a proprietor be regarded as ‘inactivity’ simply if (it) remains inactive, notwithstanding the fact that traders do not inform customers that the name is a registered trade mark?
- 3) (If) a trade mark has become a common name for end-consumers, but not in the trade, is it liable to be revoked if, and only if, end-consumers have to use this name because there are no equivalent alternatives?''

6) Scott Martin, *USA Today*, 5 October 2013, “Is Twitter’s ‘tweet’ trademark at risk?”
7) Noam Cohen, *New York Times*, 18 July 2009, “The Power of the Brand as Verb”
8) A version of this paragraph previously appeared on the IPKat weblog on 15 September 2013
9) Backaldrin Österreich The Kornspitz Company, Case C-409/12, Opinion of the Advocate General of 12 September 2013
10) Hormel Foods Corp v Antilles Landscape Investments NV (SPAMBUSTER) [2005] RPC 2008
11) Rousselon Frères et Cie v Horwood Homewares Limited [2008] RPC 30



The AG's opinion

With the CJEU's decision outstanding at the time of writing this article, the Advocate General's (AG) opinion in this case⁹ raises several interesting points. The following is based on the author's translation of the German version of the opinion.

Regarding question one, the AG, Pedro Cruz Villalón, considered that, due to today's economic realities, the origin function does not refer to the physical origin of a product but to the control of its production, ie via a licensee. Referring to Bostongurka, he stressed that – depending on the respective market – traders involved in the marketing of a product must be taken into account under Article 12(2) (a) of the Directive (for example where traders have a degree of influence on the end-consumers' purchase decision). However, according to Villalón, this was not the case when it came to bread rolls being sold in a bakery. The relevant public would therefore mainly comprise of end-users, even where a sign functioned as a trade mark for intermediaries, who do not reveal this fact to the end-consumer. In this context, Villalón expressly disagreed with the Austrian Supreme Court's case law on genericism, which, even after Bostongurka, conducted a comprehensive investigation of the understanding of the trade mark facing consumers, including end-consumers, manufacturers and distributors. Whether there was inactivity on the side of the trade mark owner (question two) had to be decided by the national courts. These had to review whether the proprietor had taken reasonable measures to protect his mark from becoming generic, which may include controlling and influencing licensees. Regarding question three, Villalón found that neither the wording, nor the purpose of Article 12(2)(a) of the Directive required that there were equivalent linguistic alternatives for the sign KORNSPITZ.

I cannot help but wonder how the influencing of licensees and/or intermediaries would work in the

reality of an old-fashioned bakery? The Austrian courts' approach of conducting a comprehensive investigation of the understanding of the trade mark facing consumers, including end-consumers, manufacturers and distributors, certainly has real-life appeal. It will be interesting to see how the CJEU decides. By way of background: in the SPAMBUSTER case¹⁰ in the UK, it was held that the genericism rule would apply where a mark had become *one* common name in the trade for the respective goods and services, but it need not be the *only* common name for them. Therefore, some descriptive use of a mark does not make it the common name in trade. In another UK case, Rousselon,¹¹ it was held that there would have to be cogent evidence to establish genericism.

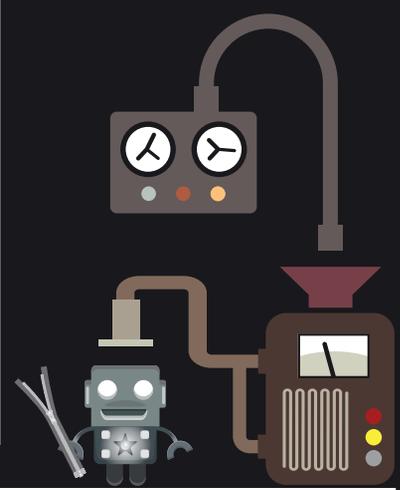
Survival strategies

No article on genericism would be complete without practical advice. To minimise the chances of a revocation action succeeding, trade mark owners should first and foremost be disciplined, and ensure that all employees, licensees and any other persons permitted to use the mark observe the classic rules:

- Trade marks should be differentiated from any accompanying text to allow consumers to distinguish between the mark and generic product names.
- Make use of the trade mark symbols TM (for unregistered marks) and [®] (for registered marks), which serve as notice to third parties. (Note that it is a criminal offence under Section 95 of the UK Trade Marks Act 1994 to falsely represent a mark as registered, and use of the [®] symbol may amount to such a representation.)
- Use a non-proprietary term or an alternative generic name ("an *Apple* computer") together with the mark;

for example, Nintendo encourages use of the term "games console"; Xerox refers to "photocopying". If the mark is an adjective, the generic name of the product is the noun.

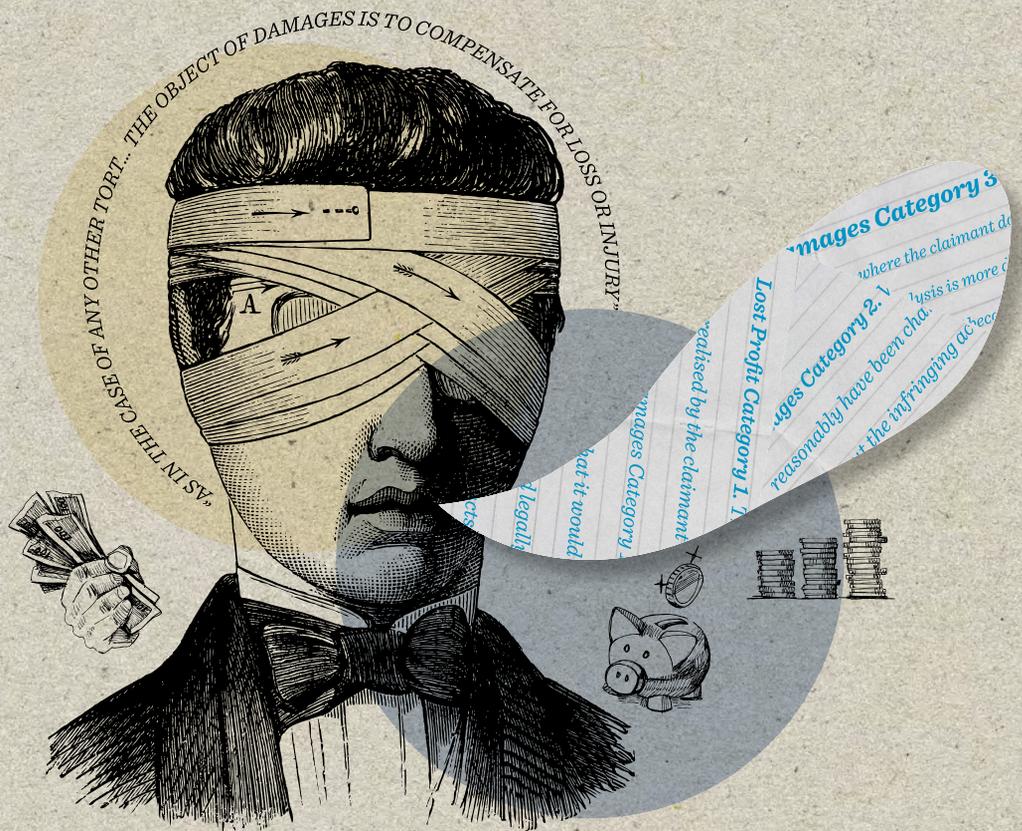
- Don't "verb up".
- Enforce correct grammatical use and avoid variations (for example, spelling changes, abbreviations or plurals) since they signal that improper use is acceptable.
- Educate consumers, employees and affiliates. Xerox famously fought genericism by educating consumers through advertising campaigns: "When you use 'Xerox' the way you use Aspirin, we get a headache."
- Misuse of the mark in the media, dictionaries and directories should be dealt with promptly and systematically, which includes sending letters of complaint and keeping records of the responses. Unless they fall under Article 10 of Council Regulation (EC) 207/2009 (Reproduction of Community Trade Marks in dictionaries), such letters may not be enforceable but they can assist in defending a revocation.
- Finally, always consider the potential consequences of a complaint, especially in a social media context. In times of hashtags, less may be more.



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A UK Trade Mark Attorney, Solicitor and German-qualified Attorney-at-Law, Birgit's practice focuses on all aspects of trade mark law and related soft IP.





HURT TALKER

Chris Hoole summarises Tom Alkin's Leeds presentation on damages in IP cases

The fundamental remedy sought in most IP disputes is to stop the infringer from committing the offending act. The inevitable question posed by many litigants is, however, "How much will I get?" Although there is no one-size-fits-all answer, Tom Alkin's recent presentation for ITMA members provided an overview of the key issues and cases to bear in mind when considering a claim for damages.

Fundamentals

Alkin kicked off the presentation by reminding the audience of the fundamental principle governing damages, which was set out by Lord Wilberforce in *General Tire* [1975] 1 WLR 819:

"As in the case of any other tort... the object of damages is to compensate for loss or injury. The general rule at any rate in relation to 'economic' torts is that the measure of damages is to be, so far as possible, that sum of money which will put the injured party in the same position as he would have been in if he had not sustained the wrong."

Alkin commented that the approach to damages should not be overly complicated, but it should be perceived as a common sense area determined on the facts of any action or inaction.

The three main types of damages cases considered were:

Lost Profit Category 1. The profit that would have been realised by the claimant if the sales were made by it.
Damages Category 2. The defendant must pay the sums that it would have

paid by way of a royalty if it had acted legally (ie claimant generally licenses its products).

Damages Category 3. What price could reasonably have been charged for the permission to carry out the infringing act (ie claimant does not license its products)?

Lost Profit Category 1

Loss of profits or "loss sales" may be sought where a claimant can show that, but for the infringement, it would have received those sales. The overriding principle for loss of profits is set out in *Gerber v Lectra* [1995] RPC 383, which held that loss of sales is calculated according to the proportion of the infringing sales that would have gone to the Claimant but for the infringing act. Gerber also held that ancillary or "conveyed" goods could also be recovered by the Claimant, as well as any

“springboard” sales (sales made after the expiry of the IP right but which would not have been made but for the infringement) and price depreciation, in a claim for loss of profits.

Damages Category 2

In the case where the claimant frequently licenses its product, Alkin considered the analysis to be relatively simple. But for the infringer’s failure to seek the claimant’s consent, the claimant would have granted a licence, received a royalty fee and “be better off”. In a Category 2 case, the court will apply the comparable going rate.

In calculating the going rate, Alkin stated that a “defendant cannot take advantage of his own impecuniosities”. In *Irvine and others v Talksport Limited* [2003] FSR 35, the evidence showed that Eddie Irvine “wouldn’t have got out of bed for less than £25,000”. It was neither an excuse for Talksport to say it was a small company, nor a question of “what they can or cannot afford” – £25,000 was the “going rate” and thus the awardable sum.

Damages Category 3

In the case where the claimant does not license its product, the analysis is more difficult as the claimant cannot prove “but for” because it would not have licensed the product. Alkin referred to Lord Justice Mance in *Experience Hendrix LLC v PPX Enterprises Inc* and another [2003] FSR 46, in which he stated, “the law gives effect to the instinctive reaction that, whether or not the appellant would have been better off if the wrong had not been committed, the wrongdoer ought not to gain an advantage for free and should make some reasonable recompense”. Where no going rate exists, the court will look to strike a “hypothetical bargain” on the evidence. Alkin considers this to be the type of case that IP litigants may more frequently encounter (ie trade mark holders who do not license their marks).

The overarching principle that governs this type of case is that of the “willing licensor” and “willing

The approach to damages should not be overly complicated, but it should be perceived as a common sense area determined on the facts

licensee”, who “bargain as they are, with their strengths and weaknesses” (*General Tire*). The court will “look at the situation in which the parties find themselves and what reasonable people do/would pay in their shoes”.

Alkin set out two ways in which damages may be calculated in a Category 3 case. First, where a product is being sold and generating profit, damages may be based on a “profit share”. For example, if the infringing act generated x, of which y is profit, the parties would have agreed a percentage share of y. Second, Alkin considered the “more interesting case”, where the infringing act does not directly generate any profit. Here it is about trying to find a way to put a value on the benefit that has been obtained (ie how much would it have cost to obtain an equivalent result?).

In *Force India Formula One Team Limited v 1 Malaysia Racing Team Sdn Bhd* [2013] EWCA Civ 780, the Defendant, a wind tunnel facility

provider, used Force India’s drawing to develop a competing design. Force India claimed €30 million. The Defendant was paid €130,000 and made a small profit. It was held that the benefit to the Defendant in using the design was saving staffing costs by not having to hire freelance consultants to develop an equivalent design. Force India was awarded €25,000 (ie the cost of hiring freelance staff).

Alkin noted that a claimant in these types of cases often believes it is onto a winner. The defendant has infringed and the claimant presumes that it can set a price. This is not the case, and claimants should be cautious when approaching a Category 3 damages claim.

Enforcement directive

Alkin briefly referred to the Enforcement Directive (Directive 2004/48/EC, Article 3), which requires a remedy to be effective, proportionate and dissuasive. This argument was run in *Force India* – it couldn’t fill a fuel tank for €25,000. The Court held that the award was proportionate because it was equal to the advantage the Defendant gained. Category 3 cases should not be considered an “excuse to seek punitive damages”.

Loss lessons

The key lessons to take away from Alkin’s very informative presentation, with regard to negotiating and calculating damages, are:

- 1) damages cases fall on their facts;
- 2) to consider first principles (causation);
- 3) to think damages claims through before fighting liability; and
- 4) to strongly consider Part 36 Offers.

ITMA would like to thank to Tom Alkin of 11 South Square for presenting the Leeds Afternoon Talk

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 Chris handles contentious and non-contentious IP matters.



3D

PRINTING

THE TRIPLE THREAT

When any object can be created on demand – even at home – will IP rights fall flat? Jorandi Daneel explores a cutting-edge concern



Three-dimensional (3D) printing is the cause of much excitement for scientists, engineers, designers and consumers alike. It not only promises to transform the manner in which we manufacture goods, but even to make the purchasing of consumer products quicker, easier and cheaper. Unfortunately, as this technology progresses for the good, it will also move forward the potential for abuse. One of the greatest threats this technology poses is the threat of infringement of many IP rights.

What is 3D printing?

3D printing is another term for additive manufacturing – a process through which items are produced by building, layer by layer, a 3D object of virtually any shape, based on a computer-driven digital model. This is done by “cutting” the virtual object into two-dimensional slices and printing the real object slice by slice. Slices are printed on top of each other and because each slice has a given thickness, the real object gains volume every time a slice is added until the final product is created.¹

3D printing machines can, therefore, be used to build 3D products from scratch, even products of great geometrical complexity, and, perhaps in the future, products incorporating different colours and textures. There are great advantages associated with this printing technology. Not only will these machines reduce manufacturing cost and time, and dispense with tooling costs in creating products, but there will also be little waste, since the machine will only use the material it needs to make the part.² Moreover, it could be possible in the future to print nervous system cells³ or even human organs⁴ on demand.

Early iterations

Although 3D printing is considered by many to be a new technology, the first 3D printer was designed in the 1980s by Charles (Chuck) Hull⁵, who is considered to be the inventor of 3D printing, or “stereolithography”⁶ as he described it. Other forms of additive manufacturing have since been developed, such as selective laser sintering⁷ and fused deposition modelling⁸, using different techniques and materials to build the 3D product. The technology continues to be improved and refined, and, although the original use of 3D printers was to make prototypes and models of parts, more final parts are being created, ranging from hearing-aid shells and dental crowns to medical implants, jewellery, repair parts and aerospace components.⁹

Several industries use 3D printers, including the military, engineering, the dental and medical industries, aerospace, fashion and food. As a result of the expansion of the 3D printing market, 3D printers have become widely available at an affordable price. Although it may still be some time before 3D printers become common household items, given the increasing availability of low-cost 3D printers and the significant savings that could be made by custom printing of consumer products¹⁰, it is not improbable that consumers will, in the future, be able to scan any off-the-shelf product and print a replica at home. While this may be a very exciting prospect for most, 3D printing and 3D printed products are likely to prove a legal minefield for IP rights, and will no doubt be of great concern to the owners of such rights.

IP impact

As readers know, IP rights can be infringed when a third party copies an invention, copyright work, →

- 1) “3D Printer Technology – Animation of layering”, createitreal.com
- 2) “The rise of additive manufacturing”, 24 May 2010, theengineer.co.uk
- 3) “3-D tissue printing: Cells from the Eye Inkjet-Printed for the First Time”, 18 December 2013, sciencedaily.com
- 4) “3D printing human organs – but where’s the money for it?”, 17 July 2013, theguardian.com
- 5) “3D printing: What you need to know”, pcmag.com
- 6) US Patent 4,575,330 – “Apparatus for Production of Three-Dimensional Objects by Stereolithography”
- 7) “What is Selective Laser Sintering”, 13 August 2013, livescience.com/38862-selective-laser-sintering.html
- 8) stratasys.com/3D-Printers/technology/fdm-technology
- 9) “Inventing HP in 3D”, 28 November 2013, economist.com

➔ design or trade mark without the authorisation of the owner. Since the printing of 3D products is in essence “copying”, one or more of these IP rights could be infringed in the process. For the purpose of this article, I shall consider the implication of 3D printing on copyright, design rights and trade mark rights.

Copyright

Copyright can subsist in different types of works, including literary works and artistic works. Given that a literary work includes computer programs, in the context of 3D printing this could mean that uploading copyright-protected computer software containing the 3D model file, without the permission of the copyright owner, could constitute copyright infringement. Another potential issue would be in relation to artistic works, for example a handcrafted home decoration. Scanning the copyright-protected decoration into a computer, without the permission of the owner of the copyright, to create a 3D replica piece, could constitute copyright infringement.

While there are certain exceptions to copyright infringement, there is currently no defence to the copying of a copyright-protected item, even if it is for domestic or private use. There is, however, draft legislation in place that will allow for the private copying of a copyright work by an individual for private use if the work has been lawfully acquired.¹¹

Design rights

In the process of 3D printing, it is easy to see how design rights could be infringed. Whether a design is registered or unregistered, the rights the owner acquires in the design include exclusivity in the reproduction of the design. Consequently, in the event that a third party prints a protected design without the permission of the owner – for example, the shape of a perfume bottle in 2D format in a computer program – to make a 3D product of this shape, this could constitute design infringement.

There are, however, exemptions to design infringement that may be

relevant in the printing of 3D items, such as the copying of the design for private and non-commercial purposes, or the so-called “must-fit” and “must-match” exceptions in respect of spare parts.

Registered trade mark rights

Trade mark rights, whether registered or unregistered, protect different types of signs, including 3D shapes and product packaging.

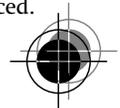
If a 3D product is printed that is identical or similar to the shape of, for example, a registered trade mark for the shape of a perfume bottle, and is created without the consent of the owner of the trade mark rights, this could constitute trade mark infringement and perhaps also passing-off. However, if the 3D printing of a trade mark is not done in the course of trade – for example – where an individual owns a 3D printer and recreates a trade-marked item at home for private and personal use, it would not constitute trade mark infringement.

3D printing could also result in counterfeiting, with counterfeiters now able to reproduce protected items on a large scale at a low price. Counterfeiters may also be able to circumvent the potential obstacles associated with importing and exporting counterfeit goods, since they would be able to manufacture counterfeit goods wherever the market is, without the need to cross international borders. This would make it more difficult for Customs authorities to seize potential counterfeit goods. If the counterfeit item is clothing, the direct harm to the consumer may only be in the inferior quality of the product. This, however, will not be the case in respect of, for example, counterfeit medical devices, electrical products or health products, where defective products or products containing unregulated ingredients could cause serious harm.

Uncertain future

The technological, medical and even commercial possibilities that 3D printing holds are astonishing, and it is difficult not to be overwhelmed by them. It is, however, clear that IP law may need to be revised to control the role manufacturers and distributors of the 3D printers and 3D-printed products play to protect IP rights. In common with modern wrangles related to illegal downloading of music or other media files, one of the main problems will be determining just who is liable for infringement and to what extent – not to mention the potential difficulties in tracing the manufacturer of the infringing 3D-printed product, for the purpose of enforcement. Rights holders will, therefore, have to assess when it would be worth enforcing their IP rights in an attempt to prevent the unlawful commercial exploitation of their protected rights.

At this stage, the UK courts have yet to consider the implications of 3D printing on IP rights and it will be interesting to see how IP laws will be interpreted in this context, especially when the new copyright provision permitting private copying in certain circumstances comes into force. In the meantime, amid the uncertainty, it would be prudent for rights holders to protect their creative works, designs and brands as comprehensively as possible, and to ensure that they have the ability to take action against potential infringers, however infringing items are produced.



¹⁰ “Study: At-home 3-D printing could save consumers thousands”, 31 July 2013, whatsnextblogs.cnn.com.

¹¹ “MODERNISING COPYRIGHT: A modern, robust and flexible framework”, December 2012.

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Urquhart-Dykes & Lord
(*Euston Massive*): David
Stammers, Anna Szpek,
Stoyan Radnkov, Mark
Taylor, Alison Simpson,
Mark Green



Farrer & Co (*Far Coff*):
Anthony Misquitta, Alistair
Cotton, Alicia Mendonca,
Daniel Tonkin, Laura McKay

LES QUIZ-ERABLES HIT WINNING NOTE

*Travel misery couldn't dampen spirits at ITMA's annual
London charity fundraising event*



Catherine Wolfe presents
Charles Lloyd from Taylor
Wessing (*Les Quiz-erables*)
with the winners' trophy.
The team's chosen charity,
Changing Faces, will receive
half of the £1,500 raised



Winning team *Les Quiz-erables* of Taylor
Wessing enjoy the spoils: Charles Lloyd,
Roland Mallinson, Justine Wilkie, Adam
Rendle, Jason Rawkins, Chris Benson



Bird & Bird (*BirdBrains*): Will Warne,
Rebecca O'Kelly, Henry Elliott, Tom
Snaith, Ian Collier, Hilary Atherton



Redd Solicitors (*The Incredibles*):
Satiya Ahmed, Holly Rose, Cam Gatta,
Joanne Gibbs, Michael Browne



Kilburn & Strode (*KS Theory*):
Flora Cook, Carrollanne Lindley,
Iain Stewart, Ryan Pixton, Sharon
Kirby, Ben Scarfield



- 1) Name the sculptor who created *The Angel of the North*.
- 2) In what capacity did Jorge Mario Bergoglio become well-known in 2013?
- 3) For which national football team does Didier Drogba play?
- 4) What is the principal ingredient of the dish Bombay duck?
- 5) Ireland holds the record for the most Eurovision song contest wins, but with how many?

1 Antony Gormley 2 He became the Pope 3 Ivory Coast 4 (Lizard) Fish 5 Seven



CRUNCH TIME

With just six months until to a historic vote, Robert Buchan considers the impact of independence on Scottish IP

On 18 September 2014, eligible voters in Scotland will be asked, “Should Scotland be an independent country?” Voters face a simple choice between “yes” or “no”. However, the plethora of constitutional law issues to be considered, as well as key post-independence issues, such as currency, European Union (EU) membership and allocation of territory and territorial waters, means that, in reality, the decision is not a straightforward one.

Media coverage of the referendum has so far largely focused on the constitutional and financial issues, with IP not playing a leading role in the debate. Yet, Scotland is home to many IP-rich sectors, such as food and drink, oil, gas and renewables, IT and life sciences, all of which are integral to the success and prosperity of its

economy. As companies doing business in Scotland continue to invest increasingly in intangible assets, it is vital that they be assured of the continued ability to effectively protect and exploit their IP, whether Scotland remains part of the UK or not.

This article therefore considers the current IP regime in Scotland and the potential impact of independence for IP.

Current IP regime

While Scotland already has its own devolved Parliament, with only one specialist exception relating to a Scottish Tribunal under the Plant Varieties Act 1997, IP law is a matter reserved for Westminster, meaning that the Scottish Parliament cannot legislate on substantive IP law. As Scotland is a separate independent legal jurisdiction within the UK, IP enforcement is carried out on a local level, primarily in the Court of Session in Edinburgh,

with specific IP judges and case management rules.

On the registration side, the UK IPO currently offers registered UK patents, trade marks and design rights that cover Scotland. As part of the UK, Scotland is also an EU Member State and subject to the EU’s harmonising legislation, and to the provisions of various international treaties that relate to IP.

If Scotland decides to become an independent country, it cannot be assumed that the status quo would continue. In particular, membership of the EU and/or a whole host of other relevant and international treaties is unlikely to be automatic. Replicating the arrangements that apply currently to the UK will require negotiation and will take time to finalise.

It is also relevant to consider the timing of a transition to independence, to place matters in a practical context. A “yes” vote

in September will necessitate a transition period during which representatives from all relevant political parties will negotiate with the UK Government and/or relevant European or international bodies as to the terms upon which Scotland will become an independent country. This will include seeking to obtain membership of relevant organisations or treaties, as well as setting up any new institutions or infrastructure as required. It is the Scottish Government's stated desire to have that transition completed prior to the Scottish Parliamentary elections scheduled for May 2016. Many believe this to leave a narrow window for negotiation and, if required, the setting up of new institutions, such as a Scottish IPO.

Issues to consider

Existing UK IP rights

I am not aware of any detailed consideration having been given to the impact of Scottish independence on the scope and validity of existing national registrations, such as UK trade marks or patents. Irrespective of EU membership, Scotland would be separate from the rest of the UK.

Not surprisingly, the Scottish Government favours the continuation of the status quo. The recently published White Paper "Scotland's Future – Your Guide to an Independent Scotland"¹, contains a commitment to ensure the continuity of the legal framework for protecting IP. This will require agreement to be reached, for example, with the UK Government and the UK IPO. It therefore seems likely that existing UK-wide registered rights would remain in play. Moving forward, it will be interesting to see if future UK-wide registered rights would still be obtained via the UK IPO or whether a Scottish IPO would be established. As the status quo is preferred, it seems unlikely that there would be any specific Scottish trade marks, patents or design rights, for example – but that is not something that could be ruled out for new registrations in future.

Existing and future Community IP Rights

In the White Paper, the Scottish Government proceeds on the basis that, as Scotland will be an EU Member State, it will meet European regulations and directives on IP protection, as well as international patent and trade mark protections.

Most informed commentators take the view that Scotland would ultimately obtain EU membership – what remains uncertain are the terms and timings of membership.

Were Scotland no longer a member of the EU or unable to become a member until several years after independence, consideration would need to be given to the scope and validity of existing European-wide registered rights. Would they continue to have effect in Scotland or possibly convert to a Scottish or UK national registration only?

Given the continued heated debate around the new Unitary Patent and Unified Patent Court, consideration would also have to be given as to whether (again absent specific accession to the relevant agreement) the new Unitary Patent would or could have any effect in Scotland. If Scotland were no longer an EU Member State, then the practical result may be that its businesses could apply for Unitary Patent protection, providing protection only in other EU Member States. Again, would additional national protection be required?

As companies in Scotland continue to invest in intangible assets, it is vital that they be assured of the continued ability to effectively protect and exploit their IP, whether Scotland remains part of the UK or not

Possible opportunities

There may, of course, be real opportunities arising out of a new Scottish constitutional settlement allowing substantive IP issues to be legislated upon from within Scotland. There could be the benefit of the status quo plus additional Scottish IP protection. For example, in the White Paper, the Scottish Government proposes that it will take steps to allow Scotland to offer a simpler and cheaper, more business-friendly model than the current UK system, which it is claimed can be expensive and bureaucratic for small firms. In particular, the Scottish Government has focused on the German utility model. A new type of registered IP protection based on this could introduce protection for technical ideas and petty patents, with generally a different and lower test than that applied to traditional patents, making such protection cheaper and easier to obtain.

In addition, the Scottish Government has indicated that it would amend existing restrictions that affect the ability of universities and colleges to attract international students and researchers. The aim is that a larger body of talent could be developed in Scotland to support high-growth companies in the creation of valuable research and IP.

Advice to IP owners?

While the current opinion polls tend to indicate that a "no" vote seems likely, there is more than enough time for that position to change, leading the way to an 18-month transition period. IP owners and their advisers should ideally now be actively considering the IP portfolio that they have or wish to develop in Scotland and how a "yes" vote could affect them. This will ensure that they are best-placed to engage fully with the relevant parties in any post-independence negotiation to at least maintain, and ideally improve, their IP position.

¹ www.scotland.gov.uk/publications/2013/11/9348/downloads

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MODERN MEDIATION METHODS CAN HELP
OPPONENTS SEE A WAY CLEAR IN IP CASES,
SAYS MICHAEL COVER

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As I sit down to write this article, very early in the new year, I have been contemplating what Justin Welby, the Archbishop of Canterbury, had to say in his new year message for 2014; in particular, that certain things – here the Archbishop focused on poverty – were a matter of justice and not charity.

In the context of disputes, justice is a much overused word. It often means a fixed and certain outcome, which can go either way, with connotations of punishment, deterrence and even revenge. Another way of looking at this is to think about dispute resolution and even reconciliation, and certainly about dispute avoidance. Mediation provides the opportunity to achieve these outcomes. So how does it work in an IP setting and what steps should you take if you want to use it?

Mediation is part of what used to be called the alternative dispute resolution spectrum (an increasingly inappropriate way of referring

to what is now a quite mainstream activity). The spectrum is made up of mediation, arbitration, adjudication and expert determination. All are non court-based, generally involve a neutral or neutrals chosen by the parties and paid for by them, and also are creatures of contract, in that the parties come to these processes as a result of dispute resolution clauses in

contracts or *ad hoc* agreements. A better term, perhaps, would be private dispute resolution, in that all these various processes are at least private, if not totally confidential.

Process, markets and specialists

The mediation process will begin with the parties either agreeing the appointment of the mediator or at least having a significant influence over that appointment. In commercial mediation, including IP mediation, the mediator and the venue will be paid for by the parties. The desired outcome will be a legally binding settlement agreement; nothing is binding until it is agreed, reduced to writing and signed by or on behalf of the parties. The parties will control the process with the mediator and will determine the outcome. The process is confidential (mostly) and without prejudice, so should provide a safe environment for the exchange of ideas and for negotiation.

The market for mediation and mediators is, in the UK, largely unregulated. Family mediation is much more tightly controlled, perhaps for obvious reasons. In IP mediation, in particular, there are a few specialists and also some of the generalists are active in this area. In a technically challenging area such as IP, then, what sort of mediator might you choose and where might you find them?

While you may first consider whether to employ a generalist or specialist, the really important thing is to choose a mediator who has the capacity to do the job thoroughly, who is energetic but patient, and who will work with the parties and their advisers to see things through, both before and at the mediation, and also during the follow-up or post-mediation phase. Indeed, one of my former colleagues always said that, if he had a strong case, he wanted a specialist mediator and, if he had a

The important thing is to choose a mediator who has the capacity to do the job thoroughly, who is energetic, and who will work with the parties to see things through

- ➔ weak case, he wanted a more “fluffy” mediator who could be commercial and yet persuasive.

Choices, timescales and suitability

How and where do you find these mediators? Various organisations, such as WIPO, have informal and formal panels of neutrals, as does the Centre for Effective Dispute Resolution. Approaching a set of Chambers is another way of obtaining guidance on who would be suitable and who is available. By all means, ask for references or even interview potential mediators before they are appointed. Whatever happens, you will need the mediator to declare their impartiality and independence of the parties and agree the fee.

There is frankly little to be gained by arguing with your counterparty over the choice of the mediator. In fact, once you start to agree the date and venue for the mediation and the mediator, you begin to agree on other things, and this generally augurs well for the parties settling the substantive disputes that divide them.

The traditional model of mediation involves the parties and their representatives meeting for a day; the mediation is confidential and without prejudice. However, in a complex IP dispute, it is asking a lot of all concerned to settle in one day. For this kind of case then, pre-mediation meetings or discussions between the parties and the mediator over a period may be an option, followed by the exchange of relevant documentation and then a series of meetings, again over a period. In small and less complex cases, one day may be excessive, and a half-day mediation might be preferred. Costs may range from £3,000 to £6,000 per day plus VAT for the mediator, and the usual protocol is that the mediator’s fees are shared equally between the parties.

Why might mediation be particularly well suited to IP disputes? IP disputes may involve infringement where the parties have never seen each other before or may concern licensing, where the parties are already all too familiar with each other. In any dispute, there is almost certainly a strong people element and mediation can be a truly cathartic process that takes the people out of the problem. In close and highly competitive markets, the parties may have the opportunity to preserve relationships to the benefit of all. In licensing disputes, the same will apply, with the need to preserve the project as well as the relationships, and to keep the revenues flowing.

In fact, a dispute is not needed in order for a mediator to be put in place as a third-party neutral to some advantage. Mediation, like a puppy, is not just for a day. On large, complex and long-term IP projects – perhaps involving licensing, joint ventures or collaborations – the parties involved may appoint a project-life mediator, who keeps up to date with the project and is ready to resolve issues as they arise.

So-called “hybrid” private dispute avoidance and resolution processes have also grown up. One of these is a dispute board. In its most effective form, this involves one or several neutrals that keep up with a project, identify flashpoints and seek to head them off through conciliation or mediation and then give adjudicated decisions on an interim basis. There is plenty of evidence to support the effectiveness of dispute boards, although the private nature of the proceedings makes it is somewhat difficult to tie down exactly what is going on. In the wake of the disposal by Ford of Volvo, a dispute board was

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set up to deal with any disputes on IP between Ford and Volvo’s new Chinese owners. There is a slow but emerging trend in this direction and perhaps a welcome move from a transactional or “one-night-stand” approach to a more relationship-based approach (find information at the website of the Dispute Resolution Board Foundation, drb.org).

Starting points

Negotiation and advocacy in mediation is a subject that requires its own article. However, a few points are worthy of mention.

Preparation is vital. Begin your thinking with the end in mind, considering: allocation of roles between the client and the professionals; whether the professionals should be there at all; where the counterparty is coming from and what it is doing; and plan the timing of offers and concessions.

Be realistic. Even a “slam dunk”, 100 per cent successful case only equates to a 75 per cent case in the real world.

Consider apologies. They cost nothing and may flush out a very positive response from your counterparty.

Plan your offer strategy. Make structured and rational offers (in the early stages). The “horse trading” comes at the end.

Expert availability. Consider having your expert either available or on call; if both experts are at the mediation, they may prove a useful conduit for communication.

At some point, the mediation, however skilled the mediator, will “hit the wall” and what appears to be an intractable problem comes up. This might involve an unexpected revelation that one party’s product is on the market in an extra jurisdiction or perhaps that the English translation of some patent claims

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is deficient. Pushing through this kind of barrier, or otherwise breaking the deadlock, may involve the mediator putting together different combinations of people, perhaps the lawyers, experts or principals of the parties. It may also involve the mediator becoming more evaluative; that is, beginning to express stronger views on likely outcomes or asking the parties for their final and best offers. The mediator might put forward a mediator's proposal, suggesting a figure at which the dispute might settle, and there is a process for acceptance or rejection by the parties. Further sessions or discussions might be scheduled. Perhaps one of the parties has what amounts to an internal conflict that needs to be resolved. It may also be a time for lateral thinking and deploying new options on licensing or co-operation between the parties. It may be possible privately to resolve an infringement and validity dispute, while preserving the relevant IP to the benefit of both parties.

Assuming that we have pushed through the wall, it will be time to write up the deal. It is often better to seek to agree the structure of the settlement first and work on the financial numbers afterwards. Bring a draft settlement agreement with you to the mediation; it may be advantageous to work from your draft and it shows a positive and optimistic outlook. In all this, working with the mediator is crucial. While the mediator in a straightforward mediation is not there to make a decision, it may be able to be your advocate with your counterparty. You should expect the mediator to be energetic and, at the same time, patient, and, of course, unfailingly courteous. You should also expect post-mediation follow-up, certainly where the dispute did not settle at the mediation.

Some may say that mediation is so effective in removing conflict and effecting reconciliation that it should be mandatory. In some other jurisdictions, particularly in parts of the US, it is compulsory

Some may say that mediation is so effective in removing conflict and effecting reconciliation that it should be mandatory. In some other jurisdictions, particularly in parts of the US, it is compulsory. In our own jurisdiction, the mechanism for encouraging mediation has been costs sanctions on those who unreasonably refuse to mediate. A recent case here in the Court of Appeal, *PGF II SA v OMFS Company 1 Limited* [2013] EWCA Civ 1288, has emphasised the financial dangers for those that refuse to mediate or even are silent when offered mediation. (There is not only a warning for the parties here, but also one for their professional advisers; a professional adviser who fails to warn of this may have a lot of explaining to do when a client not awarded costs also faces a difficult conversation with its professional indemnity insurers.) Of course, mediation is one of a range of private dispute resolution strategies that can deal effectively with the resolution of IP disputes.

It is not a universal panacea; it does not give a guarantee of an outcome and may be too unstructured for some. On the other hand, it frequently resolves IP disputes with at least a shared degree of unhappiness for the parties. Occasionally, it can achieve a genuine degree of reconciliation and the impetus to look at things differently.

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A NEW HOPE FOR “IMAGE WARS”



Mark Engelman explains why Guernsey's Image Rights Ordinance can offer a new route to protecting IP rights in the UK, and abroad

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Recently, the UK IPO, in decision O-468-13, declined to afford registered trade protection to the book and film title, *The Two Towers*, which, an aficionado of JRR Tolkien will know, is one of the books within the *The Lord of the Rings* trilogy. It based its decision upon the parallel principles to be found within passing off – book and film titles cannot function as trade marks. Thus, Saul Zaentz Inc, the owner of the merchandising rights to *The Two Towers* lost its right to protect that book title as a trade mark.

While that decision might not appear upon the radar of many trade mark proprietors because the decision is only at Registry level, the principles underpinning it possess important ramifications for the film and book merchandising industry. So where might they turn?

The Image Rights (Bailiwick of Guernsey) Ordinance 2012 has attracted some interest in the business sector. Under it, the words of a book

title alone, like the name of a celebrity, are sufficient for registration. Unlike trade mark registration and passing off, protection under the Ordinance is not confined to use of an image tied to a specific class of goods or services but merely to the use of that image within any business context. The defences to infringement are also limited. So why is the world not beating a path to the Guernsey IPO's door? A major concern of would-be applicants is that the Ordinance concerns the conduct of 61,000 or so people who live on Guernsey with little relevance to the protection of image rights within the UK or elsewhere. There does exist a long-standing, albeit rarely used,

mechanism for the reciprocal enforcement of Guernsey judgments through the High Court in London in the form of a statutory instrument, the Reciprocal Enforcements of Judgements (Guernsey) Order 1973, SI 1973/610, which extends the ambit of the Foreign Judgments (Reciprocal Enforcement) Act 1933. But would-be applicants appear to require more.

However, some additional comfort should come from the Supreme Court's judgment in *Lucasfilm Limited and others v Ainsworth* and another [2011] UKSC 39, which has made significant inroads into the issue of prosecution of the infringement of foreign IP rights, of which a

The principles underpinning the recent UK IPO decision on The Two Towers possess important ramifications for the film and book merchandising industry

Guernsey image is one, within the UK. A proprietor need not even prosecute such an infringement through the Royal Court of Guernsey, but instead may elect to bring that action within the courts of England and Wales. This development might indeed now bring such proceedings within the comfort zone of many who had previously discounted that prospect.

Lucasfilm sought to bring copyright infringement proceedings in the High Court in respect of a rather limited number of sales of Stormtrooper helmets, reproductions said by Lucasfilm to infringe upon its copyright in a work of sculpture that vested in that company. Andrew Ainsworth's sales were undertaken in the US and the infringement action based upon US copyright law was brought in the UK rather than in the US.

The Supreme Court was therefore required to analyse, in some detail, the pre-existing state of English law, which refused to permit the judiciability of foreign copyright infringement actions within the UK. In a very detailed dismantling of four pillars of legal principle that had previously disbarred such actions, the Supreme Court decided that in respect of unregistered IP rights, such as copyright, such an action was now tenable. But what of the infringement of foreign registered rights, which includes Guernsey image rights?

Past pointers

The Supreme Court looked back upon existing case law. In *Potter v Broken Hill Pty Co Ltd* [1905] VLR 612, a case concerning the infringement of a US patent, the Court refused to allow the local enforcement based upon four principles.

First, the rule in *British South Africa Co v Companhia de Moçambique* [1893] AC 602 – an English court has no jurisdiction to decide an action on title to or possession of foreign land, or damages for trespass to it. By analogy, the Supreme Court applied that principle to IP rights, whether they were created by registration (such as trade marks or registered designs) or otherwise. The Court's jurisdiction in relation to land was considered to be local because of its connection to a particular locality and not “transitory”, and for a country to entertain a dispute over it was a matter of politics and not one for the Court.

Second, the first branch of the rule in *Phillips v Eyre*: a tort has to be actionable, both in the UK and abroad, for it to be actionable in the UK (otherwise known as the double-actionability rule).

Third, rights in immovables created by foreign states are to be adjudicated upon by those foreign states.

Fourth, the “act of state” principle: one state cannot decide upon acts done within the territory of another.

The Supreme Court accepted that the first, *Moçambique*, was repealed by section 30(1) of the Civil Jurisdiction and Judgments Act 1982 – any court in England could entertain proceedings for trespass to immovable property situated outside the UK other than in respect of a challenge to title or possession. The second, the double-actionability rule, was abolished by the Private International Law (Miscellaneous Provisions) Act 1995. The third was eroded by a body of successive US and Commonwealth country case law: in respect of the construction of the patent, by *Fairchild Semiconductor Corporation v Third Dimension (3D) Semiconductor Inc*, 589 F Supp 2d 84, 98 (D Me 2008); in respect of copyright infringement, by *London Film Productions Limited v Intercontinental Communications, Inc*, 580 F Supp 47, 49 (SDNY 1984) – infringement was said hot to concern the creation of the right, an area outside the Court's competence; and by *Mannington Mills, Inc v Congoleum Corporation*, 595

F 2d 1287, 1293–94 (3d Cir 1979), where it was held that even the act of the grant of patent was considered to be administrative, not governmental, bringing it outside the rule. The fourth principle was eroded by two pieces of specific legislation, Article 22(4) of the Brussels I Regulation, which conferred jurisdiction upon the Member State of the European Union in which an IP right is registered, and Regulation (EC) No 864/2007, which conferred actionability to the jurisdiction within which an act of infringement was committed.

Thus, while the Supreme Court was anxious to explain that the judgment was confined to the narrow issue surrounding infringement of an unregistered IP right, copyright in a work of sculpture, there can be little doubt from the manner in which the Court expressed itself that the principle of *Lucasfilm v Ainsworth* now applies to infringement actions in respect of both registered and unregistered IP rights alike.

So a claimant in a Guernsey image rights infringement action need not bring proceedings through the Royal Court in St Peter Port, Guernsey, but can stay home and bring that action in the cosy comfort of the Intellectual Property Enterprise Court or the Chancery Division of the High Court, Fetter Lane, London.

What the UK Trade Mark Registry takes with one hand, the Supreme Court gives with another.



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DOG FIGHT DOWN UNDER

Nick Holmes discusses disruption to a rare harmony in Australian and New Zealand trade mark oppositions

In a rare case in which the IPO of New Zealand and the Australian Trade Mark Office both considered the same-fact scenario in a trade mark opposition and agreed with each other, a recent High Court of New Zealand decision saw that such agreement was only short-lived.

Somewhat surprisingly, the High Court of New Zealand found that the trade marks FRONTLINE and FIPROLINE are so sufficiently similar that they are likely to be confused with each other when used in relation to veterinary products. The decision highlights the scope and flexibility of a broad opposition ground in New Zealand, a subtle difference between Australian and New Zealand trade mark oppositions.

Context

Merial, the owner of the trade mark FRONTLINE, registered in respect of veterinary products in Australia and New Zealand, opposed Virbac SA's applications for FIPROLINE for "veterinary preparations, particularly an anti-parasitic preparation for external use" in both countries. Both marks were used in connection with products that contained the active ingredient fipronil. Merial's oppositions in both countries were based upon its prior registrations

of the FRONTLINE mark, and its use and reputation in that trade mark.

Both the Assistant Commissioner of Trade Marks in New Zealand and a Delegate of the Registrar of Trade Marks in Australia dismissed the opposition and found that use of FIPROLINE was unlikely to cause confusion in the respective New Zealand or Australian marketplaces.

In New Zealand, the Assistant Commissioner considered that FRONTLINE and FIPROLINE were visually, aurally and conceptually different, noting that FRONTLINE has a dictionary meaning, whereas FIPROLINE is an invented word. The Assistant Commissioner also considered that the purchasing public would be "discerning and cautious", and the use of FIPROLINE would therefore not lead to any confusion or deception.

Similar reasoning was adopted in Australia, as the Delegate found that, even if the marks were visually or phonetically similar (which he did not think they were), the fact that FIPROLINE is an invented word, whereas FRONTLINE has a commonly understood meaning, supported the conclusion that deception or confusion was unlikely to occur.

Generally speaking, the reasoning applied in the respective decisions was

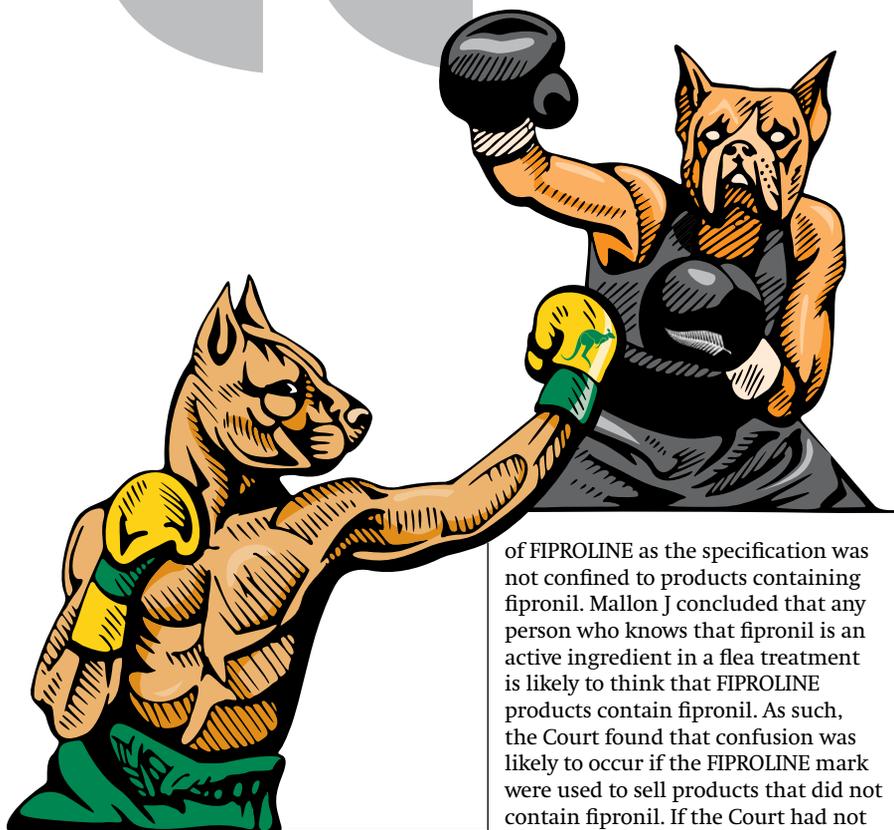
consistent, notwithstanding that the reputation-based grounds relied on by the Opponent required different considerations in each country.

Next steps

Merial appealed the decision to the High Court of New Zealand (Auckland Registry). Justice Mallon upheld the appeal, concluding that there were "quite strong similarities" between the respective marks as both commenced with the letter F and ended with the word LINE. Mallon J agreed that there are conceptual differences between the marks, yet concluded that, although the respective marks are conceptually different, "the actual use of FRONTLINE includes reference to fipronil and there is an awareness of that. Allowing for imperfect recollection and the competing products not necessarily being sold side by side, the purchasing public may think that FIPROLINE (which contains the active ingredient fipronil) is, or is associated with, FRONTLINE (which contains the active ingredient fipronil)."

This assessment may be of some concern to manufacturers of veterinary or pharmaceutical products who regularly create and use distinguishable trade marks that

The Court's conclusion points to a subtle distinction between Australian and New Zealand opposition proceedings



nonetheless allude to the same key active ingredient in the product.

Mallon J did not accept the Assistant Commissioner's conclusion that the purchasing public would be discerning, cautious and well informed. Rather, Mallon J found that, "the purchasing public, being those who care for cats or dogs and seek flea treatment for them, will cover a wide range. Some will be cautious and discerning, others will not." As a result, Mallon J considered that use of FIPROLINE was likely to deceive or cause confusion and upheld the Appeal accordingly under section 17(1)(a) of the Trade Marks Act 2002.

As a separate issue, the Court also found that the Assistant Commissioner in New Zealand erred in permitting registration

of FIPROLINE as the specification was not confined to products containing fipronil. Mallon J concluded that any person who knows that fipronil is an active ingredient in a flea treatment is likely to think that FIPROLINE products contain fipronil. As such, the Court found that confusion was likely to occur if the FIPROLINE mark were used to sell products that did not contain fipronil. If the Court had not found that the respective FIPROLINE or FRONTLINE marks were sufficiently similar to uphold the Appeal under section 17 of the Trade Marks Act 2002, the registration would have been narrowed to include the words "that include fipronil as an ingredient".

Same bat, different fields?

The High Court's conclusion that the respective marks FRONTLINE and FIPROLINE are likely to be confused may surprise many in the profession. It does, however,

point to a subtle but useful distinction between Australian and New Zealand opposition proceedings, especially where an opponent is relying on reputation or a broad range of other factors to try and establish its case.

In Australia, a well-known mark may form the basis of an opposition ground if, due to the reputation in that trade mark, use of the opposed mark would be likely to deceive or cause confusion. While this is largely similar to the relevant opposition ground considered by the Court in New Zealand under section 17(1)(a) of the Trade Marks Act 2002, there is an important difference between the respective grounds. Specifically, to establish the relevant ground in New Zealand, the opponent must simply prove that use of the opposed trade mark "would be likely to deceive or cause confusion". Conversely, under the equivalent Australian provision, the opponent must not only demonstrate that an earlier trade mark had a reputation, but also that the likelihood of any deception or confusion arising must occur due to the reputation of the well-known trade mark. As illustrated in this case, the Australian provision is necessarily more focused and less holistic than its New Zealand counterpart. The High Court's decision demonstrates how the broad scope and flexibility provided by the New Zealand section can be very useful to an opponent.

It is not uncommon for trade mark owners to be engaged in closely related trade mark oppositions in Australia and New Zealand simultaneously. This decision by the High Court demonstrates that it is important to recognise the subtle differences between the law and practice relating to opposition proceedings in each country, when preparing and running such oppositions.

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Beer glass masterclass

Waisted glasses were put under the spotlight, reports Azhar Sadique

This case considers the design for a beer glass and discusses how slight differences in designs can be sufficient to afford protection against rivals. The Claimant, Utopia Tableware Limited (“Utopia”), brought a claim against the Defendants, BBP Marketing Limited and The British Bung Manufacturing Company Limited, for registered design and unregistered design infringement in the new Intellectual Property Enterprise Court (IPEC).

Background

Both Utopia and BBP Marketing Limited (“BBP Marketing”) supplied glasses. Utopia relied upon UK unregistered design rights relating to a particular beer glass sold under the name “Aspen” and also UK registered design No 4021276, which was applied for on 13 August 2011. The BBP Marketing product alleged to infringe these rights was named the “Aspire”.

Issues to address

Utopia’s Aspen glass, created in February 2011, was a tall-waisted beer glass, with a rim diameter larger than the base diameter. BBP Marketing admitted to copying the glass in so far as the exterior profile of the glass. However, BBP Marketing did state that the glasses were different in respect of the thickness and curvature of their insides. Accordingly, the issues to be assessed by the IPEC were as follows:

- a) subsistence of Utopia’s registered and unregistered design rights;
- b) in relation to subsistence, whether, by reference to existing products in the field:
 - i) the design was commonplace and/or not original; and/or

- ii) the registered design was not new and did not possess individual character.

Design rights

On the point of subsistence, several aspects of shape and configuration were considered in assessing its originality. The IPEC held that Utopia’s design was original and was different to prior designs in the design field, namely the beer glasses of Peroni, Amstel and Carlsberg. While some of the features were “commonplace” among what the IPEC referred to as “high-waisted” glasses, it held that the outer profile of the Utopia design was noticeably different to the other designs in the field. As a design right can subsist in any aspect of that design, the IPEC found cause enough for an unregistered design right to subsist. The IPEC also held that the registered design subsisted and was owned by Utopia.

Individual character

Next, the IPEC looked at whether the design was new and whether it possessed individual character.¹ The principles applied by the IPEC were provided by the leading case in this area, *Samsung Electronics (UK) Limited v Apple Inc* [2012] EWHC 1882. That case established that a design would have individual character if it produced a different overall impression on the informed user; in making this assessment, it is necessary to consider the design field, the nature of the product, the type of user, the industrial sector to which it belongs and the degree of design freedom.

The informed user. The parties agreed that the informed user was a

user of beer glasses. However, BBP Marketing argued that such a user would not consider any differences in the curvature of a glass and submitted that the design was not novel. The IPEC disagreed, stating that a user would have an interest in the product concerned, and that brewers had been making substantial efforts to create unique and identifiable shapes to represent their brands.

The freedom of the designer.

This topic was strongly disputed between the parties. Utopia argued that designers of tall-waisted beer glasses of the type at issue in these proceedings had only a limited degree of freedom and submitted that even minor differences were sufficient to confer individual character. BBP Marketing submitted that designers of beer glasses had a wide degree of freedom, and that use of a tall-waisted shape was a mere convention not a restraint. The IPEC agreed with Utopia, confirming that the more the designer’s freedom in developing the contested design is restricted, the more likely minor differences between the designs at issue will be sufficient to produce a different overall impression on the informed user.²

Overall impression. In making its assessment on this point, the IPEC was required to make a direct comparison of Utopia’s Aspen design to the others mentioned above in the design field. The IPEC held that, while the designs were similar, the overall impression of the other designs were different. The IPEC further confirmed that the differences between the products would be noticeable to the informed user. The IPEC found that the Peroni glass had a narrower waist and larger rim diameter; that the Amstel design had a lower waist and a more pronounced curvature; and that the Carlsberg design looked more like a vase and featured the embossed letters “Carlsberg”.

Based on the above, the IPEC concluded that the design did have individual character and was therefore valid. The IPEC held that both Utopia's unregistered and registered design rights had been infringed.

Useful guidance

This case provides useful guidance on the criteria for establishing whether a design possesses individual character. The commentary regarding design freedom is particularly interesting in this regard, reaffirming that, where the freedom of the designer is limited when designing products, relatively minor differences in designs can be sufficient to confer protection against rival products.

This case provides useful guidance on the criteria for establishing whether a design possesses individual character

1) The law relating to UK registered designs such as the design in this case derives from the relevant provisions of the Registered Designs Act 1949 as amended by the Registered Designs Regulations 2001 to implement Directive 98/71/EC

2) The arguments were supported by *Samsung v Apple* [2012] EWHC 1882 and *Pepsi Co v Grupo Promer* [2012] FSR 5

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NOW case, new concerns

The latest NOW chapter opens up issues related to online content, warns Kristina Passmore

The Court of Appeal has dismissed an appeal by Starbucks (HK) Limited (“Starbucks”) against Justice Arnold’s dismissal of its action for trade mark infringement and passing off, and against Arnold J’s order granting British Sky Broadcasting Group’s (“Sky”) counterclaim that the registration of Starbucks’ Community Trade Mark (CTM) NOW is invalid.

In 2008, Starbucks registered NOW as a CTM, for *inter alia* telecommunications and internet TV subscription services in class 38. In 2012, Sky launched a new on-demand TV subscription service under the name NOW TV, which led to Starbucks bringing court proceedings against Sky, and Sky, in turn, issuing a counterclaim. Both parties seek to supply media telecommunications services in different markets on a global scale.

High Court decision

Trade mark invalidity

According to Arnold J, the word NOW was the dominant element of the CTM and this would be understood by the average consumer as a description of the instant, immediate nature of the internet TV subscription service, and was therefore precluded from registration for these services.

Passing off

Arnold J made several findings based on the general principles of the law of passing off set out in *Anheuser Busch Inc v Budjovicky Budvar NP* [1984] FSR 413 (“Budweiser”) and *Hotel Cipriani Srl v Cipriani (Grosvenor Street) Limited* [2010] RPC 16 (“Cipriani”). Arnold J also decided on four issues that had not arisen for decision in *Budweiser* or *Cipriani*.

First, the mere fact that a website was visible and might be accessed

throughout the world did not amount to use of a mark throughout the world.

Second, in a context that did not depend on the location of the provider or on whether the services were provided for free, the provider needed to offer services to customers in the UK at the relevant date for goodwill to be shown. The booking test in *Cipriani* could not be applied in the circumstances. Thus, Arnold J accepted that commercial free-to-air TV services, such as those provided by the BBC, have goodwill.

Third, goodwill can exist even though reputation only exists among an ethnic, foreign-language-speaking minority.

Fourth, protectable goodwill could arise as a result of advertising and promotion in advance of services becoming available for purchase.

In the circumstances, Arnold J held that the UK viewers of Starbucks’ NOW TV programmes either via its website or YouTube were not customers of Starbucks. The customers of Starbucks were the viewers who were targeted for business in Hong Kong, not those who accessed the

Based on the current UK law of passing off, can a YouTube channel business ever generate goodwill if all it does is create and upload popular video content while being paid through advertising?

internet in the UK. Arnold J also concluded that the preparatory activities of Starbucks for the proposed launch of its TV service did not establish goodwill in the UK.

Court of Appeal decision

Trade mark invalidity

The trade mark issue on appeal was whether Arnold J was wrong in holding that the mark NOW in relation to a TV internet service designates a characteristic of the service and is therefore invalid as a trade mark.

It was accepted that the same question arises under both Article 7(1) (b) and Article 7(1)(c) of Council Regulation (EC) 207/2009: can a mark, which in some uses has distinctive character, be said to be devoid of any distinctive character?

Starbucks argued that Arnold J's conclusion that if a CTM could be interpreted in a descriptive manner it was bound to fall foul of Article 7(1) (c) was novel and unsupported by authority, and led to the startling result that all word marks are invalid if their ordinary meaning in any European language could be descriptive of the service in one context. Starbucks submitted that Arnold J ought to have held that, when used as a name, NOW would be immediately recognised as a name or brand and was inherently distinctive. The Court of Appeal (with Sir John Mummery giving the lead judgment)

disagreed and held that NOW was devoid of distinctive character and that the mark would not identify Starbucks' service or distinguish it from other undertakings. Starbucks argued further that Arnold J ought to have held that the "instant immediate availability of the service" is not a characteristic of a TV service in accordance with established law. Sir John took a different view, stating that the mark NOW "refers to something about the service, an appealing characteristic that will pull in the punters. What is that something if it is not the characteristic of delivering programmes of choice instantly on demand?"

Passing off

The main issue in the passing-off appeal was whether Starbucks had customers in the UK for its NOW TV service. Starbucks submitted that Arnold J ought to have held that the viewers of Starbucks' NOW TV (whether via Starbucks' website or YouTube channel) were customers since they watched NOW TV because they appreciated the content and quality of the programmes shown, and that those programmes generated goodwill for its NOW TV service by making those viewers want to watch further NOW TV programmes.

Sir John disagreed that these were customers and held that there was more to establishing goodwill than showing that programmes in the TV service were viewed by members of the public who did not need the TV service because they could just view the NOW TV programmes via the internet. Sir John concluded that using the internet to access the programmes of a named service

on a website does not satisfy the basic requirements of being a customer or forming part of the goodwill of a business.

Starbucks also argued that its activities generated demand for its future services to be provided for payment in the UK, that viewing of the NOW TV programmes in the UK prepared the ground for the planned launch. Sir John agreed with Arnold J that there was insufficient evidence of Starbucks' preparatory activities. It was necessary either to have, promote or advertise to a customer base to establish goodwill.

YouTube threat

It is interesting to consider how this decision applies to the numerous YouTube channels and "vloggers" that solely create and upload free video content. YouTube channels are located across the globe and some video content attracts huge numbers of international viewers. So long as the YouTube channel has allowed for adverts to be played at the beginning of its videos, YouTube channels have the possibility of making significant amounts of money.

However, this decision seems to make a distinction between NOW TV's service (ie the TV subscription service) and the programmes in the service and suggests that merely providing the programmes online is insufficient for goodwill. Arguably, in the context of YouTube, making programmes (ie video content) accessible to people via YouTube is the service itself. YouTube channels rely on popular videos being shared on social media sites, or by other YouTube channels. The majority do not actively target a specific market. Based on the current UK law of passing off, can a YouTube channel business ever generate goodwill if all it does is create and upload popular video content while being paid through advertising? If not, this leaves YouTube channels vulnerable to third parties exploiting their popularity and success by using similar names and branding.

Kristina Passmore

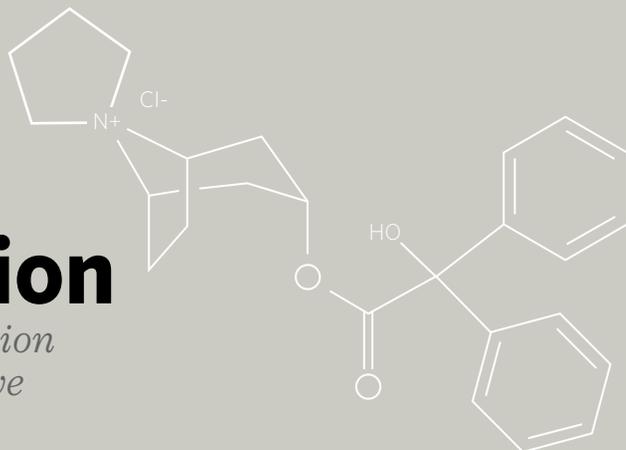
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Chemical reaction

Mathilda Davidson analyses a decision in which the court was not supportive of a marketing formula



In a relatively rare decision on the issues around overstickering of parallel imports of pharmaceuticals, Justice Asplin has confirmed that a parallel importer cannot overstick pharmaceuticals with the established brand name in a Member State where the only reason for doing so is to obtain a commercial advantage.

Background

The case concerned a pharmaceutical product containing the active ingredient trospium chloride, used in the field of urology. The product is manufactured by Madaus GmbH (“Madaus”). It is sold under a variety of brand names in several European Union Member States.

In the UK, it is marketed and sold by the Claimant, Speciality European Pharma Limited (“SEP”), under the brand name “Regurin” (used under licence from Madaus). In France, the product is marketed as “Céris” and in Germany as “uriVesc”.

Until 2009, trospium chloride also benefitted from patent protection. For many years before the expiry of that patent, Doncaster Pharmaceuticals Group Limited (“Doncaster”) had been

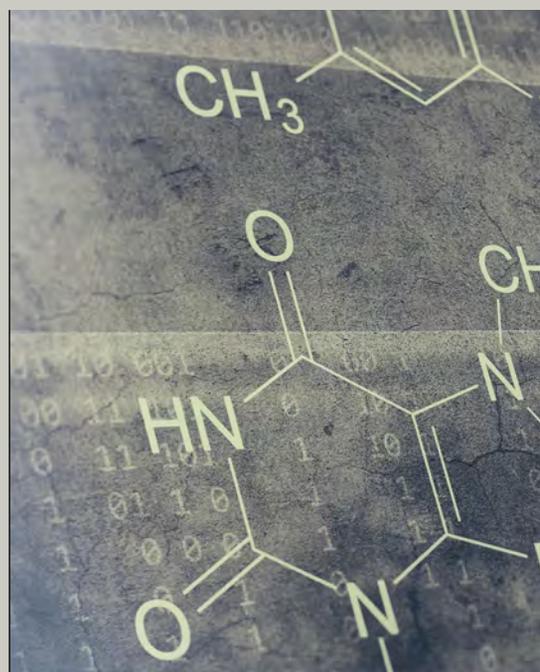
importing Céris from France into the UK by overstickering the box with the generic name trospium chloride. However, in late 2009, following expiry of the patent, Doncaster began to overstick with the mark Regurin, instead of the generic name. In 2011, Doncaster also started to import uriVesc from Germany, again overstickering it with the trade mark Regurin.

Trospium chloride is marketed in two forms in the UK: a 20mg tablet with instant release (marketed by SEP as Regurin BD) and a slow-release 60mg capsule (marketed by SEP as Regurin XL). At the time of these proceedings, the 20mg tablet could be prescribed and dispensed under the generic name, while the 60mg capsule could be prescribed generically, but could only be dispensed under a brand name.

Issues

The Judge summarised the issues as:

- 1) Is Doncaster entitled under Articles 34 and 36 of the Treaty on the Functioning of the European Union (TFEU) to affix the mark



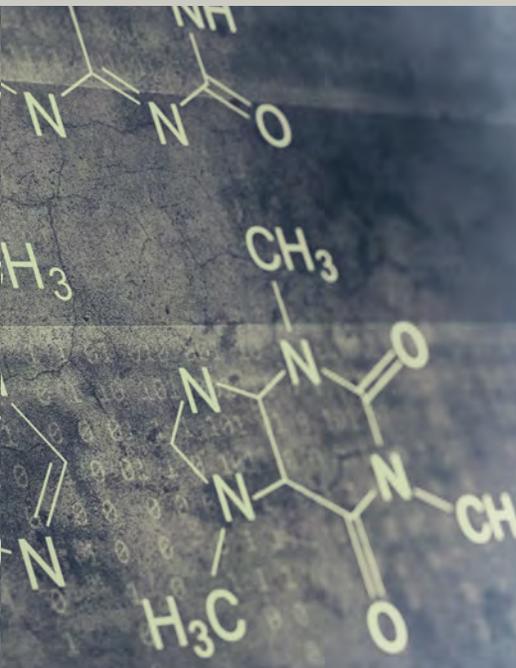
Regurin to pharmaceuticals imported from other Member States?

- 2) Is it necessary for Doncaster to rebrand the products as Regurin to gain effective market access to the UK?

The law

Article 34 of the TFEU prohibits “quantitative restrictions on imports and all measures having equivalent effect”. However, Article 36 provides an exception for restrictions justified on several grounds, including the protection of industrial and commercial property provided that such restrictions do not “constitute a means of arbitrary discrimination

Article 36 provides an exception for restrictions justified on several grounds, including the protection of industrial and commercial property



or a disguised restriction on trade between Member States”.

Article 7 of Council Directive No 89/104/EEC (the Trade Mark Directive) also imposes restrictions on the extent to which trade mark owners can restrict imports by providing for exhaustion of the rights in the mark when the product is marketed in the EU, subject to the exception in Article 7(2) where:

“... there exist legitimate reasons for the proprietor to oppose further commercialization of the goods, especially where the condition of the goods is changed or impaired after they have been put on the market.”

In *Pharmacia & Upjohn SA v Paranova A/S* (C-379/97) [2000] 1 CMLR 51, the Court of Justice of the European Union (CJEU) held that Article 7 of the Trade Marks Directive and Articles 34 and 36 of the TFEU “must be interpreted in the same way”. In the same case, it was ruled that, in a rebranding case, the court must: “... assess whether the circumstances prevailing at the time of marketing in the Member State of import make it objectively necessary to replace the original trade mark by that used in the Member State of import in order that the product in question may be marketed in that State by the parallel importer.”

The CJEU did not seek to define what was meant by “objectively necessary”, which is a question for national courts to decide on the facts of each case, but it did lay down some pointers:

- i) If the importer is prevented from rebranding, would that hinder effective access to the market in the importing state?
- ii) Do the rules and practices of the importing state prevent the goods from being marketed under the original brand?
- iii) Is the rebranding solely an attempt by the importer to secure a commercial advantage?

The CJEU also stated that repackaging would be permissible where without repackaging the importer would be denied access to the market or a substantial part of the market.

Present case application

The judgment deals with the markets for the 20mg and 60mg products largely separately.

In respect of the 20mg product, approximately 90 per cent of prescriptions were written generically. The generic prescriptions could be dispensed as branded Regurin, as another brand or non-branded.

On the evidence, the Judge concluded that Doncaster had access to 90 per cent of the 20mg

market and that rebranding of Cérés as Regurin was not objectively necessary. She based this conclusion on two main factors:

- i) when importing Cérés and overstickering it as trospium chloride, Doncaster was able to compete for the part of the market represented by the generic prescriptions; and
- ii) neither consumers nor pharmacists showed any significant resistance to accepting a product other than Regurin.

The Judge concluded that the true motive of Doncaster for wanting to rebrand was to be able to charge a higher price than the product would have achieved had it been unbranded, or rebranded with a different brand.

For the 60mg product, prior to the entry into the market of Doncaster, only the branded Regurin XL product was available. However, nearly 70 per cent of the prescriptions were written generically. Under the Medicines and Healthcare Products Regulatory Agency (MHRA) Directions, generic prescriptions could only be dispensed as a branded product; the brand could be Regurin XL or any other brand chosen by an importer.

The Judge again found, on the evidence, that it was not necessary for Doncaster to rebrand the product as Regurin to get effective access to the market. Again, she relied on two main points:

- i) Doncaster’s witness, Managing Director Derek Wilson, admitted in cross-examination that he could make “a killing” in the 70 per cent of the market that was prescribed generically; and
- ii) while it would be necessary (due to MRHA requirements) for Doncaster to obtain an import licence for its own brand, Wilson had accepted that such a licence could be obtained easily and at minimal cost.

In the Judge’s view, in the 60mg market as well, Doncaster was simply seeking a commercial advantage and avoiding the need to use its own brand by piggy-backing on the Regurin brand.

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Biotronik message lost

Case lacked solid proof, explains Olivia Gregory

This case relates to an opposition filed by Biotronik SE & Co KG (“Biotronik”) on the basis of its rights in CARDIOMESSENGER to a Community Trade Mark (CTM) application for RADIO MANAGER filed by Cardios Sistemas Comercial e Industrial Ltda (“Cardios”). The crux of the dispute concerns what amounts to genuine use under Articles 42(2) and (3) of the Council Regulation (EC) No 207/2009 (“CTM Regulation or CTMR”) and Rule 22(3) of Commission Regulation (EC) No 2868/95.

After considering the legislation and its interpretation in ANSUL, VITAFRUIT and COLORIS¹, the Board of Appeal came to the conclusion that, despite there apparently being use of the mark in question as the name of a product, there was no evidence of genuine trade mark use. As a consequence, the requirement for solid and objective evidence² (concerning the place, time, extent and nature of the use) was found to be lacking.

The case began on 26 March 2008 when Biotronik submitted an opposition to the Cardios mark. This was based upon Biotronik’s earlier word mark CARDIOMESSENGER, registered in Germany on 28 November 2002. It was pursuant to Article 8(1)(b) of the CTMR.

Following a request by Cardios for proof of use, Biotronik filed evidence that it believed successfully proved that it manufactured a device called CardioMessenger. However, this was not enough to establish genuine use within the meaning of the CTMR. The evidence Biotronik put forward lacked the solid and objective requirement set out in COLORIS and therefore

Biotronik’s use of CARDIOMESSENGER fell short.

Among other items, Biotronik submitted evidence of presentations apparently intended for in-house purposes only: scientific publications referring to CARDIOMESSENGER, extracts from CARDIOMESSENGER manuals and formal written statements that indicated the number of patients provided with a CARDIOMESSENGER device. In contrast, solid and objective evidence (such as sales turnover, advertising, and the extent and nature of use, particularly in Germany where Biotronik is based) was found to

be lacking. In light of this evidence, it is perhaps unsurprising that the court was not persuaded.

As the case law demonstrates, commercial success is not needed to establish genuine use. It may, however, make it easier to prove, since use will generally be wider and turnover higher. A small enterprise may have few resources to prepare its evidence, but the threshold is very low and, when Biotronik did not produce so much as a single price list or advertisement and even the market price of a CardioMessenger device remains unknown, it is hard to see the decision going any other way.

On appeal, Biotronik attempted to rectify the deficiencies in its previous evidence by submitting an affidavit giving the number of patients that have been provided with the device as part of a home monitoring system. The Board was not convinced, primarily because the evidence still lacked the rudimentary requirements of Rule 22(3) of the CTMR.

Evidently, the lesson to learn is that, if a party is required to show evidence of use, such evidence has to be solid and objective, and must show the place, time, extent and nature of any use. A party should easily be able to meet the low threshold if it has actually made use of the mark and kept some records of its trading activities.

¹ Case T-353/07 Esber v OHIM – Coloris Global Coloring Concept (COLORIS), not published in the ECR, paragraph 20

² Ibid, COLORIS

In light of Biotronik’s lack of solid and objective evidence, it is perhaps unsurprising that the court was not persuaded

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Perception connection

Marks were deemed similar due to scope for interpretation, says Katy Cullen

This case provides a cautionary tale that, when comparing marks, similarity will not only be judged on a literal interpretation, but also on how marks might be perceived.

The Applicant, IBSolution GmbH, filed a Community Trade Mark (CTM) for IBSolution in classes 35, 41 and 42. The Opponent, IBS AB, opposed the CTM on the basis of Article 8(1)(b) of Council Regulation (EC) No 207/2009, which provides that a trade mark may not be registered if, because it is identical or similar to an earlier trade mark and identical or similar goods or services are covered by the trade marks, there exists a likelihood of confusion.

The opposition was based on a prior CTM registration for the figurative mark shown on this page.

The opposition succeeded and the Applicant's appeal to the Second Board of Appeal of OHIM was dismissed. The Applicant lodged a further appeal to the General Court. OHIM's assessment of the respective services was not disputed. However, the Applicant claimed the marks were not similar as they lacked phonetic and conceptual similarity, and possessed only a low degree of visual similarity because:

- 1) the letters common to both marks, IBS, were not their dominant feature;
- 2) the Board of Appeal had divided the application into "IBS" and "Solution", thus erroneously duplicating the letter S and it incorrectly held that "Solution" was descriptive; and
- 3) the earlier mark was not inherently distinctive as three letter acronyms starting with "I" or "ib" were common.

The interesting aspect of the case concerns the Board of Appeal's duplication of the letter S. The Applicant claimed that, without

Although the General Court held the marks were not conceptually similar, the visual and phonetic similarities were sufficient to justify an overall finding of similarity

this duplication, there was no likelihood of confusion, especially from a phonetic standpoint. The Applicant claimed the capital letter S was part of the word Solution and would not be disassociated from it. The mark applied for would therefore be perceived as "ib" and "solution".

The General Court rejected this argument. It noted the letters IBS in the application were attached without a hyphen or space and were all capital letters followed by "olution" in lower case. It was therefore possible that the relevant public would perceive the letter S as both part of IBS and the word Solution. This gave the marks a degree of phonetic similarity.

The dominant element of the earlier mark was IBS, given its relative size, and it was settled case law that consumers more readily refer to words than figurative elements. The dominant feature of the earlier mark

was identical to the first three letters of the application (ie IBS) and this gave the marks a visual similarity.

Although the General Court held the marks were not conceptually similar, as the common element IBS had no meaning, the visual and phonetic similarities were sufficient to justify an overall finding of similarity.

In duplicating the letter S, the General Court confirmed that mark comparisons go beyond a mere literal interpretation. One cannot help but wonder if IB Solution, with less scope for argument over public perception, would have met a better fate.



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Winds of change?

Désirée Fields advises applicants to more closely consider their mark category following this case

The EU General Court (“EUGC”) has annulled an OHIM Board of Appeal decision, finding that it had erroneously re-categorised a colour mark as a figurative mark.

In August 2001, Enercon GmbH filed a Community Trade Mark (CTM) application, identified as a colour mark, in respect of “wind energy converters, and parts thereof” in class 7. A description of the colours applied for was provided by means of a colour code. The mark achieved registration in January 2003.

In March 2009, Gamesa Eólica brought invalidity proceedings under Article 51(a) and (b) of Council Regulation (EC) No 40/94 (now Article 52(1)(a) and (b) of Council Regulation (EC) No 207/2009; both known as the CTM Regulation). OHIM’s Cancellation Division granted the application for a declaration of invalidity finding that the mark defined the way in which the registered colours may cover a wind turbine tower.

On appeal by Enercon, the OHIM Board of Appeal annulled the decision holding that the contested mark was not a colour mark per se, but rather a two-dimensional figurative mark made up of colours in a specific frame, order and representation, namely in the form of a pin. It held that the contested mark was of sufficiently distinctive character and not descriptive.

Gamesa Eólica appealed to the EUGC arguing that the Board of Appeal was wrong to categorise the contested mark as a figurative mark and that its assessment of the distinctive character of the contested trade mark was therefore incorrect. Relying on the principle of functional

continuity, Gamesa Eólica claimed that the Board of Appeal was not entitled to re-categorise the nature of the contested mark on its own initiative.

Addressing the second point first, the EUGC noted that, in principle, all matters dealt with by the lower-level departments of OHIM, which were the subject of the appeal, formed part of the legal and factual framework of the case. In the present case, the exact nature of the contested mark would significantly influence the assessment of its distinctive character. Accordingly, the Board of Appeal had jurisdiction, irrespective of continuity in terms of functions between the various departments of OHIM, to re-examine that particular issue and, where appropriate, to reach a different conclusion than the Cancellation Division.

The EUGC noted that it was clear from both the application form and the acknowledgment of receipt of the application sent by OHIM to Enercon, that the mark was registered as a colour mark. The Board of Appeal had attached no significance to the fact that Enercon knowingly registered a colour mark and not a figurative mark or the fact that none of the parties challenged the nature of the contested mark as a colour mark at any stage of the invalidity proceedings.

The EUGC acknowledged that Enercon could have explained in its application the way in which the combination of colours would be applied on wind turbine towers. However, neither case law nor the CTM Regulation required it to do so. The fact that Enercon gave more detail in other trade mark applications, or that it had not used dotted lines, where appropriate, to indicate that the contours of the sign were not protected, was not capable of altering this finding.

The EUGC concluded that the Board of Appeal made an error in assessment by finding that the contested mark was not a colour mark but rather a two-dimensional mark made up of colours, which was based on a mistaken perception of the nature and characteristics of the mark at issue.

Fatal blow

The moral of the tale? Applicants must consider carefully what they are seeking to protect as the exact nature of a trade mark may significantly influence the assessment of its distinctive character. In the present case, categorising the mark as a colour mark ultimately delivered a fatal blow to it. Had it been filed as a figurative mark, the outcome may well have been different.

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Jumbo lacks strength

A 'big' name failed to make an impact with opposition, writes Bex Heard

This case serves to remind us that where a sign includes figurative and word elements, it does not automatically follow that the word must always be considered to be dominant.

Rila Feinkost-Importe GmbH & Co KG ("Rila") filed (in 2006) Community Trade Mark (CTM) Application No 5141213 for JAMBO AFRIKA (words only) in classes 29, 30 and 33 for a wide range of food and drink products, which was opposed by Preparados Alimenticios, SA ("PA") on the basis of several figurative marks containing the word JUMBO.

The prior CTM and Spanish national registrations were registered for goods including (collectively) "broths" and "soups" in class 29 and/or "relishes, sauces" and/or "condiments" in class 30. The claim to a "well-known" mark within the meaning of Article 6bis of the Paris Convention was not substantiated with evidence and was excluded.

At first instance, the Opposition Division upheld the opposition in part in relation to the goods in class 29 and some of the goods in class 30. Depending on the particular goods applied for, there was found to be similarity in goods – some were even identical – to those registered by PA. However, when appealed by Rila, the decision was overturned by the Board of Appeal and the opposition rejected in full. PA appealed to the General Court (GC) disputing, in essence, that the assessment of the similarity of the signs at issue was wrong.

In assessing the similarity of the marks, the GC reiterated existing case law that, where a sign consists of figurative and word elements, it does

not follow that the word must always be considered to be dominant. Further, the comparison requires an assessment of the mark as a whole.

The GC confirmed that the figurative elements of the prior marks were not negligible, and that the visual differences between the prior marks and the mark applied for were obvious. The GC also stated that the additional word elements (such as CUBE and MARINADE) in the prior marks were also not negligible and should have been taken into account by the Board of Appeal when comparing the marks on a phonetic level. Pronouncing the signs in their entirety (so far as that is possible) shows that there is a phonetic difference between them.

In relation to the conceptual comparison of marks, the GC agreed

with the Board of Appeal that the marks would be considered dissimilar because "jumbo" means "big" or "very large" in English-speaking countries and the word "jambo" has no meaning in any of the European Union languages (although it is Swahili for "hello"). To the extent that "jumbo" has no meaning in non-English speaking countries, the prior marks would still be considered different to the mark applied for due to the presence of the word "afrika".

The GC agreed with the Board of Appeal that the relevant public would also place more emphasis on the visual aspects of the mark given that the purchases were self-service. Therefore, the GC upheld the decision that there was not a likelihood of confusion between the marks.

Pronouncing the signs in their entirety (so far as possible) shows that there is a phonetic difference between them

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Twisted tale

Tanya Buckley takes on this recent design decision

On 22 November 2007, the Applicant, El Hogar Perfecto del Siglo XXI, SL (“El Hogar”), filed and registered a Community Design (CDR) for the design shown above right applied to “corkscrews” in Locarno Class 07-06.

On 16 April 2009 the intervener, Wenf International Advisers Limited (“Wenf”), applied to invalidate this CDR. It relied on its earlier Spanish Design Registration No 131750, registered on 7 September 1994 and applied to bottle openers.

Wenf also relied on the fact that the design did not meet the

requirements of Articles 4 to 9 of Council Regulation (EC) No 6/2002 (“the Regulation”), which provide that the contested design was not new and lacked individual character.

On 12 November 2010, the OHIM Cancellation Division upheld the invalidity action on the ground that the design lacked individual character. It stated that the overall impression produced by the contested design was no different from that produced by the earlier design due to the many similarities between them (both were “lever action” corkscrews), such as the appearance of the curved handle, the

element made up of the two plates fixed together with a pin in an identical position and the small blade located in an identical position. The Cancellation Division also took the view that it did not matter whether the designs were assessed in the open or closed positions. It also found that the designers of each product enjoyed a high degree of freedom.

On January 2011, the Applicant filed a notice of appeal with OHIM against the decision of the Cancellation Division. A decision was rendered on 1 June 2012 by the Third Board of Appeal (BoA), dismissing

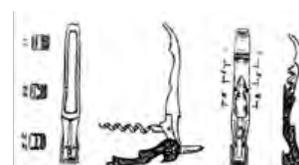
The General Court deduced that the Board of Appeal was correct to find that the designer's degree of freedom was high

the appeal. In its decision the BoA examined the individual character of the contested design as well, rejecting the claim by the Applicant that Wenf had acted in bad faith. The BoA identified the informed user of the design as being both a private individual who uses those devices at home and a professional (for example, a waiter or sommelier), who uses them in a restaurant – and found that the designer had enjoyed a high degree of freedom. The BoA found that there were non-functional elements in common on both devices, such as the handle and

EL HOGAR'S CDR



WENF'S ES DESIGN REGN



the positioning of the small blade, and therefore, as a result, found that they did not produce a different overall impression on the informed user. However, the BoA also found that, with regards to the similarity of the handles, the shape had a “significant impact” on the overall appearance. The BoA found that the handle was visible when the device was either open or closed. It was therefore clear that when closed, both devices had been designed to leave visible the same parts, and that, when closed, it was only possible to see the same parts of the spiral screw and lever. The BoA found that there were differences between the handles, but that the “inner surface” differences argued by the Applicant were not sufficient to alter the overall impression produced by the designer on the informed user.

General Court judgment

Before the General Court, the Applicant alleged infringement of Articles 4 and 6(1) of the Regulation, as well as Article 25(1)(b). The relevant part of Article 4 provides that a design must be new and have individual character. Article 6(1) provides that a design is considered to have individual character if the overall impression it produces on the informed user differs from the overall impression produced on such a user by any design that has been made available to the public before the relevant date.

The Applicant also argued that the BoA erred in its findings that the design lacked individual character, and that the informed user of the design was both a private individual and professional, and also that the designer had a high degree of freedom. According to the Applicant, the differences between the designs were sufficient to produce a different

overall impression on the informed user and therefore the design was not devoid of individual character. Both OHIM and the intervener disputed these arguments.

The General Court therefore needed to establish whether the BoA had erred in its findings regarding the informed user and the degree of freedom of the designer, and then use this to consider the overall impressions produced on the informed user by the designs.

Informed user

In assessing the informed user, the Court considered C-281/10 P Pepsi Co v Grupo Promer Mon Graphic [2011] ECR I-10153, which states that the level of attention of the informed user is somewhere between that of the “average consumer”, who may not have any specific knowledge in trade mark matters or compare the trade marks at issue, and an expert.

The Court went on to review the BoA's analysis of the informed user. The BoA found that the “sector in question relates to corkscrews, that is to say, devices which remove the cork from a bottle of wine”. The BoA argued that both parties are knowledgeable about wine to some degree without being an expert. The Court agreed with the BoA that this definition of “informed user” is correct and consistent with current case law. It found that the Applicant had failed to substantiate its claims that the informed user was exclusively a “person who works with wine and/or in the supply thereof”.

Design freedom

When assessing the degree of freedom of the designer, the Court considered T-11/08 Kwang Yang Motor v OHIM – Honda Giken Kogyo.

Consequently, the BoA found in the case at issue that, while there are some essential elements in the

➔ corkscrew required for it to fulfil its function, the designer's degree of freedom was high. The only essential elements found are the helical screw, handle, a lever to push against the bottle and a small blade with which to cut the foil covering the cork. The BoA decided that these elements could be arranged in various ways without impairing the functionality of the device.

The Applicant contested these arguments, maintaining that the designer's degree of freedom was limited by, for example, the corkscrew's technical function.

The Court again agreed with the BoA that although some features of a lever-action corkscrew are essential for it to fulfil its purpose, the constraints of functionality are not liable to affect its overall appearance significantly. Furthermore, OHIM had forwarded to the Court designs for lever-action corkscrews with varying shapes and configurations that differed from those used in the contested design. The Applicant's arguments specifically referred to the shape of the handle and the position of the small blade, as being elements that are unable to be altered due to technical function – or even that such an alteration would make the product dangerous. However, both of these elements vary in these other corkscrews. The Court therefore deduced that these requirements are not dictated by technical function and that the BoA was correct to find that the designer's degree of freedom was high.

Overall impression

In the contested decision, the BoA found that the overall impression created on the informed user by the contested design was no different to that created by the earlier design. In its submissions, the Applicant alleged that the BoA made an error of assessment by only examining the designs in the closed position and not when they were open as though ready to be used. The Applicant further alleged that the differences between the two designs can be seen when the devices are being used.

The Court referred to the previous lower-level decisions of the Cancellation Division and OHIM to inform the Applicant that the

devices had been compared in both an open and closed state. It was simply to support the view that there were no significant differences in the designs of the handles at issue (which left the same parts of the screw and lever visible when they are folded), that the BoA referred to the device closed. Further on in the contested decision, the Cancellation Division found many similarities between the two designs, irrespective of whether they were open or closed.

The Applicant put forward several arguments pointing out the various details that are different between the two designs. However, the Court pointed out that case law has made it clear that the assessment must concern the overall impression produced by a design on the informed user, including the manner in which the product is used. Therefore, the BoA cannot and should not be criticised for having taken into account the characteristic of the lever-action corkscrews that fold up and the impression they create on the informed user once they are folded. The Court added that, from the documents provided by OHIM, the products at issue are mainly found in the folded position. Furthermore, the differences that the Applicant mentioned between the designs in the open position either require a close examination of the two products or are irrelevant.

The Court therefore agreed with the BoA that the earlier design does

not produce a different overall impression on the informed user and that the contested design lacked individual character within the meaning of Article 6 of the Regulation; the Court dismissed the action in its entirety. El Hogar was ordered to pay the costs.

This case highlights the fact that the degree of freedom of a designer is taken into account when assessing the individual character of a design and the overall impression a design creates on the informed user.

The Board of Appeal found that the overall impression created by the contested design was no different to that created by the earlier design



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Middleman makes case for mark

Use by an intermediary was considered genuine. Lauren Millward reports

Recaro Holding GmbH appealed against a decision of OHIM's First Board of Appeal upholding the validity of the word mark RECARO in class 25, following revocation proceedings brought by Recaro.

Background

In 2009, Recaro Holding GmbH ("Recaro") filed an application for revocation of the mark RECARO, registered in class 10 (orthopaedic footwear) and class 25 (footwear, except orthopaedic). The application was made pursuant to Article 51(1)(a) of Council Regulation (EC) No 207/2009 (the "Community Trade Mark (CTM) Regulation") that the mark had not, within a continuous period of five years, been put to "genuine use in the Community in connection with the goods or services in respect of which it is registered, and there are no proper reasons for non-use".

At first instance, the Cancellation Division held that the mark had not been put to genuine use and revoked the mark in its entirety. On appeal by the proprietor of the mark, the OHIM Board of Appeal overturned that decision and upheld the validity of the mark in class 25, but dismissed the action in respect of class 10.

The decision

Recaro put forward three pleas in support of its appeal: (i) there had been no genuine use of the mark pursuant to Article 51(1)(a) of the CTM Regulation; (ii) the Board of Appeal under the CTM Regulation did not have the ability to allow evidence adduced by the proprietor for the first time at appeal stage; and (iii)

the Board had not stated reasons when exercising that discretion.

In support of the first plea, the Applicant submitted five complaints, concerning:

- the lack of proof of outward use aimed at end consumers;
- use of the mark as a mark and in connection with the goods for which it is registered;
- use of the mark at issue in its registered form;
- extent of use; and
- evidence adduced at appeal stage.

Applying the CTM Regulation and the relevant case law, the General Court found the complaints to be unfounded, and dismissed the appeal in respect of all three pleas.

In detail: genuine use

In relation to the first complaint, the General Court applied *Sunrider v OHIM – Espadafor Caba* (T-203/02) that genuine use of a mark requires it to be used publicly and outwardly.¹ The Court stated: "Genuine use of the mark relates to the market on which the proprietor of the Community mark pursues its commercial activities and on which it hopes to put the mark to use." However, the Court held that such outward use does not necessarily need to be aimed at end consumers, but also "specialists, industrial clients and other professional users".²

In the present case, the proprietor of the mark was an intermediary between producers and professional purchasers (including distributors), and was not only able to adduce evidence of the mark's use at trade fairs aimed at industry professionals, but also that it had entered into a licensing contract, demonstrating that the goods sold under the mark were intended for sale to end consumers. For both of these reasons then, the fact that the proprietor of the CTM did not itself engage directly with end consumers was "of no import".

This decision is right. The fact that the CTM proprietor had entered into a distribution agreement, the purpose of which was to distribute the goods to end users, would, on its own, usually be enough to demonstrate that there was sufficient genuine use. However, in this case, the Court has made plain that, where a trade mark proprietor is an intermediary whose activities "consist in identifying professional purchasers", the relevant public to whom the marks are addressed is broader than merely the literal ultimate "end user" of the goods.

That the proprietor of the CTM did not engage with end consumers was 'of no import'



¹ See also *VITAFRUIT*, paragraph 39; and *Ansul*, paragraph 37

² Case T-211/03 *Faber Chimica v OHIM – Industrias Quimicas Naber (Faber)* [2005] ECR II-1297, paragraph 24

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O/440/13, in the matter of Application Nos. 2521514 and 2492278 in the name of Adelphoi Limited and in the matter of Consolidated Oppositions Nos. 99812 and 99914 by DC Comics (a General Partnership), Appeal of the Applicant from the decision of Oliver Morris dated 19 December 2012, Professor Ruth Annand, UK IPO, 5 November 2013

KIA-POW!

Savan Bains explains how Batman has bested his latest opponent

Caped crusader Batman has taken another victory in IP law. DC Comics successfully enforced its trade mark in the word **BATMAN**, by preventing rival party Adelphoi Limited from using the **BATSMAN** mark for goods and services limited to cricket.

One point to note from this case is reference to the principle of “conceptual counteraction”, whereby the conceptual differences between the two trade marks are so great that they trump the visual and aural similarities. This principle enables companies to use marks that are similar to those of famous marks, since the latter are readily identifiable with a “clear and specific meaning so that the public is capable of grasping it immediately,”¹ and therefore confusion is unlikely to occur.

In the first instance, the Hearing Officer found that there was a likelihood of confusion between the mark applied for, **BATSMAN**, and the earlier mark **BATMAN** on the grounds of section 5(2) (b) of the Trade Marks Act 1994 (“the Act”). The Applicant subsequently argued on appeal that sufficient weight was not given to this principle as the Hearing Officer had acknowledged that there was a

“conceptual dissonance”² between **BATMAN** and **BATSMAN**. The Appointed Person decided that, as there was no error in law established, it was “a question of weight, with which the appeal tribunal should not interfere”.³ The conceptual difference was viewed to have no material effect.

The words **BATMAN** and **BATSMAN**, although they can be viewed as similar on a visual and aural basis, are conceptually different, with **BATMAN** referring to a well-known comic book character and **BATSMAN** referring to a type of cricketer or aircraft safety officer. In previous case law, it has been decided that clear conceptual meanings outweighed the visual and aural similarities.

In *Claude Ruiz-Picasso v OHIM* [2006] ECR I-0643 (C-361/04 P), it was held in paragraph 27 of the appeal that, “confronted with the word sign **PICASSO**, the relevant public

inevitably sees in it a reference to the painter and that, given the painter’s renown, that rich conceptual reference is such as greatly to reduce the resonance with which, in this case, the sign is endowed as a mark, among others, of motor vehicles.”

Further, in *Les Éditions Albert René Sàrl v OHIM, Orange A/S* (C-16/06 P), it was held that any visual and aural similarities between the trade marks **MOBILIX** and **OBELIX** were offset by the conceptual differences, namely that **Obelix** is known as the fictional character from the *Asterix* books.

In light of the above case law and because **BATMAN** is so well known, perhaps the conceptual element should have been given greater weight in the global assessment of the likelihood of confusion.

1) *Phillips-Van Heusen Corp v OHIM* (T-292/01)

2) Paragraph 26 of Decision O/440/13

3) Paragraph 30 of Decision O/440/13

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events

More details can be found at itma.org.uk

Date	Event	Location	CPD hours
19 March	ITMA Drinks Reception**	Foundation Bar, London WC2	
19-21 March	ITMA Spring Conference**	Church House Conference Centre, Westminster, London	9
20 March	ITMA Gala Dinner**	One Great George Street, London	
28 March	Trade Mark Administrators' Seminar Edwards Wildman LLP	London	
29 April	ITMA London Evening Meeting OHIM & IPO Case Update, Amanda Michaels and Charlotte Scott, Hogarth Chambers	Royal College of Surgeons, London	1
20 May	ITMA London Evening Meeting	Royal College of Surgeons, London	1
24 June	ITMA London Evening Meeting	Royal College of Surgeons, London	1
8 July	ITMA Summer Reception	The In & Out Club, London	
19 July	Intellectual Property Trainees' Ball	TBC	
22 July	ITMA London Evening Meeting	Royal College of Surgeons, London	1
23 September	ITMA London Evening Meeting	Royal College of Surgeons, London	1
25 September	ITMA Autumn Seminar*	Hyatt Regency, Birmingham	5
28 October	ITMA London Evening Meeting	Royal College of Surgeons, London	1
18 November	ITMA London Evening Meeting	Royal College of Surgeons, London	1
9 December	ITMA London Christmas Lunch	InterContinental Park Lane	



ITMA's Spring Conference Drinks Reception will be hosted at the Foundation Bar in London on 19 March

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Media Watch

Social media dominates the debate as Ken Storey offers his pick of recent IP-led reports

ILLUSTRATION BY PHILLIP COUZENS

Three years ago I relinquished my role as PR Manager, largely because I felt too technologically challenged to deal with the burgeoning new media scene, which is so important to modern day marketing. How ironic it is that I now find my Media Watch column so dominated by social media issues.

Marketing Week ran a piece in mid-January under the heading, “How social media is a danger to brands”, which revealed that brands are being targeted by unauthorised websites that use social media to promote their claims of selling luxury goods. Its investigation uncovered sites not listed on brands’ published networks of resellers that use links and advertising space on platforms such as Facebook, Twitter and Pinterest to bring in web traffic using brands’ photographs, logos and words.

The article reports that social networks are the biggest source of complaints about fake products. It says that many marketers may not be aware of the scale of the problem and that identifying the people behind the illicit goods is problematic. It concludes that both brands and law enforcement authorities will be seeking closer collaboration with social networks to ensure that counterfeiters cannot stay hidden in the shadows.

While that article is critical of the actions taken by social media platforms to curb counterfeiting in general, another recent

story pointed to the positive influences they can have in resolving disputes. In early December, the *Calgary Herald* reported that Dan Richter, the owner of cycle shop Café Roubaix Bicycle Studio in Cochrane, Canada, had received a cease-and-desist letter from bicycle maker Specialized, which has the US rights to the trade mark Roubaix – also the name of a town involved in a famed cycling event. Thousands of Twitter and Facebook users rallied in support for Richter, with cyclists threatening to add the name Roubaix to their Twitter handle; Specialized backed down. According to *Cycling Weekly*, Richter confirmed he had spoken to Mike Sinyard, the founder of Specialized, and said: “I am happy to let everyone know

that things will be working out fine. We thank you for your continued support.”

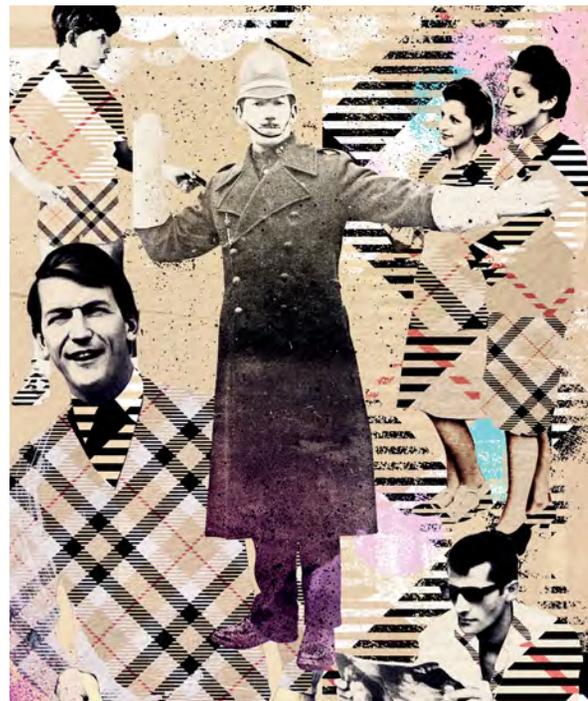
Sticking with the online theme, the *Telegraph* reported on the dispute between cosmetics company Lush and Amazon. Lush has chosen not to sell its products on Amazon, but is suing Amazon for trade mark infringement on the grounds that when Lush was typed into the Amazon search the results returned were for goods not made by Lush. Mark Constantine, Lush’s co-founder, cites this as “piracy capitalism”.

The Guardian and *Vogue* were vociferous in reporting Burberry’s appeal against the Chinese authorities’ decision to cancel trade mark protection for the distinctive check pattern on the grounds that Burberry

has not made use of the pattern in China for three years. *The Guardian* pointed out that if Burberry’s appeal fails the way would be open for local rivals to make use of its pattern, adding that: “The impact may be muted because of widespread imitation products already available on China’s black market.” A bit of an understatement, I think!

The Chinese authorities also made news on the Drinks Business website. Cognac producer Hennessy discovered that the Beijing Yan Wei Hong Trading Cooperation was using Hennessy as a trade mark, reportedly having bought “Hennessy XO” and “Hennessy VSOP” below the market price and reselling at a higher price. The Chaoyang District and Commercial Bureau ruled that infringement had occurred and that the Cooperation should pay compensation of ¥150,000. While this is only about £15,000, I imagine the principle is the most valuable issue here.

Elsewhere, Andy Murray looks soon to be a major commercial name. *Herald Scotland* reported his registration of his name as a trade mark covering more than 100 goods, including bath tub toys, pyjamas and slippers. David Potter at Harrison Goddard Foote, who handled the application, said: “Some of the items may seem bizarre, but that doesn’t mean he is going to sell them...” But maybe bath toys will become a bestseller if his famous ice baths become popular!



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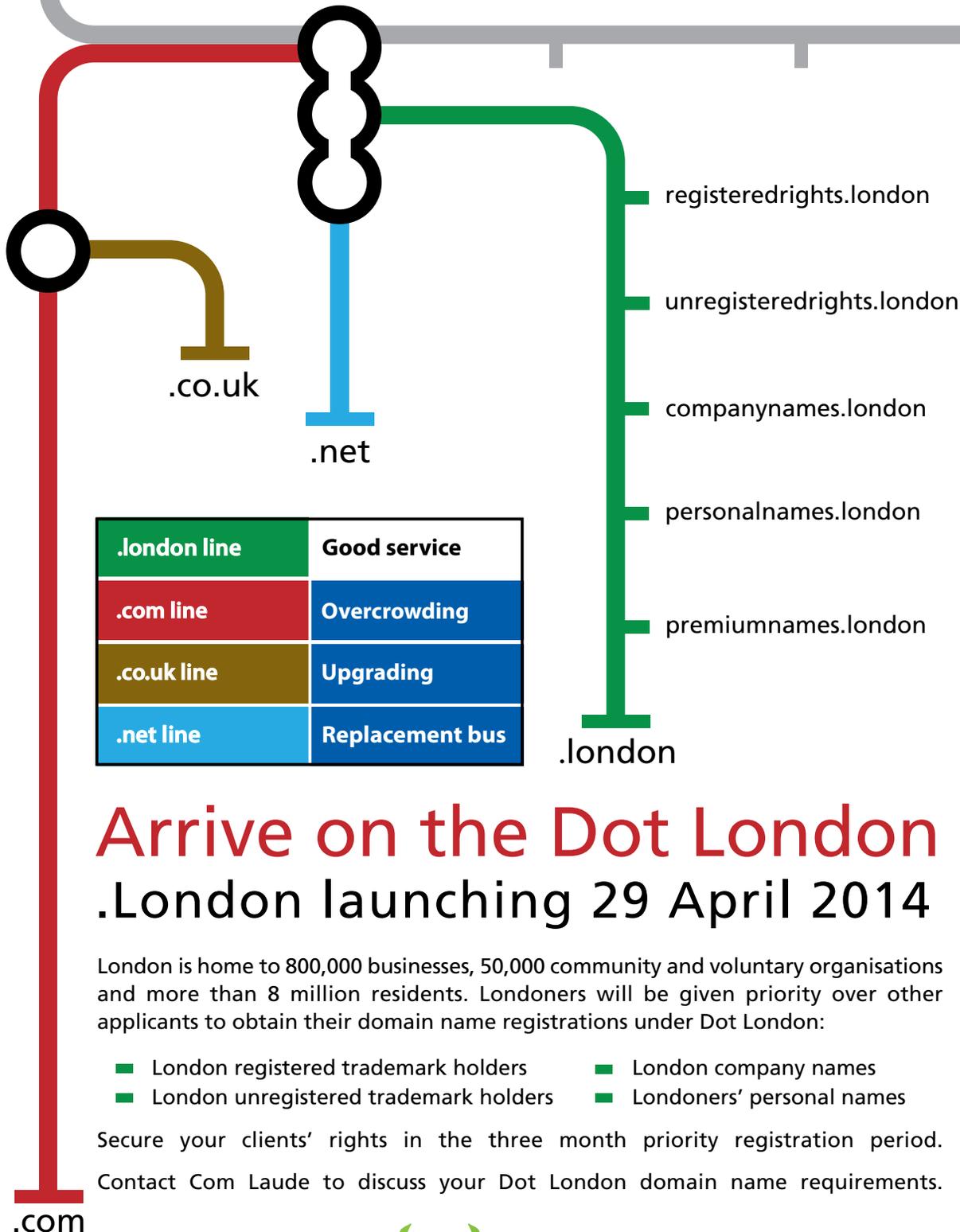
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