

Court of Appeal considers consequences of long-standing concurrent use United Kingdom - **Burges Salmon LLP**

Confusion Cancellation

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The case of *IPC Media Ltd v Media 10 Ltd* ([2014] EWCA Civ 1439, November 12 2014) concerned the concurrent use of the brand name Ideal Home by two different parties, IPC Media and Media 10.

IPC is the publisher of the *Ideal Home* magazine, which was first published in 1920. Media 10 is the owner of the Ideal Home Show, an exhibition selling home interest products to the public. The exhibition has been running since 1908 and operating under the Ideal Home Show name since the 1980s. The parties are completely unconnected.

In 2009 IPC launched an online shop called the Ideal Home Shop, selling a variety of home interest products. In 2006 it had applied for a trademark for IDEAL HOME covering retail services (including via the Internet) in Class 35. In 2008 the Ideal Home Show's website was updated to include an online shop selling goods from third parties. In 2012 the Ideal Home Show Shop was launched on the website. IPC said this "amounted to a major departure and change in the status quo" as, for the first time, the Ideal Home Show was selling goods under its own brand and on its own account and, therefore, the two parties were now competing head to head, offering the same services under the same name.

IPC issued proceedings for trademark infringement based on a likelihood of confusion. Media 10 denied infringement and counterclaimed for a declaration of invalidity of IPC's mark, based on Media 10's alleged prior rights.

Mr John Baldwin QC in the Intellectual Property Enterprise Court **dismissed both claims**. Both parties appealed and the Court of Appeal dismissed both appeals. The key point was that the parties had a long history of concurrent use of the Ideal Home name.

In considering whether there was a likelihood of confusion, the court (applying *Budweiser*, a leading case on honest concurrent use) explained that the fundamental question to be answered was whether Media 10's use of the Ideal Home name in relation to the online sale of home interest products had an adverse effect on the essential function of IPC's mark of guaranteeing origin.

The court found that it did not. The average consumer had always associated goods and services marked 'Ideal Home' with either (1) the show; (2) the magazine; or, more likely (3) some single entity they reasonably considered responsible for both. This was because both parties had allowed confusion to develop over many years, which led the average consumer to assume that their core businesses were connected. The function of selling home interest products online and under the Ideal Home name was a natural expansion for both businesses and, although there would probably be more than *de minimis* confusion, the trademark for these services afforded customers the same guarantee of origin that they have always had for the words 'Ideal Home'.

The court noted that IPC Media had a more extensive presence in the online retail of home interest products and that Media 10 should by no means act to increase the level of confusion between the two brands.

In order to succeed in its counterclaim, Media 10 had to show that, as of the date of IPC's application for its mark in 2006, 'normal and fair use' of the mark by IPC in relation to any of the services for which the mark was to be registered could be prevented by a claim for passing off. The court concluded that Media 10 could never have succeeded in this claim, applying the same reasoning it applied to the infringement claim - neither party could complain about the normal and fair use by the other of the mark Ideal Home for online retail services, as such services fell in the middle ground between the parties' respective core businesses and was an area of business into which either party might reasonably wish to expand.

The court's decision highlights the potential implications for a brand owner of allowing a brand to become diluted over time through the unpoliced concurrent use of a name. It also illustrates that where two businesses trade under the same name for a long period of time, there is likely to be a certain level of confusion amongst consumers (arising out of an mistaken assumption that the two businesses are connected when they are not), but this does not necessarily amount to an infringement. It is perfectly possible in certain circumstances for two businesses to trade honestly alongside each other, using the same name, without damage being caused to either business.

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