



Welcome

Welcome to the Spring 2016 edition of **Concept**, the news bulletin from Burges Salmon's Intellectual Property Team.

For further information on our Intellectual Property Team and the services we offer, please use the contact details on the back page.

To receive your own copy of **Concept**, please send your details to marketing@burges-salmon.com



Supreme Court settles suitcase saga

The Supreme Court's recent finding that the registered design of the Trunki ride on suitcase had not been infringed by a rival product has sparked outrage among British designers. The latest judgment marks the end of a legal battle started by Trunki's parent company, Magmatic Ltd, in 2013. At first instance the High Court held that the Registered Community Design ("RCD") (above) had been infringed by the "Kiddee Case", a lower cost product sold by PMS International Group plc. This judgment was, however, overturned on appeal to the Court of Appeal and that judgment that has now been upheld by the Supreme Court.

The critical question was the correct interpretation of the CAD drawings in Trunki's RCD and the scope of protection that they provided. While the High Court held that they were intended to protect the shape of Trunki, so that it was the shape alone that had to be compared with the Kiddee Case, the Court of Appeal and now the Supreme Court disagree: the CAD drawing narrowed the scope of Trunki's RCD as it provided more information than simply physical shape. In particular, the darker grey used for the wheels and strap in the drawing suggested that colour

differentiation formed a striking feature of the Trunki design and this had to be taken into consideration in comparing the overall impression created by the two suitcases. Also, the lack of additional decoration on the Trunki in the RCD reinforced the impression of a horned animal with a nose and a tail. The overall impression provided by the Kiddee Case had to include the additional decoration, so a Kiddee Case with stripes and whiskers looked like a tiger with ears, rather than a horned animal, and consequently created a different overall impression.

While it must be correct that the absence of decoration in itself can be a feature of a design that must be taken into account when comparing overall impression, designers will be worried about the unintended consequences of their use of CAD drawings or photographs in their design portfolios on the scope of protection provided. Designers are urged to consider more carefully how their designs are represented when filing applications going forwards, with a simple line drawing being the best way to protect shape alone. Multiple filings may be appropriate to protect additional elements of a design, such as colour or ornamentation.

Goodbye to the Community Trade Mark



On 23 March the new EU Trade Mark Regulation will enter into force. The most immediately obvious changes are cosmetic, with the Community Trade Mark renamed the EU Trade Mark (EUTM) and the Office for Harmonization in the Internal Market becoming the European Union Intellectual Property Office (EUIPO).

Other changes of more practical significance include:

- Application fees: the EUIPO is dropping its three classes for the price of one approach, and fees will be charged on a per class basis.
- Renewal fees: the cost of renewing EUTMs is being reduced, with fees mirroring those payable for new applications, again charged on a per class basis.
- Representation of Marks: the requirement for a trade mark to be represented graphically goes, potentially improving the prospects of registering unconventional marks, such as sound marks.

The new Regulation also provides for a six month window in which proprietors of EUTMs filed before 22 June 2012 which cover “class headings” can specify all the goods and services which the mark was intended to cover. If such a declaration is not filed within that window, the registration will be deemed to cover just the literal meaning of the listed goods/services.

Burges Salmon will be writing to clients for whose CTMs we are responsible, if they own a registration that fulfils the criteria for such an Article 28 declaration.

Watches, pens and websites

Cartier and Montblanc, luxury brand owners, have again been successful in the High Court in obtaining website-blocking orders on the basis of trade mark infringement.

They sought an injunction requiring the defendants – who were the five main internet service providers (‘ISPs’) in the United Kingdom with over 90% of the market – to block certain websites. The websites were being used by their operators to infringe Cartier and Montblanc’s registered trade marks by marketing goods under those marks, typically cheap copies of the claimants’ goods. In reality, the website operators overall were fairly open that the goods were fakes and were not attempting to cover up that fact. As in the previous case brought by Cartier and Montblanc, (“Cartier I”) there was no suggestion that the defendant ISPs were themselves committing any acts of infringement.

Hacon J applied the tests set out in the 2014 decision of Arnold J in Cartier I and found that the circumstances of the case complied with the criteria for the grant of a website-blocking order. In particular it was clear that the ISP’s services had been used to infringe the trade marks and they had actual knowledge of that. For more information on the Cartier I criteria see our [Intellectual Property Briefing](#).



At the moment, intellectual property owners are in a strong position in relation to website operators selling counterfeit goods but that may not continue for long. An appeal in Cartier I is due to be heard by the Court of Appeal in April this year. The criteria a brand owner needs to satisfy to get an injunction will be looked at again and could well change.

No GLEE for Fox

The Court of Appeal has dismissed Twentieth Century Fox Film Corp's ("Fox") appeal against findings of the High Court that the entertainment giant had infringed trade marks of the Claimant, Comic Enterprises Ltd ("CEL") under sections 10(2)(b) and 10(3) of the Trade Marks Act 1994. CEL had also tried to overturn the High Court's finding that Fox was not guilty of passing off, but this appeal was also dismissed.

CEL is a music and comedy club which had registered the trade mark 'The Glee Club' in the UK in 2001 (the "Mark"). In 2009 Fox launched a comedy-drama television series by the name of 'Glee', following which CEL argued that the public were confusing the television show with the music and comedy club. CEL therefore commenced proceedings in 2011 for trade mark infringement and passing off.

Although critical of the High Court judge, Kitchin LJ ultimately arrived at the same outcome. He found that the evidence which had been put forward by CEL demonstrated that there was a similarity between the Mark and the sign used for Fox's television show, and that the services provided by Fox were similar to the extent that was causing the public to believe the two businesses were connected.

The CoA's decision also clarified that evidence of 'wrong way around confusion', whereby a person familiar with the infringing sign becomes confused when they encounter the mark, is admissible. Kitchin LJ noted that this type of confusion could be "equally damaging to the distinctness and functions of the mark."

CEL had established sufficient goodwill in the Mark and proved that confusion had arisen from the sign used by Fox. However the claim for passing off had to fail as this did not indicate that Fox had made a misrepresentation which would lead the public to believe the businesses were connected.

There is a significant prospect that Fox will take this case to the Supreme Court. Not only would an appeal provide further guidance on wrong way around confusion, but may also result in a reference to the CJEU on the validity of series marks in UK trade mark law.



Sainsbury's not TOP DOG in Appointed Person Decision

In an appeal regarding UK opposition proceedings, Emma Himsworth QC acting as the Appointed Person, has overturned a decision of a Hearing Officer, in respect of J Sainsbury Plc's application for the mark SAINSBURY'S TOP DOG covering various prepared foods and ingredients: "Meat, poultry and game; hot dogs; meat extracts; meat products; meat pies; sausages; mincemeat; hamburgers; beef burgers; poultry products; snack foods in Class 29; prepared meals in Class 29; constituents for meals in Class 29". The application was opposed by Top Dog Eats Limited (the "Opponent"), who relied upon two earlier marks for TOP DOG covering various services for the provision of food and drink in class 43.

continued overleaf

The Hearing Officer held there was similarity between the Opponent's services and certain goods in the application that she identified as being in a form 'ready to eat' including: hot dogs, meat products, beef burgers, snack foods and prepared meals. This was on the basis that these goods competed directly with the Opponent's services, which provided food to satisfy hunger. The remaining goods in the application were raw ingredients in unprepared form, and were therefore a step removed from the Opponent's services. The Hearing Officer found there was no similarity and hence no likelihood of confusion between the Opponent's services and the remaining 'raw goods' in the application.

The Appointed Person stated that it was incorrect to distinguish between foods which were ready to eat and foods which needed further processing, as this should make no difference to the finding on similarity. The Appointed Person concluded that the Hearing Officer's Decision to allow the registration to proceed with a broad specification: "*Meat, poultry and game; meat extracts; mincemeat; constituents for meals in Class 29*" would have led to registration of a mark which was directly in conflict with the Opponent's marks. The opposition was allowed in its entirety.

High Court taxi decision hailed by defendant

On 20 January 2016, the High Court handed down its judgment in this case, which relates to the registrability and enforceability of 3D shape marks.

Facts

LTC was the successor in title to the manufacturer of various models of London taxi, including the Fairways, TXI, TXII and TX4 models. LTC owned a Community and UK trade mark covering the shape of particular taxi models.

The CTM was registered for "motor vehicles" in Class 12 and consisted of a 3D mark based on the Fairways taxi model. The UK trade mark was registered for "taxis" in Class 12 and consisted of a 3D mark based on the TXI and TXII models. The six representations in the UK trade mark also formed the basis of LTC's UK registered design (which was not relied on in these proceedings).

Seeking to enforce both marks, LTC brought a claim against the Defendants for trade mark infringement and passing off in respect of the Defendants' new model of London taxi, the "Metrocab". The Defendants counterclaimed to invalidate both marks on the basis that they were devoid of distinctive character and consisted exclusively of the shape which gives substantial value to the goods. The Defendants also sought revocation of the CTM for non-use.

Judgment

On 20 January, Arnold J handed down his judgment and held that:

- *Both marks were invalid on the basis that they were devoid of distinctive character and consisted exclusively of the shape which gives substantial value to the goods;*

- *The CTM was revoked for non-use;*
- *Even if the marks had been held to be valid, there was no infringement as there was no likelihood of confusion; and*
- *LTC's passing off claim was rejected.*

Points to Note

Interestingly, Mr Justice Arnold suggested in his judgment that, in addition to the shape of a London taxi being iconic in itself, the fact that LTC's UK trade mark was also the subject of a UK Registered Design gave substantial value to the goods. Proprietors of IP rights may therefore need to consider whether a catch-all approach of seeking to protect those rights in as many forms as possible is the right strategy.

This case also serves as a reminder that proprietors should consider carefully before seeking to enforce their IP rights. As LTC discovered, taking such action could result in you losing those rights altogether.



Coca-Cola's Bottle-Shape Application rejected

In another case showing the difficulty of making shape mark applications, Coca-Cola's application for a CTM for their bottle was rejected by the General Court.

Coca-Cola sought to register the "the contour bottle without fluting" mark (left) claiming that the relevant public would associate this mark with their iconic bottle the "contour bottle with fluting".

The criteria for assessing the distinctive character of three dimensional trade marks is the same as the criteria applied to other trade marks i.e. it must identify the product's origin. The Court noted that as the average consumer was not in the habit of making an assumption about origin based on shape/ packaging shape. Therefore, it was more difficult to establish distinctive character in relation to this type of mark. The Court also noted that for liquids (which must be packaged) the average consumer would perceive the packaging primarily as a container and therefore only a mark that departed significantly from the norm would indicate origin.

In appraising the distinctiveness of the mark, the General Court considered the individual features of the mark i.e. the base, middle and top and the mark as a whole. The Court found that the separate sections of the bottle did not possess characteristics that distinguished this bottle from other bottles on the market and that the mark as whole did not increase the distinctive character. The Court also held that distinctive character had not been acquired through use. Coca-Cola had provided survey evidence, sales figures and advertising material to support this argument, but the Court held that they had not demonstrated that the public perceived the mark as an indication of commercial origin.

Unitary Patent Court: Decision on fees

The UPC Preparatory Committee recently announced the outcome of a meeting where court fees and recoverable costs were agreed. In summary, the following points were made:

- If a cause of action has more than one claimant or defendant and only concerns the 'plurality of patents', there will only be one fixed fee and one value-based fee (if applicable).
- There is a 40% discount for micro-enterprises and small enterprises for 'regular fees'.
- The parties liable to the court for fees will be reimbursed 25% of the fee if the case is only heard by one judge. If an action is withdrawn or settled, this can lead to a reimbursement of between 20-60% (depending on which stage the action is withdrawn or settled at).
- If a party (which is not a natural person) is able to sufficiently demonstrate that a court fee would threaten their economic existence, the court can reimburse the whole or a partial amount of a fixed and value-based fee.
- The fixed fee for bringing an infringement action is set at €11,000. An additional fee is then payable depending on the value of the claim, if it exceeds €500,000.

One Glass Wharf
Bristol BS2 0ZX
Tel: +44 (0) 117 939 2000
Fax: +44 (0) 117 902 4400

6 New Street Square
London EC4A 3BF
Tel: +44 (0) 20 7685 1200
Fax: +44 (0) 20 7980 4966

www.burges-salmon.com

Burges Salmon LLP is a limited liability partnership registered in England and Wales (LLP number OC307212), and is authorised and regulated by the Solicitors Regulation Authority. It is also regulated by the Law Society of Scotland. Its registered office is at One Glass Wharf, Bristol BS2 0ZX. A list of the members may be inspected at its registered office. Further information about Burges Salmon entities, including details of their regulators, is set out in the 'Who we are' section of the Burges Salmon website at www.burges-salmon.com.

© Burges Salmon LLP 2016. All rights reserved. Extracts may be reproduced with our prior consent, provided that the source is acknowledged. Disclaimer: This briefing gives general information only and is not intended to be an exhaustive statement of the law. Although we have taken care over the information, you should not rely on it as legal advice. We do not accept any liability to anyone who does rely on its content.

Your details are processed and kept securely in accordance with the Data Protection Act 1998. We may use your personal information to send information to you about our products and services, newsletters and legal updates; to invite you to our training seminars and other events; and for analysis including generation of marketing reports. To help us keep our database up to date, please let us know if your contact details change or if you do not want to receive any further marketing material by contacting marketing@burges-salmon.com.

Key Contacts



Jeremy Dickerson
Partner
0117 902 2728
jeremy.dickerson@burges-salmon.com



Helen Scott-Lawler
Partner
0117 939 2240
helen.scott-lawler@burges-salmon.com



Chris Morris
Associate, Trade Mark Attorney
0117 902 2781
chris.morris@burges-salmon.com