

D YOUNG & CO TRADE MARK NEWSLETTER^{no.78}

January 2015

In this issue:

Vans v OHIM Court finds Vans' fashion application out of line	04
Sharpen up your opposition with Article 8(4) Laguirole (Szajner v OHIM)	05
Losing interest? Is 'initial interest confusion' dead in UK trade mark law?	06
Change in circumstances Still a right to be heard?	07

Fake goods online Court agrees websites selling counterfeit goods should be blocked

Full story [Page 02](#)



This is the first edition of our trade mark newsletter for 2015 and we therefore wish all our readers a happy New Year!

We hope 2015 brings new opportunities for all. We have a busy start to the year with many events coming up in March (see below). Please contact us if you have any questions about these activities. We will also be attending INTA in the Spring and would be delighted to hear from you if you would like to arrange a meeting.

All the best for 2015!

Editors:

Jackie Johnson & Matthew Dick



Events



09-11 March 2015

Global IP Exchange, Munich, Germany

D Young & Co are key speakers at this high profile IP event, focusing on IP strategy, monetization, portfolio management, cost control and emerging markets challenges and opportunities.

10-11 March 2015

Wearable Tech Show, London, UK

D Young & Co's IP specialists will be on hand to give advice and answer IP questions relating to the wearables, augmented reality and IOT industry.

18-20 March 2015

ITMA Spring Conference, London, UK

Matthew Dick will be speaking about the Yourview v Yourview case on the 19 March 2015 during the ITMA Spring Conference.

23-24 March 2015

PTMG Spring Conference, Venice, Italy

D Young & Co will be attending the spring Pharmaceuticals Trade Mark Group (PTMG) conference in March 2015. More details to be announced shortly via our website.

www.dyoung.com/events

Subscriptions



subscriptions@dyoung.com

Sign up for our email newsletters.

Read online and view previous issues:

www.dyoung.com/newsletters

Follow us



LinkedIn: [dycip.com/dyclinkedin](https://www.linkedin.com/company/dycip)

Twitter: @dyoungip

Fake goods online Court agrees websites selling counterfeit goods should be blocked

The recent High Court decision in *Cartier v B Sky B* has confirmed that Internet Service Providers (ISPs) may be ordered to block or impede access to websites selling counterfeit goods. The case highlights the challenges which rightsholders face when tackling trade mark infringement online. Whilst the decision will be welcomed by rightsholders, it is unlikely to lead to a flood of similar applications given the time and costs involved in obtaining these orders.

Background

The case involves six websites ('target websites') all selling counterfeit goods of a particular Richemont brand, eg, www.cartierloveonline.com which sells counterfeit Cartier jewellery. Each of the target websites is directed at UK consumers.

Richemont owned various UK trade mark registrations for the marks CARTIER, MONTBLANC and IWC and sought an order from the court requiring the ISPs to block, or impede, access by its subscribers to the target websites on the basis of trade mark infringement.

The key issues in this test case were whether the High Court had jurisdiction to make blocking orders in the context of trade mark infringement and, if so, whether the orders sought were effective and proportionate.

Did the High Court have jurisdiction to make the orders sought against the ISPs?

The court is able to make similar blocking orders against websites which infringe copyright under section 97A of the Copyright Designs and Patents Act 1988 (CDPA) (which implements Article 8(3) of the InfoSoc Directive). There is, however, no equivalent provision in the field of UK trade mark law, as the UK Government did not pass any legislation to transpose into

national law certain provisions of Article 11 of the Enforcement Directive which state that: "Member States shall also ensure that rightsholders are in a position to apply for an injunction against intermediaries whose services are used by a third party to infringe an intellectual property right..". This decision was seemingly made on the basis that existing UK law was already in compliance with Article 11.

The judge, Arnold J, decided that the court had jurisdiction to grant the orders sought by Richemont as a matter of both domestic law, by virtue of section 37(1) of the Senior Courts Act 1981 (SCA), and European law, under section 37(1) of the SCA read in accordance with Article 11 of the Enforcement Directive.

If so, were the orders sought proportionate and effective?

Arnold J considered that each of the threshold conditions for granting an injunction was satisfied in this instance, as:

- each of the ISPs was an intermediary;
- the operators of the target websites were infringing Richemont's trade marks;
- the operators of the target websites used the services of the ISPs to infringe the trade marks; and
- the ISPs had actual knowledge of this.

Arnold J then considered the various requirements which ought to be met before the blocking orders could be granted and a key issue was whether the form of blocking orders sought by Richemont were proportionate. In assessing this, Arnold J considered the following four factors:

1. Richemont's trade mark rights v the freedom of ISPs to carry on business and internet users to receive information.

Arnold J concluded that the blocking orders would not interfere with the way in which ISPs provided services to their customers. Furthermore, as the ISPs already possessed the requisite technology with which to block websites, no costs would be incurred in acquiring new technology.

> **Case details at a glance**

Jurisdiction: England and Wales

Court: High Court of England and Wales

Parties: Cartier International AG & Ors

v British Sky Broadcasting Ltd & Ors

Citation: [2014] EWHC 3354 (Ch)

Date: 17 October 2014

Full decision: dycip.com/cartier1014

Correctly worded blocking orders will not affect the rights of internet users



The right of internet users to receive information should not be affected if the orders were properly worded and targeted.

2. Were there other options for dealing with online infringement?

The ISPs argued that there were other less burdensome and more effective ways for Richemont to deal with online infringements including:

- sending cease and desist letters to the operators of the target websites;
- sending takedown notices to the hosts of the target websites;
- requesting that payment processors used by the target websites eg, Visa should suspend the operator's merchant accounts;
- recovering the domain names of the target websites via dispute resolution procedures or persuading a law enforcement agency such as the Police Intellectual Property Crime Unit to take action to have the domain name cancelled or suspended;
- sending notices to search engines requesting that they 'de-index' the target websites; and
- tackling imports of counterfeit goods via customs seizures.

Arnold J did not consider that the above options would be as effective in dealing with online infringements as the blocking orders sought by Richemont. One of the key advantages of website blocking was the ability to update the orders to include

additional related websites and thereby avoid attempts by the operators of the target websites to circumvent the orders (for example, by switching the target website to a different domain name).

3. The efficacy of the measures which ISPs may have to adopt and whether these will seriously discourage users from accessing the target websites.

Evidence suggested that UK traffic to websites which were subject to blocking orders under section 97A of the CDPA (as a result of copyright infringement) decreased rapidly after the blocking orders were implemented. This led Arnold J to conclude that blocking the target websites should lead to similar results.

4. The costs of implementing the measures.

The ISPs were concerned about the cumulative cost of implementing all potential future website blocking orders, as this would clearly increase the overall cost burden on ISPs. Whilst Arnold J agreed that this was a legitimate concern, he was not prepared to refuse the blocking orders sought by Richemont solely on this basis.

Conclusion

Ultimately Arnold J concluded that the blocking orders sought were proportionate and struck a fair balance between the various rights at issue. Accordingly he agreed to make the orders, subject to the inclusion of a number of additional safeguards to ensure that:

- affected subscribers could apply to the court to discharge and vary the orders;

- the page displayed to users attempting to access a target website provides details confirming that the target website has been blocked by court order, the name of the party who obtained the order and an explanation stating that affected users have the right to apply to the court to discharge or vary the order; and
- the orders contain a 'sunset clause' and so will only last for a certain period (eg, two years), unless the ISPs consent to the orders continuing or the court orders that they should be continued.

Author:

Anna Reid



In short

This case is good news for rightsholders, as it confirms that blocking orders may be granted to combat online trade mark infringement.

However, the case underlines the huge difficulties which rightsholders face when dealing with infringing websites.

The difficulties and costs involved in obtaining enforcement orders for each infringing website (even if the applications are not opposed) mean that such orders are unlikely to be a panacea for all instances of online infringement.

They will nevertheless be an important part of the armoury employed by rights holders to combat trade mark infringement online.

Vans v OHIM

Court finds Vans' fashion application out of line

➤ Case details at a glance
Jurisdiction: European Union
Court: General Court
Parties: Vans Inc v OHIM
Citation: T-53/13
Date: 06 November 2014
Full decision: <http://dycip.com/vans1114>

The General Court (GC) has dismissed an appeal against a ruling of the Board of Appeal (BoA) that a sign consisting of a single wavy line was not distinctive in relation to fashion items.

Vans' simple wavy line

On 14 September 2011 Vans applied for registration of a Community trade mark (CTM) for a simple wavy line as shown:



The scope of the application

Vans had applied for goods such as leather bags and walking sticks, clothing, headgear and footwear. It argued that OHIM failed to examine the inherent distinctiveness of the mark independently for the distinct sub-categories of the goods.

The GC disagreed. It held that all of the goods were used by consumers to convey a particular image, and were therefore all fashion items that formed a homogenous group. OHIM was, according to the GC, therefore correct in applying the same general reasoning to all of the goods.

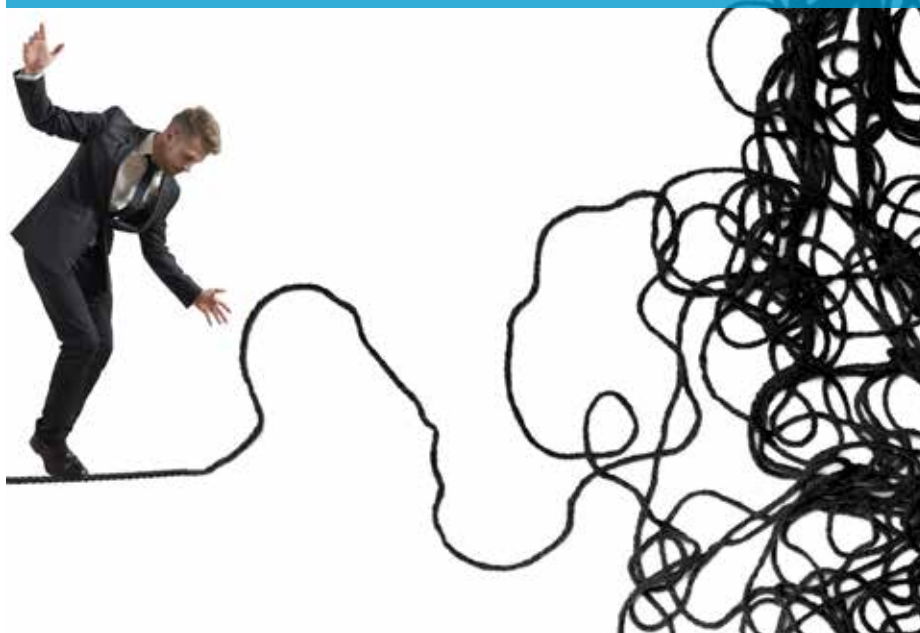
The inherent distinctiveness of the mark

Further, the GC held that the wavy line had no striking element capable of attracting the consumer's attention and that single lines and stripes were commonly used as a decorative motif for fashion items, making the relevant public even less likely to perceive the sign as an indication of trade origin.

The line, according to the GC, had a purely ornamental function.

It must be pointed out that the mark applied for consists of a line which slants and curves and that it does not have any striking element capable of attracting the consumer's attention.

Vans failed to satisfy the court that their wavy line lead back to trade origin



No weight given to earlier marks

The GC was also dismissive of the applicant's claim that earlier accepted national or Community trade marks were relevant for the purposes of reaching a consistent conclusion, finding that each case must be assessed on its own merits.

Evidence of acquired distinctive character

The GC also refused to accept that Vans' evidence had adequately demonstrated distinctiveness acquired through use, upholding the earlier BoA decision which maintained OHIM's position.

The evidence was not able to show that the relevant public in the EU (or at least a substantial part of it) perceived Vans as being the trade origin of the goods.

The outcome

The GC agreed with the BoA that the single wavy line lacked the necessary distinctive character in relation to goods in classes 18 and 25. Vans simply failed to push their case over the line.

Author:
Richard Burton

In short

Simple marks can certainly create effective brands (consider the world recognised Nike "swoosh" for example) but obtaining protection for such marks is often far from straightforward.

Proving that a simple mark has acquired distinctive character through the extensive use made of it is one way of overcoming the distinctiveness objection.

Courts will want to see evidence that the mark has indeed satisfied the primary function of a trade mark, that is, to indicate the origin of the goods applied for.

Sharpen up your opposition with Article 8(4) Laguiole (Szajner v OHIM)

➤ Case details at a glance
Jurisdiction: European Union
Court: General Court
Parties: Gilbert Szajner v OHIM
Citation: T-453/11
Date: 21 October 2014
Full decision: <http://dycip.com/laguiole1014>

In addition to relying upon registered trade marks, it is possible to attack a pending or registered Community trade mark (CTM) on the basis of non-registered trade marks, as provided by Article 8(4) of the CTMR. On 01 December 2014 the CTM Office revised its guidelines on the practice regarding Article 8(4)¹. Coincidentally, the General Court (GC) recently considered an invalidity action based upon this ground in Szajner v OHIM (the Laguiole case).

Szajner v OHIM

Mr Gilbert Szajner had registered the trade mark LAGUIOLE in twenty classes of goods, and services in class 38. In 2005, the French company Forge de Laguiole SARL, applied to invalidate the registration under Article 8(4) on the basis of its business name.

In consideration of the ground of attack under Article 8(4) the court had to consider the four cumulative requirements of the said article:

1. the sign is used in the course of trade.
2. the sign has more than mere local significance.
3. the rights to the sign were acquired prior to the CTM application being filed.
4. the sign gives the proprietor the right to prohibit the use of a subsequent trade mark under the law of the member state governing that sign.

The court confirmed that the first two requirements are interpreted under Community law and the second two are interpreted under national law.

The parties agreed that the first three of the conditions were met but their views parted on whether the applicant for invalidity had the right, under national French law, to prohibit the use of the registered mark. French law allows a company's business name to be protected in relation to the activities listed in its Memorandum of Association (MoA) and the Board of Appeal had, at the earlier stage, ruled that the business of the applicant was the manufacture and sale of all cutlery.

On appeal, Mr Szajner sought to bring to the attention of the GC a French Supreme

Court judgment issued in 2012, after the decision of the Board of Appeal.

The 2012 decision confirmed that protection of business names in France was to be limited to the activities actually carried out by companies and not all those listed in the MoA.

The GC applied the decision of the French Supreme Court and therefore considered the rights of the applicant to be limited to the goods for which the LAGUIOLE sign had actually been used.

It was correct for Mr Szajner to have filed details of applicable national law, as is directed by the Implementing Regulation; Rule 19(2) (d) provides that if an opposition is based upon Article 8(4), the opponent shall provide evidence of its acquisition, continued existence and scope of protection. Mr Szajner enabled the court to exercise 'an effective review'² of the facts. It is worth noting that decisions and changes in national law should be brought to the attention of the court even if they occurred after the commencement of proceedings.

The recent revision to the opposition guidelines has clearly set out what proof should be filed by an opponent (or an applicant for invalidity) when relying upon local law under Article 8(4). The office clarifies that an opposition (or invalidity action) will be rejected if the following are not clearly filed to support this ground:

- Reference to the specific national law or legal provision including the text of that law/provision, the aforementioned text to be not only in the language of the proceedings but in the original language of the relevant law.
- Reference not only to the acquisition of the relevant local right but to the scope of that right.
- Arguments and evidence to show why the opponent/applicant for invalidity fulfils the conditions of the local law/legal provision.

Forge de Laguiole produce knives in the French village of Laguiole



The office has certainly made it clear that simply referring to the "Table on National rights that constitute 'earlier rights' in the sense of Article 8(4)" that is provided within the guidelines is for information purposes only.

Author:

Jeremy Pennant & Jackie Johnson



Notes

1. The office's guidelines, including in a marked up version, are available via the OHIM website: <http://dycip.com/guidelines>
2. C-530/12 P OHIM v National Lottery Commission: <http://dycip.com/lottery0314>

In short

Article 8(4) is a useful tool in oppositions and invalidity proceedings but the ground should be fully supported with reference to the actual local law, its scope and how that law applies to the specific case. Without detailed supporting argument and evidence, the ground is likely to fail.

Experience has shown that supporting the 8(4) ground with reference to relevant case law proves persuasive.

Change in circumstances Still a right to be heard?

➤ **Case details at a glance**
Jurisdiction: European Union
Court: General Court
Parties: Max Fuchs v OHIM. Also Les Complices SA
Citation: T-342/12
Date: 08 October 2014
Full decision: <http://dycip.com/maxfuchs1014>

This article discusses a recent General Court (GC) decision that set out certain conditions under which an applicant's interests in bringing proceedings will remain, despite a change in status of earlier marks relied on in the original opposition proceedings.

Max Fuchs v OHIM

This case centered around a Community trade mark (CTM) application filed by Mr Max Fuchs which was successfully opposed by Les Complices SA on the basis of a likelihood of confusion with their earlier CTM and French national rights in classes 18 and 25.

Mr Fuchs appealed the decision to the Board of Appeal (BoA). The BoA rejected the appeal finding there was a likelihood of confusion with the earlier mark.

However, after the BoA had given its decision, OHIM's Cancellation Division revoked Les Complices' earlier CTM (and Les Complices made no attempt to appeal this revocation decision).

Mr Fuchs therefore filed an appeal to the GC requesting that the opposition decision be considered devoid of purpose insofar as it was based on the earlier, now revoked, CTM.

The court held that the lapsing of a mark relied on in a contested decision, which occurred after the lodging of an appeal to that decision, did not in itself place the court under an obligation to declare there was no need to adjudicate for lack of purpose or for lack of interest.

It was necessary to determine, following the revocation of the earlier CTM, whether annulment of the contested decision was still capable of procuring an advantage to the applicant.

The GC set out the following four points:

1. Revocation of earlier right after a BoA decision issues

Revocation of the earlier right did not constitute an automatic withdrawal or repeal of the decision. Under Article 55(1) CTMR the CTM is deemed to have full effect up until the date the revocation action is filed, so if the decision was dismissed on the basis of the revocation it would be taking into account matters which arose after the contested decision. The GC found this neither affected the correctness of the decision nor had any relevance to the opposition proceedings.

2. Advantage to the applicant

Annulling the decision in a case such as this would give the applicant an advantage they would not get if the case was not adjudicated. The finding of no likelihood of confusion would provide the applicant with an advantage as they could have their CTM application proceed to registration for the goods covered by the revoked CTM registration, or re-file the CTM application without risk of receiving the same objections by Les Complices.

3. Voluntary withdrawal v revocation

The court found it was necessary to distinguish between a voluntary withdrawal of an opposition which allowed a contested CTM application to proceed, to one where the earlier CTM rights are revoked under Article 55(1) CTMR. The court found that the outcome decided on by the court where an opposition is withdrawn voluntarily, and which makes the BoA decision devoid of purpose, cannot be transposed to a case such as this where the earlier CTM right is revoked.

4. Suspensory effect to proceeding

The court set out that the mere fact that appeals against a decision from the opposition division (OD) and BoA have a suspensory effect to proceedings cannot suffice to call into question the applicant's interest in pursuing the action. It was reiterated that under Article 45 CTMR it is only once an opposition has been rejected by a **definitive decision** that the CTM is registered. Therefore, when the OD or BoA allows an opposition it will result in the CTM not being registered **only so long as there has been no ruling on an appeal brought against that decision.**

Having considered the above points the GC found that, despite the revocation of the earlier CTM, Mr Fuchs retained an interest in challenging the contested decision insofar as it covered the goods covered by the revoked CTM registration. The GC therefore went on to hear the case in full - however the appeal was eventually dismissed as it was found the BoA had not erred in their assessment.

This case raises an interesting question about invalidation actions that could similarly have an effect on earlier rights relied on in opposition proceedings.

Whilst a successful revocation action results in a ceasing of effect of the CTM right from the date the action was filed, an invalidation action would mean that the CTM had never existed, regardless of the date the action was filed. If that situation were transposed to the present case it is still unclear whether an invalidation action filed after a BoA decision issues would be seen as a matter that should not be taken into account by the court. It will be necessary to monitor subsequent court decisions to see how this potential situation is handled.

Author:
Wendy Oliver



In short

A change in the scope of trade mark protection relied on in an opposition will not affect the validity of a decision where the change relates to a revocation that occurs after the decision issues.

Annulment of a decision must procure an advantage to the applicant, otherwise the court will find that hearing the case will have no merit.

Losing interest? Is 'initial interest confusion' dead in UK trade mark law?

➤ Case details at a glance

Jurisdiction: England and Wales

Court: England and Wales Court of Appeal
(Civil Division)

Parties: Interflora Inc & Anr v Marks & Spencer plc

Citation: [2014] EWCA Civ 1403

Date: 05 November 2014

Full decision: <http://dycip.com/interflora1114>

The Court of Appeal has denounced 'initial interest confusion' as having no place in trade mark infringement in the European Union (EU), putting the brakes on the recent trend towards embracing the US-style doctrine in the UK.

Interflora v Marks & Spencer

In November, the Court of Appeal gave its decision in *Interflora v Marks & Spencer*. This was the latest round of the long-running dispute concerning M&S's use of INTERFLORA as a keyword in Google Adwords, for the promotion of M&S's own flower delivery service.

In May 2014, Arnold J gave the first instance decision on liability, coming down in favour of Interflora. Following his earlier reference to the Court of Justice of the European Union (CJ)¹ and applying the test in *Google France*, he decided that M&S's adverts did not enable normally informed and reasonably observant Internet users, or enabled them only with difficulty, to tell whether the adverts related to goods/services from Interflora (or a connected entity), or from a third party.

M&S appealed on various grounds, including challenging the judge's approach to the burden of proof in cases of 'double identity' infringement.

Initial interest confusion

Particularly interesting is the Court of Appeal's criticism of the controversial doctrine of 'initial interest confusion', which has been an increasingly prominent feature of UK trade mark cases since Arnold J embraced it in his 2010 decision in *Och Ziff*². The doctrine allows for a finding of liability where consumers may be initially confused as to the origin of goods/services, even if the confusion is dispelled by the time they make a purchase. In *Interflora*, Arnold J had extended this to cases of 'double identity' (ie, use of an identical mark for identical goods/services), whereas *Och Ziff* had only involved similar marks.

In a strident rejection of the doctrine, the Court of Appeal said "*In our judgment it is not helpful to seek to import the doctrine of initial*

Interflora v M&S is a long running flower delivery service Google Adwords dispute



interest confusion into EU trade mark law, at least so far as it applies to the use of a sign the same as or similar to a trade mark as a keyword in an internet referencing service, and it has the potential positively to mislead."

"In our view the doctrine of initial interest confusion is therefore an unnecessary and potentially misleading gloss on the tests the [CJ] has articulated and we think it should perform no part of the analysis of our national courts in claims of the kind before us."

Whilst this was said in the context of a keyword advertising case, commentators are already viewing the Court of Appeal's remarks as having broader application. Certainly we expect to see a shift away from 'initial interest confusion' in future trade mark cases.

Meanwhile – and very unusually – the Court of Appeal has remitted this case back to the trial judge for a retrial. The saga of *Interflora v Marks & Spencer* therefore still lives on.

We wait with interest to see how Arnold J approaches the case second time around.

Notes

1. See "*Interflora v Marks & Spencer* - Use of AdWords Presents Thorny Issue: in our November 2011 newsletter: www.dyoung.com/trademarknewsletter-nov2011
2. See "*L'Oréal v eBay* - ECJ Responds to UK High Court Questions" in our January 2011 newsletter: www.dyoung.com/trademarknewsletter-january2011

Author:

Tamsin Holman



In short

Court of Appeal has remitted *Interflora v M&S* back to the Arnold J for a retrial.

Court of Appeal rejects doctrine of 'initial interest confusion' in EU trade mark law.

D YOUNG & CO INTELLECTUAL PROPERTY

And finally...

Event / IP for wearable technology

Fashion and function Your IP wardrobe for wearable technology



It is predicted that by 2016 we will buy nearly 93 million wearable devices a year. Many of these wearable technology products interact with other technology products such as smartphones.

In the area of wearable technology, the distinctive appearance of a product will be crucial to its success.

In order to protect this distinctive appearance, manufacturers should consider protecting the appearance using registered designs, as registered designs protect the appearance of a product or graphical user interface (GUI).

Wearable Technology Show Excel London, 10-11 March 2015

The wearable technology conference offers a unique opportunity to hear from some of the leading experts in wearable technology and to view the latest product demonstrations from around the world. D Young & Co will be answering questions about the use of registered designs (and other IP rights) for the protection of wearable device, augmented reality and IOT products during the conference.

For more information and to register to attend the show, please visit the conference website: www.wearabletechnologyshow.net

Contact details

D Young & Co LLP
120 Holborn, London, EC1N 2DY
T +44 (0)20 7269 8550
F +44 (0)20 7269 8555

D Young & Co LLP
Briton House, Briton Street
Southampton, SO14 3EB
T +44 (0)23 8071 9500
F +44 (0)23 8071 9800

www.dyoung.com
mail@dyoung.com

This newsletter is intended as general information only and is not legal or other professional advice. This newsletter does not take into account individual circumstances and may not reflect recent changes in the law.

For advice in relation to any specific situation, please contact your usual D Young & Co advisor.

D Young & Co LLP is a limited liability partnership and is registered in England and Wales with registered number OC352154. A list of members of the LLP is displayed at our registered office. Our registered office is at 120 Holborn, London, EC1N 2DY. D Young & Co LLP is regulated by the Intellectual Property Regulation Board.

Copyright 2015 D Young & Co LLP. All rights reserved.

'D Young & Co', 'D Young & Co Intellectual Property' and the D Young & Co logo are registered trade marks of D Young & Co LLP.

Contributors

Partner (editor)
Jackie Johnson
jhj@dyoung.com
www.dyoung.com/jackiejohnson



Partner (editor)
Matthew Dick
mjd@dyoung.com
www.dyoung.com/matthewdick



Partner
Jeremy Pennant
jbp@dyoung.com
www.dyoung.com/jeremypennant



Partner
Tamsin Holman
tph@dyoung.com
www.dyoung.com/tamsinholman



Associate
Anna Reid
amr@dyoung.com
www.dyoung.com/annareid



Associate
Richard Burton
rpb@dyoung.com
www.dyoung.com/richardburton



Assistant
Wendy Oliver
woo@dyoung.com
www.dyoung.com/wendyoliver

