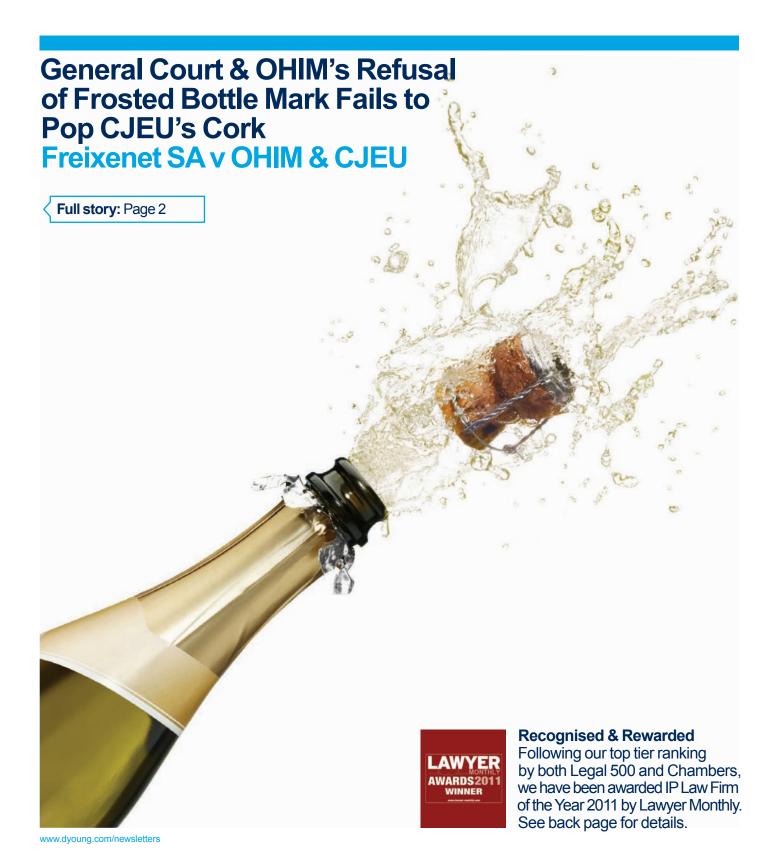


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Not According to the General Court



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Events



15 February 2012

Secondary Liability and Other Internet Problems

Members of our Dispute Resolution & Litigation Group will be attending this UCL Institute of Brand and Innovation Law event in London, UK.

Editorial



Welcome to our first newsletter of 2012.

Following weeks of great indulgence, January in England can be a little dreary. So, to extend the festive mood, there is nothing quite like a bit of fizz and chocolate to lift the spirit and keep the celebrations going! In this newsletter we look at two decisions on non-traditional marks – Freixenet's matt cava bottles and Cadbury's application for the colour purple. What's more, we can indulge without breaking any new year's resolutions involving healthy diets!

On the subject of celebration, we were delighted to be recognised by Lawyer Monthly as IP Law Firm of the Year 2011. Regular readers will recall that our Dispute Resolution & Litigation team have been with us for a year and we can't imagine life without them now. Many clients who have had an opportunity to benefit from the expanded range of services offered have given very positive feedback on the integrated approach provided.

We hope you enjoy this newsletter and take the opportunity to wish you all a very happy new year.

Editor:

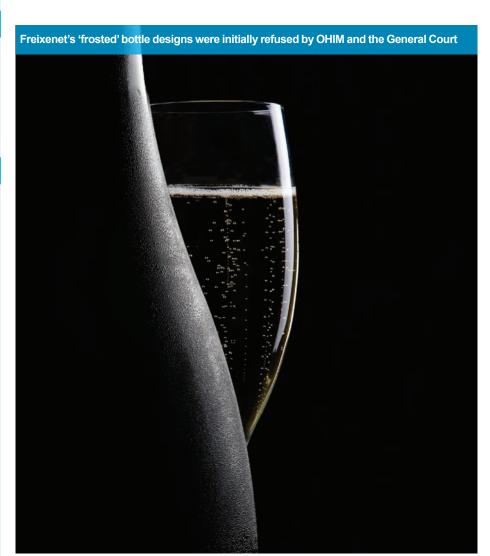




Article 01

General Court & OHIM's Refusal of Frosted Bottle Mark Fails to Pop CJEU's Cork

Freixenet SA v OHIM & CJEU



he Court of Justice of the European Union (CJEU) has sent out a strong message to the General Court and to OHIM that they should go back to basics when examining the registrability of unconventional trade marks, confirming the validity of well established case law on the subject.

There were two applications in this case, which were first filed back in 1996 in relation to 'sparkling wines'. In the first application Freixenet claimed the colour 'golden matt' and described the mark as a "white polished

bottle which when filled with sparkling wine takes on a golden matt appearance similar to a frosted bottle". In the second application, Freixenet claimed the colour 'black matt' and described the mark as a "frosted black matt bottle". Freixenet submitted a declaration along with each of the applications stating that the applicant did not want to obtain restrictive and exclusive protection for the shape of the packaging but for the specific appearance of its surface.

OHIM and subsequently the Board of Appeal rejected each of the applications on the basis that the marks were held to be devoid of

(>) Knowledge Bank Scan the QR code below using your internet enabled smart phone to access our knowledge bank



(a) Missed anything?
In between issues of this newsletter we posted news about the Advocate General's opinion in the copyright case concerning SAS Institute Inc and World Programming. Visit our website for up to the minute IP related articles and news.

Article 02

IP Translator Advocate General Gives Opinion

distinctive character under Article 7(1)(b) CTMR. The General Court also rejected Freixenet's appeal in 2008, upholding the Board of Appeal's decisions on the basis that the colour and matt appearance of the bottle could not function as a trade mark for sparkling wine.

Freixenet then appealed to the CJEU. It argued that the General Court had infringed Article 7(1)(b) CTMR by holding that the Board of Appeal was not required to put forward specific evidence in support of its refusals to register the marks and that the marks for which protection was sought varied significantly from the norm or customs of the wine sector.

CJEU Ruling

The CJEU held that the General Court had infringed Article 7(1)(b) of the CTM Regulation. Instead of establishing whether the marks for which registration was sought varied significantly from the norm or customs of the sector, it merely stated in a general manner that since no bottle had been sold by Freixenet without a label, or an equivalent, only the word element could determine the origin of the sparkling wine in question, so that the colour and matt appearance of the glass of the bottle could not 'function as a trade mark' for sparkling wine.

The CJEU reiterated the findings in the Henkel, Mag Instrument and Develey cases in which it was held that in order for a trade mark to possess distinctive character for the purposes of Article 7(1)(b) of the Regulation, it must distinguish the goods of a particular undertaking from other undertakings. Of particular relevance in this case, the Court confirmed that the criteria for assessing the distinctive character of a mark consisting of the appearance of the product itself is no different from that which is applicable to other categories of trade marks. It was acknowledged however that since average consumers are not in the habit of making assumptions about the origin of products on the basis of their shape or the shape of their packaging, in the absence of any graphic or word element, it could be more difficult to

establish distinctive character in relation to a three-dimensional mark than in relation to a word or figurative mark.

The CJEU confirmed that only a mark that departed significantly from the norm or customs of the sector, thereby fulfilling its essential function of indicating origin, was not devoid of distinctive character for the purposes of Article 7(1)(b) CTMR.

Since the General Court had not applied well-established case law correctly, the persistence of Freixenet paid off and the decisions of the General Court were annulled.

The CJEU did not specifically apply the well established case law to the facts of the case, instead simply concluding that the OHIM Board of Appeal made the same error as the General Court by failing to assess whether the marks applied for "departed significantly from the norm in the sector".

Conclusion

It remains difficult to overcome the test for establishing that an unconventional mark has the necessary level of distinctive character to pass the threshold and enable it to be registered. Whether or not the two marks in these joined cases "departed significantly from the norm in the sector" (or for that matter are capable of distinguishing the goods from those of other undertakings) is still arguable; however, this case proves that reasoned justification for the refusal of a trade mark must be provided based on an assessment of the well established principles and case law. If there is a failure to do so, the decision may well be open to a successful appeal.

Author:

Richard Burton



Useful links:

Full text of decision: Freixenet v OHIM:

http://dycip.com/c34410dec

n his opinion issued on 29 November 2011, the Advocate General of the CJEU has come down firmly in favour of trade mark specifications listing specific goods and services rather than merely relying on class headings of the Nice classification. He considers this should apply to both Community and national trade marks.

OHIM's current practice – which considers that a specification consisting of a class heading is equivalent to a listing of all goods or services contained in that class – (as set out in its Communication No. 4/03), is criticised as not giving economic operators (eg, competitors) sufficient clarity as to what a CTM protects, and effectively giving a CTM owner almost unlimited exclusive rights over a particular class. He considers this is contrary to the essential function of a trade mark (ie, as an indication of origin) and to the need for such protection to be identified accurately.

The Advocate General recognises that some class headings (eg, 'soaps' or 'cutlery') are sufficiently precise, but many are not – particularly in the services classes. Whilst not preventing the use of sufficiently precise class headings in appropriate cases, he makes it clear that specifications of goods and services must be "clear and precise so that the goods and services may be identified accurately by the competent authorities and economic operators".

This is very much in line with UK practice and, whilst it does not mean that specifications have to be drafted to the nth degree, it does mean that greater thought must be given to their drafting in future by those who relied on OHIM's practice exclusively.

The opinion does not deal with what will happen to those CTMs with "class heading only" specifications and, if the CJEU agrees with the opinion, OHIM may need not only to revisit Communication 4/03, but also to allow owners of such CTMs to amend those specifications.

Author:

Ian Starr





Vacuum Cleaner 'Wars' Dyson v Vax

(>) Useful links

Full text of decision:

Dyson Ltd v Vax Ltd [2011] EWCA

Civ 1206 (27 October 2011):

http://dycip.com/dysonvax11

Vax v Dyson – Eureka Magazine Interviews D Young & Co's Paul Price and Anthony Albutt: http://dycip.com/eurekadec2011

he UK Court of Appeal handed down a decision on 27 October 2011 that provides some useful guidance regarding the scope of a national UK registered design.

Since the law governing registered designs is harmonised at the national level in the European Union (EU) and also at the European level in relation to a Registered Community Design (RCD) covering all countries of the EU, the decision also indirectly provides guidance on construing the scope of an RCD, at least when the RCD is being litigated in the UK rather than in one of the other EU countries.







Vax Mach Zen (side view)

The case concerned Dyson's national UK registered design No. 2,043,779 for their DC02 cylinder vacuum cleaner with its distinctive and innovative sloping transparent dust container (see the side view taken from the UK registered design, above left).

Vax had started to produce a similar-looking vacuum cleaner (see the side view of their Mach Zen cleaner, above right) and Dyson sued Vax for registered design infringement, but Dyson lost in the UK High Court (the court of first instance) because the trial judge held that the Mach Zen produced "a different overall impression on the informed user" (this being the test for infringement) compared with the design as depicted in Dyson's UK registered design.

Dyson appealed to the Court of Appeal and, unfortunately for Dyson, the appeal judges upheld last year's decision of the trial judge.

It is interesting to note that the appeal has been heard speedily (which suggests that the UK is a convenient forum for litigating intellectual property disputes) and it is important to remember that the appeal court does not reconsider the case from scratch. Instead, the appeal court needs to be persuaded that the court

of first instance 'has erred in principle' in a substantive way.

The validity of the UK registered design was not in dispute between the parties. The whole case was merely concerned with construing the scope of protection of the UK registered design, and then deciding whether the alleged infringing product (Vax's Mach Zen) is or is not within the construed scope of protection.

The UK registered design had been filed in 1994 under the old UK registered design law, and thus it was filed in the days when scope of protection was construed differently. These days, scope of protection is construed under the new (EU harmonised) national registered design law that was brought into force in the UK in December 2001.

When assessing the scope of protection by using the test of whether the alleged infringement does or does not 'produce a different overall impression on the informed user' the court will assess whether the designer had a limited degree of 'design freedom' (which will tend to narrow the scope of protection of the registered design) and will also assess who is the 'informed user' who has to apply the infringement test.

The UK Court of Appeal applied the case law that the informed user is a notional person who adopts a middle position between being an expert and being an uninterested member of the public, and is a person who pays a relatively high degree of attention when he uses the product in question.

The Court of Appeal then considered whether the designer had a lot or a little 'design freedom' in devising the design of the registered design (not the design of the alleged infringing product). The trial judge last year had felt that a significant number of the design features were present for technical reasons, and thus that designer had limited design freedom (which implies a narrowish scope of protection for the registered design). These 'technical' design features included: the 45° slope of the dust container bin; the fact that the bin is transparent; why large wheels are at the rear of the vacuum

cleaner; why the rear wheels are spaced apart; and why there are prominent wheel arches over the wheels with buttons incorporated into the wheel arches.

The appeal court judges agreed with the trial judge regarding his assessment of these 'technical' design features, and they also felt that the remaining features of the registered design were not taken by the Mach Zen machine to a sufficient extent for it to produce the same overall impression on the informed user, and thus that the Mach Zen had been correctly held not to be an infringement.

These remaining design features which produced a different overall impression included: differences between the wands of the registered design and the Mach Zen in relation to their shape and attachment point to the main body of the vacuum cleaners; differences in how the wheel arches flow forwards; and differences in the external shapes of the bins and the internal cyclones that can be seen inside.

Overall, the appeal judges characterized the registered design as producing a visual impression that is "smooth, curving and elegant" whilst that of the Mach Zen is "rugged, angular and industrial" with the end result that the informed user would consider that the Mach Zen produces a different overall visual impression and thus is not an infringement.

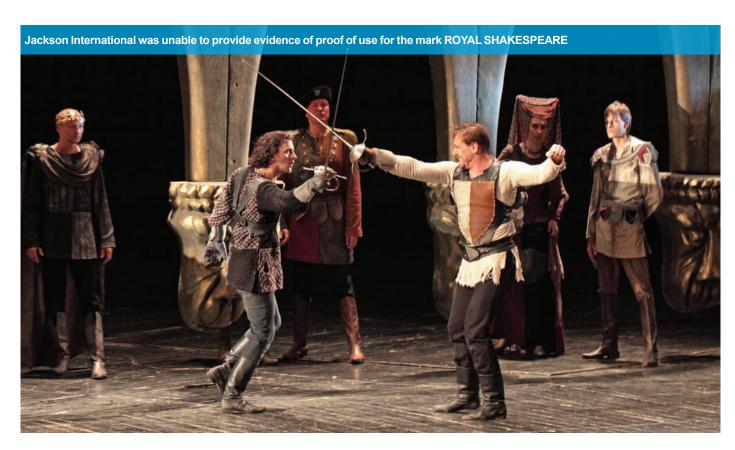
Perhaps a lesson for future innovative designs would be to sit down and consider what aspects of the design are likely to be attractive to competitors, and then file to protect those aspects of the product by means of separate registered designs, taking advantage of the possibilities offered in the UK (and in the EU) by the modern registered design law with its ability to protect part of the overall design of a product (including at an abstract level that removes irrelevant detail unlikely to be copied by a competitor) in addition to protecting the overall design of the product.

Author:

Paul Price



To Be, Or Not To Be Used Proof of Use Unproven for Royal Shakespeare



his Trade Marks Registry decision highlights what is required to defend a non use revocation action filed against a trade mark registration.

Jackson International had registered ROYAL SHAKESPEARE in connection with 'beers, including low-alcohol and non-alcoholic beers; fruit drinks; fruit juices and isotonic drinks' in class 32.

The Royal Shakespeare Company applied to revoke the registration on the grounds of non use. Jackson International claimed use of its mark or, in the alternative, proper reasons for non use but was unsuccessful on both counts.

The Registrar helpfully reconfirmed the relevant principles to be considered when examining evidence that seeks to show genuine use. These include that the use must be actual use that is more than merely 'token' use; that the use maintains the essential function of a trade mark and therefore the link between the

sign and the origin of the goods and services to which the sign is applied, and that it shows a real commercial exploitation of the mark. Jackson International showed no such use.

Unfortunately, much of the evidence filed by Jackson International was redacted, having been deemed confidential, but Jackson International apparently filed evidence in the form of letters, the purpose of which was to establish the quest for business partners for a product yet to be developed. Jackson International clearly had an idea in mind when they originally filed their application to register ROYAL SHAKESPEARE but this idea remained just that. Indeed, several years after registration had been granted, Jackson International had still not found a business partner to enable them to commence use of the mark on the relevant goods.

The Registrar also confirmed that proper reasons for non use must be independent of

the will of the proprietor and totally unconnected with the proprietor. Consequently, Jackson International's failure to conclude a licence agreement did not represent a proper reason for non use, as it was in their power to enter into such an arrangement. Further, the Registrar noted that Jackson International had actually stopped looking for a business partner a couple of years before the non use revocation action was even filed.

This case further clarifies the circumstances where proper reasons for non use will be favourably considered. However, it also highlights the vulnerability of a trade mark registration if active and committed steps are not made to ensure that a product bearing the mark reaches the market within five years of registration.

Author: Jackie Johnson



www.dyoung.com/newsletters (65)

Sweet Success Cadbury Registers Purple Colour in UK

Cadbury Purple "When applied to the whole visible surface"



ollowing an opposition from
Nestlé, Cadbury has been
successful in registering the
colour purple, in relation to a
range of chocolate products.

The application sought protection for "The colour purple (Pantone 2685C), as shown in the form of the application, applied to the whole visible surface, or being the predominant colour applied to the whole visible surface, of the packaging of the goods".

Cadbury's application had been accepted during examination on the basis of acquired distinctiveness through use, following evidence of use dating back to 1914. However, Nestlé opposed the application claiming that:

- The mark is not capable of distinguishing the goods of one undertaking from those others within the meaning of Section 3(1) (a) because it is a single colour, and the colour is commonly used in trade;
- Because the mark could take numerous forms of appearance, it is not a 'sign' within the meaning of the Act;
- iii) The sign is not capable of being graphically represented as required by Section 3(1)(a);
- iv) The mark is excluded from registration under Section 3(1)(b), (c) and (d) because: a) it is devoid of distinctive character; b) it designates a characteristic of the goods, namely the characteristic of having purple packaging; c) it was customary in the current language or bona fide practices of the trade, the colour purple being in common use at the date of the application in relation to the specified goods; d) it had not acquired a distinctive character through use.
- v) To the extent that the mark covers the colour specified "applied to the whole visible surface of the goods", the application was made in bad faith contrary to Section 3(6) because the mark was not so used, and the applicant had no intention to use it like this.
- vi) It was inconceivable that the applicant intended to use the mark in relation to the broad range of goods specified in the application, and the applicant must have known of third party use of purple, so the bad faith applies here too.



The Hearing Officer referred to the decisions of *Libertel and Windsurfing Chiemsee* when making his decision and said that it was clear that colour can constitute a sign but cannot be presumed to do so. The evidence that Cadbury filed in support of its application was strong and despite evidence of third party use of the colour purple on chocolate items, the Hearing Officer said that "although it is not sufficient simply to be the best known user of a particular colour, there is no requirement in law to be the only user of a sign before it can be considered distinctive".

Similarly the challenge on the grounds of bad faith was rejected because the description of the mark could not be applied literally and the Hearing Officer was satisfied that there was no *prima facie* case of bad faith for Cadbury to answer.

The decision did not all go Cadbury's way, however, as the Hearing Officer limited his specification to the specific goods he considered had acquired distinctiveness through use. Namely: 'chocolate in bar and tablet form; eating chocolate; drinking

chocolate; preparations for making drinking chocolate'.

He has invited the parties to comment on the appropriateness of the wording of the new specification, not on the substance of his decision. Accordingly, the decision has yet to become final.

The Hearing Officer's conclusions reinforce the difficulties faced when trying to obtain monopoly rights in colour trade marks. Not only do applicants have to show acquired distinctiveness through use, but the scope of protection will also be strictly interpreted and may even be taken out of their hands.

Author:

Helen Cawley



Useful link:

Full text of decision:

http://dycip.com/o35811dec

Visual Differences Avoid Confusion in Figurative Trade Marks Not According to the General Court

n a recent decision concerning the impact of differing figurative elements in Community trade marks where the goods in question are identical or similar, the General Court has held that, in some cases, the differences are not sufficient to avoid a likelihood of confusion.

The case concerned the trade marks detailed below:

Prior Registration CTM Application





The applicant was an individual, Stephanie Scatizza, and the application covered 'leather and imitations of leather and goods made of these materials; hides; trunks and travelling bags'.

The opponent was Manuel Jacinto Lda and their earlier right was a Portuguese national registration which covered 'handbags, travelling bags, umbrellas, sunshades, whips, horse-trappings and saddlery' in Class 18. The opposition claimed there was a likelihood of confusion under Article 8(1)(b) CTMR for all the goods applied for.

The Opposition Division and the Board of Appeal upheld the opposition for 'goods made of leather and imitations of leather; trunks and travelling bags'. The applicant appealed to the General Court arguing that the Board of Appeal had incorrectly assessed the similarity of the signs and the likelihood of confusion.

In dismissing the appeal, the General Court held that both trade marks coincide in a representation of a horse and the word element 'horse'. Their view was that the figurative element of the horse in the earlier mark "is no less dominant or distinctive than the word element 'horse'" and the same could also be true for the trade mark applied for.

The Court dismissed the applicant's arguments that the word 'horse' is descriptive for the goods in question because none of the contested goods were related to horses. In addressing the distinctive character of the word 'couture' in the applicant's trade mark, the Court felt that this was only of weak distinctive character because it is descriptive of the goods in question and would be recognised as meaning 'haute couture'.

Visually, the Court held that the differences between the trade marks were not sufficient to avoid a weak degree of similarity between them. Even taking account of the existing differences between the trade marks, the Court held that the overall impression is that both trade marks contain the word 'horse' and a device of a horse.

Phonetically, the Court held that the only word present in the earlier mark is the word 'horse' which is reproduced in its entirety in the application. These words are identical. Although the application also contains the word 'couture' it is less likely to be remembered by consumers because consumers generally tend to pay more attention to the beginning of trade marks, rather than the end. The Court further held that consumers will verbally refer to both marks as HORSE. The marks were therefore held to be phonetically identical.

The Court also believed the two trade marks were conceptually identical given that the relevant public will largely understand the meaning of the word 'horse' and the verbal elements will be interpreted as referring directly to the figurative elements, with the result that one reinforces the other.

Having found that the trade marks are visually and phonetically similar and conceptually identical, and cover identical or similar goods, the General Court held that there was a likelihood of confusion between the trade marks.

Further, the Court held that even if the goods were bought on a visual level, such that the visual impression is of greater importance in the assessment of likelihood of confusion, the

same finding would result because there remains a level of visual similarity between the trade marks. In any case, the visual differences between the trade marks are offset by the fact that the trade marks are phonetically similar, conceptually identical and cover identical and similar goods.

Comment

The decision is interesting because it relates to a figurative mark but the Court appears to have focussed less on visual similarity than the impression conveyed by the phonetic similarity and the conceptual identity of the marks.

The level of visual similarity as acknowledged by the Court is weak, at best, yet, due to the identity of the goods, the fact that the Court believes the trade marks to be conceptually identical and phonetically similar has resulted in a claim of likelihood of confusion being upheld.



As decisions of the General Court are binding on OHIM, Community trade mark applicants should be careful when filling for figurative trade marks that are visually different from other existing trade marks, but nonetheless, may be considered phonetically similar and conceptually identical, as the mark may be refused on this basis.

Author:

Gemma Williams



Full text of decision T238/10:

http://dycip.com/t23810dec

07

D YOUNG®CO INTELLECTUAL PROPERTY

And finally...

D Young & Co IP Law Firm of the Year



We are delighted to announce that D Young & Co has been named IP Law Firm of the Year 2011 by Lawyer Monthly. This award follows hot on the heels of our recent top tier ranking in all IP categories from Chambers UK 2012, and our top tier ranking from Legal 500 2011.

The Lawyer Monthly Legal Awards 2011 recognise firms that have dedicated their resources to innovation, built on their depth of expertise and performed outstandingly over the year. The award recognises our

decision to bring together the specialist IP services of patent and trade mark attorneys with those of solicitors in a single Legal Disciplinary Practice (LDP). We were the first UK IP firm to establish an LDP and in so doing raised the bar for the quality and depth of IP services offered in the UK.

Ian Starr, Partner in our Dispute Resolution & Litigation Group, comments:
"For us (and our clients) being able to rely on the breadth and depth of expert knowledge in IP is a real benefit. Being in a firm whose beating heart is IP is invaluable and exciting."

The benefits of the LDP structure have been immediately clear, bringing about a more efficient and effective service that reassures clients that they are obtaining the best value for their IP investment. Integrated D Young & Co teams including both solicitors and patent and/or trade mark attorneys can share knowledge, work more efficiently and offer a truly comprehensive IP service.

Useful link:

Lawyer Monthly Awards:
The full report can be viewed online at:

http://dycip.com/ipfirm

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