

# D YOUNG & CO TRADE MARK NEWSLETTER<sup>no.72</sup>

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## The Big Bad Wolf is Back! Detriment to the Distinctive Character of a Trade Mark With a Reputation



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Welcome to the first edition of our trade mark newsletter for 2014 and happy New Year! I hope everyone has had an opportunity to recharge their batteries over (or after) the festive period and is enthusiastic to find out what the year ahead brings.

Last year was a busy and exciting year for D Young & Co, including the opening of our first overseas office in Dubai. In addition to keeping you up to date on trade mark and design issues, this newsletter also features news from Dubai and our Dubai team welcomes any questions you may have on trade mark matters in the region.

In the meantime, our Trade Mark and Dispute Resolution and Legal teams are planning trips and conferences for 2014. Further information is available below (see 'events') and on our website ([www.dyoung.com/events](http://www.dyoung.com/events)). In particular, we look forward to meeting with clients and colleagues at PTMG and INTA in the Spring and would be delighted to hear from you if you would like to make contact to set up a meeting.

Best wishes for 2014!

Editor:  
**Jackie Johnson**



## Events



**17-18 March 2014**

**PTMG, London, UK**

Tamsin Holman, of D Young & Co's Dispute Resolution and Legal Group, will be attending the 88th Pharmaceuticals Trade Marks Group (PTMG) Spring Conference in March 2014.

**10-14 May 2014**

**INTA, Hong Kong SAR, China**

Attorneys and solicitors from D Young & Co's three offices (Dubai, London and Southampton) will be attending the International Trade Mark Association's 136th Annual Meeting in May 2014. Jeremy Pennant, Ian Starr, Helen Cawley, Tamsin Holman, Matthew Dick and Mark Bone-Knell plan to be in Hong Kong for the meeting.

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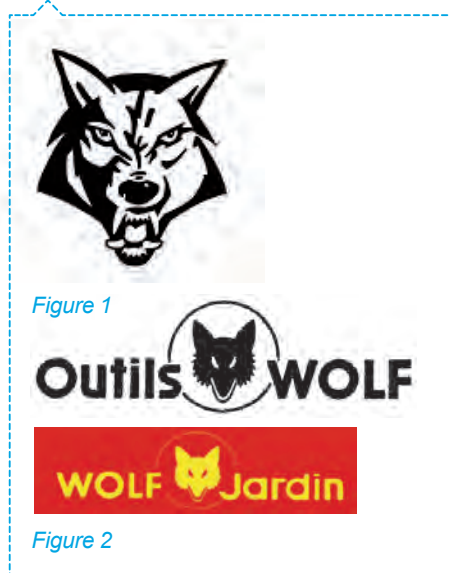


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## Article 01

# The Big Bad Wolf is Back! Detriment to the Distinctive Character of a Trade Mark With a Reputation

In our July 2012 trade mark newsletter (edition 63) we reported on a decision from the General Court (GC) in the case of Société Elmar Wolf's opposition to Environmental Manufacturing LLP's CTM for a wolf device (figure 1) based on their earlier WOLF word and device marks (figure 2) registered as international and French trade mark registrations.



The grounds for appeal included:

- Article 8(1)(b) - likelihood of confusion, and;
- Article 8(5) - unfair advantage/detriment to distinctive character/repute.

### Background

The Opposition Division originally dismissed the opposition on the grounds that Elmar Wolf had not adduced evidence of detriment to the repute of their earlier marks or any unfair advantage gained.

The Second Board of Appeal allowed the appeal and annulled the decision of the Opposition Division.

### GC decision

Environmental Manufacturing LLP then appealed to the GC who (as reported in

our July 2012 newsletter) stated that the proprietor of an earlier mark, in order to adduce evidence that use of the latter mark would be detrimental to the distinctive character of its mark, must show evidence of a future risk of detriment without being required to demonstrate actual and present harm to its mark.

The GC stated that this can be established:

1. On the basis of logical deductions made from an analysis of the probabilities; and
2. By taking account of the normal practice in the relevant commercial sector as well as all other circumstances of the case.

The GC's decision on Article 8(5) was helpful to brand owners because it said that

**the proprietor of an earlier trade mark was not required to produce evidence of a change in economic behaviour to show detriment to the distinctive character of an earlier trade mark.**

However, this decision was appealed to the Court of Justice of the European Union (CJ).

### CJ decision

In allowing the appeal, the CJ referred back to its decision in the Intel case which said *"proof that the use of the latter mark is, or would be, detrimental to the distinctive character of the earlier mark requires evidence of a change in economic behaviour of the average consumer of the goods and services for which the earlier mark was registered, consequent on the use of the latter mark or a serious likelihood that such change will occur in the future"* (Intel Corporation, Para 77).

The CJ went on to say that: *"... without adducing evidence that that condition is met, the detriment or the risk of detriment to the distinctive character of the earlier mark provided for in Article 8(5) of Regulation No*



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## The GC 2012 decision in the 'WOLF' case of was appealed to the CJ



Nonetheless, such deductions must not be the result of mere suppositions but must be founded on *"an analysis of the probabilities and by taking account of normal practice in the relevant commercial sector as well as all the other circumstances of the case."* (Para 43).

### Comment

This decision reiterates the high standard imposed by the Intel case and will no doubt disappoint brand owners who will now need, once again, to provide evidence of a change in the economic behaviour of consumers resulting from use of the latter mark (or a serious likelihood of such a change).

The position remains unclear on how to prove such a change in economic behaviour particularly where the goods/services are different, or where the latter mark has not been used. Further guidance on this point would be welcomed to help brand owners protect their reputation.

**Author:**  
Helen Cawley



### Useful links:

**Decision C-383/12 P Environmental Manufacturing LLP v OHIM:**

[dycip.com/c38312p](http://dycip.com/c38312p)

**Decision T-570/10 Environmental Manufacturing LLP v OHIM:**

[dycip.com/t57010dec](http://dycip.com/t57010dec)

**Decision C0252/07 Intel Corporation Inc v CPM UK Ltd:**

[dycip.com/c25207dec](http://dycip.com/c25207dec)

**D Young & Co July 2012 trade mark newsletter article "Changes in Consumer Economic Behaviour - GC Rules Not Necessary to Prove Detriment to Distinctive Character":**

[dycip.com/tmnljul12](http://dycip.com/tmnljul12)

207/2009 cannot be established ... the concept of 'change in economic behaviour' of the average consumer lays down an objective condition. That change cannot be deduced solely from subjective elements such as consumers' perceptions. The mere fact that consumers note the presence of a new sign similar to an earlier sign is not sufficient of itself to establish the existence of a detriment or a risk of detriment to the distinctive character of the earlier mark within the meaning of Article 8(5) of Regulation No 207/2009, in as much as that similarity does not cause any confusion in their minds." (Paras 36, 37 & 38).

The court said its Intel decision clearly indicated it was "necessary to demand a

higher standard of proof in order to find detriment or the risk of detriment to the distinctive character of an earlier mark".

It acknowledged that its own case law did not require evidence to be adduced of actual detriment and admitted the serious risk of such detriment allowing the use of logical deductions.

**By not having in place a high standard of proof, the criteria accepted by the GC could damage competition in the market place.**

# UKIPO Revokes Gucci GG Trade Mark Requirements for Evidence of Proof of Genuine Use

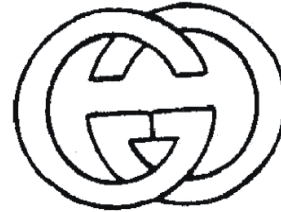


Figure 1: Guccio Gucci S.p.A.'s UK trade mark registration 1082541 is now registered only in respect of "non-medicated toilet preparations; perfumes" in class 3.

The UK Intellectual Property Office (UKIPO) has recently revoked Guccio Gucci S.p.A.'s (Gucci) UK trade mark registration 1082541 for a wide range of goods in classes 3, 14, 18 and 25 including watches, necklaces, handbags, pocket wallets, scarves and textile belts. The trade mark is now registered only in respect of "non-medicated toilet preparations; perfumes" in class 3 (see figure 1 above right).

## Background

Gucci's trade mark was registered on 11 July 1984 for a variety of goods in classes 3, 14, 18 and 25.

On 15 June 2012 Gerry Weber International AG (Gerry Weber) filed an application for revocation of the trade mark in full on the grounds of non-use.

Gerry Weber argued that Gucci had not made any use of the trade mark in relation to the goods for which it was registered in the five year period between 01 February 2003 and 31 January 2008 and therefore the trade mark should be revoked with effect from 01 February 2008. In the alternative, Gerry Weber argued that Gucci had made no use of the trade mark during the five years from 15 June 2007 to 14 June 2012 and therefore the trade mark should be revoked with effect from 15 June 2012.

## Evidence filed by Gucci

Gucci's in-house counsel filed a witness statement to support Gucci's argument that the trade mark had been used during the time periods specified. The hearing officer considered, however, that the witness statement and evidence filed was only sufficient to prove use of the trade mark in relation to "non-medicated toilet preparations; perfumes" in class 3.

In relation to the goods in classes 14, 18, 25 and the remaining goods in class 3, the hearing officer considered that the evidence filed was insufficient to prove that the trade mark had been used throughout the relevant period and ruled that the trade mark should be revoked with effect from 01 February 2008 in respect of these goods.

In particular, the hearing officer considered that:

- Evidence relating to the history and fame of the Gucci brand in general was of little relevance in proving use of the Trade Mark.
- Whilst the witness statement explained that Gucci extensively advertised in the press and magazines, no examples of such advertisements were provided.
- No invoices were provided for the goods in classes 14, 18 and 25.
- Although the witness statement contained details of sales figures, such sales were not explicitly confirmed to be UK sales and certain figures were provided in Euro. Furthermore, the sales figures were not differentiated by category of product within the classes eg, watches, necklaces and so on, within class 14.
- Whilst Gucci explained that the trade mark had been used on point of sale advertising, receipts, swing-tags and so on, no examples of such use were included in the evidence filed.
- A number of the webpages and 'Look Books', which Gucci argued featured genuine use of the Trade Mark, appeared to be in Italian or from the US and/or were undated.

Gucci had, however, demonstrated genuine use of the mark for "non-medicated toilet preparations; perfumes" in class 3, as it had filed evidence of invoices in respect of certain of the goods (eg, perfumes) as well as printouts of webpages, which demonstrated that preparations had been made to put goods bearing the trade mark on the market.

## Procedural issues

Gucci initially filed its evidence following receipt of Gerry Weber's application for revocation and then sought to file further evidence later on in the course of proceedings. This request was rejected by the hearing officer on the basis

## Gucci filed evidence of invoices in respect of perfumes in class 3



that the evidence could not, strictly speaking, be considered to be reply evidence, as Gerry Weber had filed no evidence of its own, and because Gucci had not demonstrated that the evidence which they wished to submit was material to the outcome of the matter.

## Summary

This decision highlights the importance of filing evidence demonstrating genuine use of a trade mark at the outset of a revocation action and is also a reminder that evidence of proof of genuine use needs to be as specific and detailed as possible.

Author:  
Anna Reid



# Winning Moves MONOPOLY's Monopoly on Opoly

**T**his recent case from the appointed person in the United Kingdom centered on whether Hasbro, the owner of the MONOPOLY trade mark, was entitled to prevent the registration of an application for GALATOPOLY for games.

By way of a decision from the United Kingdom Intellectual Property Office (UKIPO) in January 2013, Hasbro had successfully opposed the registration of GALATOPOLY both on the basis that there existed a likelihood of confusion (under Section 5(2) of the Trade Marks Act) and also on the question of dilution (under Section 5(3)).

The applicant, who represented himself both before the UKIPO and for the appeal, criticized the hearing officer at first instance for wrongly evaluating the likelihood of confusion and dilution. He contended that GALATOPOLY would be used in relation to a high quality game, quite different to MONOPOLY, because it was based on the Holy Bible and in particular St. Paul's Epistle to the Galatians. In addition, he alleged that the GALATOPOLY game would be sold at prices which would be sufficiently high to lead consumers to take care in selecting the game and would probably only be sold in specialist outlets relating to Christian teaching.

The applicant also drew the appointed person's attention to the differences between the marks, perhaps its strongest point, although he claimed there would be no possibility of dilution or damage because Hasbro's MONOPOLY brand already had a very large reputation.

In reaching his decision, the appointed person explained that the question of the actual games was irrelevant and that the Trade Marks Act required him to simply consider the notional and fair use of the marks across the scope of the specifications of goods. The appointed person also dwelt on the reputation of Hasbro's MONOPOLY trade mark, as did the hearing officer at first instance and concluded that as one of the best known games in the world, it was self evident that the MONOPOLY brand had a sufficient reputation for games.

Hasbro referred to previous decisions where they had been successful in preventing the registration of marks such as EUROPOLY and GLOBOPOLY



In relation to the question of whether confusion would arise, the appointed person concurred with the hearing officer that there could be a question of imperfect recollection in terms of the purchase on impulse of lower cost games, both by adults and children. The different intended outlets for the applicant's games and the different types of games were not factors that could be taken into account, said the hearing officer, and this was not disputed by the appointed person.

Turning to the crux of the case, namely the comparison of the marks, the hearing officer had only found a "*very low degree of similarity*" between MONOPOLY and GALATOPOLY. However, the hearing officer had placed a good deal of weight on the fact that MONOPOLY, used for games, is a household name with the "*very highest level of distinctiveness*". Accordingly, notwithstanding the differences between the prefix of both marks, it was concluded that this was a situation where the common element, -OPOLY, was "*strikingly distinctive*". Accordingly, in conclusion, the appointed person felt there was no reason to disturb the hearing officer's original decision, although, in his view, there was perhaps a greater level of similarity between the marks than the hearing officer had been willing to accept.

Considering the question of dilution, the appointed person accepted the applicant's submission that caution should be taken

before conferring an unduly wide monopoly in MONOPOLY. However, on the basis that the appeal was to consider whether the hearing officer had misdirected himself in law and was not simply a re-hearing, the appointed person was of the opinion that the hearing officer was entitled to conclude that use of GALATOPOLY would have a detrimental affect on the distinctive character of the MONOPOLY mark in respect of the goods for which it is registered.

## Comment

For owners of well known brands such as MONOPOLY, cases such as this emphasize the importance of being able to evidence the fame and notoriety of one's brand at first instance and to be able to point to relevant case law. Hasbro were able to refer to previous decisions where they had been successful in preventing the registration of marks such as EUROPOLY and GLOBOPOLY. From the applicant's point of view, it is possible that professional representation may have assisted, especially in terms of the focus of the submissions and the points that were relevant. However, having failed at the first instance, it seems clear that there was no fundamental error perpetrated by the hearing officer and thus the chances of success on appeal were always going to be remote.

Author:  
Jeremy Pennant





# Now Don't Relax! The Ultimate Dangers of 'Fingleaf Marks'

**T**wo recent Board of Appeal decisions have highlighted the risk of seeking to enforce or rely upon trade marks that are likely to have secured registration due to the addition of figurative elements to an otherwise non-distinctive word mark.

Such marks have on occasion been referred to as 'fingleaf marks', following an English High Court decision of November 2012 in a dispute involving the NOW trade mark depicted below, which had been registered as a Community Trade Mark (CTM) in relation to a number of goods/services in classes 9, 35, 38, 41 and 42:



Mr Justice Arnold noted as follows<sup>1</sup>:

*"I would comment that it appears to me that [the claimant] only succeeded in obtaining registration of the CTM because it included figurative elements. Yet [the claimant] is seeking to enforce the CTM against signs which do not include the figurative elements or anything like them. That was an entirely foreseeable consequence of permitting registration of the CTM. Trade mark registries should be astute to this consequence of registering descriptive marks under the cover of a figurative fingleaf of distinctiveness, and refuse registration of such marks in the first place."*

Brand owners and trade mark practitioners will be familiar with the concept of a party securing registration for a stylised word mark (or a word plus logo composite mark), then seeking to enforce the registration as if it were for the plain word mark. It is within this context that the two Board of Appeal decisions are assessed.

In the first case, the opponent had secured registration for the trade mark below in relation to beds, bed linen and related goods/services (CTM Reg. No. 4958955):



The mark lists the colour "red" under the description heading "Indication of colour". The opponent relied on this trade mark to oppose a CTM application for the trade mark below (CTM App. No. 9955212), in relation to identical and/or similar goods/services, claiming a likelihood of confusion between the marks:



The opposition was rejected at first instance: although the trade marks were visually similar to the extent that they coincided in the term 'relax', they differed in the typeface of the words, their colours, and the additional figurative elements in the application (the sleepy bear). The opposition division held that since the word 'relax' possesses a low distinctive character, the distinctiveness of the earlier mark lay in its graphic representation, typeface and colour. Overall, there was no confusing similarity. The opponent appealed.

On 05 September 2013 the First Board of Appeal dismissed the appeal. The Board of Appeal held that the impression of the earlier mark was dominated by its red colour and the particular typeface used. The impression that consumers would keep in mind of the contested application was the image of

a sleepy bear. Nevertheless, overall the marks were held to be similar because they contained an identical word element.

Of course, similarity of marks is not enough to succeed in an opposition: there must also be a likelihood of confusion between them as a result. The more distinctive the earlier mark is, the greater the likelihood of confusion will be. Accordingly, the Board of Appeal went on to assess the distinctiveness of the earlier mark. It held that use of the English word 'relax' was so widespread that it was likely to be understood across the European Union (EU). In relation to the goods/services covered by the mark, the word would be perceived as one of the desired qualities of those goods – in other words, it was extremely descriptive, and consumers would not perceive it as a trade mark.

The Board of Appeal noted that consumers do not usually consider descriptive elements forming part of a composite mark as the distinctive and dominant element of its overall impression.

Where two marks share a common, descriptive verbal element, consumers will not conclude that goods/services sold under the marks emanate from the same commercial source.

The phonetic identity between the marks did not assist the opponent, since this was less important for the goods in question (ie beds and related items) which are marketed in such a way that consumers perceive marks designating such goods visually, do not tend to order the goods orally, and usually make a purchase only after a visual inspection. In such circumstances, consumers were more likely to remember the image of the sleepy bear in the application, which appeared at the top of the mark (here the Board of Appeal reiterated that trade marks are generally read or perceived

## Notes

1. *Starbucks (HK) Ltd & Ors v British Sky Broadcasting Group plc & Ors* [2012] EWHC 3074, at para 117.
2. The opponent also relied on another earlier CTM, comprising the words **ULTIMATE NUTRITION** superimposed over a circular world map with a laurel wreath surround.

from left to right and from top to bottom).

Overall, the Board of Appeal agreed that there was no likelihood of confusion between the marks, and the appeal was dismissed.

Just over two weeks later, the Grand Board of Appeal issued its decision in an opposition where the owner of the mark below, registered for vitamins and nutritional food supplements, had opposed an application for the plain word mark **ULTIMATE GREENS** for identical/similar goods in classes 5, 29 and 30<sup>2</sup>.

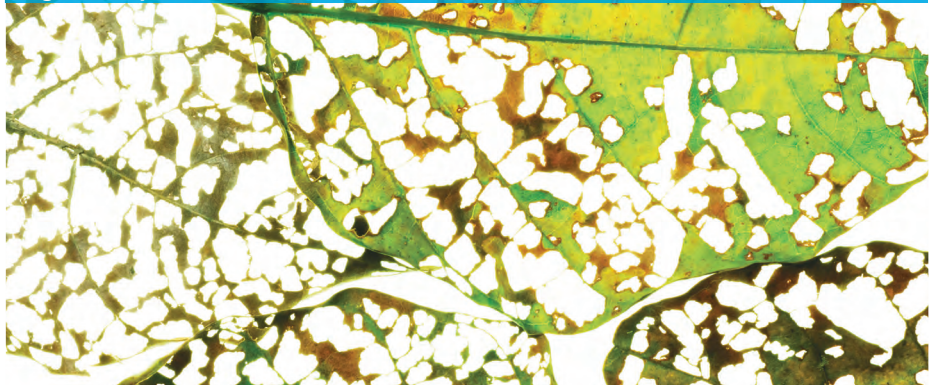


The opposition was successful, and the applicant appealed. In May 2013 the First Board of Appeal transferred the case to the Grand Board of Appeal, since it considered there was divergent case law on the assessment of composite marks where one element is a descriptive verbal element.

Importantly, the opponent's earlier CTM application for the plain word mark **ULTIMATE NUTRITION** had been rejected for the same goods on the grounds of a lack of distinctiveness and descriptiveness. The Grand Board of Appeal stated that the only difference between that word application and the mark relied on in the opposition was the black rectangle, which the Grand Board of Appeal held was commonplace and lacked any distinctive character. Indeed, there was nothing unusual about the typeface of the writing, nor the placing of one word on another that could endow the mark with any particular distinctive character.

Once again, the Grand Board of Appeal noted that the level of protection conferred on a mark goes hand in hand with its distinctive character. Unsurprisingly, it held that the words **ULTIMATE NUTRITION** were descriptive of the goods in question, and lacked any distinctive character. In particular, the word element 'ultimate' was a promotional word used to indicate the superior quality of the latest goods available on the market;

Figurative 'figleaf' marks may not spare the blushes of the unregistrable marks they might attempt to conceal



and the word 'nutrition' was a very basic English word for 'food'. Both words were entirely devoid of any distinctive character across the EU, and consumers would perceive the mark **ULTIMATE NUTRITION** as a clear and unambiguous indication of the latest or the best nutrition available.

The Grand Board of Appeal re-emphasised that consumers would not consider a descriptive element forming part of a composite mark as the distinctive and dominant element of the overall impression conveyed by the sign. Although the Grand Board of Appeal acknowledged that opposition proceedings are not aimed at examining absolute grounds for refusal, it was bound to examine the scope of protection of the earlier mark.

Overall, there was only a low degree of visual similarity between the marks in question, since both contained a common element in the word 'ultimate'. However, that element was not the dominant element in either mark, since it was descriptive and non-distinctive. The marks were dissimilar in all other aspects, and as such there was no likelihood of confusion (which includes a risk of association) between the marks. The Grand Board of Appeal noted that a risk of association could not be based on a non-distinctive element of a mark. The Grand Board of Appeal was keen to strike home the message that non-distinctive/descriptive elements of marks should be given appropriately

low weight when assessing similarity. Ultimately it neatly summarised the commercial, take-home message for brand owners on the risk of adopting and registering non-distinctive marks:

*"Whereas, a company is certainly free to choose a trade mark with a low or even non-distinctive character, including trade marks with descriptive and non-distinctive words, and use it on the market, it must accept, however, in so doing, that competitors are equally entitled to use trade marks with similar or identical descriptive components."*

## Comment

These cases serve to illustrate once again how important it is for brand owners to adopt suitably distinctive words and logos as trade marks. Where stylisation is added to a potentially objectionable mark in an attempt to secure registration, this should itself be as distinctive as possible to avoid the claim of its being merely a 'figurative figleaf', designed to spare the blushes of an otherwise unregistrable sign.

Author:  
**Matthew Dick**



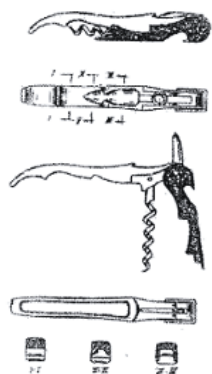
# El Hogar v Wenf

## An Open and Closed Case

This case concerns an appeal to the General Court (GC) in relation to invalidity proceedings that had been filed against a registered Community design (RCD). El Hogar Perfecto del Siglo XXI, SL (El Hogar) had registered the design (below) to be applied to corkscrews.



About 18 months after registration, the intervener, Wenf International Advisers Ltd (Wenf) applied for a declaration of invalidity of the RCD on the ground that the design was not new and lacked individual character. The application was supported by the existence of Wenf's Spanish registered design of a corkscrew, as represented below:



The Cancellation Division decided that the application for a declaration of invalidity should be granted and considered that the design did indeed lack individual character and shared several similarities with the earlier design of the applicant, whether or not the corkscrew

devices were viewed in an open or closed position. El Hogar appealed to the Board of Appeal but the appeal was dismissed. The Board of Appeal agreed with the Cancellation Division's comment that the designer of El Hogar's corkscrew had a high degree of freedom in design of the device as such a tool can be designed in several different ways. The Board of Appeal also identified the informed user as being both a private individual and a professional who uses corkscrews.

El Hogar appealed to the GC, contending that the Board of Appeal had made errors in connection with assessment of the individual

character of the design and the definition of the 'informed user'.

With regard to the definition of the 'informed user', it has been established that this term refers to someone between an average consumer, who may not have any particular knowledge, and an expert, who is considered to have technical knowledge. Although the 'informed user' will not be a specialist in the field, or design relevant goods, that person should be understood to have some familiarity with the relevant sector and therefore have some knowledge about the different designs in existence. The Board of Appeal had identified the relevant sector as being "lever-action corkscrews" and the informed user as "both a private individual who uses those devices at home and a professional (waiter, sommelier) who uses them in a restaurant". The GC confirmed that this definition was correct and went on to confirm that

*the informed user "can be understood as referring to a user who is particularly observant, either because of his personal experience or because of his extensive knowledge of the sector in question".*

The applicant's argument that the definition of informed user was incorrect was not supported, as it had not shown that only professionals would handle the lever-action type of corkscrew.

In the assessment of the individual character, the overall impression of the design and the designer's degree of freedom in developing that design have to be considered. The degree of freedom will be affected by any elements of the product that are dictated by technical function. If the designer has a wide degree of freedom, small differences between two designs will not be likely to result in a different overall impression of the designs on the informed user. The applicant contended on appeal that the Board of Appeal had erred in deciding that the designer had a high degree of freedom in relation to the lever-action corkscrew with arguments including that the position of the blade was significant and

that the corkscrew could be rendered ineffective or dangerous if the blade was not placed in a certain position. However, the applicant did not support its argument with any evidence and the materials before the court showed there to be a number of other designs in existence for lever-action corkscrews that took different shapes and forms. The court concluded that the appearance of the corkscrew is not subject to technical constraints and the design may therefore vary significantly.

The applicant argued that the Board of Appeal had erred in its decision that the overall impression of the respective designs was the same, and criticized the Board of Appeal for looking at the corkscrews only when in a closed position. The court confirmed that the Cancellation Division had found similarities between the respective designs whether or not the corkscrews were open or closed and the applicant had not contested the Cancellation Division's findings. Both the Board of Appeal and the Cancellation Division had examined the devices in open and closed positions. The court did however point out that it was not wrong of the Board of Appeal to look at the corkscrews when they are in the closed position, particularly as such corkscrews are designed to fold up, for easy storage and carrying purposes. The differences between the devices, alleged by the applicant, were considered by the court to be irrelevant, or insignificant. Of note was that the court was able to look at actual samples of the corkscrews, not just representations of them. The applicant had referred to operational difficulties in support of its arguments regarding the position of parts of the corkscrew but such aspects are not relevant for the assessment of the individual character and the purpose of the design is to protect the appearance not the method of operation.

It seems easy to agree with the court's decision that the respective designs in this case have a similar overall impression. Many of you will not be unfamiliar with this sort of corkscrew and it is interesting that a party has achieved registration of an object in everyday use in bars, restaurants and some households.

**Author:**  
**Jackie Johnson**





# SFC's AQUAFLOW Appeal Holds No Water

## Evidence and Awareness Are Key to Defence of Acquiescence

**N**ine years after SFC Jardibric (SFC) obtained a Community Trade Mark (CTM) registration for AQUA FLOW (see figure 1 below), Aqua Center Europe, SA (Aqua) applied for partial invalidity of the registration based on its earlier Spanish registration for VAQUA FLOW (see figure 2 below). SFC alleged that Aqua had acquiesced to the use of the AQUA FLOW CTM but failed to provide any evidence in support of the claim. The Cancellation Division rejected the acquiescence defence and invalidated SFC'S registration.



Figure 1

Figure 2

### Board of Appeal

SFC appealed and submitted evidence which it claimed proved that Aqua had acquiesced in the use of the AQUA FLOW CTM, including documents showing sales of goods to Aqua in France which bore the identical French registration AQUA FLOW. The Board of Appeal exercised its discretion not to accept the evidence because the evidence submitted by SFC did not fully explain the commercial situation and relationship between the parties and therefore, would not assist its decision. SFC appealed further.

### General Court

The court summarised the four conditions that must be satisfied before the five year limitation period of acquiescence begins to run, namely:

1. The later trade mark must be registered;
2. The application for registration of the later mark must have been made in good faith;
3. The later trade mark must be used in the member state where the earlier mark is protected;
4. The proprietor of the earlier mark must be aware of the use of the later trade mark after its registration.

The court held that the five year limitation period runs from the time that the proprietor of the earlier mark is made aware of the use of the later mark after its registration, and not the date on which the application for the later mark is filed. Accordingly, SFC's claim that the period of acquiescence began five years after it filed the AQUA FLOW CTM was rejected. In examining the evidence of acquiescence filed by SFC, the court held that whilst the Board of Appeal has discretion to allow evidence into the proceedings for the first time, there is no unconditional right to have such evidence accepted. In exercising its discretion, the Board of Appeal can consider whether the evidence is likely to be relevant to its decision, the stage of the proceedings when the evidence is submitted for the first time and whether the circumstances surrounding the case argue against the evidence being accepted.

In the present case, SFC only filed its evidence on appeal. The evidence did show that documents bearing the AQUA FLOW trade mark had been sent to Aqua during the relevant period. However, the Board of Appeal was entitled to exercise its discretion in not accepting the evidence because:

- the facts of the evidence had been known to SFC at the time of the first instance decision, but had not been submitted; and
- the evidence itself gave rise to new questions which meant that it would have been difficult for the Board of Appeal to interpret the evidence correctly.

Therefore, it was held that it would have been impossible for the Board of Appeal to say at

face value that the evidence was relevant to determining the question of acquiescence and to the outcome of the invalidity action.

The court further held that SFC had not sufficiently shown acquiescence in any case. The fact that its CTM registration for AQUA FLOW had been registered for more than five years was irrelevant because this did not show that Aqua was aware of the use of the AQUA FLOW CTM registration. Furthermore, the fact that Aqua had purchased goods from SFC, which bore the French national AQUA FLOW trade mark, did not mean that Aqua was aware of the existence of SFC's CTM registration for the same and had acquiesced in the use of that registration. Therefore, the appeal was rejected.

### Comment

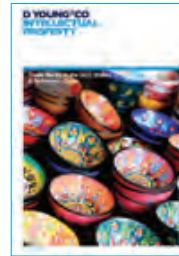
The case demonstrates the difficulties in relying on a defence of acquiescence. If trade mark owners intend to rely on this claim, they must make sure that their evidence is filed at the earliest opportunity, and clearly shows that the other party are aware of the use of the particular trade mark in question. In this case, the fact that the parties had traded in goods under an identical French national registration was used to successfully argue that Aqua did not know of the CTM registration for the same mark and therefore could not have acquiesced in the use of the later CTM registration. Therefore, a trade mark owner wishing to rely on a CTM registration must ensure that the other party knows about the existence of the CTM registration and the use thereof, in order to successfully argue there has been acquiescence.

**Author:**  
**Gemma Kirkland**



# A Cut and Dried Case of Confusion? Facelook Takes a Snip at the Facebook Brand

➤ Trade Marks in the GCC States



To receive your copy of our recently published 'Trade Marks in the GCC States - A Reference Guide', please send your details to Rachel Daniels, Marketing Communications Manager, [rjd@dyoung.com](mailto:rjd@dyoung.com).

**A**dopting satire or forms of parody for new trading names might be intended to be humorous, but this may be no laughing matter to brand owners of the original well known trade marks. Over the years, there have been many examples of third parties (often in non-competing industries) 'riding on the coat-tails' of well known trade marks by adopting mock-up names for their trading activities. "Sherlock Combs" and "British Hairways" for hair salons are two such examples.

## Facelook and Facebook

In the United Arab Emirates (UAE), Facebook, the well known social-networking phenomenon, has become the latest victim in the hair care world when a hairdresser named his hair salon in Dubai "Facelook".

Although the goods/ services offered under the "Facelook" sign are completely different to those offered under the well known trademark: FACEBOOK, adopting "Facelook" as a trading name and crucially, imitating the overall get-up of Facebook's logo would seem a clear breach of Facebook's intellectual property rights.

It is believed that Facebook has become aware of the UAE "Facelook" hair salon and is likely to contemplate legal action for trade mark and/or copyright infringement.

## Next steps for Facebook

In a case like this, where use of the offending sign is not, in commercial terms, likely to create any confusion on the part of the general public, Facebook may have a fight on its hands. It can be difficult in the UAE to challenge the use of signs where

## Does the "Facelook" hair salon cause detriment to the Facebook brand?



the activities of trade do not compete with those of the well-known brand and are thus not considered misleading to the public. This case would then be a question of brand tarnishment.

## Comment

Facebook will have to consider whether use of the "Facelook" sign, as a shop name for a hair salon in a small locality within the UAE, is in reality likely to cause detriment, and to what extent, to the Facebook brand.

Facebook needs to weigh up the pros and cons of entering into a legal 'David & Goliath' battle with a sole trading hairdressing salon.

Of course, in cases such as these, owners

of well known brands must also concern themselves with the commercial impact of the potentially negative media attention that an infringement case might attract.

This is a dilemma often faced by owners of well known trade marks facing challenges to their brand from local small to medium sized enterprises (SMEs). We at D Young & Co will be monitoring Facebook's approach to this situation with interest.

## Author:

Samia El Zarif



For further information about brand challenges in the GCC region, please contact our Dubai team (contact details on page 08 of this newsletter) or your usual D Young & Co representative.



## Congratulations Dubai World Expo 2020 Comes to the UAE

Dubai successful in bid to win World Expo 2020



It was an arduous battle with the remaining three competitors, Sao Paulo in Brazil, Yekaterinburg in Russia and Izmir in Turkey, to host the event, but Dubai's efforts paid off.

**Expo, the global technological and cultural extravaganza, is finally coming to the Middle East and Dubai will be hosting the six month long event in 2020.**

This is an important milestone for Dubai as not only will it be the first city in the Gulf to stage such an established global event, which attracts millions of visitors (25 million visitors are expected at the event in 2020 with representatives from more than 180 countries), Dubai's future ambition for economic diversification and acting as the main hub for international trade between Africa, Asia and Europe is becoming more secure.

Dubai now has to make good on its Expo theme of "Connecting Minds, Creating The Future" and it plans to kick start preparations for its Expo with an investment of billions of US dollars in infrastructure developments, such as extending the Metro line, expanding

Al Maktoum International airport and, of course, building new hotels. With such ambitious projects in the pipeline, Dubai is expected to create over 250,000 jobs.

In addition to an evident boom in construction projects, Dubai's economy is also likely to rocket in areas such as electricity, IT and telecommunications, not to mention in its already established tourist industry.

Following the announcement on 27 November 2013 of who is to host the World Expo 2020 event, Dubai's financial market has already seen a jump in the right direction with a 4.2 rise overnight.

**Confidence in Dubai is clearly high and there is even talk that once Dubai "astonishes" the world with its Expo event in 2020, the UAE may even have its sights on bidding for the Olympic Games.**

It is an exciting time for the UAE and its projected development over the next six years is one brand owners will want to keep an eye on!

**Author:**  
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## Amendment to OHIM Manual Major Change to Classification

On 25 November 2013 the Community Trade Mark (CTM) Manual (which sets out the standard practice and guidelines followed by OHIM in the handling of CTMs) introduced a new standard practice for examination of classifications. The changes are in light of the well known and publicised IP TRANSLATOR (C-307/10) case, which sought to clarify the interpretation of protection when using class headings. Since this time, consultations have taken place between OHIM and the European Union (EU) National Offices to review each of the 197 general indications used within the Nice classification class headings, in order to assess their acceptability for classification. The result of the consultations is a confirmed list of eleven general indications which, as they stand, do not follow the requirements for "clarity and precision" as laid down in the IP TRANSLATOR decision. Therefore, if these eleven general indications are used, they must be further defined to indicate the intended goods/services in order to be accepted. The remaining 186 general indications were found to be acceptable for classification, so are terms which can be used alone without need for further definition.

In line with the above changes OHIM will also change their practice on the use of "all goods/services in this class/alphabetical class list" or such similar indications in specifications. Since IP TRANSLATOR use of this indication has increased, but from 25 November 2013 use of any such wording will no longer be accepted. This could result in only the specific goods or services listed along with that phrase being covered, or the application itself being rejected a filing date if no other classes/goods or services are listed.

These changes are a welcome move toward ironing out the various classification issues and confusion IP owners and practitioners have experienced over the last year. We doubt, however, that we have heard the last of IP TRANSLATOR and the ensuing classification issues which it gave rise to.

**Author:**  
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# D YOUNG & CO INTELLECTUAL PROPERTY

And finally...

## London Brand Domain .London Sunrise Expected 2014

London is set to become one of the first cities in the world to have its very own top level domain (TLD) - .london. The new .london domain registry will be operated by Dot London Domains Limited, a subsidiary of London & Partners, who are the official promotional body for London.

It is believed that the .london domain will be popular with businesses as it will enable them to gain a closer association with London, which is an iconic and globally recognised 'brand' in itself. So far several famous London businesses such as Selfridges, London Eye, Transport for London and Carnaby Street have already expressed interest in obtaining a .london domain.

Whilst the deal has now been officially signed with ICANN the launch date of the .london domain is not yet confirmed, but is expected to be around Spring/Summer 2014. The launch will be staggered over three phases, the first being a "London Limited Registration" period where only applicants who are London based individuals, businesses or organisations may apply. The second phase, the "Trademark Sunrise" period, will enable trade mark owners that have existing rights in a particular name to register them as .london domains. Finally there will be the "Landrush" phase for registration of 'desirable domains', after which the domain registry will open



its doors to all other domain applicants on first come first served basis.

If the new .london domain does prove popular, then it will be a welcome source of revenue for the city, as Boris Johnson has confirmed all profits from the domain sales are to be invested back into the city. However, many businesses are no doubt concerned at the potential issues and additional expense when considering if their trade marks will be registered in bad faith by third parties. The only options available for trade mark owners are to apply for the domain themselves, or consider registering with ICANN's 'Trademark Claims Service'.

Details regarding the Trademark Claims Service and associated Trademark Clearing House are available online: <http://dycip.com/tmclearinghouse>.

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