

D YOUNG & CO TRADE MARK NEWSLETTER^{no.75}

July 2014

In this issue:

Buyer Beware! A Bad Faith Mark is for Life	04
Anything but Black and White Trade Mark Protection for Colourful Brands	05
PR v NLA Internet Browser Caching and Copyright Dispute	06
Better by Design IP Act Cracks Down on Design Infringers	07
Your View v YouView The Impact of Converging Technology on Trade Marks	07

Copycat Packaging Brand Owners Sharpen Their Claws in the Fight Against Lookalikes



Full story [Page 02](#)



A number of interesting cases have been reviewed for our summer newsletter. This edition brings valuable advice for brand owners when it comes to buying trade marks and dealing with copycat traders. We have good news with regard to the IP Act 2014 and its positive impact on UK design law. We also return to consideration of the scope of protection of trade marks registered in black and white, following a common communication from OHIM and the European Union national trade mark offices that seems at odds with the CJ's decision on Specsavers (as reported in our March 2014 newsletter).

This month we are pleased to announce that we have recently welcomed two new members to the firm: Bart Kiewiet, Plant Variety Rights Consultant, who will be working closely with our biotechnology patents team; and JoAnna Emery, who joins us as Head of Practice Services. We wish our new colleagues well and look forward to working with them in the coming months.

We hope that you find this month's selection of articles of interest and as always, we welcome your feedback. We wish all our readers an enjoyable summer.

Editor:
Jackie Johnson



Events



10-11 July 2014

TM & Design Conference, London, UK

D Young & Co's newly appointed Head of Practice Services, JoAnna Emery, will be speaking at the 'First Conference for Senior Trade Mark and Design Administrators' on Friday 11 July.

11-15 November 2014

INTA, Phoenix, US

Members of our Trade Mark Group and Dispute Resolution & Legal Group, including Jeremy Pennant (trade mark partner), Ian Starr (solicitor) and Tamsin Holman (solicitor) will be attending the INTA leadership meeting in November.

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Copycat Packaging Brand Owners Sharpen Their Claws in the Fight Against Lookalikes

Manufacturers and retailers have long battled the problem of competitors, often deliberately, designing products with the same 'look and feel' (or 'get up') as their established products, in order to get the attention of customers and draw them to rival products.

Customers are used to seeing competitors' products side by side in a shop or on a supermarket shelf, and are well versed in the idea of opting for the supermarket 'own' product, rather than the 'branded' product.

When it becomes a real problem for brands is when the similarity in the packaging crosses the line, confuses the customer, and creates the danger that a customer will buy the product in the mistaken belief that the third party product is associated with the brand owner.

When action is taken in court, these lookalike cases are notoriously difficult to win, as the similarity between the packaging is often not enough to outweigh the fact that a different trade mark or brand name is used on the competitor's product.

Moroccanoil Israel Limited v Aldi Stores Limited

The latest decision on this issue demonstrates, once again, the difficulties brand owners face when trying to prevent copycat packaging by relying on the law of passing off.

The claimant, Moroccanoil Israel Limited, manufactures and sells hair products throughout the world, including their famous Moroccanoil range of hair products, which includes Moroccanoil hair oil. The Moroccanoil hair oil (and much of the Moroccanoil range), is packaged using a

distinctive colour scheme of turquoise, white and orange, with the sign MOROCCANOIL in white running up the left hand side of the box, and with the letter 'M' in orange at the top. The label on the bottle reflects that of the box.

Since March 2013, the defendant, the supermarket Aldi, sold a product called Miracle Oil. Miracle Oil is also sold in distinctive packaging, notably using the same shade of turquoise, but this time with the words Miracle Oil running up the side of the box and the word Carino in white lettering at the top. Again, the label on the bottle itself reflected the packaging. Due to an ongoing invalidity action at the Office for Harmonisation for the Internal Market (OHIM), the only issue for the judge at that time was the question of passing off.

In order to succeed in a claim of passing off, it is necessary to demonstrate that there is goodwill in the product in question, that there has been a misrepresentation on the part of the defendant and that this misrepresentation has led to damage to the goodwill. In a case dealing with alleged copycat packaging, it is also necessary to demonstrate that the goodwill is associated with the packaging and the name of the product, such that together they are recognised by the public as distinctive of, in this case, Moroccanoil's product.

It is important to bear in mind that what mattered was whether the public would assume (as opposed to a mere wondering) that because of the get up and name of Miracle Oil, that it was either:

1. Moroccanoil; or
2. made (or licensed) by the same manufacturer.

The judge held that if a customer were to make an initial false assumption as to a trade association between Moroccanoil and Miracle Oil, but that assumption was dismissed before any purchase was made and as a consequence Moroccanoil suffered no damage, there was no passing off. A recognition on the part of the relevant

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➤ **Missed anything?**
We regularly publish IP case updates and articles between newsletters. For up to the minute IP related articles and news visit <http://dycip.com/iparticles>

Could unfair trading regulations give businesses more clout in the battle against copycats?



public that the Moroccan oil name and/or packaging looks similar, even strikingly similar, to that of Miracle Oil, would not by itself translate into an actionable misrepresentation on the part of Aldi.

Overall, the judge found no direct evidence of a misrepresentation on the part of Aldi. There was not anything unlawful in Aldi's creation of a product with packaging which brought the packaging of Moroccan oil to mind (which, in his view, was what had Aldi intended to happen, and had succeeded in doing). Purchases of Miracle Oil had not been made with any false assumption in the mind of the purchasers; there was no misrepresentation, and therefore, no passing off.

Saucy Fish Co.

Despite the result in the Moroccan oil case being disappointing for brand owners, following fast on its heels is a glimpse of something more positive. According to their legal representatives, another action has recently been brought against Aldi for selling a range of fish products with packaging which, they allege, is highly similar to that of their clients, the Saucy Fish Co. Aldi has recently submitted to an interim injunction not to sell products in this similar packaging, and it will be interesting to see whether the Saucy Fish Co. will be successful in this action overall.

Additional protection for brand owners

As noted, brand owners would usually rely on

the law of passing off in relation to copycat packaging; however it is possible to obtain trade marks for packaging in the form of a three dimensional mark, meaning a brand owner may have an additional cause of action (depending on the facts of the case) in trade mark infringement, which would remove the necessity to prove misrepresentation in passing off. Examples of these marks include the Coca-Cola bottle, the Bic biro and the comparethemarket.com meerkat.

While three dimensional marks provide brand owners with an additional weapon in their armoury, they will only be of assistance if a brand owner does not change their packaging on a regular basis.

In order to obtain a registration for a three dimensional mark, it is important that the mark not be devoid of distinctive character, and it can be more difficult to establish distinctiveness for a three dimensional mark as the registry, when examining the mark, takes into account that the average consumer does not make assumptions about the origin of products based on their shapes. If brand owners are not able to obtain protection via a three dimensional mark, it may be

possible for them to obtain protection by way of a two dimensional mark, that covers the label of the product, or the front of the packet. For example, Intercontinental Great Brands LLC has a trade mark for their Oreo biscuit pack, and their label for Maxwell House coffee. It is likely that brand owners will also own the copyright in these type of two dimensional trade marks, allowing them additional protection.

The future

It appears this issue has been recognised by the law makers. Some further comfort may be on the way for brand owners as the government has recently announced a review of the enforcement provisions of the Consumer Protection for Unfair Trading Regulations (CPUTRs) in respect of copycat packaging.

The CPUTRs, originally brought in to enact European law, contain provisions to protect consumers (but not businesses) by prohibiting misleading commercial practices that may cause a consumer to take a different transactional decision. The regulations are currently enforced through criminal prosecutions, as well as some civil sanctions, enforced by the Competition and Markets Authority and Local Authority Trading Standards Services.

The CPUTRs do not, however, currently include provisions that provide businesses with the ability to take action to stop copycat packaging and the Department for Business Innovation and Skills has recently sought the views of businesses and retailers on whether businesses should be granted civil injunctive power in relation to copycat packaging. The final report of the consultation is expected to be released in September 2014.

Author:

Claudia Rabbitts



Useful link

The Consumer Protection from Unfair Trading Regulations 2008:

<http://dycip.com/cputr2008>

Buyer Beware! A Bad Faith Mark is for Life

This case highlights the importance of due diligence to ensure that you cover all grounds when acquiring a new trade mark.

A challenge to a Community trade mark (CTM) on the basis of bad faith can only be filed once the trade mark has been registered. This is established by Article 52 (1)(b) of the CTMR which says:

1. A Community trade mark shall be declared invalid on application to the Office or on the basis of a counterclaim in infringement proceedings:

(b) where the applicant was acting in bad faith when he filed the application for the trade mark.

Our readers will be aware that bad faith applications hinge on the facts of each case. In this case, the trade mark SIMCA was filed before the Community Trade Marks Office for “vehicles; apparatus for locomotion by land, air or water” in class 12. The trade mark was registered on 18 September 2008 for all these goods.

On 29 September 2008, GIE PSA Peugeot Citroën filed an invalidation action on the grounds that the registered proprietor acted in bad faith. On 29 May 2011, Simca Europe Ltd was entered as the new proprietor of the registered trade mark, having acquired the trade mark from the original registered proprietor and applicant. In support of bad faith, GIE PSA Peugeot Citroën claimed that at the time the trade mark had been filed, the original proprietor had acted in bad faith. They included the following allegations in their application:

- The sole objective in making the application was to prevent use of SIMCA in order to market the goods covered by the new registration.
- The original applicant had knowledge of their earlier rights in SIMCA (including German, Spanish, Austrian and Benelux registrations) for, amongst other things, “motor vehicles”.
- Even though the marks were not used in recent years, their rights were maintained.
- SIMCA was a “known” motor vehicle which was created as early as 1934 and with an earlier priority date of 1935. GIE

PSA Peugeot Citroën had themselves acquired the trade mark in 1978.

- Use of the trade mark SIMCA had been worldwide including the European Union.
- The original applicant had been approached twice to surrender the trade mark and subsequently it was claimed that the original applicant had “blackmailed” GIE PSA Peugeot Citroën for financial compensation.
- The parties had a contractual relationship which ended shortly before the Community trade mark was filed.

Decision

The Board of Appeal and General Court found in favour of GIE PSA Peugeot Citroën. They held, overall, that account must be taken of the original trade mark. The original applicant had knowledge of the earlier trade mark(s) and was aware of its reputation. Moreover, the original applicant had admitted carrying out searches on the Internet and via OHIM's online database to see whether the trade mark was still registered. It was considered that the Board of Appeal was entitled to infer that the application was an attempt to “free ride” on the reputation already gained in this trade mark and to take advantage of that reputation.

Comment

This case demonstrates the potential vulnerability of trade marks which have a bad faith element at the time of filing. The consequences of such a bad faith element can be passed on to the new proprietor. In fact, in this case, the Board of Appeal said that the new proprietor “*had to accept direct liability for the conduct*” of the original proprietor and the trade mark was successfully invalidated.

Recommendations

We would recommend that care is taken when acquiring existing registered rights. A thorough due diligence exercise should include (amongst other issues) looking into the original adoption of the trade mark itself.

Author:
Helen Cawley



The original proprietor's bad faith invalidated the SIMCA “motor vehicles” trade mark



Anything but Black and White Trade Mark Protection for Colourful Brands

An initiative designed to promote consistent practices between the European Union (EU) national trade mark offices and the Office for Harmonisation for the Internal Market (OHIM) has issued a common communication on the scope of protection of trade marks registered in black and white.

The European Trade Mark and Design Network document comes into effect on 15 July 2014 (and OHIM has already implemented the changes). Some offices (including the UKIPO) currently take the position that a trade mark registered in black and white automatically covers all colour variations. It is noteworthy that whilst 22 offices are making the changes to their practice, some have declined to make the change and others simply cannot because this would be contrary to provisions in their trade mark laws.

These changes will have consequences for use, oppositions and priority claims. Perhaps the most important issue however is the issue of relative grounds of refusal of trade mark applications, which usually goes hand in hand with the grounds of infringement (see below). The Common Practice states:

“An earlier trade mark in black and white is not identical to the same mark in colour unless the differences in colour are insignificant”

and also:

“An earlier trade mark in greyscale is not identical to the same mark in colour, or in black and white, unless the differences in the colours or in the contrast of shades are insignificant.”

Trade marks that are not considered identical due to the above change are

Colour variations of important marks may give greater protection than black and white alone



likely still to be considered similar (in most cases) and the outcome might well not be any different than if two trade marks were considered to be identical under the current practice. The new practice does not say that a black and white version of a trade mark cannot be used to successfully oppose a colour variant and the fact remains that it can. It could be however that this change of interpretation is just enough of a difference for the outcome to be different.

Brand owners may therefore face an obstacle that previously they would not have. In some offices, including the Benelux office, German office and OHIM, the practice is to be applied on the implementation date retrospectively to all pending applications and proceedings. Therefore, circumstances could well change during the course of opposition proceedings, for example. For other offices, including the UKIPO, the changes will only apply to new applications and proceedings filed after the date of implementation.

Brand owners are advised that a number of colour variations of important trade marks are in some cases likely to provide a greater level of protection than a black and white only version of the same trade mark. Concerned brand owners would be advised to contact their usual IP advisor to discuss their specific circumstances, in order to determine whether new trade mark filings are justified and recommended. For example, if the colours of a trade mark are considered to be particularly distinctive

and important, new applications might be recommended. There is now greater scope for the addition of colour to a trade mark to be deemed to alter the distinctive character of a mark where, for example, that trade mark comprises solely geometric shapes that are otherwise fairly non-distinctive.

Ultimately, the courts will decide on issues arising from the practice changes. It is arguable that the change to the comparison of trade mark practice is inconsistent with the decision of the Court of Justice of the European Union (CJ) in *Specsavers v Asda*. In this case, the trade mark owner's use of the trade mark in a particular colour or combination of colours was considered relevant when assessing infringement of a trade mark registered in black and white. The CJ is almost certain to be called upon at some point to test the change in practice and its interpretation, as it was in the infamous *IP Translator* case, which caused a great deal of confusion regarding class headings and specifications of trade marks. Certainly this appears to be a question of law, even though the changes have been conveyed as a change in practice. Implementing this practice change, seemingly without any consultation on the point, is only likely to cause yet more confusion. The legal and commercial implications are still (excuse the pun) a 'grey area' and anything but black and white.

Author:
Richard Burton



PR v NLA

Internet Browser Caching and Copyright Dispute

The Court of Justice of the European Union (CJ) has ruled that the creation of temporary copies of copyright works during the process of ordinary internet browsing, does not require the authorisation of copyright holders.

NLA v Meltwater

In Newspaper Licensing Agency (NLA) v Meltwater, the UK Supreme Court had referred a number of questions for a preliminary ruling, as to whether various acts involved in the ordinary use of the internet fell within the scope of certain exceptions under the Copyright Directive (also known as the Information Society Directive or InfoSoc Directive).

In particular, the Supreme Court was concerned with the situation where *“an end-user views a web-page without downloading, printing or otherwise setting out to make a copy of it”*, but where copies are automatically made on-screen and in the cache on the end-user's computer. As described by the Supreme Court, *“the screen copy remains on screen until the end-user moves away from the relevant web-page, when it is automatically deleted by the normal operation of the computer; and the cached copy remains in the cache until it is overwritten by other material as the end-user views further web-pages, when it is automatically deleted by the normal operation of the computer”*. Since both of these are inherent functions in web browsing, the importance and far-reaching implications of this decision for European internet users are obvious.

Decision of the CJ

In holding that the relevant exceptions under the InfoSoc Directive were applicable, the CJ concluded that the on-screen and cached copies were temporary, transient or incidental, and were an integral part of the technological process within the meaning of the legislation.

In addition, the CJ was satisfied that the creation of temporary on-screen and cached copies do not conflict with normal exploitation of the copyright works and do not unreasonably prejudice the

Copyright issues regarding temporary on-screen and cached copies of web pages



legitimate interests of copyright owners.

In this connection, the court's rationale was that the copies are created only for the purpose of viewing websites.

Since publishers of websites should already obtain the rights holders' authorisation to make the copyright material available (with, by implication, due reward), there is no justification for requiring internet users to obtain another authorisation allowing them to avail themselves of the same communication as that which has already been authorised.

This ruling will no doubt be welcomed by Meltwater, the Public Relations Consultants

Association (PRCA) and the PR sector.

The case will now revert to the UK Supreme Court for a determination of the final chapter in the long-running dispute with the NLA.

Author:

Tamsin Holman



Useful link

Full decision of the court:

<http://dycip.com/cachecopyright>

Directive 2001/29/EC of the European Parliament and of the Council of 22 May 2001 on the harmonisation of certain aspects of copyright and related rights in the information society (Copyright or Information Society Directive):

<http://dycip.com/copyrightdirective>

Better By Design IP Act Cracks Down on Design Infringers

The Intellectual Property Act 2014 received Royal Assent on 14 May 2014 and will come into force from 01 October 2014.

The Intellectual Property Act emanates from the Hargreaves Review of Intellectual Property and Growth and is intended to modernise, simplify and clarify the law relating to designs and patents.

Arguably the most significant amendment is contained within Clause 13 of Part 1, relating to designs:

Registered designs have been brought in line with copyright and trade marks in terms of sanctions. It will be a criminal offence to intentionally copy a UK or Community registered design where the copy/ infringing product is made exactly to the design or has features differing only in immaterial details.

Other key provisions of the Intellectual Property Act include:

- harmonising UK and EU law, and design and copyright law, by exempting certain acts, including private acts done for teaching or experimental purposes, from infringing unregistered designs (Clause 4);
- making consistent the financial remedies for innocent infringement of UK registered designs and Community designs, and introducing another way to appeal design decisions of the UK Intellectual Property Office via an 'Appointed Person' (Clause 10); and
- introducing a voluntary, non-binding Designs Opinion Service and an extension of the Patent Opinions Service (Clauses 11 and 16, respectively).

The IP Act seeks to modernise IP law



The Intellectual Property Act also:

- enables the UK (in its own right as opposed to via its European Union membership) to join the Hague international design registration system (Clause 8);
- allows for ratification of the Unified Patent Court Agreement (Clause 17); and
- provides for a new exception under the Freedom of Information Act 2000 in relation to disclosure of research information prior to publication (Clause 20).

Author:
Jennifer Heath



Useful links

UK Intellectual Property Office Intellectual Property Act overview page:

<http://dycip.com/ukipoipact>

Your View v YouView The Impact of Converging Technology on Trade Marks

Full story in The Guardian newspaper



In Total Ltd v YouView TV Ltd a key factor in the recent decision of the High Court of England and Wales was the increasing convergence of the broadcasting and telecommunications industries.

In this case broadcasting was broadly equated with telecommunication: the transmission of radio/television programmes is achieved today through a wider range of media than simple antennae, requiring telecommunications apparatus and the complementary services that go with it. Ultimately, the court held, broadcasting a subset of telecommunications.

In an article recently published in The Guardian newspaper, Matthew Dick presents the key issues of this case and its background in trade mark law.

Matthew suggests five key steps for brand owners to take in order to create and protect distinctive brands and products, including what type of naming conventions to follow, the importance of trade mark registration and careful consideration of the types of goods/services in question.

For further advice please contact your usual D Young & Co trade mark advisor who can assist with the searching and registration process.

You can read the full article online here:
<http://dycip.com/guardianbrands>

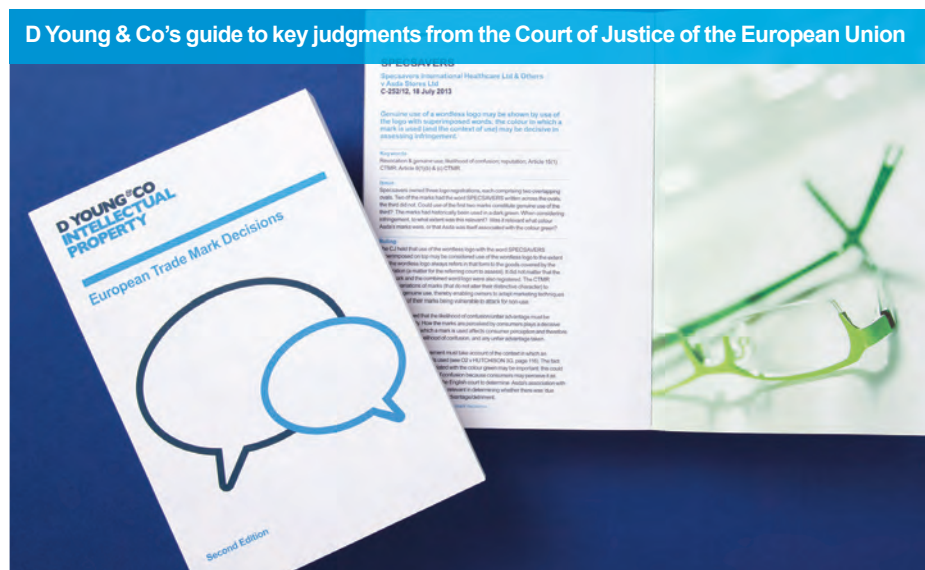
Author:
Matthew Dick



D YOUNG & CO INTELLECTUAL PROPERTY

And finally...

Book Sales Support the Rose Road Association European Trade Mark Decisions Second Edition Book



We are pleased to report that proceeds from the sale of our recently published guide to the most influential European trade mark decisions have been donated to the Rose Road Association.



The Rose Road Association has been working with children, young people and

their families from across Hampshire and the surrounding counties since 1952.

The children who attend the association have multiple and complex health needs. Rose Road believe in valuing individuals, celebrating achievement and respecting the choices of their young people. We are proud to be able to support a charity local to our Southampton office. To find out more about Rose Road you can visit their website: www.roseroad.org.uk.

The European Trade Mark Decisions book is available for purchase via Amazon. See www.dyoung.com/news-trademarkdecisions for further details and reviews.

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