

The Court of Appeal for England and Wales has recently issued an important decision in the case of *Reed Executive and Reed Solutions v Reed Business Information ("RBI") and Elsevier*. At first instance, in the High Court, it was held that the defendant's use of "Reed", both as a metatag and part of RBI's company name in printed and Internet uses, amounted to trade mark infringement. On appeal, however, the original decision has been overturned. The case is notable for a number of reasons.

Firstly, the Court of Appeal looked at the question of when is one mark identical to another. The ECJ recently held in the case of *LTJ Diffusion v SADAS* (Case C-291/00 concerning the marks "Arthur" and "Arthur et Félicie") that the question of identity must be interpreted strictly. The Court of Appeal in *Reed* acknowledged that one word can qualify another so as to change its impact and that the ECJ has moved on from the rather rigid view of identity taken under the old UK law. Consequently, it would appear that strict identity can only be found if there is both aural and visual identity. The Court also considered what should be compared for the purposes of interpreting whether or not the marks would be seen as identical.

The claimant had argued that in the defendant's name, Reed Business Information, the term "Business Information" is wholly descriptive and therefore should not be part of the mark for the purposes of comparison. The Court held, however, that the defendant's use of the capital letters in "Business Information" had visual significance; this conveyed to the average user that "Business Information" is part of the overall name. As a result, the Court of Appeal held that Reed Business Information is not identical to Reed, because the additional words "Business Information" would not go unnoticed by the average consumer.

The second important issue concerned whether RBI could claim an "own name" defence. Contrary to some commentators'

REED vs REED



ARE THEY IDENTICAL?

views in the past, the Court stated that it did not matter whether the word "Limited" or some other indication of incorporation is added or omitted. The Court then considered whether use of Reed Business Information as the defendant's name enabled them to claim a defence to infringement. The point had been considered in several previous cases, most notably *Scandecor Development v Scandecor Marketing* [2001] 2 CMLR 30. There, the House of Lords referred a number of preliminary questions to the ECJ; however, the parties then settled and the point was never clarified.

In this case the Court confirmed that, as a matter of principle, a company could avail itself of the defence. It was pointed out that if an individual who set up a business was able to take advantage of the defence, it would be outrageous if the defence were then lost upon incorporation of the individuals' business. The Court confirmed that trade mark use is not excluded from the "own name" defence and stated that "honest practices" in this context equates to a duty to act fairly in relation to legitimate interests of the prior trade mark owner.

The key question is whether the defendant should be regarded as unfairly competing with the proprietor of the trade mark by using his own name? Slightly surprisingly, the Court of Appeal held that the own name defence can be invoked, even if there is some actual confusion with a registered trade mark. The amount of confusion which can be

tolerated is a question of degree but as long as the use is fair then the defence is available. In this particular case, RBI was held not to have set out to cause any confusion with the claimant, with the result that they were entitled to the own name defence.

Thirdly, the Court went on to re-assess the question of keyword and metatag infringement. As no actual confusion was ever established and there was no misrepresentation, the Court held that RBI was not infringing by their use of Reed Business Information as a metatag or Reed as a keyword in a banner advertisement.

The decision, assuming it is not appealed, may make it more difficult for trade mark owners to enforce their rights against unauthorised users of business or company names including their marks in the United Kingdom. Where there is no identity between the marks and goods/services, evidence that a likelihood of confusion exists will be a pre-requisite for bringing a successful action. Otherwise, the Court's comments with regard to the "own name" defence appear logical and are to be welcomed. Since the Trade Marks Act was introduced nearly 10 years in October 1994, this point has needed clarification.

Finally, the Court's conclusion on the question of identity also appears logical in that it follows the ECJ's thinking and confirms once and for all that the rules for comparison under UK law have moved away from the historically narrow British approach to a more wide-reaching European analysis.

CONTENTS THIS ISSUE

- Reed vs Reed - Are They Identical? (cover page)
- Changes In Opposition And Invalidation Proceedings Before The UK Trade Marks Registry (page 2)
- Focus On Trade Marks In The Middle East and North Africa (page 3)
- Proof Of Use - A Growing Burden? (page 4)

CHANGES IN OPPOSITION AND INVALIDATION PROCEEDINGS BEFORE THE UK TRADE MARKS REGISTRY

As of 5th May 2004, four new Statutory Instruments providing for a "streamlined" UK opposition procedure will come into force. These Statutory Instruments make several changes to UK opposition and invalidation procedures, the most pertinent of which are set out below:

(1) Proof of Use in Opposition and Invalidity Proceedings before the UK Trade Marks Registry

– at the outset, when filing opposition and invalidation proceedings, the opponent or applicant for invalidation will be required to make a "statement of use" in respect of any earlier marks relied upon as a basis for the action, if those marks have been registered for more than five years. It will be necessary to indicate specifically the goods and/or services for which the mark has been used, or to give reasons for non-use of the mark. If marks which have been registered for more than five years have not been used in the UK, they will not be taken into account in opposition and invalidation proceedings.

In both opposition and invalidity proceedings, the party defending the action (the applicant in the case of an opposition or the registered proprietor in invalidity proceedings) can deny the truth of the "statement of use" when filing their defence. Under those circumstances, the party bringing the action must provide "proof of use" of the earlier trade marks.

This is a substantial departure from the "old" UK opposition procedure, and brings the UK more into line with the Community Trade Mark procedure. As under the Community Trade Marks Regulation, a mere assertion or statement that the mark has been used will not be sufficient to prove use of a trade mark if supporting evidence (for example, details of financial turnover, advertising and marketing materials, or actual samples of the goods showing the mark) are not also provided.

(2) Extension of the "cooling off" period in UK Opposition Proceedings

– under the "old" opposition procedure, it is possible to request a three month "cooling off" period provided that both parties are agreeable. The "cooling off" period is extendable by one further period of three months.

Under the "new" procedure, the "cooling off" period (which again must be agreed to by both parties) will be twelve months, and this period will not be extendable.

However, the "cooling off" period can be terminated by either party at any time, in which case the applicant will have a further period of one month within which to file a counter statement in defence of the application.

(3) Issuance of a 'Preliminary Indication' in Opposition Proceedings

– in every case in which the grounds for opposition include Section 5(1) and/or 5(2) of the UK Trade Marks Act (identity of marks and goods/services or identity/similarity of marks and identity/similarity of goods/services) one of the Registrar's Principal Hearing Officers will issue a Preliminary Indication on whether the opposition is likely to succeed, partially succeed or fail. This will be received within one month of the filing of the counter statement.

The Preliminary Indication is not a "decision", and will have no legal status unless both parties accept it. A deadline of one month will be

set within which the parties must indicate whether they wish to accept the Preliminary Indication or continue with the proceedings, which will entail entering the usual evidence rounds.

If both parties accept the Preliminary Indication, the Registrar will implement the result and will accept or refuse the application. If the Hearing Officer's opinion was that the opposition was a partial success (i.e. the opposition succeeded against some of the goods or services covered by the application) the applicant will have a one-month period within which to amend their application to conform with the Preliminary Indication.

If the dispute does continue, the evidence rounds will proceed as under the current procedure, with the exception that it could be necessary for the opponent to provide "proof of use" of the earlier right(s) relied upon (see above). This proof of use will need to be filed the same time as the opponent's "evidence-in-chief".

Following the evidence rounds, the case will be passed to a Hearing Officer, who will indicate whether or not he considers that a decision can be made from the papers, or whether he feels that an oral Hearing will be necessary. As under the "old" procedure, either party can request an oral Hearing.

It should be noted that the case will not be decided by the Hearing Officer who has given the Preliminary Indication, although this will remain on file.

These revisions to UK opposition procedure are designed to simplify the process, and to bring it more in line with the Community Trade Mark procedure. There are, however, still some significant differences. The requirement to file a "statement of use" in the Notice of Opposition differs from the CTM procedure (where the request that the opponent files proof of use is optional) and could be seen to be "inviting" challenges to the statement of use.

The usefulness of the Preliminary Indication is also debatable. In particular, the Hearing Officer will not have had the benefit of evidence (for example, as to the reputation of the earlier mark relied upon or specific market conditions) which could influence the outcome of the opposition. Whether or not parties will be willing to accept what is essentially an interim opinion on the alleged similarity or otherwise of marks and goods remains to be seen.

FOCUS ON TRADE MARKS IN THE MIDDLE EAST AND NORTH AFRICA

Current issues to note so far as protection of trademarks in Middle East and North African countries are concerned.



and files which were destroyed in the war. Our understanding is that our local associates in Iraq are co-operating with the Iraqi Trade Marks Office regarding this at the current time. The Iraqi Office has however recently announced a significant increase in official fees.

In OMAN it is now possible to apply to register trademarks in International class 33 i.e. for "alcoholic beverages".

Reports indicate that SAUDI ARABIA has removed an earlier prohibition on registration of trademarks which include representations of living creatures (although representations of human figures might still be problematic).

In North Africa the situation regarding the status of trademark registrations/



applications in LIBYA remains uncertain. For some years the office at which trademarks were filed in Libya failed to process any trademark applications or renewals beyond issuing basic receipts etc.

Continued overleaf...

IRAN recently became a member of the Madrid Agreement/Madrid Protocol systems. It is therefore now possible to designate Iran under an IR (International registration).

In the case of the other countries of the Middle East, separate national trade mark applications are still required to obtain protection in each country.

The Trade Marks Registry in IRAQ is accepting new applications and renewal applications – although examination of any newly filed applications is likely to be postponed until the Trade Marks Office restores its normal activities.

There does not appear to be any question mark over the validity of earlier trade mark registrations/applications in Iraq - and the office is currently in the process of reconstructing its records





(Continued from page 3)...Recently a new Trade Marks Office has been established by the Libyan authorities. There are indications (although these have not yet been finally confirmed) that the authorities in Libya are proposing cancellation of all existing registrations/applications dated prior to mid 2002 and requiring that these be refiled at the new Libyan Trade Marks Office.

The situation remains unclear as to whether a final decision has been issued on the status of earlier marks in Libya – although the advice we are receiving from our local associates in that country is that it is advisable to file fresh applications for any important trademarks at the new Libyan Trade Marks Office.

PROOF OF USE - A GROWING BURDEN?

Any opponent who challenges a Community Trade Mark application and relies on registrations (whether national or Community) which are more than five years old when the opposed mark is published, may be put to proof of use of their earlier rights.

The provisions in Article 43(2) of the Community Trade Mark Regulation have been interpreted by OHIM and the European Court of Justice as requiring proof of the time, nature, place and extent of use.

A recent decision by the European Court of First Instance (CFI) in *Laboratoires RTB SL v. OHIM* (case number T-156/01 dated 9 July 2003) has indicated that the duration of such use is also of relevance.

In that case, the registered proprietor's mark (AIR GIORGI) had been used for three of the relevant five years, albeit on a small scale in two of the three years.

Within OHIM, initially this amount of use was not considered sufficient to be genuine; on appeal, the Board of Appeal reversed this assessment and the matter was further appealed to the CFI.

The CFI found that the evidence adduced by the applicant did not establish that the

mark had been "consistently present during the five year period". This suggests that continuous use over the entire five year period must be adduced by the proprietor where proof of use is required.

Since the UK Trade Mark Registry are shortly planning to introduce a proof of use provision into their revised opposition procedures, this decision is of considerable significance for UK and CTM trade mark owners.

Where there are doubts as to the proprietor's ability to demonstrate adequate and continuing proof of use of registered marks, consideration should be given to re-filing, possibly consolidating a national portfolio in Europe by making a Community Trade Mark application, in order to strengthen the proprietor's rights. This will re-set the clock in respect of the proof of use



requirement and will buy the proprietor another five years within which his rights cannot be challenged by later applicants in an opposition/cancellation action.

It should also be borne in mind that there is no requirement to demonstrate intent to use at the time when a Community Trade Mark filing is made.

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