

## OLYMPIC ASSOCIATION? THAT IS THE QUESTION

On 30 March 2006, the London Olympic Games and Paralympic Games Act 2006 (the 2006 Act) entered into force, bringing with it a wave of uncertainty as to the commercial activities that will be permissible under the new legislation - which has been specifically enacted in preparation for London playing host to the Olympic Games in 2012.

Whilst the provisions of the Olympic Symbol etc (Protection) Act 1995 are now relatively well-known, with there being clear understanding that unauthorised use of the Olympic Symbol, Olympic Motto or any of the protected words (Olympics, Olympiad, Olympian etc) is an infringement, the understanding of what activities will or will not amount to infringement of the newly introduced "Association Right" under the 2006 Act is at best, ambiguous.

One of the key provisions of the *draft* Olympics Bill stated that the Association Right as proposed would be infringed if a person makes a representation in trade which creates or alludes to there being an association between him and/or his goods and services and the London Olympic Games. Furthermore, a trader could infringe this right by using any one of or a combination of any of the "specific expressions" listed in the Act. These "specific expressions" are broken down into two groups. The first group contains the words "games", "Two Thousand and Twelve", the numeral

"2012", and the words "twenty twelve", whilst the second group contains expressions such as "gold", "silver", "bronze", "London", "medals", "sponsor" and "summer".

As a result, under the proposed Olympics Bill, traders who used the term "Summer 2012" for example, would automatically be presumed to breach the 2006 Act, regardless of whether or not such use did in fact point to a connection with the Olympic Games. This "black and white" approach understandably led to a great deal of concern. Surely The London Organising Committee for the Olympic Games (LOCOG) could not have intended to obtain a monopoly in and prohibit the use of such generic words without more?

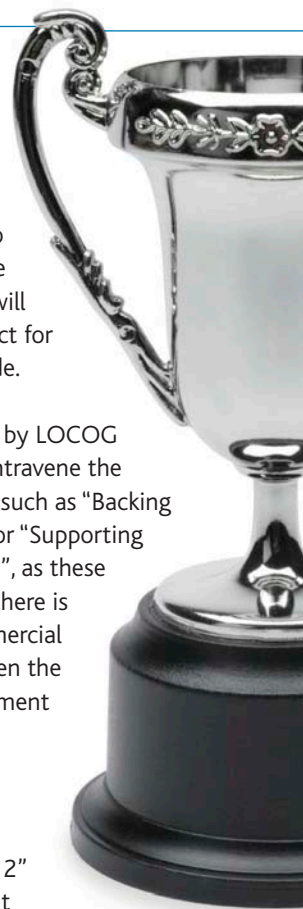
LOCOG has since attempted to clarify the matter by stating, that *"an association with London 2012 can be created by the use of any words, images or marks, or more likely a combination of these"*. Any finding that an association has been created will, however, *"depend on the overall impression created by such use, whether use of these expressions be on products themselves, marketing materials or advertisements"*.

It would now appear that rather than it being a foregone conclusion (as was previously suggested), the question of whether use of any of the "specific expressions" or any combinations

thereof listed in the Act amounts to infringement of the Association Right will be a question of fact for the Courts to decide.

Examples provided by LOCOG that would still contravene the new law are terms such as "Backing the 2012 Games" or "Supporting the London Games", as these clearly imply that there is some sort of commercial relationship between the maker of the statement and the Games.

By contrast, the use of the words "sponsor" and "2012" in an advertisement which in no way creates an association with the Games, such as "Official Sponsors of the 2012 UK Athletics Championships" will be acceptable and no authorisation from LOCOG would be required. Equally, statements of fact that are made in accordance with honest commercial



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practices and not for commercial or marketing gain, will also not be considered infringing acts.

The same principles also apply to the use of images which may serve to create an association with the 2012 Games, e.g. the image of an athlete holding a torch for example, (an image synonymous with the Olympic Games). In principle, this would amount to infringement of the Association right under the Act.

So, is there now a clearer understanding of what is or is not an infringing act?

It remains to be seen. Whilst the "explanatory" statement provided by LOCOG seeks to clarify the situation, it seems that all that has happened in reality is a further blurring of what will amount to infringement of the Association Right under the 2006 Act.

In the first proposal, the situation was relatively black and white; traders could be fairly certain that if they used any of the listed expressions in the Act, they would be at risk of infringing LOCOG's Intellectual Property. Now there is a significant grey area. Since the scope of the new law is as yet untested, it is not known what usages of these "reserved" expressions the UK Courts will regard as creating an association with the 2012 Games. Businesses will have to wait for the first few companies to test the water, and observe how LOCOG and the Courts react.

For further information on this matter, please see [www.london2012.org](http://www.london2012.org).

GEMMA WILLIAMS

## MISS WORLD 'MR'-MEANOUR

Who says the "world" of IP rights is straightforward and boring? The case we summarise below is a beauty...

In *Miss World Limited v Channel 4 Television Corporation* [2007] EWHC 982, an injunction was awarded to the claimant, Miss World Limited, to stop Channel Four's proposed use of 'Mr Miss World' as the title of a television programme about a Thai beauty contest for transvestites and transsexuals.

Miss World Limited invoked its UK and CTM registrations for MISS WORLD, (which covered beauty contests and beauty pageant services and the running and organisation of contests in Class 41) and claimed infringement under:

S 10 (1) - use of an identical mark for identical goods/services;

S 10(2) - use of an identical or similar mark for identical or similar goods/

services (where there exists a likelihood of confusion and/or association) and/or

S 10 (3) - use of an identical or similar mark where use of the later mark would be detrimental to, or take unfair advantage of, the earlier mark where that earlier mark enjoys a reputation in the UK.

Channel Four claimed their use of 'Mr Miss World' would not infringe Miss World's earlier MISS WORLD registrations, relying (inter alia) upon the Freedom of Expression provisions contained in S 12 (3) of the Human Rights Act/Article 10 ECHR as a defence.

In finding for the claimant, the judge concluded that the proposed use of 'Mr Miss World' would amount to an infringement under S 10 (2) as the marks MISS WORLD and 'Mr Miss World' were clearly similar (although not identical)

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## TRADE MARK INFRINGEMENT BY UNAUTHORISED USE OF A COMPANY NAME - THE CÉLINE DECISION

In a recent important decision the European Court of Justice has confirmed that unauthorised use of a third party's trade mark as part of a company, trade or shop name does not always amount to infringement.

In case 17/06 of 11 September 2007, titled *Céline SARL v Céline SA*, conflict arose between two French companies. Céline SA had registered the mark CÉLINE in 1948 for women's apparel and clothing. Céline SARL had adopted and used CÉLINE as part of their company name since 1950, having registered it in 1992. In 2003 Céline SA sought to prevent Céline SARL from infringing their trade mark and from engaging in unfair competition by appropriating the company and shop name Céline. At first instance, in the French Regional Court at Nancy, Céline SA were successful.

Céline SARL then appealed the decision on the basis that the use of CÉLINE as part of a company or shop name did not constitute infringing use within the meaning of Article 5(1) of the Trade Mark Directive,

as it was not in use in relation to goods or services. The French Court of Appeal referred the matter to the ECJ, asking whether unauthorised use as a company, trade or shop name by a third party of a sign which is identical to an earlier word mark, in connection with the marketing of goods which are identical to those for which the mark was registered, constitutes a use which the proprietor of the registered mark may stop.

Interestingly, the ECJ concluded that where use of a company name, trade name or shop name is limited to identifying a company or designating a business which is being carried on, such uses cannot be considered as being 'in relation to goods or services' within the meaning of Article 5(1) of the Directive. The ECJ found that the basic purpose of a company, trade or shop name is not, of itself, to distinguish goods/services, but only to designate a business which is being carried on.

The Court also confirmed that it is only

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and there was identity with regards to the services (provision of television programmes). The Judge also determined that there was a likelihood of confusion, since the relevant consumer would associate 'Mr Miss World' with the MISS WORLD beauty pageants run by Miss World Limited.

Interestingly, the decision to grant an injunction was heavily influenced by the risk of infringement under S 10 (3). In the Judge's opinion, the public would strongly associate 'Mr Miss World' with Miss World Limited's MISS WORLD marks, as a result of the latter's reputation in the UK and held that even satirical use of a mark, such as 'Mr Miss World', could create detriment to the distinctive character and repute of the MISS WORLD marks. Allowing the contest to go ahead might have caused irreparable harm to this 'repute'.

Some feminists may consider that allowing, even less protecting, claims to reputation

in the field of beauty contests should be considered a non-starter, but the UK courts seemingly take a more dispassionate view of the matter.

As for the Freedom of Expression defence relied upon by Channel Four, the Judge considered that use of 'Mr Miss World' was not political in nature and there was no public interest issue that would support the claim to Freedom of Expression under S 12/Art 10. In any case, the foreseeable damage to the claimant's reputation in MISS WORLD far outweighed any right to a Freedom of Expression in this case.

P.S. As a result of the injunction, Channel Four broadcast the programme as 'Mr Miss Pageant'.

KATE SYMONS

## TRADE MARK INFRINGEMENT BY UNAUTHORISED USE OF A COMPANY NAME - THE CÉLINE DECISION (continued from page 2)

this will amount to infringement; they gave concrete examples of this, such as affixing the company name to the goods which are being marketed, or using the company name in such a way as to suggest a link between the sign and the origin of the goods/services.

The ECJ looked to earlier case law, in particular the UK case involving Arsenal FC, Case C-206/01, to support this analysis, commenting that the trade mark owner may prevent the use of a sign by a third party under Article 5(1)(a) of the Directive if the four conditions set out in that case (referred to the ECJ) were satisfied; namely:

- that use must be in the course of trade;
- that use must be without the consent of the proprietor of the mark;
- that use must be in respect of goods or services which are identical to those for which the mark is registered, and
- that use must affect or be liable to affect the functions of the trade mark, in particular its essential function of guaranteeing to consumers the origin of

the goods or services.

The scope of the exclusive right of the trade mark proprietor to prohibit such "infringing" use was also considered in the context of the defence to infringement in Article 6(1) of the Directive, with useful guidance concerning what amounts to "honest practices" in this respect. A crucial issue identified by the ECJ in Celine was the knowledge of a defendant that the proposed name was identical or similar to a registered trade mark. If this was the case, the ECJ suggested that they could not be said to be acting in accordance with honest practices.

As is customary, having provided guidance on how to interpret the question of law which the French courts has referred, the matter was sent back to the referring tribunal for a decision on the facts. We suspect it will find for the defendant.

The comment by the European Court that a mere act of incorporating a company whose name includes a registered trade mark does not interfere with the essential function of a mark shows reluctance to extend trade

mark rights in this area. This leaves the issue as to whether subsequent use of such a company name would constitute an act of infringement wide open. The decision is unlikely to be welcomed by trade mark owners, given that it allows companies to remain on the relevant company/business name register with names which may facilitate future infringements.

In the United Kingdom it is traditionally difficult for trade mark owners to object to unused company names. However, on 1 October 2008 a change is due to take place which will provide brand owners with an alternative remedy under the new Companies Act 2006. A person will then be able to object to the registration of a company name if it is the same name as that in which the person has established goodwill, or if that person believes that the new company name is so similar to that name (with goodwill) that it would be likely to mislead. This is a change which should prove all the more useful in light of the ECJ's ruling in CELINE.

RICHARD BURTON

# THE MISSING "LINK". WHAT CAUSES DILUTION?

It is perhaps not surprising that the UK Courts should struggle with the dilution concepts which are contained in Article 5 of the EU Trade Marks Directive 89/104. It is not so long since a UK mark could only be infringed by use on goods/services covered by the actual specification. The expansion of this monopoly to cover use on dissimilar goods/services in certain defined circumstances is a big step. Add to that the fact that dilution does not involve findings of likelihood of confusion, but instead focuses on harm to the distinctive character or repute of the earlier trade mark, and the stage is set for significant misunderstanding.

In his recent gloss on the questions which the UK Court of Appeal has now referred to the ECJ in the Intel case (Intel Corporation Inc. v CPM United Kingdom Limited) Jacob LJ added more to the mix; it is clear from his remarks that he is unsympathetic to claims by well known brand owners that they should have broad monopoly rights under the dilution provisions.

It should be remembered that the Intel case involved dissimilar goods/services (by contrast the Adidas Decision - which is the leading case in this area - involved identical goods); this may partly explain the UK Courts' apparent reluctance in Intel to give a broad interpretation to the concept of dilution. Whether the ECJ makes such a distinction remains to be seen.

Commenting on the questions now referred by the Court of Appeal to the ECJ in Intel, Jacob LJ indicated that in his view, a mere "bringing to mind" of the earlier trade mark with reputation should not be sufficient to establish the casual link

which the ECJ had defined as necessary before dilution could occur (cf Adidas-Salomon v Fitness World, 2004).

He argued further that since the focus of the dilution law is on the likely harm to the reputed mark, either by way of dilution of its "pulling power" (a memorable description) or the fact that the later mark gets a real commercial advantage from the reputation of the earlier mark by the association which consumers make between the two, a tribunal should require tangible proof of these likely consequences.

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A clear statement from the ECJ of what are the relevant factors in to be considered this area is to be hoped for, particularly since the current position in the UK (at least) is further complicated by the High Court Judgement of Mr Justice Lindsay in eSure Insurance Limited v Direct Line Insurance (Decision dated 29 June 2007).

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The eSure case involved an Appeal from opposition proceedings in the UK Trade Mark Registry to the High Court. The opponent, Direct Line sold insurance and financial services direct to the public and for many years had done so using a representation of a red telephone on wheels. The applicant, eSure also sold insurance directly to the public and had applied

to register a device mark consisting of a representation of a computer mouse on wheels. Direct Line opposed and were successful on both of the grounds of opposition in the Registry.

The Hearing Officer found that there was a likelihood of confusion between the respective marks (which were conceptually similar in his opinion) and also that the use by eSure of their computer mouse was likely to take unfair advantage or be detrimental to the distinctive character or the repute of the Direct Line telephone on wheels.

He noted that the expert evidence was that Direct Line's earlier mark was highly distinctive and very well known in the relevant sector at the time

when the later mark was filed. Thus the effects contemplated in the dilution provisions of the law were highly likely to follow from the Defendant's adoption of the competing mark – and so the Hearing Officer had found that there was a "parasitic link" which was unfair, and unjustly benefited eSure.

eSure appealed this decision and were partially successful, in that the High Court Judge (Lindsay J) found that the Hearing Officer's conclusions on likelihood of confusion under s5(2) of the 1994 Trade Marks Act were unsound. In particular he held that the Hearing Officer had reached his conclusion on very limited evidence, relying on first impression rather than actual proof that the relevant likelihood had been established. ▶



However he upheld the Hearing Officer's rejection of eSure's "computer mouse on wheels" device under Section 5(3) of the 1994 Trade Marks Act (i.e. the dilution provision). The conclusion here was sound, but the judge's analysis of how S.5(3) operates is of concern.

Lindsay J appeared to favour the suggestion (as yet not supported by the ECJ) by Jacob LJ in Intel that before Section 5(3) came into play it was necessary for an Opponent to demonstrate more than a mere "bringing to mind" of the reputed earlier mark in order to establish a link resulting in detriment/unfair advantage.

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In his analysis of what else might be needed for Section 5(3) to apply, Lindsay J suggested that an "additional link" might be required, being something tangibly connecting the use of the defendant's sign and the resulting relevant unfair advantage or detriment to the complainant's earlier mark. So far, so good.

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He then indicated that the "additional link" requires a mistaken belief on the part of the average consumer in the existence of a relationship/commercial connection of some kind between the owner of the earlier reputed mark and the defendant's business.

It is hard to see any difference between this and the "likelihood of association" with the earlier trade mark which satisfies the straight-forward infringement provisions set out in Article 4 of the Directive, such "association" being an accepted subset within the "likelihood of confusion" definition.

The whole point of the new "dilution" provisions however was to avoid having to prove any likelihood of confusion where the mark was sufficiently well known/reputable to merit additional protection against certain types of unfair competition e.g. "freeriding" or harm to the earlier marks "pulling power" (classic dilution).

In the eSure appeal the High Court Judge's finding that there was the "additional link" (as defined) should have meant that the Hearing Officer's original finding on "straight" infringement under Section 5(2) – where likelihood of confusion is necessary – was also correct – in which case S.5(3) is redundant!

#### WHAT NEXT?

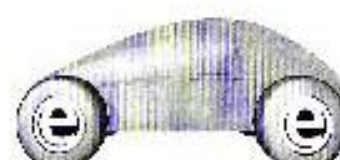
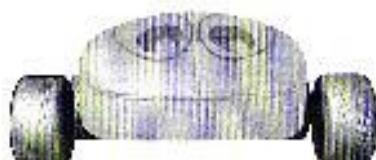
Putting the focus on whether the Defendant's activities are really likely in fact to affect the distinctiveness or repute of the earlier trade mark seems the best way forward in a field where



judicial guidelines on the correct interpretation of the statutory wording in this section may otherwise seem somewhat opaque.

It may also satisfy the UK judiciary's apparent unease about allowing famous trade mark owners too "monopolistic a position" (per Jacob LJ in Intel) while at the same time accepting that only acts of fair competition should escape the ambit of the "anti-dilution" provisions.

PENNY NICHOLLS





Penny Nicholls  
Partner  
Profile: [www.dyoung.com/people/staff/pennynicholls.htm](http://www.dyoung.com/people/staff/pennynicholls.htm)  
[pan@dyoung.co.uk](mailto:pan@dyoung.co.uk)



Jeremy Pennant  
Partner  
Profile: [www.dyoung.com/people/staff/jeremypennant.htm](http://www.dyoung.com/people/staff/jeremypennant.htm)  
[jbp@dyoung.co.uk](mailto:jbp@dyoung.co.uk)



Gillian Deas  
Partner  
Profile: [www.dyoung.com/people/staff/gilliandeas.htm](http://www.dyoung.com/people/staff/gilliandeas.htm)  
[pgmd@dyoung.co.uk](mailto:pgmd@dyoung.co.uk)



Angela Thornton-Jackson,  
Partner  
Profile: [www.dyoung.com/people/staff/angelathornton-jackson.htm](http://www.dyoung.com/people/staff/angelathornton-jackson.htm)  
[act@dyoung.co.uk](mailto:act@dyoung.co.uk)



Helen Cawley  
Associate  
Profile: [www.dyoung.com/people/staff/helencawley.htm](http://www.dyoung.com/people/staff/helencawley.htm)  
[hjc@dyoung.co.uk](mailto:hjc@dyoung.co.uk)



Vivienne Coleman  
Associate  
Profile: [www.dyoung.com/people/staff/viviennecoleman.htm](http://www.dyoung.com/people/staff/viviennecoleman.htm)  
[vlc@dyoung.co.uk](mailto:vlc@dyoung.co.uk)



Kate Symons  
Assistant  
Profile: [www.dyoung.com/people/staff/katesymons.htm](http://www.dyoung.com/people/staff/katesymons.htm)  
Email: [kes@dyoung.co.uk](mailto:kes@dyoung.co.uk)



Richard Burton  
Assistant  
Profile: [www.dyoung.com/people/staff/richardburton.htm](http://www.dyoung.com/people/staff/richardburton.htm)  
[rpb@dyoung.co.uk](mailto:rpb@dyoung.co.uk)



Gemma Williams  
Assistant  
Profile: [www.dyoung.com/people/staff/gemmawilliams.htm](http://www.dyoung.com/people/staff/gemmawilliams.htm)  
[gmw@dyoung.co.uk](mailto:gmw@dyoung.co.uk)



Jane Harlow  
Consultant  
[www.dyoung.com/people/staff/janeharlow.htm](http://www.dyoung.com/people/staff/janeharlow.htm)  
[jxh@dyoung.co.uk](mailto:jxh@dyoung.co.uk)

## CONFERENCE ATTENDANCE

### INTA LEADERSHIP MEETING 2007

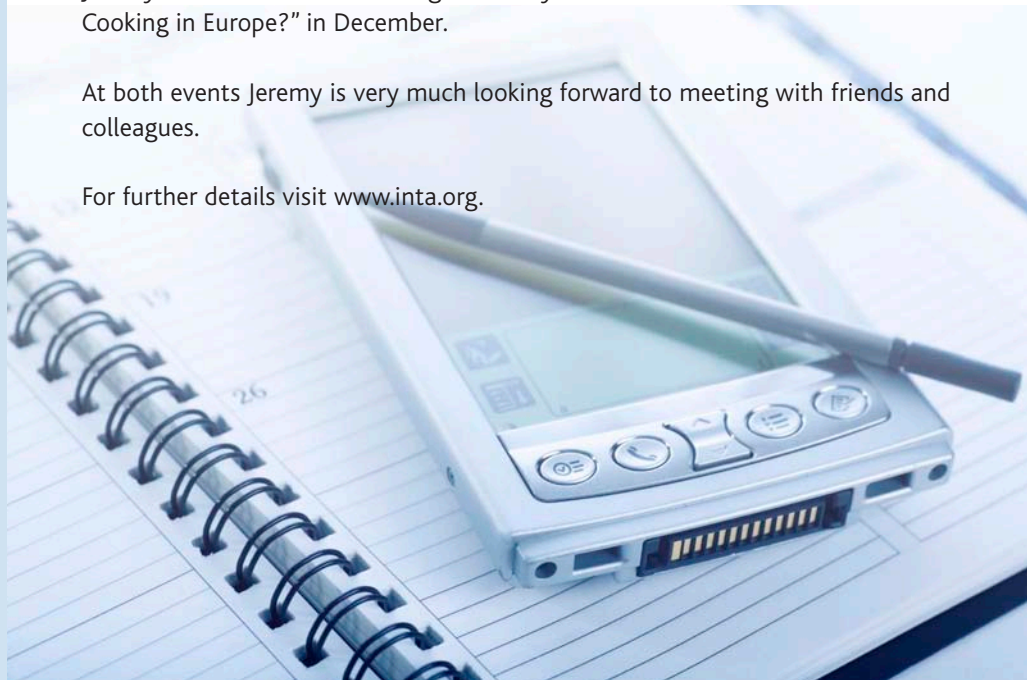
Jeremy Pennant will be attending the annual INTA Leadership Meeting in Orlando, USA in November. This year's theme is "It's a Small World - Trademarks and Globalisation".

### INTA 2-DAY FORUM, LISBON

Jeremy Pennant will be attending this 2 day discussion forum entitled "What's Cooking in Europe?" in December.

At both events Jeremy is very much looking forward to meeting with friends and colleagues.

For further details visit [www.inta.org](http://www.inta.org).



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**Subscriptions:** [rjd@dyoung.co.uk](mailto:rjd@dyoung.co.uk)

**[www.dyoung.com](http://www.dyoung.com)**

**[mail@dyoung.co.uk](mailto:mail@dyoung.co.uk)**

**D Young & Co London:** 120 Holborn, London, EC1N 2DY

T: +44 (0) 20 7269 8550

F: +44 (0) 20 7269 8555

**D Young & Co Southampton:** Briton House, Briton Street, Southampton, SO14 3EB

T: +44 (0) 23 8071 9500

F: +44 (0) 23 8071 9800