

# D YOUNG & CO TRADE MARK NEWSLETTER<sup>no.83</sup>

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## Yves Saint Laurent bags registered Community designs General Court dismisses H&M's case for invalidation

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As winter fast approaches, we take our minds off the increasingly chilly weather by considering in this newsletter luxury goods such as designer handbags, sports cars and – to a lesser extent – inflatable water toys and ukuleles.

Partners Jeremy Pennant and Ian Starr will be taking more active steps to avoid the British weather when they attend the INTA leadership meeting in Panama on 17-20 November. If you'd like to set up a meeting with them, please do get in touch with us. Otherwise we hope to see you at the Southampton and London business shows later in the year.

## Editors:

Jackie Johnson &amp; Matthew Dick



## Events



11 November 2015

**Mentor Magic, Hampshire, UK**

Helen Cawley joins an expert panel of judges at this Dragons' Den style event, where new businesses will pitch their case for expert mentoring.

17-20 November 2015

**INTA Leadership Meeting, Panama**

Jeremy Pennant and Ian Starr will be attending INTA's first major event in Latin America.

19 November 2015

**Southampton Business Show, UK**

D Young & Co will be answering IP questions at the Southampton Business Show.

03-04 December 2015

**London Business Show, UK**

Richard Burton presents 'Your Product, Your Business: IP Essentials for Start Ups and SMEs' at the London Business Show. See page 08 for further details.

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# Yves Saint Laurent bags registered Community designs

## General Court dismisses H&M's case for invalidation

The General Court (GC) has declared two Yves Saint Laurent (YSL) registered Community designs (RCDs) for handbags valid in reaching the conclusion that invalidation actions brought by H&M were unfounded.

**Background**

The designs were registered in 2006. H&M filed the invalidation actions in 2009 against the two RCDs on the basis that they lacked individual character. H&M had relied upon its own earlier design, which it claimed was created and offered for sale in 2005. They argued that the YSL design created the same overall impression on the informed user as the earlier design.

**Under European Union (EU) design law, a valid registered design must have individual character, that is, the informed user must consider the overall impression of the design to be different to earlier designs that have been made available to the public.**

The Cancellation Division of OHIM issued its decision in 2011. It said the differences between the YSL designs were more than insignificant and therefore the earlier designs had individual character.

**Appeal to the Board of Appeal**

Upon appeal to the Board of Appeal, the freedom of the designer was taken into account and assessed in more detail.

Essentially, the greater the designer's freedom in developing a design, the less likely it is that minor differences between the designs at issue will be sufficient to produce a different overall impression on an informed user.

The Board of Appeal defined the informed

user as "an informed woman who was interested, as a possible user, in handbags".

Whilst the freedom of the designer was in this case considered to be high, the Board of Appeal recognised that the designs had features in common such as the upper contours and handles in the form of straps attached to the body of the bags by a system of rings reinforced by rivets. However, the differences in shape, structure and surface finish played a decisive role in ultimately rejecting the actions by H&M. The common elements did not detract from the individual character of the YSL designs.

In analysing the designs in more detail, the Board of Appeal observed contrasting features relating to shape, cut of the leather and the surface.

Observing the **contested design** the Board of Appeal noted that:

1. "The body of the contested design had a perceptibly rectangular shape, on account of the presence of three straight lines that marked the sides and the base of the bag, which gave the impression of relatively angular object."
2. "The body of the contested design looks as if it is made from a single piece of leather without any visible division or seams except for on a short length at the lower corners".
3. "The surface finish of the contested design was totally smooth, apart from two faint seams at the lower corners."

Whereas in contrast, for the **earlier design**:

1. "The body of the earlier design had... curved sides and a curved base and its silhouette was dominated by an impression of roundness."
2. "The front and back of the earlier design were... divided into three sections by seams, namely a curved upper section delimited by a collar and two lower sections of equal size delimited by a vertical seam."

> **Case details at a glance**

**Jurisdiction:** European Union

**Decision level:** General Court of the European Union

**Parties:** H&M Hennes & Mauritz BV & Co KG v OHIM and Yves Saint Laurent SAS

**Citation:** T-525/13 and T-526/13

**Date:** 10 September 2015

**Full decision (T-525/13):** <http://dycip.com/T-525-13>

**Full decision (T-526/13):** <http://dycip.com/T526-13>

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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>

3. “The surface of the earlier design was covered with pronounced and raised decorative motifs, namely a collar edged with gatherings in the upper part of the bag, a vertical seam dividing the bag into two sections and pleats at the bottom of the bag.”

The Board of Appeal found these contrasting design factors (shape, structure and surface finish) to be significant “and therefore such as to markedly influence the overall impression of the informed user.”

The Board of Appeal found that “the impression produced would be that of a bag design characterised by classic lines and a formal simplicity whereas, in the case of the earlier design, the impression would be that of a more ‘worked’ bag, characterised by curves, the surface of which is adorned with ornamental motifs.”

Therefore, H&M’s case was again dismissed and it further appealed to the GC.

**The GC decision**

The GC agreed with the earlier finding of the Board of Appeal that the degree of freedom of the designer was high but disagreed with H&M’s interpretation of Article 6 of Council Regulation (EC) No 6/2002 of 12 December 2001 on Community designs (CDR). It noted that the assessment of “individual character” is the result of a four-stage analysis regarding:

1. the sector to which the product in the design belongs;
2. the informed user of those products in accordance with their purpose and the user’s degree of awareness of prior designs and the level of attention in the comparison of the designs;
3. the degree of design freedom in developing the design; and
4. the outcome of the comparison of the designs in issue taking all of the above into consideration.

Indeed, the GC agreed with the finding

**To be valid a registered Community design must have individual character**



of the Board of Appeal that:

“The degree of freedom of the designer is therefore not...the starting point for the assessment of individual character but...an aspect which must be taken into consideration when analysing the perception of the informed user.”

The GC did not believe that the third stage, namely the “freedom of the designer” should alone be used to determine whether the YSL designs had individual character and therefore created a different overall impression on the informed user.

Applying the test as a whole, the GC concluded that the differences between the designs at issue were, as the Board of Appeal had concluded, significant, and that the similarities between them were insignificant.

**Author:**

**Richard Burton**



**In short**

RCDs are increasingly utilised as a useful form of protection for fashion brands in order to protect the appearance of items such as handbags; however, the GC judgment, issued nine years after the registration of the YSL designs, suggests that the scope of protection of designs can in some cases be interpreted relatively narrowly. Indeed, common features between designs may not be sufficient to reach a finding that they do not create a different overall impression on the informed user.

This case provides useful guidance on the aspects to be considered in reaching a finding as to whether a design registration has “individual character” (and may yet be further appealed to the CJ).

# UK ukulele confusion

## National passing off rights save the day where CTM fails

A recent UK court decision demonstrates the potential vulnerability of Community Trade Marks (CTMs) having a low degree of distinctive character, the challenge of proving acquired distinctiveness across a sufficient part of the European Union (EU), and the utility of including a claim for passing off in infringement proceedings.

The Ukulele Orchestra of Great Britain (UOGB), known in the UK and Germany for their somewhat eccentric concert performances involving distinctive evening dress, joke-telling and arrangements of well-known rock songs and film themes played on their ukuleles, had a challenging time in their attempt to stop a rival group performing under a similar name, The United Kingdom Ukulele Orchestra (UKUO).

The UOGB brought its claim before the Intellectual Property Enterprise Court (IPEC), the UK's increasingly popular streamlined forum for intellectual property disputes valued up to £500,000 (but with the power to order the full range of injunctive remedies). The UOGB claimed infringement of their CTM for THE UKELELE ORCHESTRA OF GREAT BRITAIN, registered for various concert-related services in class 41 and CDs, DVD, and video/audio tapes in class 9, as well as passing off.

The UKUO denied passing off or trade mark infringement and counterclaimed for invalidity of the CTM, on the principal basis that it is descriptive of the relevant goods/services. The UOGB sought to defend the validity of its CTM by showing that the mark had acquired distinctiveness as a result of the use they had made of it over the years.

### Acquired distinctiveness

The validity issue turned on the quality and extent of the UOGB's evidence of acquired distinctiveness, which they needed to establish across the relevant part of the EU. In the case of a word mark in the English language, that meant producing evidence from **all** countries in which the descriptive meaning of the mark would be readily understood by the

### UK or GB ukelele orchestra confusion



public, ie, the English-speaking countries of the EU and all other EU countries where basic English could be understood.

Accordingly, evidence of acquired distinctiveness was required in **12 EU countries**: UK, Ireland, Malta, Germany, the Netherlands, Denmark, Sweden, Finland, Cyprus, Austria, Luxembourg and Belgium.

Since the UOGB was only able to show acquired distinctiveness through its use of the mark in the UK and Germany, the CTM was found to be invalid.

### Case details at a glance

**Jurisdiction:** United Kingdom

**Decision level:** The High Court of Justice Chancery Division IP Enterprise Court

**Parties:** The Ukulele Orchestra of Great Britain v Erwin Clausen, Yellow Promotion GmbH & Co KG t/a The United Kingdom Ukulele Orchestra

**Citation:** [2015] EWHC 1772 (IPEC)

**Date:** 02 July 2015

**Full decision:** <http://dycip.com/ukelele1772>

### Passing off

The court went on to consider the UOGB's evidence of confusion, which had occurred in a number of countries including the UK, and held that its passing off claim should succeed. The court also commented that, had the CTM been validly registered, it would have been infringed, since the defendants' adoption of their name was in circumstances where they knew or ought to have known they risked objection from UOGB, and was not in accordance with honest commercial practices.

### Take-home points

This case highlights the onerous requirement of proving acquired distinctiveness of a CTM which is an English language word mark. It also shows some of the risks when attempting to enforce a CTM of inherently low distinctiveness – in this instance, resulting in loss of the mark. Whilst the passing off claim succeeded, we are left with the feeling that the UOGB ended up with less than they might have expected. Had they relied on a national trade mark registration, for which the required evidence of acquired distinctiveness would have been correspondingly narrower, life would have also been easier.

### Author:

Tamsin Holman



### In short

Be aware of the risks when seeking to enforce CTMs of low distinctiveness.

Do not under-estimate the burden of proving acquired distinctiveness of an English language word mark CTM.

Do include a claim for passing off if possible.

A national trade mark may be simpler to enforce and defend against attack than a CTM.



# The grey matter

## Contrasting decision on the use of colour in registered designs

This case highlights the varying scope of protection that can be sought by use of colour in design views



A recent Hague Court decision has applied the common practice regarding use of colour in design views, as followed by the European Union courts.

This decision highlights the different approach made in the recent 'Trunki' UK Court of Appeal decision.

### Wibit-Sports v Aquaparc

The decision issued by the Hague Court concerned a registered Community design (RCD) owner claiming infringement of its designs by a third party. The designs at issue were for a range of inflatable toys used in water parks.

The defendants (Aquaparc) argued that the colour combinations of the actual inflatable water toys used by the claimant (Wibit-Sports) were different. It claimed the different use of colour created a different overall impression on the informed user. It also believed the distinctive colours meant its designs were substantially different from the colourless or black and white images used in the claimant's RCDs.

### Decision of the Hague Court

The court dismissed the defendant's arguments and found it had infringed the claimant's RCDs. In the decision the court applied the practice confirmed by the General Court of the European Union (GC) in previous decisions, namely:

- The similarity assessment is based only on the RCD images as filed. The actual colour of the RCD used in the market place is irrelevant.
- An RCD filed **without** colour or greyscale provides the broadest scope of protection as the design is registered for the shape of the product, irrespective of colour in use.
- Use of greyscale does not mean that the colour 'grey' itself is claimed, unless specifically stated in the application. In all other circumstances, greyscale indicates that sections of the design are to appear in colour.
- Use of greyscale in lighter and darker shades indicates sections of the design would be lighter or darker in colour.

### Different approaches to the application of common practice

This case not only highlights the varying scope of protection that can be sought by use of colour in the design views of an RCD, but also provides an apparently different application of these principles from the recent Trunki Court of Appeal decision in the UK.

In the Trunki case the RCD in question was registered in greyscale. However, the judge found that whilst the RCD was not limited to any particular colour, the distinct contrasts between

the wheels and strap which were in a darker tone to the body of the suitcase were to be seen as "striking features". The judge recognised that whilst an RCD filed without colour eliminated colour from the comparison with the alleged infringing article (see related decision P&G v Reckitt Benckiser - link given above), this did not prevent the defendant from relying on the lack of colour contrast in its own design.

The Trunki case has been appealed and a decision is awaited from the Supreme Court. It will be interesting to see if the Court of Appeal's application of the principles relating to colour in an RCD are successfully contested.

**Author:**  
Wendy Oliver



### In short

This case serves as a helpful reminder on the varying scope of protection obtained purely by the use of greyscale, black and white, or colour in a design registration. The Supreme Court decision in the UK case of Trunki is eagerly awaited for possible further guidance.

# Impulsive recognition

## What is enough to constitute a reputation in a “substantial part of the European Union”?

➤ Case details at a glance  
**Jurisdiction:** European Union  
**Decision level:** Court of Justice of the European Union  
**Parties:** Iron & Smith kft v Unilever NV  
**Citation:** C-125/14  
**Date:** 03 September 2015  
**Full decision:** <http://dycip.com/c-12514>

**T**he Court of Justice of the European Union (CJ) has held that low market share in two member states is sufficient to demonstrate reputation of a Community trade mark.

The CJ has answered a number of referred questions from the Budapest Municipal Court.

### Background

Relying on its earlier Community trade mark (CTM) for IMPULSE, Unilever opposed a Hungarian national trade mark application by Iron & Smith for a coloured figurative sign which included the words “be impulsive”.

**Article 4(3) Directive 2008/95/EC states that a trade mark should not be registered if it is similar to an earlier CTM which has a reputation in the Community and where the use of the later trade mark would without due cause take unfair advantage of, or be detrimental to, the distinctive character or repute of the earlier CTM.**

### Decision of the Hungarian IP Office

At first instance, Unilever’s IMPULSE sign was held to have a sufficient reputation by the Hungarian Intellectual Property Office under Article 4(3), which following established case law is required to be “a

significant part of the public concerned”. This conclusion was based on evidence of Unilever’s 5% market share in the UK and 0.2% in Italy.

### Questions to the CJ

Iron & Smith sought an annulment of this decision.

The court referred four questions to the CJ which concerned reputation, territory and the link (if any) between case law and evidence concerning reputation and genuine use.

### Answers from the CJ

The CJ answered the referred questions as follows:

- Article 4(3) should be interpreted such that if the reputation of an earlier CTM is restricted to a single member state, that does not need to be the same member state where the opposed national application has been filed.
- If the earlier CTM is held not to have a reputation amongst the relevant public in the member state of the opposed application, the CTM proprietor should demonstrate that a commercially significant part of that public is familiar with the CTM; that they make a connection with the opposed application; and that there is actual (or a serious risk of) damage.
- Case law regarding genuine use is not relevant in considering the question of reputation.

**Author:**  
**Verity Ellis**



### In short

This decision goes some way to clarify an area of law which can be confusing.

A national trade mark application may be successfully opposed by an earlier CTM with a reputation in a “substantial part of the EU”, such reputation being based in other member state(s) to that where the national application has been filed.

However, where the reputation doesn’t extend to the relevant member state, the owner should demonstrate that a commercially significant part of the public of that member state is familiar with the mark and makes a connection between it and the later mark, such that injury may follow.

Do not confuse with the law on demonstrating genuine use in the Community; that is a different animal.

A national trade mark application may be successfully opposed by an earlier CTM with a reputation in a “substantial part of the EU”





**Jurisdiction:** European Union

**Decision level:** General Court of the European Union

**Parties:** TVR Automotive Ltd v OHIM, TVR Italia Srl

**Citation:** T-398/13

**Date:** 15 July 2015

**Full decision:** <http://dycip.com/T-39813>

**Related articles:** "One is a lonely country - EU territorial borders not necessarily overlooked in assessment of genuine use": [www.dyoung.com/article-sofagenuineuse](http://www.dyoung.com/article-sofagenuineuse) and "Court of Justice Decision on Genuine Use of a CTM in the Community in ONEL v OMEL": [www.dyoung.com/article-onelvommel1212](http://www.dyoung.com/article-onelvommel1212)

# Genuine use of a trade mark

## Further guidance from the General Court

This is a decision of the General Court (GC) in which the court made a number of helpful findings in relation to genuine use of a trade mark, an area of trade mark law that continues to be in flux and raise questions for trade mark proprietors, and practitioners, alike.

### Overview of genuine use

- In order to avoid cancellation proceedings, a proprietor of a mark is required to "use" it for the goods/services for which it is registered.
- A CTM will be put to genuine use when it is used in accordance with its essential function and for the purpose of maintaining or creating a market share within the EU (see Onel).
- In Onel, the Court of Justice of the European Union (CJ) held that for the purposes of CTMs, territorial borders are to be disregarded.
- However, national courts and local trade mark registries (including the Intellectual Property Enterprise Court of England & Wales in the recent Sofa Works decision) have ruled that use in just one country in the EU may not be sufficient to constitute genuine use in their cases.

### TVR Italia v Muadib Beteiligung

The background facts of this case are somewhat complex but in brief: TVR Italia (TVR) filed a Community trade mark (CTM) application, which was opposed by Muadib Beteiligung (MB) on the basis of its earlier trade mark rights. The opposition was partially upheld (in relation to some goods) and partially rejected.

TVR appealed and filed separate revocation proceedings against MB's earlier marks. The revocation application failed, as it was found that MB had provided sufficient proof of use.

However, the Board of Appeal then

To avoid cancellation a CTM owner must use its mark for the goods for which it is registered, in this case class 12 relating to 'motor cars and parts and fittings therefor'



dismissed the opposition on the grounds of non-use of MB's earlier CTM (the relevant dates that were being assessed for non-use in both proceedings were not entirely the same, although there was some overlap).

Following this, TVR Automotive acquired MB's earlier marks. TVR Automotive filed an appeal to the GC.

### Finding of the GC

The court came to the following conclusions:

- A decision by the cancellation division on revocation was not definitive due to the facts of this case (as the time period for non-use being assessed in the opposition and revocation proceedings was not entirely identical); and the principle that prohibits a final judicial decision being called into question was not applicable as far as it concerns the relationship between a final decision in OHIM opposition proceedings/revocation proceedings, as proceedings at OHIM are administrative and not judicial.
- Whether a mark is deemed to have been put to genuine use will depend on the characteristics of the goods/services concerned on the corresponding market, and not all proven commercial exploitation can therefore automatically be deemed genuine use.
- Account must be taken of the commercial volume of all the acts of use, on the one hand, and the duration of the period in which those acts of use occurred, and the frequency of those acts, on the other.

- The sector in which the mark is being used can be of relevance.
- There was no requirement to prove use in each of the relevant five years, instead substantial use in the five year period was deemed to be sufficient.

**Author:**

**Claudia Rabbitts**



### In short

This case provides further insight from the courts regarding what will constitute genuine use. It will be a comfort to trade mark proprietors that they are not necessarily required to show continuous use for the relevant five year period, as this is often not the way trade marks are used on a practical, commercial, level.

While it is always helpful to have as much judicial guidance as possible on what is ultimately an unclear area, the court has again noted that the individual facts of each case must be taken into account when reaching a conclusion.

# D YOUNG & CO INTELLECTUAL PROPERTY

And finally...

## D Young & Co event

### The London Business Show In support of UK innovation



## PROTECTING YOUR IDEAS

**W**e are delighted to be exhibiting at this two-day exhibition on 03-04 December. The Business Show declares itself "a hotbed of entrepreneurial activity", and is expected to draw more than 25,000 aspiring entrepreneurs and small-medium business owners looking for inspiration, advice and networking. The event's overriding goal is to help drive businesses onwards and upwards, across all industries.

#### Your product, your business: IP essentials for start-ups and SMEs

In a seminar session crucial to any start-up or growing established business, Richard Burton (European trade mark attorney)

will provide a succinct and commercially relevant IP checklist to support SMEs.

#### IP advice at the show

Members of our patent, design, dispute resolution and trade mark teams will be on hand throughout the duration of the show to answer questions and share IP-related advice. The UKIPO will also be exhibiting at the show to run their popular 'branding workshop'.

For further information about the show, and to book tickets to attend, visit the Business Show website: [www.thebusinessshow.co.uk](http://www.thebusinessshow.co.uk).

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