# D YOUNG&CO TRADE MARK NEWSLETTER no.70

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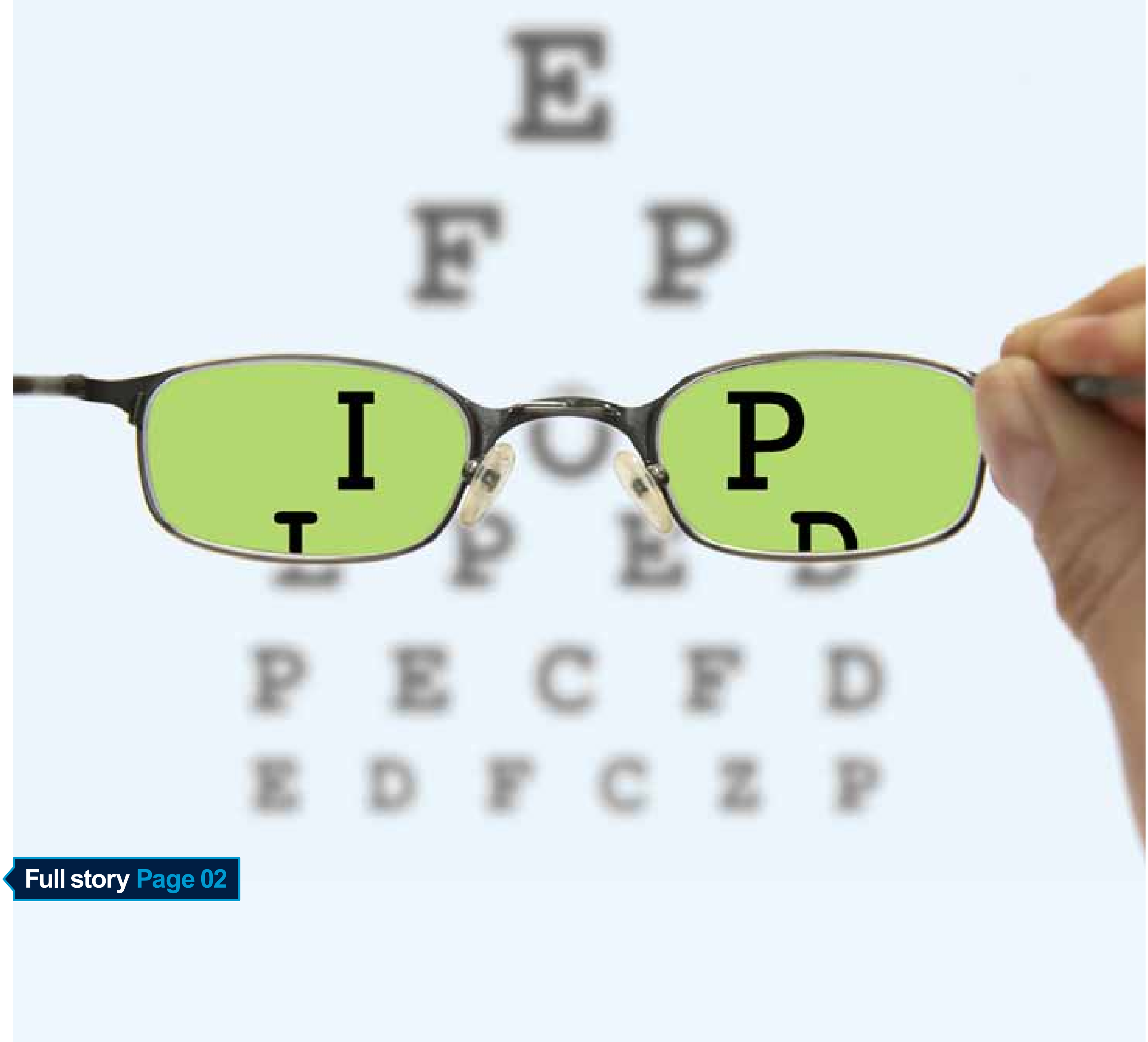


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## Editorial

A very warm welcome to the September edition of our newsletter. This month we have 'focussed' on the long awaited Specsavers v Asda CJEU ruling, followed by some noteworthy decisions on shape marks, designs, bad faith and passing off and have concluded with a comment on the recent UKIPO report on the impact of 'lookalikes'. In addition to this newsletter, we regularly publish case updates and articles on our website: *http://www.dyoung.com/ipcases*. This is a great way to keep up to date. You can subscribe to our RSS news feeds to be informed when this information is online, as soon as it is published. For more information on our RSS feeds and to follow us on LinkedIn and/or Twitter just hit the 'follow us' button on the home page of our website or see details below.

Our trade mark team is busy as ever and Mark Bone-Knell and Kate Symons now have their feet firmly on the ground in our newly opened Dubai office. If you are interested in receiving a copy of our GCC guide to trade mark regulation and protection, please contact our Marketing Communications Manager Rachel Daniels at *rjd@dyoung.com*.

We hope that you have enjoyed the summer sun and as always, if you have any thoughts or comments on any of our articles, our newsletter in general, or want to get in touch about anything else, we would be pleased to hear from you.

**Editor:**
**Richard Burton**

## Events

**17-20 September 2013**
**MARQUES Conference, Monaco**
Jackie Johnson and Anna Reid will be attending the 27th MARQUES Annual Meeting.

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*Article 01*

# Seeing Green
# Refocus on Revocation in Specsavers v Asda

The Court of Justice of the European Union (CJEU) has given its ruling in a reference from the English Court of Appeal on two points of interest to brand owners involving the non-use of trade marks and how use of a mark in colour may be relevant to assessing infringement.

### Background

Specsavers, the well-known UK High Street opticians, owned the following registered Community Trade Marks (CTMs) in relation to optician services:

1. SPECSAVERS (Word)
2. Specsavers - shaded logo
3. Specsavers - unshaded logo
4. Specsavers - wordless logo

The logo marks were not limited to (nor did they claim) any particular colour. They had historically been used in a dark green, as depicted below:

Asda, one of the UK's largest supermarkets, whose branding predominantly features a lighter colour green, ran a marketing campaign to promote its own optician services. This featured a logo with the words 'ASDA Opticians' in green writing on two white ovals (not overlapping):

It also featured the same logo with white writing on green ovals:

Asda also used the slogans BE A REAL SPEC SAVER AT ASDA ('the first slogan') and SPEC SAVINGS AT ASDA ('the second slogan').

> It was clear that Asda had intended to target Specsavers in its campaign. Indeed, some of the Asda marketing materials were described internally as 'Specsavers rip-off'.

Specsavers sued for trade mark infringement, alleging a likelihood of confusion between the marks used by Asda and its CTMs; and also that use of the Asda marks without due cause took advantage of the distinctive character/repute of those CTMs.

### Issues

At first instance the English Court held there was no confusion between the signs used by Asda and Specsavers' marks. The Court of Appeal agreed, noting that all circumstances of Asda's use had to be taken into account (signs used by an alleged infringer are not to be considered stripped of context).

The case turned on the reputation enjoyed by the Specsavers marks. The Court of Appeal confirmed that the first slogan plainly called to mind the SPECSAVERS mark. It also overturned the trial judge's finding that the second slogan did not infringe: the marks were very similar, and a link was inevitable. Similarly, the Asda logos created a link with Specsavers' own logos. Given the significant reputation in the Specsavers' marks, all marks used by Asda gave it, without due cause, an unfair advantage.

Asda had alleged that Specsavers' wordless logo mark was revocable for non-use. The trial judge agreed: the only use of its logo that Specsavers could show featured the word SPECSAVERS across the ovals, which the judge held altered the distinctive character of the mark and could not therefore constitute use of the wordless logo. However, the Court of Appeal

Notes and useful links

1. ***Colloseum v Levi*** *- genuine use is possible where a registered mark is used as part of another composite mark, or only in conjunction with another mark and the combination of those two marks is also a registered mark. See our July trade mark newsletter, article 02 by Jackie Johnson: http://dycip.com/tmnews0713*
2. ***Bernhard Rintisch v Klaus Eder*** *- when proving genuine use, the proprietor of a registered mark is not precluded from relying on the fact that it is used in a form differing from the registered form, where differences do not alter the distinctive character of that mark, even though the different form is itself registered.*

noted the inconsistency of the CJEU in previous cases dealing with this pivotal question.

Specsavers argued that its logo mark had an enhanced reputation when used in its well-known green format: for Asda to use similar marks in the same colour (albeit a different shade) increased the risk of confusion. The Court of Appeal acknowledged that a mark can acquire an enhanced distinctive character through use, and that colour could well be an important part of that. However, it held that the position was unclear and that a reference to the CJEU was required.

### The questions referred

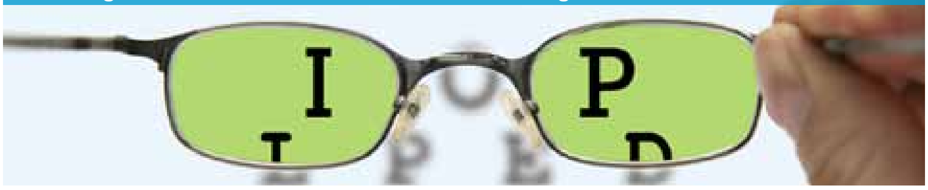
The Court of Appeal asked, essentially:

1. Can use of the Specsavers shaded logo mark constitute use of the wordless logo, and would there be any difference if a) the word mark was superimposed over the wordless logo; or b) if the combined word/logo was also a registered mark?
2. Can the enhanced reputation of a registered mark in a particular colour be taken into account when assessing infringement under Article 9(1)(b) and (c) of the CTM Regulation, even though the mark is not registered in any particular colour?
3. Is the colour used by a defendant for a sign alleged to infringe relevant in the global assessment of the likelihood of confusion/unfair advantage? If so, is it relevant that the Defendant itself is associated with the colour used?

### The CJEU's response

As regards the query on use, the court held that superimposing words onto the wordless logo changed the form in which the latter mark was registered, since this involved actually covering certain parts of the logo with the words. However, use of a mark in a form differing to that registered was acceptable – to the extent that the distinctive character of the mark in the form registered was not changed. Use of the wordless logo with the word SPECSAVERS superimposed on top may therefore be considered use of the wordless logo to the extent that the mark as registered (ie, without words) always refers in that form

**That Asda is itself associated with the colour green may be of importance in assessing the likelihood of confusion/unfair advantage**




to the goods of the proprietor covered by the registration. This was a matter for the English Court to assess. This conclusion was not affected by the fact that the word mark and the combined word/logo are also registered.

The CJEU acknowledged recent cases on non-use, in particular Colloseum v Levi[1] and case Bernhard Rintisch v Klaus Eder[2]. Indeed, the CTM Regulation gives some flexibility by allowing variations of marks (that do not alter their distinctive character) to constitute genuine use, thereby enabling brands owners to adapt their marketing/promotion techniques to at least some degree without fear of their marks being vulnerable to attack on the grounds of non-use.

> As regards the questions on colour, the CJEU reiterated accepted principles that a global assessment is required when assessing the likelihood of confusion between two marks.

This assessment must be based on the overall impression given by both marks, bearing in mind in particular their distinctive and dominant elements. How the marks are perceived by consumers plays a decisive role in this assessment. The CJEU held that (even if registered in black and white) the colour in which a mark is used affects how consumers perceive it and therefore may increase the likelihood of confusion between the mark and the sign alleged to infringe.

When assessing unfair advantage, a global assessment is again required. The CJEU acknowledged that Asda's signs were intended to create an association in consumers' minds with Specsavers. The fact that Asda used a similar colour to that used by Specsavers with the intention of taking advantage of the distinctive character/repute of Specsaver's marks must be taken into account as a relevant factor.

Regarding the relevance of Asda being associated with the colour green in its own right, the CJEU noted that assessments of a likelihood of confusion/unfair advantage must take account of the precise context in which an allegedly infringing sign is used (referring to case No C-533/06 O2 Holdings Ltd v Hutchison 3G UK Ltd).

The fact that Asda is itself associated with the colour used for the sign complained of may be important in assessing the likelihood of confusion/unfair advantage. The CJEU acknowledged that it is not inconceivable that such a fact could influence the public's perception of the signs at issue (eg, it could result in a lower likelihood of confusion to the extent that consumers would perceive it as Asda's colour) – ultimately this is a matter for the English Court of Appeal to determine. Asda's association with the colour green could also be relevant in determining whether use of the signs complained of has 'due cause' when assessing unfair advantage/detriment under Article 9(1)(c).

### Comment

The CJEU has highlighted, as ever, that certain elements of the dispute must be assessed by the Court of Appeal itself. How that court will apply the CJEU's guidance remains to be seen. Nevertheless, the ruling is generally good news for brand owners, particularly on the point of use. It is in line with recent CJEU judgments confirming that seeking separate registration of individual elements of composite word/logo marks remains a sensible strategy.


**Author:**
**Matthew Dick**

*Article 02*

# Cadbury v Néstle
# Recognition is Not Enough to Acquire Distinctive Character

Néstle's KIT-KAT 3D UK application

*Figure 1: Néstle's application covered chocolate goods in class 30.*

In 2010, Néstle filed a 3D UK application for the shape of its KIT-KAT chocolate bar (figure 1, above right). Cadbury opposed, claiming that a) the mark was devoid of distinctive character and had not acquired a distinctive character through the use that Néstle had made of it and b) the shape of the mark resulted from the nature of chocolate bars and was necessary to obtain a technical result.

### Shape objections

The grounds for refusing shape applications in the UK are to prevent parties obtaining monopolies on technical solutions or functional characteristics of a product. Trade marks will be refused registration where the essential features of the shape are only attributable to a technical result. Arbitrary features that make no real impact on consumers will not prevent the ground of refusal applying if the essential features of the shape are required to obtain a technical result.

The hearing officer held that the essential features of the KIT-KAT bar were:

- the rectangular shape of the bar;
- the 'fingers' of the bar; and
- the number of grooves present on the bar which determine the number of 'fingers' in the bar.

The hearing officer concluded that for moulded chocolate bars or moulded chocolate biscuits sold in bar form, the shape of the KIT-KAT bar was an easy and cheap way to produce a chocolate bar. The fact that other chocolate products are not presented as *"a rectangular slab"* does not mean that the shape of the KIT-KAT bar is not the basic shape of moulded chocolate products. Therefore,

> Cadbury's objection was upheld because the shape of the KIT-KAT bar results from the nature of moulded chocolate goods.

Further, the grooves of the bar were found to have a technical function because their

**It did not seem likely to the hearing officer that consumers would use the shape of the KIT-KAT post-purchase to check if they had purchased the right product**

purpose is to enable the bar to be broken into 'fingers'. The grooves do not add any arbitrary function to the bar, because the shape of the KIT-KAT bar is unknown until the product has been unwrapped. Further, the product is designed to be broken up and the 'fingers' split and Néstle's own marketing campaigns promoted the breakability of the bar.

### Distinctive character

Cadbury's evidence showed that in July 2010, other parties were using 2 finger versions of the KIT-KAT bar. Other chocolate products which enabled 'fingers' to be separated by grooves had also been found to exist. Accordingly, the hearing officer held that the shape of the KIT-KAT bar fell within the norms and customs of the confectionery sector, and so for chocolate products, the shape was not inherently registrable.

Further, it was found that the shape of the KIT-KAT bar had not acquired a distinctive character through Néstle's use. He acknowledged that the KIT-KAT bar makes up around 1-2% of the chocolate products market and that it is one of the more popular chocolate products in the UK. He also found that the KIT-KAT bar had been used in the UK for more than 75 years. It was also accepted that at least 50% of people surveyed by Néstle recognised the shape of the bar as a KIT-KAT product. However, he held that the evidence did not show that these consumers rely on the shape as identifying the origin of the goods, which is necessary for a finding of acquired distinctive character. Néstle had not used the shape of the bar in promotion of its goods prior to 2010, and it was accepted that the shape of the bar was only visible to consumers once the product had been opened. It did not seem likely to the hearing officer that consumers would use the shape of the KIT-KAT bar post-purchase to check that they have chosen the right product.

> The 3D shape mark of the KIT-KAT bar was therefore refused for chocolate products because it was neither inherently registrable nor had it acquired a distinctive character through use.

### Comment

Most UK consumers would recognise the 3D shape of the KIT-KAT bar, but Néstle failed because its trade mark is functional and consumers do not rely on the shape of the bar to buy a KIT-KAT or Néstle product. The shape of the mark is not what drives consumers to purchase the chocolate bar. The outcome may have been different if Néstle had demonstrated stand-alone use of the 3D shape without reference to KIT-KAT, much like Polo did in marketing their "*mint with a hole*".

It is likely that Néstle will appeal. We may also see a new advertising campaign from Néstle where use of KIT-KAT takes second place to prominent advertising of the 3D shape we all know to be the KIT-KAT bar.

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

*Article 03*

# Magmatic v PMS
# Trunki's Success Rolls On

Trunki's Community Registered Design (CRD) for the Trunki Mark I

The 'Trunki' ride-on suitcase is well known as 'the one that got away' from the UK reality television programme 'Dragons' Den', which features entrepreneurs pitching their ideas to secure investment finance from a panel of venture capitalists. Following its appearance on the TV show seven years ago, when no Dragons decided to invest, the Trunki has been a commercial success. It is estimated that, in 2011, 20% of UK 3 to 6 year olds possessed a Trunki.

In a High Court judgment, Magmatic Limited v PMS International Limited [2013] EWHC 1925 (Pat), it has been held that Magmatic's Community Registered Design (CRD) for the overall shape of the Trunki, is infringed by PMS' 'Kiddee Case', which was admittedly 'inspired by' the success of the Trunki product.

Following an application in March 2013, the case was expedited due to the upcoming summer holiday period being a peak time for Trunki sales.

It was held by the judge, Mr Justice Arnold, that the Kiddee Case infringed the CRD which depicted the overall shape of the Trunki together with four UK unregistered design rights which covered the tow strap, lock and interior retaining straps/pocket.

> It was noted that the Trunki was the first product of its kind, differing from previous suitcase designs, and that there was a high degree of design freedom in the area. Consequently, the Trunki benefitted from a wide scope of protection.

PMS attempted to rely on a piece of prior art called the Rodeo in order to invalidate the CRD. The Rodeo was an early concept design for the Trunki, which the designer had entered into a student design competition in 1998. Magmatic argued that the Rodeo fell within the obscure disclosures exception in Article 7(1) Council Regulation 6/2002, which would mean that, due to the small size of the competition, the Rodeo would not be deemed to have been disclosed and therefore not be prior art. The relevant legislation reads that "a design shall be deemed to have been made available to the public… except where these events could not reasonably have become known in the normal course of business to the circles specialised in the sectors concerned".

**A suitcase you can't ride on is far less fun for many young travellers**

Arnold J clarified that this was an objective test and referred to the sector of the potential prior art, and not the sector from which the relevant CRD came. Further, it was held that the burden of proof when assessing the exemption falls on the party relying on it. It was held that the Rodeo was to be viewed as prior art, since the design competition was well-known, and since the theme had been 'luggage', it was possible that people from the luggage industry may have attended and seen the Rodeo design. Nevertheless, ultimately the CRD was still valid as it created a different overall impression on the informed user. However, interestingly, Arnold J stated that due to its relative obscurity, the Rodeo would not form part of the design corpus of which the informed user would be aware for the purposes of assessing infringement.

The case also dealt with the often controversial topic of surface ornamentation when assessing design infringement. The CRD did not include any graphical designs on the surface of the suitcase, whereas the Kiddee Case bore a number of designs on its surface. Magmatic held that these should be ignored; PMS felt that they should be taken into account.

Arnold J acknowledged that there was legal precedent in favour of both positions – the approach taken in Procter & Gamble Co v Reckitt Benckiser (UK) Ltd [2007] EWCA Civ 936 (that the CRD is evidently for a shape) was preferred over the court's findings in Samsung Electronics (UK) Ltd v Apple Inc [2012] EWCA Civ 1339 (where it was held that an important feature of the design was the absence of ornamentation, so that the addition of surface ornamentation on the design alleged to infringe could have weight, albeit only slight).

There were brief submissions by both sides in relation to Magmatic's allegation of copyright infringement of the artistic works on the packaging of the Trunki.

> Whilst it was admitted by PMS that the Kiddee Case packaging was inspired by Trunki's and that there were stylistic similarities, it was held that a substantial part of the artwork had not been copied.

### Comment

The case highlights the difficulty of pleading the 'obscure disclosures' exemption when assessing novelty and individual character. It also provides further confirmation that registered design infringement is to be considered primarily within the context of shapes – surface ornamentation on an allegedly infringing design is likely to be taken into account in only exceptional circumstances.

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

# Malaysia Dairy v Yakult
# Interpreting Bad Faith

This was a reference for a preliminary ruling concerning the interpretation of the concept of bad faith; within the meaning of Article 4(4) of Directive 2008/95/EC.

**European law**

Under the heading "*Further grounds for refusal or invalidity concerning conflicts with earlier rights",* Article 4(4) provides:

"Any member state may, in addition, provided that a trade mark shall not be registered or, if registered, shall be liable to be declared invalid where, and to the extent that…(g) the trade mark is liable to be confused with a mark which was in use abroad on the filing date of the application and which is still in use there, provided that at the date of the application the applicant was acting in bad faith."

It is important to note that incorporating Article 4(4)(g) into their national law is at the member state's discretion.

**The facts of the case**

In 1965, Kabushki Kaisha Yakult Honsha (Yakult) obtained, in Japan, the registration for a model or design of a plastic bottle for a milk drink, which was subsequently registered as a trade mark in Japan and a number of other countries including member states of the European Union (EU). Malaysia Dairy (MD) has produced and marketed a milk drink in a plastic bottle since 1977. Following an application filed in 1980, MD obtained the registration as a trade mark of its similar plastic bottle in Malaysia.

Following an application for registration filed in 1995, MD obtained a Danish registration for its plastic bottles as a three-dimensional trade mark. Yakult opposed that registration, relying on the fact that MD knew (or should have known) of the existence of identical earlier marks abroad, of which Yakult was the proprietor at the time that MD's application for registration was filed. For this reason Yakult considered MD to be in breach of Danish law.

In June 2005, the Danish Patent and Trade Mark Office rejected Yakult's opposition. Yakult contested the decision before the Appeal Board, which found in their favour and cancelled the registration. MD then brought an action against that decision at the Danish Maritime and Commercial Court, which agreed with the decision of the Appeal Board to cancel the registration.

MD appealed against this judgment to the Supreme Court. These decisions were made under Danish law, which, in relation to bad faith was not harmonised with EU law. The Supreme Court decided it needed guidance from the Court of Justice of the European Union on this issue. Accordingly, it ordered a stay of proceedings and referred the following questions to the Court of Justice:

**Questions referred for preliminary ruling**

Question 1: Is the concept of bad faith in Article 4(4)(g) an expression of a legal standard which may be filled out in accordance with national law, or is it a concept of EU law which must be given a uniform interpretation throughout the EU?

MD, the Italian Government and the European Commission submitted that EU law must be harmonised throughout member states, whereas Yakult and the Danish Government argued that, since the concept of bad faith is not defined by the Directive, member states are entitled to specify what it means, provided it is compliant with the objectives of that Directive and the principle of proportionality.

The court disagreed with the view of Yakult and the Danish Government, finding that in accordance with settled case law, EU law must be given an independent and uniform interpretation throughout the EU; although it agreed that any interpretation must take into account the context of the provision and the objective of the relevant legislation. It also added that the optional nature of a provision of the Directive did not mean that it did not have to be given a uniform interpretation in those member states where it did form part of national law.

The court held therefore that the concept

**Incorporating Article 4(4)(g) in national law is at the member state's discretion**

of bad faith, within the meaning of the provision, was an independent concept of EU law, and must be given a consistent interpretation throughout the EU.

Question 2: Is knowledge or presumed knowledge of a mark in use abroad at the time that the application, and which may be confused with the mark being applied for, sufficient alone to conclude that the applicant was acting in bad faith?

MD, the Italian Government and the European Commission took the view that it is necessary to take into account all the factors and circumstances of the case, by relying not only on the applicant's objective knowledge, but also its subjective intention at the time of filing. Yakult and the Danish Government on the other hand were of the view that bad faith must be understood as meaning that the fact the applicant knew (or should have known) of the foreign trade mark at the time of filing may be sufficient to establish that the applicant was acting in bad faith. They submitted that the need for predictability of the law should influence such an interpretation.

The court held that in order to determine the existence of bad faith, it is necessary to carry out an overall assessment, taking into account all the relevant factors of the case at the time of filing the application. The fact that the applicant

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*We regularly publish IP case updates and articles between newsletters. This article was first published online in July 2013. For up to the minute IP related articles and news visit www.dyoung.com/knowledgebank*

knew or should have known that a third party was using a confusingly similar sign is not sufficient, in itself, to come to the conclusion that the applicant was acting in bad faith.

> Question 3: Should the Directive be interpreted as allowing member states to introduce specific protection of foreign marks, based on the fact that the applicant knew or should have known of a foreign mark?

MD, the Italian Government and the European Commission took the view that the member atates' freedom to implement the grounds of refusal or invalidity listed in the Directive was limited to merely maintaining or introducing those grounds in their respective legislation, and they were not allowed to add further grounds not listed in the Directive. Yakult and the Danish Government argued in the alternative.

The court concluded that given that the Directive prohibits member states from introducing grounds of refusal or invalidity other than those set out in the Directive, the answer to question 3 must be that member states are not allowed to introduce a system of specific protection of foreign marks which differs form the system established by the Directive and which is based on the fact that the applicant knew or should have known of a foreign mark.

### Comment

As noted above, it is at each member state's discretion as to whether they implement Article 4(4) of the Trade Marks Directive, and the UK has chosen not to incorporate this provision into its national law. Consequently, much of this preliminary reference is not directly relevant to the UK. What is of relevant however is the court's finding on question 3, that member states are not permitted to change the list of grounds for refusal and invalidity, as set out in the Directive. This confirmation may well be useful for the UK courts in the future.

**Author:**
**Claudia Rabbitts**

*Article 05*

# Sky v Microsoft
# Trade Mark Infringement and Passing Off

In British Sky Broadcasting Group Plc v Microsoft Corporation ([2013] EWHC 1826 (Ch), June 28 2013), British Sky Broadcasting Group Plc succeeded in its claims of trade mark infringement and passing off against Microsoft Corporation. Sky also avoided counterclaims of invalidity of its trade marks and allegations of bad faith in relation an allegedly impermissible amendment to the specification of one of Sky's Community trademarks (CTMs).

### Background

Sky sought to prevent Microsoft from using 'SkyDrive' as the name for its cloud storage service throughout the European Union (EU). In addition to passing-off arguments based on the 'classical trinity' of goodwill, misrepresentation and damage, the trademark infringement claims were based on both Section 10(2)(b) and Section 10(3) of the Trademarks Act 1994 in relation to Sky's UK marks, and the equivalent European legislation in relation to its CTMs, being Articles 9(1)(b) and 9(1)(c) of the Community Trademark Regulation (40/94).

The judge, Mrs Justice Asplin, held that the 'Sky' element of 'SkyDrive' was the *"dominant element of the sign"*. This meant that the average consumer would consider the 'Sky' part as "fulfilling a trademark function" on its own, as opposed to just forming a "composite part" of the SKYDRIVE mark as whole. On this basis, the judge found that the average consumer, here being "a reasonably well informed and reasonably observant user of broadband internet services", would have been likely to confuse the SkyDrive product as belonging to Sky.

It was noted that 'SkyDrive' was used predominantly by itself in advertising and use, often with no reference to its Microsoft connection. However, the judge's findings of infringement and passing off were also confirmed in relation to 'SkyDrive' in the form of Windows Live SkyDrive or Microsoft SkyDrive, as well as 'SkyDrive' appearing on its own.

It was held that *"damage is inherently likely where frequently the customers of a business wrongly connect it with another... [which] is clear from the very fact that the callers to the Sky helpline who were enquiring about SkyDrive were having serious difficulties with the product which they believed to be connected with Sky"*. The proof of actual confusion supporting Sky's claims was certainly very helpful for the claimant and this was highlighted by the judge, who noted that such evidence is a rare occurrence. Further, the judge accepted that the examples of confusion provided may have only been the tip of iceberg, as the call recordings from Sky's customer help centre were kept only for six months.

Sky was also able to demonstrate *"a link"* in the mind of the average consumer, as required by Section 10(3) of the Trade Marks Act 1994, between the SkyDrive sign and Sky's trademarks, with the judge stating that there was a *"serious risk of loss of distinctiveness in the sense of 'dilution, whittling away or blurring' in the minds of average, reasonably informed consumers of the goods and services for which the mark is registered"*. Dilution of Sky's reputation was established on, among other things, unchallenged evidence of apps developed by third parties to enable use of SkyDrive, with names such as Sky Manager, Sky Wallet and Sky Player.

The judge was dismissive of both of Microsoft's counterclaims, in particular in relation to the alleged descriptiveness of 'Sky', where she stated that there was not a: *"sufficiently direct and specific relationship between the sign and the goods or services in question to enable the public immediately to perceive, without further thought, a description of the goods and services in question or one of their characteristics."*

Microsoft was planning on appealing this decision, however it has since announced its intention to re-brand its SkyDrive service, having "reached a resolution" with Sky on 31 July 2013. Sky has issued a statement that they *"will remain vigilant in protecting the Sky brand"*.

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

A previous version of this article first appeared in WTR Daily, part of World Trademark Review, 10 July 2013. For further information, please see *www.worldtrademarkreview.com.*

## And finally...

# UK Lookalikes
# Present and Future

The impact of lookalikes within the FMCG market is discussed in a recent report commissioned by the UK Intellectual Property Office (UKIPO): *www.ipo.gov.uk/ipresearch-looklikes-310513.pdf*.

"Passing off" is the primary means by which brand owners combat lookalikes in the UK, and requires customer confusion as a matter of fact, which is notoriously difficult to prove. Coupled with the budgetary constraints on enforcement actions by the OFT and Trading Standards, protection from lookalikes has long been deemed inadequate.

The Unfair Commercial Practices Directive(UCPD) aimed to harmonise unfair trading laws in the EU and prohibits trading practices that treat consumers unfairly. In the UK, the UCPD was implemented in the Consumer Protection from Unfair Trading Regulations (CPRs), yet despite recommendations from organisations such as the British Brands Group, the CPRs did not include a private right of action. The concern was that such an action may adversely impact the law of misrepresentations and may open the floodgates of litigation. In the Republic of Ireland however, where the legal system is similar to the UK's and implementation of the UCPD did include a private right of action in relation to injunctions (but not damages, thus reducing the number of actions), just three cases based on a private right of action have been brought.

The report presents several suggestions from brand owners to prevent lookalikes, including:

- the enactment of unfair competition law
- the creation of a right based on the 'overall impression' of a product
- the introduction of a private right of action action (potentially necessitating an associated disclosure requirement describing how the packaging is generated)
- extending the approach in L'Oreal v Bellure to lookalike packaging cases.

The report confirmed the existence of a 'lookalike effect' and suggests that the UCPD may already cover situations where the get-up of a lookalike is confusingly similar (a misrepresentation) and is connected to the promotion, sale or supply of products to the consumer. If so, then, as member states are precluded from legislating beyond the scope of the UCPD, they could not introduce new legislation to cover this type of situation. However, there may be scope for new legislation where the misrepresentation involves business-to-business transactions, ie, between the manufacturer and wholesaler.

The UK might consider a properly constituted private right of action based on the facts that the floodgates were not opened in Ireland and that such a right would not alter the (un)lawfulness of existing lookalikes.

Read a more detailed version of this article at *www.dyoung.com/article-issueoflookalikes0713*

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## All our email addresses have updated to .com

Our main incoming email address is now **mail@dyoung.com**. Please update your records to guarantee receipt of our email communications.