

D YOUNG & CO TRADE MARK NEWSLETTER *no.129*

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Battle of the budget badges *Lidl v Tesco*



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We hope you find this summer edition of our newsletter of interest. Having reached the mid-point of the year we are highlighting that there are now only six months remaining until the UKIPO will insist on a UK address for service where new contentious proceedings are launched against a UK comparable trade mark or re-registered design. We strongly recommend taking action on this point sooner rather than later (more on this on page 4).

We look forward to catching up with clients and colleagues at IP events over the coming months - do get in touch if you would like to meet with us. Details of events we are involved in are below and on our website.

Finally, we are very pleased to welcome new Associate Solicitor Phil Leonard to the team. We wish all of our readers a very happy summer ahead!

Richard Burton
Partner, Trade Mark Attorney

Events



IPO Annual Meeting

Boston, USA, 10-12 September 2023

Trade mark partner Jackie Johnson (member of the International Trademark Law and Practice Committee) and patent partners Garreth Duncan and Nicholas Malden will be attending the 2023 IPO Annual Meeting.

MARQUES

Berlin, Germany, 19-22 September 2022

Trade mark partners Matthew Dick, Anna Reid, Jana Bogatz and Gabriele Engels will be attending the MARQUES conference.

www.dyoung.com/events

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Battle of the budget badges

Lidl v Tesco

Lidl has succeeded in its claim to trade mark infringement, copyright infringement and passing off in its word and wordless blue and yellow logo (figure 1 below) in relation to Tesco's use of the blue and yellow Clubcard Prices logo (figure 2 below):



Figure 1: Lidl's word and wordless blue and yellow logo



Figure 2: Tesco's blue and yellow Clubcard Prices logo

Background

Lidl has been using the Lidl & logo (figure 1, top left) version of the mark since 1994, and while the standalone wordless (figure 1, top right) version of the mark has never been used in the UK it has been registered here since 1995. Tesco began using its own logo (figure 2, left and right) in 2020, in relation to the Tesco Clubcard loyalty scheme to promote discounts for Clubcard holders at the point of sale, in signage and advertising. Despite Lidl's requests for this use to cease Tesco carried on.

Lidl instigated High Court proceedings claiming trade mark infringement, copyright infringement and passing off. Tesco counterclaimed for revocation on the grounds of non-use. It also sought a declaration of invalidity of the wordless mark on the grounds that it lacked distinctive character and on bad faith grounds based on the fact it had never been used, Lidl had no intention to use it, and had "evergreened" by regularly re-applying for the trade mark for a very broad range of goods and services.

The decision

Trade mark infringement under section 10(3)

Lidl was successful in its claim showing that it enjoys a sufficient reputation in both the word and wordless versions of the mark (despite never having used the wordless version in the UK), and notably that the Lidl and Clubcard logo marks were considered visually similar despite the different wording (or lack of). Lidl were able to show that consumers understood the wordless mark in itself to be distinctive of Lidl as a brand, despite never having been used in the wordless form. This may have impact on future "lookalike" cases, where there is similar get-up and livery but completely different verbal branding. However, the survey and witness evidence submitted by Lidl went a long way to establishing that the average consumer would make a link between the marks at issue. It is certainly not a given that future cases will automatically follow this judgment.

Passing off

Lidl succeeded in its claim by showing that it had the necessary goodwill in the marks (based on the evidence already adduced in the trade mark claims), and that a substantial proportion of consumers would be deceived by the Clubcard signs and believe that Tesco's Clubcard price is the same as or lower than Lidl's price for equivalent goods. Since this was not the case, Lidl had suffered damage, not because the consumer believed there to be a connection between the parties, but because they would lose sales due to a lack of price comparison by consumers. This "misrepresentation by equivalence" amounted to passing off.

Copyright infringement

The judge found that copyright existed in the combination of the yellow circle within a blue square (with the Lidl word mark within the yellow circle), and that Tesco had copied a substantial part of this when creating the Clubcard logo. Tesco was unable to provide an explanation for the similarity between the marks – the fact that it did not call any witnesses from its external design agency led the court to draw adverse inferences. Therefore the copyright infringement claim was also successful.

🔍 **Case details at a glance**
Jurisdiction: England & Wales
Decision level: High Court
Parties: Lidl Great Britain Ltd and Lidl Stiftung & Co KG v Tesco Stores Ltd and Tesco Plc
Citation: [2023] EWHC 873 (Ch)
Date: 19 April 2023
Decision: dycip.com/lidlvtesco

Lidl was successful in its claim to trade mark and copyright infringement and passing off



The importance of good evidence, and in particular survey evidence and “Vox Populi”

The “vox pop” evidence was a collection of feedback spontaneously volunteered by consumers to Lidl and Tesco when the Tesco campaign using the Clubcard logo went live, which appears to have been gathered through a very meticulous and thorough search of social media posts. As it was spontaneous feedback rather than specifically conducted survey evidence it seems to have been especially persuasive for the judge. However, the YouGov Survey evidence adduced by Lidl was also impressive. When shown the wordless Lidl mark and asked the question “What do you think this image is?” 73% of responses mentioned Lidl alone. This went a long way to proving the wordless logo is a distinctive identifier of Lidl, despite the mark never having been used *per se* in the UK.

Without this evidence the result may have been quite different. It may therefore be possible to overcome a party’s understandable reluctance to rely on survey evidence where it is well constructed and carefully conducted.

The intention of the trade mark owner at the time of filing

If you have no intention to use a mark at the point of filing it can still amount to a bad faith filing even if you go on to use it. Therefore, it is important to be able to justify your intentions by keeping records that could be disclosed in later proceedings if a filing is challenged. Trade mark owners should also be wary of “over-filing”, either in terms of classes or different versions of a mark. In addition, the issue of evergreening, where brand owners seek to re-register their marks every few years in order to avoid a non-use revocation action, should not be undertaken as a matter of course without consideration of a potential bad faith claim.

Unsurprisingly, Tesco has sought permission to appeal the decision. The battle of the badges may not yet be over.

Author:
Kate Cheney



Counterclaim

Tesco failed in its non-use claim of the wordless logo, as the judge held that use of the word logo supported registration of the wordless logo, noting in fact that the wordless logo itself functions as a brand (as shown through the evidence submitted). However, it did succeed in relation to the invalidity actions based on bad faith.

The judge asserted that Lidl needed to adduce positive evidence of an intention to use the wordless logo at the time the first trade mark application was filed (1995). Unsurprisingly, given the passage of time and changes in personnel, Lidl could not do this and therefore could not prove the relevant good faith. Accordingly, the judge held that the first registration was filed as a legal weapon, and that the subsequent three registrations (filed in 2002, 2005 and 2007) were intended as “evergreening rights”.

The bad faith claim based on intent at the time

of filing was successful despite the finding that the wordless mark had been extensively used. The latest filing for the wordless mark (in 2021) was found not to have been in bad faith owing to the significant eleven year gap between the respective filing dates, and evidence from Lidl that it believed it was genuinely using the wordless mark by this stage.

Important points for the shopping basket

Since its handing down back in April 2023, there have been many comment pieces on the importance of this decision for brand owners wanting to take action against copycat products. In our view, while this may be a valid argument to some extent (based largely on any reputation in earlier registered rights for logo/device marks), the decision is very fact-specific and should not be taken as opening the floodgates to successful claims in other lookalike cases.

In our view the most crucial aspects of the decision are as follows.

Awards and appointments New Associate Solicitor hire and Best Lawyers

Awards and appointments July 2023



We are delighted to announce that Partner and solicitor Tamsin Holman once again features in Best Lawyers in the UK 2024 and Senior Associate and Rechtsanwältin Yvonne Stone is recognised in Best Lawyers Ones to Watch in Germany 2024. Partner and Rechtsanwältin Gabriele Engels, who joined us in May, is also recognised in Best Lawyers in Germany 2024.

Best Lawyers lists have used peer review methodology for more than forty years to capture the consensus opinion of leading lawyers about the professional abilities of their colleagues within the same geographical area and legal practice area. We are delighted that Tamsin, Gabriele and Yvonne have been highlighted by Best Lawyers as distinguished IP legal professionals.



The D Young & Co trade mark department continues to grow in response to client demand and we are delighted to welcome solicitor Phil Leonard to the team.

Phil joins our London office as an Associate and brings broad soft-IP experience that includes confidential information in the financial services industry, trade marks in the sportswear sector, design rights as they relate to gaming accessories, and copyright in software. We are pleased to have Phil on board and wish him well in his new role!

www.dyoung.com/newsletters

UKIPO procedure

Six months to go! UK address for service required from 01 January 2024

From 01 January 2024, the United Kingdom Intellectual Property Office (UKIPO) will require a UK address for service where new contentious proceedings are launched against a UK comparable trade mark or re-registered design. Failure to provide a UK address may result in a loss of rights.

1. What is an comparable trade mark and re-registered design?

On 01 January 2021, the UKIPO created a comparable (cloned) UK trade mark and re-registered design for every registered EU right. These have the same legal status as if you had applied for and registered them under UK law. They are fully independent rights that can be challenged, assigned, licensed or renewed separately from the original EU trade mark and registered Community design. Over two million UK rights were created based on EU rights. However, the Withdrawal Agreement between the UK and EU meant that the UKIPO could not necessitate a UK address for service for three years, until 01 January 2024.

2. In what circumstances will a UK address for service be required?

From 01 January 2024, the UKIPO (in accordance with Tribunal Practice Notice 2/2023) will require a UK address for service where new contentious proceedings are launched against a UK comparable trade mark or re-registered design. These proceedings include:

- oppositions.
- invalidations.
- rectifications.

Upon receipt of an application to invalidate, revoke or rectify a comparable trade mark or invalidate a re-registered design without a UK address for service, the UKIPO will direct the registered proprietor by post to appoint a UK address for service.

3. What is the effect of not providing a UK address for service?

Failure to provide a UK address for service may be construed as the registered

proprietor not contesting the action and so may result in the registration being declared invalid, revoked or rectified. In other words, failure to respond could be fatal for those trade mark and design rights.

4. What is the deadline to record a UK address for service?

Where the UKIPO directs a holder to file an address for service, the holder will only have one month beginning with the date of the direction to do so. The request will be sent by post, which may leave little or no time to respond.

5. Who will be sent the direction to file a UK address for service?

The notification will be posted to contact details available to the UKIPO at that time. Where representative details are available, they will be used in preference to the registered proprietor's address.

6. Will anything automatically happen to a comparable trade mark or re-registered design that has no UK address for service on 01 January 2024?

UK comparable trade marks and re-registered designs with no UK address for service will remain registered after 01 January 2024. Whilst it is not mandated to appoint a UK address for service until contentious proceedings arise, it is certainly beneficial.

7. What is our recommendation?

To avoid any potential loss of rights, D Young & Co LLP strongly recommends listing our firm as address for services against any comparable UK trade marks and re-registered designs that do not currently have a UK address for service as soon as possible, and, in any event, prior to **01 January 2024**. We ask that any instructions are sent to us sooner rather than later to ensure that these are dealt with well in advance of the changes taking effect.

Authors:

Richard Burton & Sophie Rann



Useful link

Tribunal Practice Notice 2/2023:
dycip.com/tribunalpracticenotice22023

Jack & Victor knocks back Jack Daniel's Underdog wins whisky/whiskey dispute

Case details at a glance

Jurisdiction: United Kingdom

Decision level: UKIPO

Parties: Jack & Victor Ltd v Jack

Daniel's Properties Inc

Citation: O/0453/23

Date: 15 May 2023

Decision: dycip.com/jackvictorjackdaniels

The well-known whiskey company, Jack Daniel's, has failed in its recent attempt to oppose a UK trade mark application for the mark JACK & VICTOR (the application), filed in respect of the whisky brand of the same name, which takes its name from the main characters in the popular Scottish sitcom "Still Game".

The background

Greg Hemphill and Ford Kiernan are directors of Jack & Victor Ltd (the applicant) and are also the lead actors in Still Game. In 2021 the pair launched a whisky brand, JACK & VICTOR, named after their characters in the show. In March 2021 the applicant filed a UK trade mark application for the mark JACK & VICTOR in respect of a number of alcoholic beverages, including Scotch whisky, as well as associated drinking vessels and distillation, retail, packaging and delivery services in respect of the relevant goods.

The opposition

The application was opposed by Jack Daniel's, which pleaded a likelihood of confusion, reputation and passing off. As regards a likelihood of confusion, Jack Daniel's relied on a number of earlier marks but later accepted that its best case under this ground rested in its JACK, JACK DANIEL'S and JACK ROCKS marks. Reputation was pleaded in respect of the JACK, JACK DANIEL'S and GENTLEMAN JACK marks, and passing off was pleaded in relation to the JACK and JACK DANIEL'S marks.

Preliminary issue: specification amendment

In December 2022, the applicant limited the specification of its application in classes 33, 35, 39 and 40 to exclude bourbon, Tennessee whiskey, rye whisky and whiskey, although a preliminary finding held that the limitation was unacceptable for various reasons and it was therefore disregarded for the purposes of the opposition.

The decision

Despite varying degrees of similarity being found between the marks as regards a likelihood of confusion, and even identity/similarity as regards some of the goods/services, it was held that the marks were just not similar enough to

Jack Daniel's was unsuccessful on all grounds pleaded



create a likelihood of confusion or association.

Turning to reputation, although it was held that JACK DANIEL'S, JACK and GENTLEMAN JACK all had a reputation at least in respect of whisky, it was held that the average consumer would not make a link between the application and either of the JACK DANIEL'S or GENTLEMAN JACK marks. Although the required link was found between the marks JACK and JACK & VICTOR, it was held that the evidence did not show any subjective intention on the part of the applicant to take unfair advantage of Jack Daniel's earlier mark. Jack Daniel's claim of detriment to reputation also failed on the basis that it was entirely speculative. As regards distinctive character, Jack Daniel's claimed there was no evidence in the proceedings that "the element JACK" is used by other parties in the context of alcoholic beverages/related goods, however, this was slightly undermined by its own survey evidence which included reference to both "Frosty Jack's" and "Scrumpy Jack": this ground therefore also failed.

Finally, as regards passing off, Jack Daniel's was found to have acquired relevant goodwill in relation to the marks JACK DANIEL'S and JACK. However, it was held that there would be no misrepresentation to support a claim of passing off; in the case of JACK DANIEL'S, the differences between the marks were just too great. In relation to JACK, which had a lesser reputation/goodwill, the public was unlikely to be mistaken into believing that the contested mark was a development of Jack Daniel's brands.

Jack Daniel's was therefore unsuccessful on all grounds pleaded.

Comment

It appears that Jack Daniel's may be appealing the decision. It is up for debate whether a registration for, for example, "JACK & Coke" as is often used when ordering, for example, a "Jack and Coke", would have resulted in a different outcome (albeit Jack Daniel's would largely be relying on consumers to use the mark on its behalf). In any event, this decision serves as a timely reminder that being the owner of a well-known brand does not necessarily guarantee success in a trade mark dispute.

Author:

Olivia Oxtan



In short

This case is a reminder that being the owner of a well-known brand does not necessarily guarantee success in a trade mark dispute. It also prompts a debate about creative trade mark applications, assuming there is the requisite intent to use (at least in the UK), which can be powerful tools in a brand owner's enforcement arsenal. Survey evidence remains a challenge in UK proceedings, particularly if it reveals aspects that are damaging or contradictory to the surveying party's case.

Google Ads and meta tags

CJEU assesses jurisdiction and consumer targeting

🔍 Case details at a glance

Jurisdiction: European Union

Decision level: CJEU

Parties: Lännen MCE Oy and Berky

GmbH and Senwatec GmbH & Co KG

Citation: C-104/22

Date: 27 April 2023

Decision: dycip.com/watermaster

Under Article 125(5) of the European Union Trade Mark Regulation (EUTMR) an EU trade mark proprietor can bring an infringement action before an EU trade mark court of the member state where the act of infringement is committed or threatened. However, this can become difficult in cases of online advertisements.

The Court of Justice of the European Union (CJEU) has now expanded on previous case law, providing a number of different factors which can play into the assessment of whether there is a sufficient connecting factor between the infringing act and the member state.

Background

The plaintiff, Lännen, owned an EU trade mark for WATERMASTER, which was registered and used for amphibious dredgers.

Lännen sued two defendants before a Finnish court alleging that the acts of online infringement took place in Finland. Both defendants challenged the international jurisdiction of the Finnish court claiming that they didn't target the Finnish market or sell their products in Finland.

The burden of proof

As a starting point, the CJEU confirmed that to establish jurisdiction of a particular member state under Article 125(5), the plaintiff need only show evidence which gives rise to "a reasonable presumption" that acts of infringement may have been committed or threatened within the territory.

The infringing acts

The first defendant, Senwatec, purchased Google Ads so that if you searched WATERMASTER on google.fi with a Finnish IP address Senwatec's advert would show up, which read "watermaster multipurpose amphibian dredgers – senwatec.de".

On the defendant's German website that the ad directed to, there was a map and list of countries in which the defendant claimed to be active, but Finland was not on the list.

For the first claim, the CJEU found that paying for Google Ads on google.fi was a sufficient connecting factor giving rise to an action in Finland, regardless of whether Finland was explicitly listed as a territory the defendant supplied.

The plaintiff alleged a second defendant, Berky, was infringing WATERMASTER by using it as a meta tag on the photo-sharing platform flickr.com for images of Berky's machines. Here, a search on google.fi for "watermaster amphibious dredger" produced a link to Berky's images on flickr.com as an organic search result. The result and images did not contain any geographical reference.

For the second claim, the CJEU confirmed that the natural referencing of images of its goods (via a keyword or meta tag) on an online photo-sharing service, under a generic top-level domain (like flickr.com), is not sufficient as a connecting factor. Flickr had a generic top-level domain (TLD), which suggested it was not intended for the public of any specific EU member state, and the meta tag was instead intended to enable search engines to identify the images.

The judgment assists in providing a non-exhaustive list of factors to assess

whether activity is directed to a particular EU member state, including:

- The international nature of the activity.
- Use of a language or currency other than those used in the EU member state where the business is established.
- Mention of telephone numbers with an international code.
- Paying an internet referencing service to facilitate access to the business's website (in this case Google Ads).
- Use of a top-level domain name other than that of the member state in which the business is established.
- Mention of an international customer base composed of customers domiciled in various member states.

Comment

The key takeaway is that infringements in the form of online advertising and online product offers are committed where the targeted consumers are located, so care should be taken to determine at whom the advertising and offers are directed.

Pay particular attention to whether the online advertisement or offer for sale is made through a national top-level domain of a specific member state (for example, Google.fi) as opposed to a generic top-level domain (for example, Flickr.com).

Paid referencing on a search engine website, using the national top-level domain of a member state, can be an infringement in that territory, regardless of whether the member state is expressly listed by the defendant as a territory it supplies.

Notwithstanding the above, it is not a sufficient connection where the allegedly infringing act involves natural referencing of images of a defendant's goods (via a keyword or meta tag) under a generic top-level domain.

Author:
Abigail Macklin



Trade marks for true-to-life toy cars and buildings

German Supreme Court confirms no infringement

👉 Case details at a glance

Jurisdiction: Germany

Decision level: Federal Supreme Court

Parties: Dachser SE v Gebr. Faller GmbH

Citation: I ZR 86/22

Date: 12 January 2023

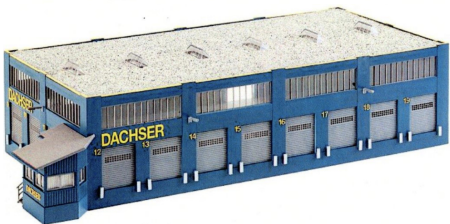
Decision: dycip.com/dachser

The plaintiff, DACHSER SE, a logistics company, is proprietor of the German trade marks DACHSER and DACHSER Food Logistics, covering in particular logistic and transport services (see below):



These trade marks are, *inter alia*, used on trucks and warehouses.

The defendant is a German toy model company, offering a model truck which is a true-to-life replica of the DACHSER trucks and a model warehouse (see below).



The model warehouse is not a true-to-life replica, however, it has certain characteristics that are common for the DACHSER's warehouses, in particular, the display of the trade mark on the building. In the first instance, the District Court of Cologne granted the claims for trade mark infringement and also confirmed reputation. The Higher Regional Court of Cologne, however, overruled the decision, refusing a trade mark infringement and infringement of German unfair competition law, whereby it was left open whether DACHSER could rely on reputation.

Decision

DACHSER's appeal to the German Federal Supreme Court (Bundesgerichtshof – BGH) was unsuccessful. The court ruled that

there was no likelihood of confusion, since the goods (model cars) and (logistic and transport) services covered by DACHSER's trade marks were dissimilar. Remarkably, the German Federal Supreme Court indicated that even if DACHSER's trade marks covered toy models there would still be no likelihood of confusion, since in the toy industry there is a long standing custom of selling true-to-life replicas. German consumers would be accustomed to such replicas and not perceive the signs on them as indications of origin, but merely as part of the replica itself. Therefore, there would be no impairment of DACHSER's trade marks (see Opel Blitz II, I ZR 88/08).

Though DACHSER could rely on reputation and the defendant was taking advantage of this reputation, these claims were denied. It is not considered "unfair" in mere true-to-life replicas if a party does not attempt to use the reputation of the trade mark in another way, for example, for advertising the models bearing the trade marks.

These principles also apply to service marks. Even if the warehouse is not an identical, true-life replica this does not constitute an unfair exploitation. Consumers are aware that buildings regularly vary due to location, yet they will still recognise the replica as a typical DACHSER warehouse with its characteristic features.

Claims based on unfair competition law were also denied, since consumers were not confused about the identity of the manufacturer.

Previous case law

1. Court of Justice of the European Union (CJEU) in Adam Opel

In its decision Adam Opel (case C-48/05), the CJEU ruled that use of the sign on the toy model could also constitute an infringement of the trade mark registered for motor vehicles. It was for the national court to decide whether (in the absence of identity or similarity of the goods concerned) the distinctive character or repute of the trade mark registered for motor vehicles is taken advantage of or impaired by the use of the sign on vehicle models.

Further, the CJEU stated that the affixing of a trade mark on a true-to-life replica does not serve as an indication concerning a characteristic of these replicas. Rather, the trade mark is merely a part of the faithful reproduction of the original vehicle.

2. German Supreme Court in Opel-Blitz II

In Opel-Blitz II, following the CJEU's judgment, it was held that using a well-known car manufacturer's trade mark on a toy replica only constitutes an exploitation of reputation "in an unfair manner" if there are further aspects, for example, efforts to use the trade mark's reputation for advertising or anything beyond the mere use as a true-to-life replica.

These considerations do not *per se* contradict the CJEU's ruling, since German consumer's expectations of replicas as well as the long-standing customs allow for such a justification.

Author:

Gabriele Engels



In short

The German Federal Supreme Court confirmed the legal principles previously set out in Opel-Blitz II. It extended these principles of faithful true-to-life replicas to the use of services marks and to warehouses as models. However, this begs the question of whether this perception has changed or is still the same.

Yet, these principles are limited to trade mark and unfair competition law claims, whereas replicas can also constitute design or copyright infringements.

Stitch incoming TikTok loses UK High Court appeal

Case details at a glance

Jurisdiction: United Kingdom

Decision level: High Court

Parties: Stitch Editing Limited v TikTok

Information Technologies UK Limited

Citation: 17 May 2023

Date: [2023] EWHC 1167 (Ch)

Decision: [dycip.com/stitchededitingvttiktok](https://www.dycip.com/stitchededitingvttiktok)

TikTok Information Technologies UK Ltd successfully challenged Stitch Editing's application for the word mark STITCH in an opposition before the UK Intellectual Property Office (UKIPO). The UK High Court disagreed with the hearing officer's assessment and allowed the appeal.

Background

Stitch Editing applied to register the STITCH word mark for various class 41 services, including music, video & TV editing, production/post-production services, as well as the provision of advice and information for music, video & film concept, and script development.

Claiming that the word "stitch" refers to the joining together of media in various contexts, TikTok persuaded the UKIPO that the application should be refused under sections 3(1)(b), (c) and (d) of the Trade Marks Act 1994, due to its non-distinctiveness, descriptive meaning, and common use.

The opposition succeeded in its entirety.

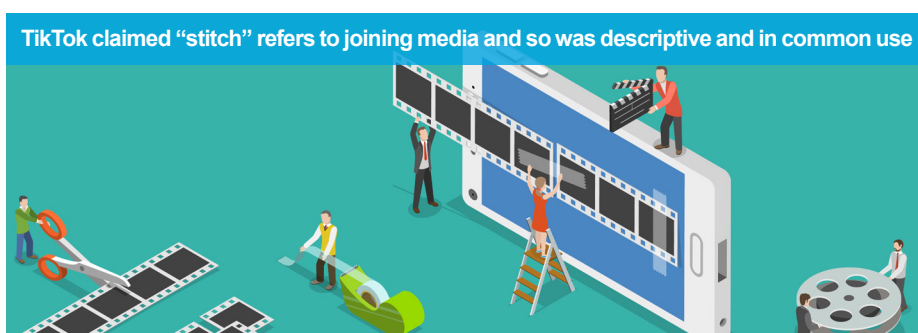
Appeal

On appeal, Stitch Editing argued that:

- the hearing officer had erred in treating all services in the same way, making no attempt to consider each separately;
- "stitch" doesn't describe a particular kind of film and video production service, but a potential technique which might be used in the course of providing that service (if editing is involved); and
- there was an unaddressed question of whether a word descriptive of a technique within a service (or a word which is associated with a service) could be treated as being descriptive of that service *per se*.

Flawed findings

Sir Anthony Mann, sitting as a High Court judge, indicated that reasons for judgment can always be better expressed, and an appeal court should not subject a judgment to narrow textual analysis (as discussed in *Volpi v Volpi*). However, it was not clear how the hearing officer applied her finding about



the meaning of the word "stitch" to **each** of the class 41 services covered by the application. The opposition decision did not explicitly state that the average consumer would understand the mark STITCH as describing the activities of each of the services in the specification.

The hearing officer also did not specify whether the mark was descriptive of those services as a whole or if it was descriptive of characteristics that the relevant services may optionally possess. This was important, as certain services did not contain an obvious "stitching" element (for example: providing advice and information for music, video and film concept and script development).

Accordingly, the judge found that the hearing officer's section 3(1)(c) Trade Marks Act finding, in respect of descriptiveness, was flawed. Since the descriptiveness was linked to the hearing officer's subsequent evaluation of the application's non-distinctiveness, the High Court found that the section 3(1)(b) Trade Marks Act opposition ground also needed to be revisited.

In respect of the section 3(1)(d) Trade Mark Acts ground, the hearing officer had been satisfied that TikTok's evidence showed the word "stitch" as being customary language in the photography, audio and video editing sector, including in the language of patent applications in those fields. However, the High Court found that the hearing officer failed to apply the section 3(1)(d) test to each of the individual services in the opposed specification.

Treatment of evidence

The High Court was also critical of the hearing officer's approach to the applicant's evidence of acquired distinctive character. The evidence

had been set out without much commentary on its relevance or significance, and the hearing officer focused on only some of the factors that Stitch Editing had relied on. For example, she focused on some awards as being indicative of market share, whereas that evidence had in fact been submitted to demonstrate the existence of a link between the STITCH brand and the relevant services. Overall, the hearing officer did not approach the evidence in the right light.

But not all is lost for TikTok: the High Court remitted the opposition to the UKIPO for a fresh determination.

Author:

Agnieszka Stephenson



In short

Successful appeals from the UKIPO are rare. Appellants are often faced with an upward battle: an appeal is a review of the first instance tribunal's decision, not a re-hearing of the dispute, which can be problematic where multifactorial and inherently evaluative assessments are involved. With this in mind, it is worth noting the judge's comments about the hearing officer's treatment of evidence and the court's approach to the section 3(1)(c) Trade Marks Act test.

D YOUNG & CO INTELLECTUAL PROPERTY

And finally...

CITMA / IP in the UK

Unregulated representatives Evidence of harm and a call for investigation

The Chartered Institute of Trade Mark Attorneys (CITMA) is calling for urgent action from the UK Government to tighten the rules relating to representation. CITMA has written to the UK Intellectual Property Office (UKIPO) outlining the harm that unregulated representatives are doing to UK businesses.

In the report, CITMA says “Our system is coming under strain”. Having launched the campaign in October 2022, CITMA had warned of the scale of the problem and the serious impact it was having on the profession.

Referring to the recent findings of a survey of CITMA members, the report confirms that 72% of UK Chartered trade mark attorney respondents had seen clients face increased costs over the past three years as a result, 85% reported needless and unnecessary complications as a result of the activities of unqualified representatives, and 93% of

respondents agreed that the UKIPO needs to take action to address the issue.

CITMA President Rachel Wilkinson-Duffy said “Our survey... shows the problems that occur when unregulated representatives hold themselves out to be experts.” CITMA has since confirmed that it is actively engaging with the UKIPO on the matter.

Noting the recent tightening of rules in the USA and stricter rules in the European Union (which no longer apply in the UK), it is striking that the issues have become ever more apparent over recent months. However, this is an issue that can be dealt with relatively straightforwardly, by adopting the position set out by CITMA and tightening the rules to ensure that the UK retains its reputation as having a world-class and envied IP system.

We are keenly monitoring the situation for further developments.

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Useful link

UKIPO Tribunal Practice Notice (2/2023):
dycip.com/CITMAunregulatedrepresentatives

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