

D YOUNG & CO TRADE MARK NEWSLETTER *no. 125*

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Following news in our September newsletter that Olivia Oxtan, Christa Dory and Anna Scheuermann recently joined our London and Munich offices, I am very pleased to welcome two new Chartered Trade Mark Attorney members to the team, this time in our Southampton office. Kate Cheney has worked at several leading firms in private practice for over 20 years and joins as a Senior Associate. Rachel Pellatt has a background in both in-house and private practice, across a range of sectors, and joins as an Associate. Both Kate and Rachel bring their considerable experience of commercial trade mark matters helping to strengthen our group.

Writing this editorial during a busy week at the INTA Leadership Meeting in Miami, accompanied by colleagues Tamsin Holman and Jana Bogatz, it has been exciting and inspiring to meet with old friends and new from around the world, gathered in a wonderful location. As the meeting draws to a close and the flights home beckon, we continue to appreciate these opportunities for face-to-face discussions and networking. There is no substitute. We will keep you updated in these newsletters with regard to events coming up in 2023 - do get in touch if you would like to meet any of our team.

Jeremy Pennant
Partner, Trade Mark Attorney

Events



INTA 2022 Leadership Meeting
Miami, Florida, USA, 15-18 November 2022
D Young & Co partners Tamsin Holman, Jeremy Pennant and Jana Bogatz, will be attending the International Trademark Association's Leadership Meeting in Miami, Florida.

www.dyoung.com/news-events

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Passing off / get up

Battle of the bottles Packaging dispute shows importance of early protection

On 16 September 2022, in a rare passing off claim based only on rights in the get-up and appearance of a bottle, as opposed to in any word or figurative marks, Mr Justice Mellor refused to grant Au Vodka an interim injunction against NE10 Vodka and Leon Hogan, NE10's founding director. Instead, on application by NE10 Vodka, the court struck out part of Au Vodka's claim against Mr Hogan and ordered an expedited trial.

The background

Au is a premium vodka brand which launched in 2015, but with notable success since 2019 when it launched a range of flavoured vodkas. Au Vodka's annual revenues have now surpassed £40 million and the brand has received numerous celebrity endorsements.

Au's vodka range (pictured below left) is sold in gold metallic bottles, with a label plate near the top of the bottle bearing the mark Au⁷⁹, with a smaller label plate towards the base of the bottle displaying the flavour and other information. Each bottle has a different coloured cap depending on the flavour.



NE10 Vodka was launched in August 2022, at which time Mr Hogan, who is also the owner of four bars and restaurants in Swansea, was sole director/majority shareholder of the company. NE10 Vodka (pictured above right) is also sold in metallic bottles, though with a different coloured bottle (silver, blue or pink) depending on the flavour; notably, the range features no gold bottle. Within two weeks of NE10 Vodka's launch, following some preliminary correspondence, passing off proceedings were issued by Au Vodka alleging that the get up of NE10 Vodka's bottles was deceptively similar.

The applications

At the recent hearing, Au Vodka was applying for an interim injunction against the defendants to restrain the marketing and sale of NE10 Vodka. The defendants were also seeking strike out of the claim against Mr Hogan, which was brought against him for his own acts as well as being jointly and severally liable for NE10 Vodka's acts.

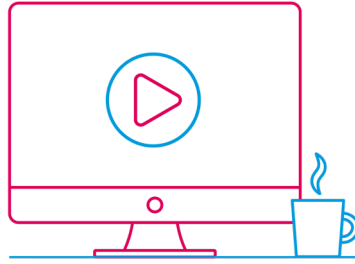
The law

In determining whether to grant an interim injunction the "American Cyanamid" criteria are relevant. Although the purpose of these criteria is to avoid a mini-trial pending the actual trial, the judge noted that where the underlying cause of action is passing off, previous case law has shown that an assessment of the merits is unavoidable as there is an intrinsic link between the existence of a misrepresentation and the risk of causing irreparable harm to a claimant's goodwill.

In *American Cyanamid Co v Ethicon Ltd*, the Court developed guidelines to establish whether an applicant's case merited the granting of an interim injunction. These can be summarised as:

- Is there a serious question to be tried?
- Where does the balance of convenience lie? This question to include consideration of whether damages would be an adequate remedy for:
 - the claimant(s) if an interim injunction was not granted (if so, an interim injunction should not normally be granted assuming the defendant(s) could pay); and/or
 - the defendant(s) if an interim injunction was granted (if not, an interim injunction is unlikely to be granted).
- If other factors are finely balanced, the status quo should be maintained; and
- If the balance of convenience favours neither party the relative merits of the parties' respective claims may be taken into account.

> Related webinar



We've published a short "bite-sized" webinar about this decision that you can access on demand at: <https://www.dyoung.com/en/webinars/au-vodka-v-ne10-vodka>

> Case details at a glance

Jurisdiction: England & Wales

Decision level: High Court

Parties: Au Vodka Limited (claimant)

and (1) NE10 Vodka Limited and

(2) Leon Hogan (defendants)

Date: 21 September 2022

Decision: <https://dycip.com/au-vodka-ne10-vodka>

In relation to passing off, the classic trinity derived from *Reckitt & Colman Ltd v Borden Inc* (commonly referred to as the "Jif Lemon" case) is relevant: the claimant must establish goodwill, misrepresentation, and damage to succeed.

The decision

The judge held that the evidence submitted showed there was "no doubt" that Au Vodka had a reputation in the appearance of its products, or there was at least a serious issue to be tried on the point. However, the big question was which specific features this reputation was attributable to. He noted that the claimant's pleaded get-up, which was in summary, an elongated metallic bottle of clean appearance with two labels akin to boilerplates at the top and bottom, was expressed very generally and was "influenced by the case they seek to maintain against the defendants". He further noted that it was "striking" in the claimant's evidence that most online/social media references to Au Vodka were by name (suggesting this was the most significant feature) and not for example "the one in the gold bottle".



Again, when considering misrepresentation, while the judge noted the "extremely close" shape and dimensions of the rival bottles, he considered that the other similarities put forward by Au Vodka were "expressed at a level of abstraction which is divorced from what ordinary consumers perceive". He highlighted the need to compare like for like and focused on the bottles containing Au Vodka's most successful products,

the flavoured vodkas. In this regard he remarked on the reduced similarity between the gold bottle/light blue cap of Au Vodka's blue raspberry flavour (pictured above left) and NE10 Vodka's dark blue bottle/dark blue cap (pictured above right) for the same flavour, when compared with the main comparison put forward by the claimant, between their plain gold bottle/black cap for their least popular unflavoured vodka and the plain silver bottle/silver cap of the defendant's analogous product.

Au Vodka also submitted evidence of what it termed "instances of actual confusion", of which there were seemingly six in the first few weeks of NE10 Vodka's launch. However, when viewing these in context, the judge considered it was not evidence of actual deception. Instead those quoted were all merely wondering whether there was a connection between Au Vodka and NE10 Vodka, and were not deceived into believing there actually was one. The court gave a reminder that any misrepresentation must be a causative factor in a consumer's decision to purchase: it is not proven if people merely wonder if there is a connection.

In dismissing Au Vodka's application for an interim injunction the judge concluded:

- there was plainly a serious issue to be tried on passing off;
- the balance of convenience favoured NE10 Vodka because if Au Vodka won at trial damages and an injunction would largely compensate them, whereas, as NE10 Vodka had already launched, it was unlikely they could be adequately compensated if wrongly enjoined; and
- much will turn on the evidence available at trial.

Finally, parts of Au Vodka's claim against Mr Hogan, insofar as they related to acts in his personal capacity, were struck out. An expedited two-day trial will now be listed for January 2023.

Comment

The key issues at trial will be to ascertain in

exactly which aspects of its bottle's get-up does Au Vodka's goodwill reside, and whether NE10 Vodka actually deceives consumers. This will largely turn on evidence being acquired up until trial.

Beyond this, as packaging design is often a core feature of a brand's reputation, goodwill, and ultimately value, this case serves as a timely reminder to:

- consider registered trade mark protection early (for example, for distinctive packaging shapes);
- remember that UK registered design protection is available for novel designs with individual character that have not been publicly disclosed for more than 12 months; and
- keep records of design processes and evidence of use which in time can be relied upon to evidence rights (for example, in unregistered designs) and/or claim acquired distinctiveness.

Author:

Olivia Oxtan



In short

This case provides a useful summary of the American Cyanamid criteria and the application of the law on passing off as applied in a rare "pure" get-up case. Evidence is critical in such cases, and the parties should ensure that what is being submitted actually evidences the points being asserted. If possible, seek registered trade mark and/or design protection early, as this can make enforcement easier (and often cheaper) and can even have a deterrent effect on copying.

UKIPO suspends actions involving international registrations

Do you have a UK address for service?

The UKIPO has suspended actions involving international registrations whilst it considers a recent appeal. The decision examines UKIPO current practice in relation to serving notifications relating to international registrations designating the UK.

Background

The proprietor appealed against a UKIPO decision declaring its international registration, MARCO POLO, invalid. The decision was issued in default, a result of the proprietor failing to file a defence. Importantly, correspondence from the UKIPO should have been sent to the proprietor's address for service. However, as an address for service had not been provided the UKIPO sent correspondence to the proprietor's registered office address in Australia.

The Trade Mark Rules 2008

- An address for service must be in the UK, Gibraltar or the Channel Islands.
- For the purpose of proceedings (including registration) an address for service shall be filed by:
 - the applicant for the registration of a mark,
 - any person who opposes a mark,
 - any person who applies for revocation or a declaration of invalidity or rectification,
 - the proprietor of the registered trade mark who opposes such an application.
- Where a person fails to file an address for service, and the UKIPO has sufficient information to contact them, the UKIPO must direct that person to file an address for service within **one month**.
- If after one month the person fails to provide an address for service, that person will be deemed **withdrawn from proceedings**.

Examination of the international registration

When MARCO POLO was applied for the proprietor did not provide an address

for service. Nevertheless, the UKIPO sent an email via the World Intellectual Property Organization (WIPO) to the proprietor's representatives confirming it had been registered.

The fact that MARCO POLO was accepted without an address for service was contrary to the Trade Mark Rules. The UKIPO should have contacted the proprietor requesting an address for service, and **refused the application** had one not been provided. One consequence of this decision may be that the UKIPO becomes stricter in requesting an address for service before accepting international registrations.

Invalidity application

An invalidity application (TM26(I)) was later filed against MARCO POLO. The Trade Mark Rules require the UKIPO to send a copy of the TM26(I) to the proprietor. However, as an address for service had not been provided, the UKIPO sent correspondence and a copy of the TM26(I) to the proprietor's registered office address in Australia.

Geoffrey Hobbs KC held that the UKIPO should have adopted a procedure for notification that catered for two outcomes:

1. Compliance by the proprietor to provide address for service, thereby putting in place an address to which the TM26(I) could be sent.
2. Failure by the proprietor to provide an address for service, thereby leaving in place proceedings for a declaration of invalidity with respect to which the proprietor would be deemed to have withdrawn from the proceedings.

The letter sent to the proprietor was not framed in adequate terms to achieve either result. Hobbs stated that there is room under the Trade Mark Rules for the UKIPO to send a letter:

- Informing the proprietor of a registered trade mark of the invalidity application, and;
- Directing the proprietor to notify the UKIPO in writing whether the invalidity application is opposed, and, if so;

- Directing the proprietor to provide an address for service for the purposes of the further conduct of the invalidity proceedings, and;
- Comprehensively specifying the consequences of failure to comply with the directions.

Decision

The appellate tribunal held that the invalidity application had not initially been validly served. On this basis the appeal was allowed and the first instance decision and invalidity order set aside.

The applicant's claim for invalidity was remitted to the UKIPO for further processing on the basis that the procedural irregularity, with regard to service, was rectified at a later date when the notification was sent to the proprietor's, later provided, address for service.

Comment

The decision suggests that the UKIPO's notification process, relating to international registrations where an address for service is not provided, does not comply with the UKIPO's own procedural rules.

The UKIPO has suspended all actions against UK designations of international registrations whilst it considers the implications of this appeal. The UKIPO is likely to evaluate how parties have been notified of proceedings, and whether that was effected correctly. If formalities have not been completed correctly it is likely, or at least possible, that parties will be permitted more time to file a response to proceedings if they wish to do so.

It is apparent that there is real merit and urgency in listing a UK firm as representative against international registrations designating the UK. To avoid any potential loss of rights, when filing an international registration designating the UK, or filing for a mark from abroad, we recommend listing a UK firm from the outset.

Author:

Sophie Rann



Location, vacation, revocation?

General Court sides with US hotel on targeted advertising for genuine use

In a win for businesses targeting consumers in the EU, but providing services elsewhere, the General Court has annulled a Board of Appeal non-use revocation which “wrongly confused the place of provision of the service with the place of use of the mark”.

Background

Standard International Management LLC’s (the applicant’s) trade mark for hotel and ancillary services in class 43 was revoked in its entirety by the EUIPO, in the first instance decision. Standard International Management’s appeal to the Board of Appeal was also dismissed on the basis that the evidence was insufficient as their hotel and ancillary services were provided in the US. The Board of Appeal wasn’t swayed by the evidence that Standard International Management had targeted consumers in the EU with advertisements and offers for sale of those services, provided in the US.

The Board of Appeal’s argument was that the trade mark was not registered for advertising, booking, travel agency, or sale(s) services. Therefore, the advertisements and offers for sale were not relevant.

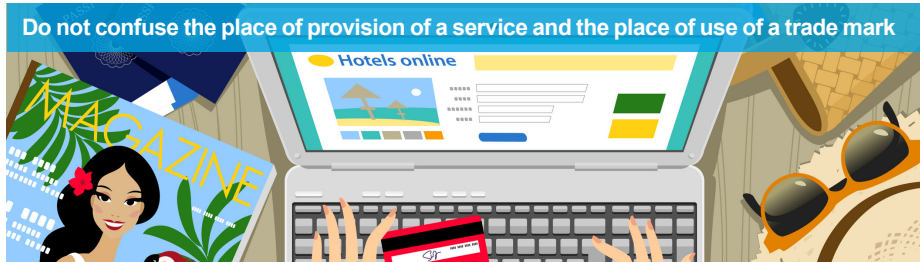
General Court decision

The General Court however accepted Standard International Management’s argument that the Board of Appeal wrongly assessed the evidence, finding that use should not be limited solely to the acts of provision of the goods or services it covers. As long as the relevant goods/ services were the subject of advertisements and offers for sale, the evidence should factor into the assessment of genuine use.

This distinction becomes especially pertinent where the act of provision is in a different location to the act of advertising. The General Court found that: “The Board of Appeal erred in not distinguishing between the place of those provisions of services and the place of use of the mark. Only the latter is relevant to examination of the genuine use of an EU trade mark.”

The evidence

The types of evidence dismissed by the Board of Appeal but accepted



by the General Court included:

- Advertisements and promotional campaigns aimed at EU customers.
- Reservations made directly by customers and through travel agencies based in the EU.
- Invoices addressed to customers resident in the EU.
- A bookings portal accessible to EU customers via Standard International Management’s website.
- Google analytics figures showing traffic to Standard International Management’s website.
- Printouts from a website referring to various hotel services and equipment offered and used by customers, particularly in the EU.
- Articles focusing on awards and prizes received.

Targeted advertising

Activities constituting use of a mark, for infringement purposes, include offering for sale and advertising. Therefore, those acts must also be relevant for establishing genuine use, as long as they occur in the relevant territory.

Standard International Management argued that the principles in Pammer and Hotel Alpenhof (C585/08 and C144/09) L’Oréal and Others (C324/09) and AMS Neve and Others (C172/18) were applied by analogy and that “proof of use of a mark by a website which, even if it were accessible internationally, is intended for consumers in the European Union, constitutes use of a mark within that territory”. The General Court agreed that evidence of advertisements and offers for sale of hotel and ancillary services, rendered in the US, but targeted at consumers in the

EU, should not have been excluded.

The General Court focused on whether the use was consistent with the essential function of a trade mark, concluding that: “Even if the applicant were to supply goods or services outside the European Union, it is conceivable that the applicant would make use of that mark in order to create or preserve an outlet for those goods and services in the European Union.” As a result, the Board of Appeal’s decision was annulled and returned to the EUIPO for reconsideration.

Authors:

Abigail Macklin & Sophie Rann



In short

This decision confirms that the place of provision of a service and the place of use of a trade mark should not be confused. This aligns the concept of genuine use with the types of activities protected by trade mark ownership, including advertising and offering for sale.

This case should assist service-based businesses, like hotels or restaurants, where the services are provided at a fixed physical location outside of the EU. However, convincing evidence will be required to establish clear targeted advertising and offers for sale of services rendered elsewhere, to consumers within the EU.

Monster Dawg crushed by Red Bull High Court appeal for RED DAWG fails

Monster Energy Company (Monster), listed as the number 1 "All Time Biggest Bully" on the trademarkia.com website, is a manufacturer of energy drinks. It applied to register RED DAWG as a trade mark in the UK. Red Bull, another energy drinks manufacturer, successfully opposed the registration of Monster's proposed mark, relying on its earlier rights in RED BULL.

Before the UKIPO

The UK hearing officer rejected Red Bull's objection based on a likelihood of confusion under s.5(2)(b) of the UK Act. He concluded that there was no likelihood of direct or indirect confusion between the marks, even in relation to goods that are identical. However, he upheld Red Bull's objection based on a claim of unfair advantage under s.5(3).

Monster appealed to the High Court.

Basis for a dilution/detriment/unfair advantage claim

As a brief recap, there are three strands to a successful 5(3) objection:

1. that the earlier mark has a reputation in the UK (it was not contested that the mark RED BULL satisfied this);
2. that use of the contested mark would "call to mind" the earlier mark, such that the consumer of the goods would make a "link" with the earlier mark; and
3. as a result one of three forms of injury would arise:
 - detriment to the distinctive character of the earlier mark;
 - detriment to the reputation of the earlier mark; or
 - taking unfair advantage of the earlier mark, the last of these being the one found by the hearing officer.

The appeal to the High Court

Monster contended that the hearing officer conflated the question of there being a link

and the taking of an unfair advantage leading to the error in the decision they sought to overturn. Monster submitted there was no evidence of a link and, further, merely having an advantage as the later mark is permissible. The opponent needs to show that the advantage is unfair to succeed.

The High Court judge, Mr Justice Adam Johnson, whilst noting that the single concluding paragraph in the hearing officer's decision was rather "compressed" nevertheless held that the hearing officer's analysis was logical and not open to appeal.

The hearing officer had clearly found that:

- the RED DAWG mark was intended to influence the economic behaviour of consumers of Monster energy drink products.
- consumers encountering the later RED DAWG mark would "certainly be reminded" of the earlier RED BULL mark, even if they were not confused between them.
- it would be easier for Monster to establish and sell its RED DAWG energy drinks without incurring the marketing costs that would otherwise have been required.
- there was no "due cause", and so s.5(3) was engaged.

The judge also considered the earlier case law *Jack Wills Limited v House of Fraser (Stores) Limited* [2014] EWHC 110 (Ch) and concluded: "...[an] unfair advantage [can be found] even if it is not proved that the defendant subjectively intended to exploit that reputation and goodwill".

The judge added "that the court or tribunal can permissibly **draw inferences** based on the inherent probabilities and by taking account of normal practice in the relevant sector and the circumstances of the case. The court or tribunal cannot proceed on the basis of "**mere suppositions**", but an inference based on the inherent probabilities and the normal practice in the relevant sector will not be a mere supposition. It will be a rational and properly motivated conclusion."

And thus, the judge concluded, it was entirely legitimate for the hearing officer:

1. to proceed on the basis that in adopting the RED DAWG mark Monster was intending to seek to influence the economic behaviour of consumers of their products – indeed, that would seem the most obvious reason for doing so; and
2. to infer that the similarity between RED BULL and RED DAWG, although not apt to cause confusion, would nonetheless make it easier for Monster to sell its products without incurring the marketing costs that would otherwise have been required.

He added: "Both appear to me to be entirely legitimate and common-sense propositions."

Monster's appeal failed and was dismissed.

So what are the three take away points?

First, a reminder, that merely because under 5(2)(b) there was no likelihood of confusion between the marks did not adversely prejudice Red Bull's case. The question under s.5(3) was a different one, namely whether consumer behaviour was likely to be influenced in a way which produced an objectively unfair result.

Second, the assessment of unfair advantage is an objective one and thus, for brand owners, it isn't necessary to evidence an advantage as being unfair. Whilst a tribunal cannot proceed on the basis of "mere suppositions", it is acceptable for the tribunal draw inferences in reaching a decision. A question: to what extent is there a clear difference between a supposition and an inference?

Finally, the bar to overturn a first instance decision from the UKIPO on appeal is set high. The court should not interfere unless it is satisfied that the decision is one which clearly should not have been made.

Monster's website for its RED DAWG page currently says "Be right back". Let's see...

Author:

Jeremy Pennant



D YOUNG & CO INTELLECTUAL PROPERTY

And finally...

Designs

UKIPO Designs Register Extra publication information

Do not confuse the place of provision of a service and the place of use of a trade mark



Extra information is now available on the (UK Intellectual Property Office) UKIPO website, which increases the usefulness of the Register of UK Designs to interested third parties. Specifically, the publication date of the design is now stated.

The publication date of a UK registered design is not to be confused with the registration date, which under UK design law is the same as the filing date. The registration date has been stated for many years. The publication date has been the bit of information that has been missing and which often would be of interest to third parties, such as somebody who wishes to use a UK registered design as a piece of

prior art and thus needs to know the date on which it was put into the public domain (the date on which it was published by the UKIPO).

The publication date can now be easily ascertained simply by looking up the UK registered design on the Register on the UKIPO website. The UKIPO is implementing this for new cases going forwards, and it appears that the UKIPO intends retrospectively to add the publication date information to old cases (or at least some old cases), which until now have not included the publication date as part of their online register entry.

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