

# D YOUNG & CO TRADE MARK NEWSLETTER *no. 123*

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**Don't rest on your laurels**  
**A demand letter does not,**  
**by itself, interrupt 5-year**  
**acquiescence period**

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Despite numerous challenges around the globe, the world of IP in general and trade marks in particular continues to thrive and develop with businesses innovating as fast as at any time we can recall. Our clients, both new and more established, are keeping us busy, in the UK, Germany and across the EU. Ongoing recruitment means our team is growing rapidly to respond to these demands. More on that in our next issue.

This month, we take a look at a range of topics including the question of acquiescence in infringement proceedings, position marks on footwear and match.com's efforts to prevent use of Muzmatch.

We wish all our readers a wonderful summer (if you are in the northern hemisphere) and look forward to catching up with friends, colleagues and clients in person in the autumn.

Jeremy Pennant  
Partner, Trade Mark Attorney  
July 2022

## Events



### IPO Annual Meeting

**Los Angeles, USA, 18-20 September 2022**

Jackie Johnson (with patent partner Garreth Duncan) will be attending the 2022 IPO Annual Meeting, a global gathering of IP practitioners joining to discuss strategies, trends and best practices.

### MARQUES 36th Annual Conference

**Madrid, Spain, 20-23 September 2022**

Matthew Dick, Anna Reid and Jana Bogatz will be attending MARQUES 2022. Matthew Dick will be speaking at the "Judicial Approaches to Parasitic Competition" session on Friday 23 September.

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# Don't rest on your laurels A demand letter does not, by itself, interrupt 5-year acquiescence period

**H**eitech AG (HAG) owned a 1998 European trade mark (EUTM) for HEITEC dating from 1998. Heitech Promotion GmbH (HPG) owned a 2002 German trade mark containing the words HEITECH PROMOTION. Its first use of HEITECH was accepted as 2004.

In 2004, HPG contacted HAG for coexistence. In 2008, HAG became aware of HPG's application for a mark containing the word HEITECH. In 2009, HAG sent a demand letter to HPG requesting use of HEITECH cease. HPG again suggested coexistence.

In 2012, HAG initiated court proceedings in Germany. Due to various issues with the filing of the proceedings, notification of the legal action was only served on HPG on 23 May 2014.

HAG claimed HPG had infringed HAG's rights in HEITEC and (amongst other things) requested payment for the costs of sending the demand letter to HPG. HPG was ordered to pay HAG for the costs of sending the demand letter but all other claims were rejected.

HAG's appeal in respect of the rejected claims was denied on the grounds it had acquiesced to HPG's use, since HPG had used its mark for an uninterrupted period of five years and HAG had not taken sufficient measures to stop it. The filing of the legal action had not interrupted the five-year period of acquiescence because it was served more than five years after the sending of the demand letter.

HAG further appealed and the German court referred questions to the Court of Justice of the European Union relating to the meaning of acquiescence.

### Decision

The law relating to acquiescence seeks to ensure that protection conferred by an earlier trade mark is limited to cases where the proprietor of the earlier mark can show that they have taken reasonable steps

to prevent infringement of their mark. If an earlier proprietor has knowingly "acquiesced" in the use of a later mark in good faith for a continuous period of five years, the proprietor of the later mark needs legal certainty that its use can no longer be challenged.

"Acquiescence", means the proprietor of the earlier mark takes no action even though they are aware of the use of a later mark for a period of five consecutive years. In such a circumstance, the proprietor of the earlier right is time-barred from applying to invalidate a registration or from opposing its use, if that mark was applied for or used in good faith.

A demand letter may interrupt the five-year period for acquiescence provided that the proprietor of the earlier mark continues to actively oppose use of the later mark. Conversely, if after sending the demand letter, the proprietor of the earlier mark doesn't take appropriate action to prevent the concerned use, it must be inferred that they failed to take the required appropriate steps and may have acquiesced.

To hold that the mere sending of a demand letter is sufficient alone to interrupt the five-year period of acquiescence would in reality allow proprietors far longer to object and would not provide legal certainty for users and holders of later marks. Therefore, the sending of a demand letter alone, without also taking the necessary steps to obtain a legally-binding decision preventing the registration or use being complained of, does not stop acquiescence from occurring.

A court action may be deemed to have been brought on the date the proceedings are lodged but only if the claimant has taken all required steps to correctly serve the proceedings on the defendant.

In this case, it is clear that the serving of the court action on HPG was only rectified sometime between 24 February 2014 to 16 May 2014. It is also clear that HAG was aware of use since 06 May

## A sporting chance for footwear manufacturers Deichmann v EUIPO

2009. Therefore, it is for the German court to ascertain the exact date on which the application for legal action was initiated. If the rectification did not take place until after the five-year acquiescence period had expired, the court must assess whether this is down to failures of HAG, in which case, its action against HPG would be time-barred.

Finally, if the action is time-barred, HAG is also barred from other actions against HPG, including payment of damages or seeking an injunction.

### Author:

Gemma Kirkland



### Case details at a glance

Jurisdiction: European Union

Decision level: Court of Justice

Parties: HEITEC AG v HEITEC

Promotion GmbH

Date: 19 May 2022

Citation: C-466/20

Link to decision: <https://dycip.com/heitec>

### In short

If proprietors are concerned about use and send a demand letter to a third party, they must follow up with legal action promptly and within five years if they wish to avoid acquiescence.

The mere sending of the demand letter is not enough to interrupt the “acquiescence period” and any delays in later bringing formal action against a third party may result in the trade mark owner being time-barred from challenging such use.

This case gives some positive news on acceptance of applications for signs that are applied to sports footwear.

### Background

Munich SL applied to register the below figurative mark in class 25 for sports footwear and the mark was registered in 2004.



Deichmann SE filed an application for a declaration of invalidity against the registration in 2011 and the action was rejected at the first two levels; the Fourth Board of Appeal agreed with the decision of the Cancellation Division that simple patterns on the side of shoes are now commonly used to indicate origin and this had been confirmed in the evidence filed by Deichmann.

Unfortunately for Deichmann, the evidence it had filed to support its contention that crossed lines were common and therefore non-distinctive was used by Munich to support its view that crossed lines were distinctive.

Munich also pointed out that Deichmann itself owned a registration of a figurative mark (below) which includes two lines/stripes on the side of a sports shoe which did not work in Deichmann's favour.



It was agreed by all levels that the evidence that had been put forward by Deichmann could not show that the mark applied for was devoid of distinctive character and the appeal to the General Court failed, giving positive news for manufacturers of sports footwear and for protection of the external and significant features of that footwear.

### Author:

Jackie Johnson



### Case details at a glance

Jurisdiction: European Union

Decision level: General Court

Parties: Deichmann SE, EUIPO and Munich SL

Date: 04 May 2022

Citation: T-117/21

Link to decision: <https://dycip.com/deichmann-munich>

This decision is positive news for manufacturers of sports footwear





# STEALTH saga continues Court of Appeal overturns order granting defendants permission to amend

➤ **Case details at a glance**  
*Jurisdiction: England and Wales*  
*Decision level: Court of Appeal*  
*Parties: ABP Technology Limited, Voyetra Turtle Beach Incorporated and Turtle Beach Europe Limited*  
*Date: 04 May 2022*  
*Citation: [2022] EWCA Civ 594*  
*Link to decision: <https://dycip.com/abp-voyetra-turtle-beach>*

**T**he judgment of the Court of Appeal in *ABP Technology Ltd v Voyetra Turtle Beach Inc & Anor* [2022] EWCA Civ 594 concerns a decision to allow amendments to a statement of case in a trade mark infringement claim. The defendants had sought to conduct their case in such a way as to deprive the claimant of the opportunity to challenge the use of a trade mark. This was deemed an attempt to take advantage of the process of civil justice and the court considered that permitting the amendments would: “sanction an act of deliberate concealment by the party seeking to be permitted to amend”. As a result, the appeal was allowed and the defendants were refused permission to amend their defence and introduce a counter-claim.

## Background

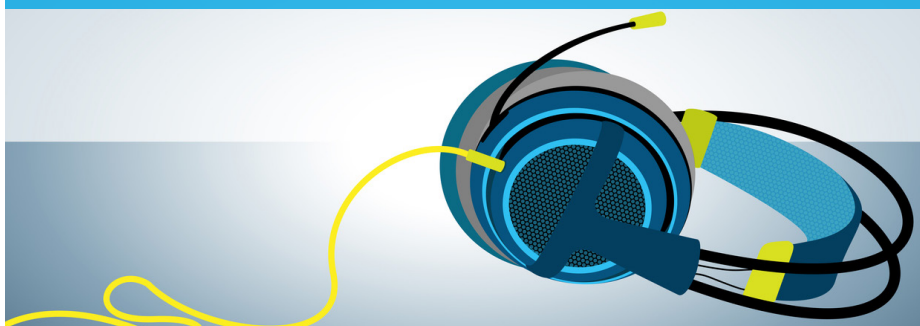
ABP Technology Limited (ABP) is a producer of gaming accessories in the UK, including a range of gaming headsets, sold under the marks STEALTH VR and STEALTH. Voyetra Turtle Beach Incorporated and its subsidiary Turtle Beach Europe Limited (together referred to as Voyetra) also sold gaming headsets in the UK under the mark STEALTH.

In November 2020, following an unsuccessful challenge by Voyetra to one of ABP's trade marks, ABP issued trade mark infringement proceedings against Voyetra. Voyetra relied on the defence of honest concurrent use of the STEALTH mark.

The defendants filed a defence and counterclaim on 02 February 2021. However, on 05 July 2021, they applied to amend these to introduce a new defence under section 11(1B) of the Trade Marks Act 1994 (TMA), and a counterclaim for infringement, due to Voyetra's acquisition of the word mark STEALTH, which pre-dated ABP's marks (the 250 mark). A shell company, acting on the defendants' behalf, had acquired the 250 mark on 28 January 2021. On 15 March 2021, it granted an exclusive licence for 250 mark to Voyetra, and on 15 June 2021, the 250 mark was assigned in full to Voyetra.

The delay in amending the defence and counterclaim was significant because,

## Rival tech companies both sold gaming headsets in the UK under the mark STEALTH



under section 46(3) of the TMA, where a registered trade mark has been unused for five years or more, there is a three-month window when revocation applications can be made during which any commencement or resumption of use will be disregarded, and the 250 mark had, as at 28 January 2021, been unused for over five years.

The defendants obtained permission to amend their pleadings to bring a counterclaim alleging that there was no breach and that the trade mark was invalid.

ABP appealed against this decision.

## The Appeal

The Court of Appeal upheld ABP's appeal. The court's reasoning included that the judge erred in concluding that this was not a late amendment. The defendants could have pleaded this point in January with no amendment. The lateness manifestly deprived ABP of a defence which it would have had if the point had been raised at an earlier point.

## Comment

The Court of Appeal was highly critical of the defendants' approach and the way in which they conducted the amendment application.

In the words of Lord Justice Birss: “Voyetra's conduct will not do”. It was the defendants' deliberate lateness coupled with the lateness being the cause of the prejudice to ABP that led to the application to amend being refused.

**Author:**  
**Alice Berkeley**



## In short

Ultimately this is a decision on a purely procedural question of lateness in applying to amend a statement of case, but it has important implications.

Any scheme which seeks to resume use of a trade mark but to hide the connection between the trade mark and the use for any period sufficient to overcome section 46(3) TMA (that is, at minimum three months) will be considered late because of the prejudice it causes.

The court emphasised the importance, within the civil justice system, of conducting litigation “with cards on the table – face up”, and that parties must spell out their case; the system permits amendments to statements of case, which is for the benefit of all parties, but always subject to the overriding objective of enabling the court to deal with cases justly.

# Tough love Match.com v Muzmatch

➤ Related cases

[2020] EWHC 713 (Ch):

<https://dycip.com/planetart-photobox>

[2004] EWCA Civ 159:

<https://dycip.com/3PbamKC>

**M**atch offers online dating services and owns a number of registered trade marks for MATCH.COM in classes 9, 42 and 45; and MATCH (& small heart device) in class 45.

In April 2011, the defendant set up a business under the name Muzmatch with the aim of providing online matchmaking services to the Muslim community.

Match learned of Muzmatch's activities in around January 2016 and asserted trade mark infringement and passing off. Proceedings were issued in July 2020 under both section 10(2) and 10(3).

The evidence showed that Match had used the marks MATCH and MATCH.COM interchangeably from its UK launch in 2001. Use of MATCH alone had occurred since that date, and by 2011 (the relevant date for assessing the claim) Match dominated the online dating market. The MATCH mark had been used both distinctively (identifying the provider of the services) and also descriptively (to describe a part of those services, the finding of a match/partner).

Muzmatch argued that its activities did not infringe, claiming that the word "match" used by itself is not distinctive and/or an ordinary descriptive word when used in relation to dating services. Muzmatch's website did not use the word "match" descriptively, other than a single use in the form of the phrase "it's a muzmatch" when notifying a user of a potential partner.

A medium level of similarity was found between the marks. Given the defendant's

arguments that "match" is descriptive rather than distinctive, the court considered the comments of the High Court regarding "the significance of commonality of descriptive signs" in Planetart LLC v Photobox Ltd ([2020] EWHC 713 (Ch)), involving the mark "FreePrints"). That case held that:

- (quoting the Court of Appeal in Reed Executive Plc v Reed Business Information Ltd: [2004] EWCA Civ 159) "where you have something largely descriptive the average consumer will recognize that to be so, expect others to use similar descriptive marks and thus be alert for detail which would differentiate one provider from another."
- there are no general rules as to how descriptiveness should be taken into account but it clearly should be done. Where common elements are descriptive/non-distinctive, that does not preclude a likelihood of confusion, but it does weigh against it.
- the significance of conceptual similarity is somewhat downgraded when evaluating the likelihood of confusion, at least in so far as the marks are descriptive of the goods/services in question.

Finding a likelihood of confusion may well be appropriate where the average consumer recognises that the common element, whilst capable of being used descriptively, is in fact being used distinctively. The issue is fact dependent and must be assessed globally, including the context in which the signs have been used.

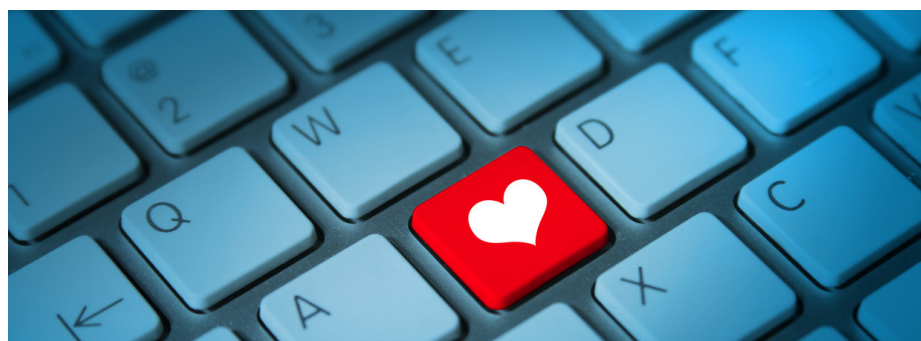
The judge was fully satisfied that, by 2011, relevant Match marks had acquired a substantial degree of distinctiveness and

reputation as a badge of origin for Match's online dating services. Use of "match" in a distinctive sense was not widespread in around April 2011, other than by Match itself.

In relation to the Muzmatch marks, the word "match" was clearly being used in a distinctive rather than descriptive sense. Additional elements such as "muz" and "UK" did not significantly reduce any likelihood of confusion. The evidence of Match's dominant presence in the market as at 2011 (and continuing thereafter) meant that use of Muzmatch was likely to lead the average consumer to conclude that the company was connected with Match (and in particular, a part of that business specifically targeting Muslim users). For the same reasons, the passing off claim also succeeded. As regards the section 10(3) claim, given the medium degree of similarity between the marks, and the identity of services, the factors that led the court to reach the conclusion that there was a likelihood of confusion between the marks would also establish a link in the mind of the average consumer as between those marks. The court was satisfied that the Muzmatch marks took unfair advantage of the distinctive character/repute of the Match marks. To show detriment to distinctive character, a claimant must prove actual injury to its mark (a change in economic behaviour of the average consumer) or at least a likelihood of that. In the absence of such, Match's claim here failed.

Author:

Matthew Dick



## In short

This case underlines the difficulties in enforcing a mark that is arguably descriptive (or at least less distinctive than others), and reinforces the importance of using such marks in a distinctive, "trade mark" way so that they quickly acquire distinctive character.

# D YOUNG & CO INTELLECTUAL PROPERTY

And finally...

*D Young & Co news*

## Awards 2022 Top tier for trade marks 2022

Celebrating top tier rankings for trade mark services



**T**he D Young & Co trade mark team is pleased to report a number of award and legal directory achievements received during the first half of 2022.

Most recently solicitor Tamsin Holman was recognised as a "Best Lawyer" - a list of distinguished legal professionals created by peer review methodology. Tamsin was also named in the Managing IP "Top 250 Women in IP" global survey and as a leading IP lawyer in the WIPR Leaders 2022.

In March the trade mark team celebrated another top tier ranking for UK trade mark prosecution services in the IPSTARS 2022 global survey. In the same month the team also featured as "gold" for UK trade mark prosecution and "silver" for UK trade mark enforcement and litigation in the World Trademark Review (WTR) 1000 2022 survey.

Since opening in 2016 our central Munich office has been warmly received by our national and international clients. We were therefore delighted to see the team highlighted by WTR 1000 as "one of the most successful examples of a UK outfit setting up shop on the continent." Legal 500 2022 also recommended our Munich office, commenting that the German office has "established itself as a constant in the market." Recognition from WTR and Legal 500 is a significant achievement for our team in Munich and for the firm as a whole - marking us out as a firm committed to offering a seamless IP service to clients in the UK, Germany and Europe.

Our thanks to our colleagues and clients in the IP world who have kindly shared their positive feedback this year.

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