

# D YOUNG & CO TRADE MARK NEWSLETTER *no. 122*

May 2022

In this issue:

Monkey business at the General Court 05

How is the EUIPO handling UK matters  
that pre-date the Brexit transitional period?

Take-homes for takeaways 06

Conducting trade mark searches before  
using a new mark

D Young & Co news 07

WIPR Leaders 2022

## IP litigation - what not to do! Avoidable errors in recent UK High Court design cases

Full story Page 02





We're publishing this newsletter shortly after our first in-person INTA conference since the start of the pandemic. Despite the success and appeal of digital conferencing in recent times we were delighted to meet face-to-face with colleagues from around the world, to network, share news and best practice and gather inspiration for the future. We look forward to meeting with those of you attending ECTA, CITMA and MARQUES events over the coming months - do get in touch if you are planning to participate and would like to meet with one of our team. With this newsletter we send our best wishes to all our readers for a safe and enjoyable summertime.

Matthew Dick  
Partner, Solicitor

## Webinars



### Designs: IP litigation - what not to do! On demand

Agnieszka Stephenson presents a short update on four recent UK High Court design cases and the various errors that could have been avoided.

[www.dyoung.com/webinars](http://www.dyoung.com/webinars)

## Events



### ECTA 40th Annual Conference Copenhagen, Denmark, 15-18 June 2022

Richard Burton and Jennfier Heath will be attending ECTA 2022.

### CITMA Summer Reception London, UK, 05 July 2022

Jennifer Heath, Sophie Rann and Sophia Karim will be attending this Chartered Institute of Trade Mark Attorneys' event.

### MARQUES 36th Annual Conference Madrid, Spain, 20-23 September 2022

Matthew Dick, Anna Reid and Jana Bogatz will be attending MARQUES 2022.

[www.dyoung.com/news-events](http://www.dyoung.com/news-events)

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# IP litigation - what not to do! Avoidable errors in recent UK High Court design cases

**F**our recent UK High Court judgments contain timely reminders of the various legal and procedural issues that may arise in the context of intellectual property litigation. Focusing on design rights, this article discusses a high profile damages inquiry, the perils of owning a commonplace registration, the difficulties with searching for obscure prior art post-infringement, and how providing evidence by video-link at trial can go horribly wrong.

### Is a "London England" hoody registration enforceable?

Ahmet Erol v Posh Fashion looks at a claim for registered design infringement before the Intellectual Property Enterprise Court (IPEC) and a counterclaim for invalidity, and demonstrates that the mere existence of a design registration does not necessarily provide the owner with an enforceable right.

The registered designs essentially amounted to the "London+Flag+England" legend as seen below.



Although there was some discussion about the extent of the design it was held, and not contested, that, due to their ubiquity, the hoody, T-shirt and colours used did not have a material impact on the extent of the design rights or the outcome of the case.

The main issues were whether the designs were new and had individual character in May 2011, and whether the defendant's garments produced a different overall impression from the registered designs on the informed user.

Insofar as validity of the two designs was concerned, the defendant relied on three

alleged items of prior art, including the image below, allegedly from 1999:



Oral evidence was also given contending that the "London+Flag+England" legend designs were used widely before 2011.

A design has individual character if the overall impression it produces on the informed user differs from the overall impression produced on such a user by any design which has been made available to the public before the relevant date.

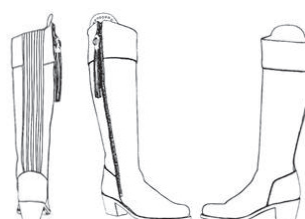
Even assuming the first design was novel notwithstanding the prior art shown above, the judge contended it must lack individual character since the overall impression in both cases was the same.

For the second design, there was a strong case for anticipation (lack of novelty) because the evidence specifically mentioned the colour "grey" in relation to T-shirts.

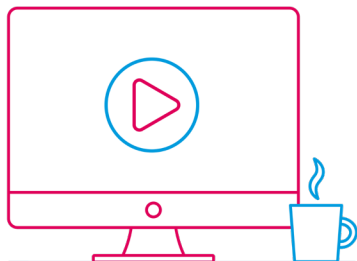
Both designs were held to be invalid and the infringement claim automatically fell away.

### The search for obscure Spanish riding boots

In Fairfax & Favor v House of Bruar, the claimants alleged that the defendants infringed their UK unregistered design rights (UKUDR) and registered Community design (RCD) rights in the Heeled Regina (shown below) and



## > Related webinar



We've published a short "bite-sized" webinar about this decision that you can access on demand at: <http://dycip.com/tm-design-focus>

partial designs (shown below) through sales of the defendants' Version 1, 2 and 3 boots.



The claim was issued before Brexit and the claimants relied on their RCD. No application was made to amend the claim to assert reliance on the cloned UK equivalent design but it was considered unnecessary to distinguish between the two. The judgment, and this article, therefore refers to the registered design as the RCD.

The defendants unsuccessfully challenged the validity of the RCD and argued the partial designs and the Heeled Regina were not protected by UKUDR because they were commonplace. Notably, however, the most similar prior art design (shown below) was only detected in the course of litigation through extensive searches of solicitors and could not be relied on, as there was nothing to indicate an awareness of that boot by the defendants or designers in the field when the Heeled Regina was created. Miss Recorder Amanda Michaels found that the prior art was obscure and would therefore not render the design commonplace, and cautioned against conducting overly-extensive searches for appropriate designs after infringement has already occurred, purely for the sake of justifying that infringement.



In any event, the Heeled Regina's elasticated

## > Case details at a glance

*Jurisdiction: United Kingdom*  
*Decision level: High Court*  
*Parties: Ahmet Erol v Posh Fashion Ltd*  
*Date: 08 February 2022*  
*Citation: [2022] EWHC 195 (IPEC)*  
*Link to decision: [dycip.com/erol-posh](http://dycip.com/erol-posh)*

*Jurisdiction: United Kingdom*  
*Decision level: High Court*  
*Parties: Fairfax & Favor Limited & others v The House of Bruar Limited & others*  
*Date: 25 March 2022*  
*Citation: [2022] EWHC 689 (IPEC)*  
*Link to decision: [dycip.com/fairfax-bruar](http://dycip.com/fairfax-bruar)*

panel with leather strips was a particularly original feature. The Heeled Regina was thus protected by UKUDR, and the RCD was valid for essentially the same reasons.

With the UKUDR and RCD's validity intact, the Version 1 and Version 2 boots were found to be infringing, as they had been copied and substantially made to the Heeled Regina. However, the Version 3 boot was not infringing due to the different placement of the elasticated panel - a significant step away in design terms. The Version 1, 2 and 3 boots are shown below.



The partial designs, however, were commonplace, and those infringement claims failed.

### Following the trends a little too closely

In *Original Beauty v G4K Fashion*, Mr David Stone dealt with a High Court damages inquiry following findings in previous trials that the defendants (trading as Oh Polly) infringed House of CB's UKUDR and Community UDR in respect of seven garments.

It had become obvious that the defendants sent images of the claimants' designs directly to their factory to be made up, and had been dishonest in oral testimony and material documents - which they had not drawn to the court's attention.

The claimants sought damages under three heads:

### 1. Lost profits on garments which, but for the defendants' sales, would have been made by the claimants

The lost profits were calculated by multiplying the lost sales of the infringing garments by the per-unit profit for the claimants' garments incorporating the respective infringed designs. In the lost

*Jurisdiction: United Kingdom*  
*Decision level: High Court*  
*Parties: Original Beauty Technology Company Ltd & others v G4K Fashion Ltd*  
*Date: 20 December 2021*  
*Citation: [2021] EWHC 3439 (Ch)*  
*Link to decision: [dycip.com/original-beauty-g4k](http://dycip.com/original-beauty-g4k)*

*Jurisdiction: United Kingdom*  
*Decision level: High Court*  
*Parties: ASR Interiors Limited v AWS Trading Limited and Giatalia International Limited*  
*Date: 24 February 2022*  
*Citation: [2022] EWHC 372 (IPEC)*  
*Link to decision: [dycip.com/asr-aws-giatalia](http://dycip.com/asr-aws-giatalia)*

sales analysis, Mr Stone assessed that 20% of the 15,393 sales of the infringing garments had been made to customers who probably would have purchased the respective claimants' garments had the infringing garments not been available. Mr Stone was mindful of the Ultraframe, Gerber, General Tire and Watson guidelines to be liberal in the assessment of that probability, and the need to form a general view in his judicial estimation, noting that such estimations cannot be wholly scientific.

### 2. A reasonable royalty on the defendants' sales not covered by the lost profits

In considering the hypothetical royalty a willing licensor and licensee would have agreed, had the infringement not occurred, Mr Stone found the parties would have agreed to calculate an above-average royalty rate (10%) based on the defendants' net sales revenue, given the defendants had no other source of on-trend designs from a successful business. The claimants also would have wanted a minimum licence fee to ensure that the licensing income was worth the administrative effort. The royalty would have diminished the defendants profits but not render the garments 'loss-leaders'.

### 3. Additional damages, given that the infringement was flagrant

Additional damages in the UK are not a fine but may be punitive and have a valuable deterrent effect. Mr Stone considered the serious and flagrant nature of the defendants' four-year infringement, and their denials of copying throughout the trial. He considered an award of £300,000 (a 200% uplift on the standard damages) would be sufficient to "punish" the defendants and deter them from infringing again.

The total damages amounted to just over £450,000, one of the largest sums awarded in the context of unregistered design infringement.

[Continued on page 04]



[Continued from page 03]

### A salutary tale in a post-Covid world: evidence by video-link went very wrong

In our fourth and final case, ASR Interiors Limited v AWS Trading Limited, an action for UK registered design infringement is less notable for its legal substance than for its teachings on the perils of witness testimony.

The case concerned the infringement of three UK registered designs shown below left by the furniture items shown below right.



The defendants counterclaimed for invalidity on the basis that each of the infringing products pre-dated the registrations. Thus, much of the evidence concerned whether there had been prior disclosure of the 'accused' designs. Unfortunately for the defendants, things did not go well:

- The first witness did not attend for cross-examination;
- The second witness was found to be "belligerent"; and
- What transpired when the third witness, Mr Singh, gave evidence via video-link, cannot be recounted any more vividly than in the decision itself:

"The first time contact was made with Mr Singh, he appeared to be driving a van, dividing his attention between the road and a camera on the passenger seat. I immediately stopped the hearing.

The second time contact was made [once Mr Singh had stopped driving], Mr Singh appeared to be in a busy office with distracting background noise. I asked him if he could find a quieter place. This appeared to be a store room in the office.

After being sworn it turned out that he had left his witness statement in the busy office. He left the video link running while he went back, then returned to the store room with it.

He was asked about his exhibit to his witness statement, but he did not have that exhibit with him [or] know where it was. Similarly he did not seem to know about a brochure to which he had referred. At this point [the 1st Defendant's counsel] wisely accepted that the process was not turning out to be a successful one, and indicated that he would simply rely on Mr Singh's statement for such weight as it might be thought to be worth. This was again realistic. In those circumstances I give Mr Singh's statement no weight."

The judge made no determination as to who was at fault in relation to the above events. The salutary lesson, however, particularly as regards video-link evidence, is to appreciate the potential consequences when things go wrong.

Anyone who obtains an order permitting video-link evidence would be well advised to think carefully about how the process of giving evidence will actually happen. At a bare minimum, when the time comes for the video link to be activated the witness should be in a quiet room with all the case papers. Otherwise the risk is that the evidence will not be given properly, with potentially adverse consequences for that party's case.

Unsurprisingly, the registered designs survived the invalidity attack and were held to be infringed.

### In short

The above cases demonstrate that, without prior preparation, IP litigation might not go ahead exactly as planned.

It is worth considering the state of the market and conducting clearance searches prior to launching a new product or registering a new design or trade mark. And if litigation has commenced despite taking these steps, it is crucial to ensure that witnesses are prepared for the practicalities of adducing evidence, and do so in an honest manner.

Taking any of the above measures might have resulted in significantly different outcomes for the affected brand owners.

### Authors:

Tamsin Holman, Jeremy Pennant & Agnieszka Stephenson



### Related guide

Read our guide to registered designs at [www.dyoung.com/guide-designs](http://www.dyoung.com/guide-designs).





# Monkey business at the General Court

## How is the EUIPO handling UK matters that pre-date the Brexit transitional period?

### > Case details at a glance

Jurisdiction: European Union

Decision level: General Court

Parties: Nowhere Co. Ltd v Junguo Ye

Date: 16 March 2022

Citation: T-281/21

Link to decision: [dycip.com/nowhere-ye](https://dycip.com/nowhere-ye)

**T**his case highlights the need for clarity on how UK rights which were validly raised before Brexit are being handled by the EUIPO post Brexit.

### Background

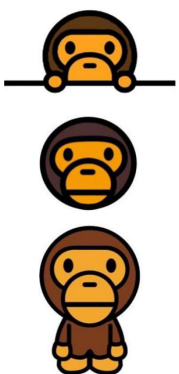
This case involves an EU application which was filed on 30 June 2015 by Mr Junguo Ye.

The trade mark application:



The trade mark was accepted and advertised for opposition purposes. On 08 March 2016, a Notice of Opposition was filed by Nowhere Co. Ltd. The opposition relied on three earlier non-registered trade marks.

Earlier non-registered trade marks relied on for the opposition:



As readers will be aware, the dates involved pre-date the UK referendum which took place on 23 June 2016.

### Opposition Division decision

On 20 September 2017, the Opposition Division rejected the opposition and Nowhere Co. Ltd appealed.

### Board of Appeal decision (part 1)

In October 2018, the Second Board of Appeal dismissed the appeal and the Nowhere Co. Ltd appealed to the

General Court seeking an annulment of the first decision of the Board of Appeal. However, before the matter was heard by the General Court, in April 2019 the Board of Appeal informed the parties of its intention to revoke its first decision.

On 17 July 2019, the Second Board of Appeal revoked its first decision on account of an obvious error attributable to the EUIPO. Following this, the General Court found there was no need to adjudicate on the action before it.

### Board of Appeal decision (part 2)

On the 10 February 2021, the Second Board of Appeal issued its decision and once again dismissed the appeal. In relation to the opposition based on the earlier non-registered trade marks, it found after Brexit and the expiry of the transitional period (which ended on 31 December 2020), the applicant could no longer rely on the rules governing common-law actions for passing off under Article 8(4).

### Appeal to the General Court

Understandably, Nowhere Co. Ltd went bananas and appealed to the General Court. Nowhere Co. Ltd asked the General Court to:

- Annul the contested decision and refuse registration of the trade mark applied for; or
- Remit the case to the EUIPO for reconsideration and order the EUIPO to pay costs.

The EUIPO contended the General Court should dismiss the action and Order Nowhere Co. Ltd to pay the costs incurred by the EUIPO.

### General Court decision

The General Court said that “contrary to what EUIPO claims, the mere use of the present tense in a provision does not make it possible to derive any conclusion as regards its interpretation.”

So far as concerns the wording of Article

8(4) of Regulation number 207/2009, it must be pointed out that the provision begins with the words “[u]pon opposition by the proprietor of a non-registered trade mark.” Consequently, it cannot be ruled out that the present tense which is subsequently used in that provision refers more to a time when the opposition is brought, and not to the time when the contested decision is adopted.

As such, the fact that the trade mark lost its status as an earlier right in the EU (due to Brexit) was not relevant because the existence of the relevant rights should have been assessed when the opposition was filed. We will have to wait and see whether the EUIPO appeals this decision.

### Food for thought

This decision creates uncertainty in the way the EUIPO handles UK matters that pre-date the end of the Brexit transitional period.

- Was the EUIPO too hasty in refusing the oppositions based on UK trade marks?
- On 10 September 2020 the EUIPO issued Communication number 2/20 in which paragraph 12 read “regardless of their procedural status at first instance, actions in inter parties proceedings based solely on UK rights that are still pending on 01 January 2021 will be dismissed for lack of valid basis. Each party will be ordered to pay their own costs.”
- We will need to wait and see whether this decision is appealed and what further guidance is given on this point.

### Author:

Helen Cawley



### In short

This case suggests further clarification is needed on whether the EUIPO correctly handled how UK rights were dealt with before Brexit.

# Take-homes for takeaways

## Conduct trade mark searches before using a new mark

➤ **Case details at a glance**  
*Jurisdiction: England & Wales*  
*Decision level: IPEC*  
*Parties: Gnat & Company Limited and China Tang London Limited (claimants) v West Lake East Limited and Honglu Gu*  
*Date: 16 February 2022*  
*Citation: [2022] EWHC 319 (IPEC)*  
*Link to decision: [dycip.com/gnat-china-tang](https://www.dycip.com/gnat-china-tang)*

The owners of the Cantonese restaurant called "China Tang" at London's Dorchester Hotel own a 2005 UK registration for restaurant services for the series mark below:



The defendant runs a Chinese takeaway in Barrow-in-Furness, which started using the name "China Tang" in 2009. Images of the shop front and menu are below:



The claimants alleged trade mark infringement under Section 10(2) and (3) Trade Marks Act 1994; and also passing off. The defendant asserted honest concurrent use as a defence to infringement.

The 10(3) claim failed because the claimant did not enjoy sufficient reputation in its mark by the time the defendant started operating. The passing off claim also failed because there was no evidence of any deception or even doubt about a connection between the two businesses in the minds of the relevant public, notwithstanding their simultaneous trading for 12 years. If any consumers had become aware of the two businesses, there was no reason to suppose that this has led to a belief that there was a connection between them.

The defendant's takeaway services were held to be closely similar to the "restaurant services" covered by the registration. The marks were identical aurally and visually similar.

The defendant relied on the fact that

despite 12 years of co-existence, there had been no instances of confusion.

### Absence of confusion

Although *Stichting BDO v BDO Unibank Inc* [2013] EWHC 418 (Ch) (at para 167) had noted that the absence of confusion is not fatal to an infringement claim, the longer the period of co-existence without such evidence emerging, the more significant it is. In the BDO case that period was over eight years, which the judge felt was an important factor. However, *Compass Publishing BV v Compass Logistics Ltd* [2004] EWHC 520 (Ch) noted (at paras 22 and 23), that the law of infringement is not simply reflective of the marketplace.

The question of infringement must assess the likelihood of confusion were the claimant to use its mark in a normal way as regards all services covered by the registration (including the same specialist field in which the defendant operates).

The defendants' point that a modest takeaway had little in common with the claimants' opulent restaurant largely faded away if the relevant comparison includes the earlier mark's use as the trading name of a low price restaurant, as would be the case following *Compass*.

The lack of confusion over 12 years was likely due to the differences in location and style between the two businesses. The judge also felt it likely that the reputation of the claimants' restaurant, though certainly extending beyond Park Lane, had not extended to those who knew of the takeaway (and *vice versa*). However, this did not mean no likelihood of confusion according to a correct application of section 10(2). Because of the similarity of the marks and the relevant services, a likelihood of confusion was held to exist. The principles relating to the defence of honest concurrent use were summarised

in *Victoria Plum Ltd v Victorian Plumbing Ltd* [2016] EWHC 2911 (Ch) (at para 74). In short, where two entities have co-existed for a long period, honestly using a similar name, the inevitable confusion that arises may have to be tolerated where the name indicates the goods/services of either entity as opposed to one alone. However, the defendant must not take steps which exacerbate the level of confusion beyond that which is inevitable, and to encroach upon the claimant's goodwill.

The defendant admitted that he had not undertaken any searches for "China Tang". Falling back on first principles, it seemed to the judge that had the defendant been a large enterprise (with an in-house trade mark department) which diversified by opening a single takeaway and failed to conduct searches, it would be hard not to conclude absent good reasons that this failure was not in accordance with honest practices. Setting up even small businesses likely requires competent legal advice on a variety of matters including trading names. A public register of other parties' rights is there to be consulted, in part so that those rights may be respected. In the modern climate of easy trade mark/internet searches, if a party starts to use a trading name without appropriate advice and simple searches, such use will not have been honest concurrent use without some reason why it should be considered such. There was no such reason in the present case.

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



### Take-home messages

It's unclear why the claimant did not have a plain word mark registration for its brand – this should be the first thing a new business considers. The case also highlights the value of (and in many cases the need for) conducting searches before seeking to register or use a new mark.

# D YOUNG & CO INTELLECTUAL PROPERTY

And finally...

*D Young & Co news*

## WIPR Leaders 2022 Celebrating talented IP lawyers

### WIPR Leaders 2022



**W**e are pleased to report that D Young & Co Partner Tamsin Holman features as a leading IP lawyer in WIPR's Leaders 2022.

WIPR Leaders is a "online directory of the world's most talented IP lawyers. A must-keep collection of contacts who have provided the highest quality patent, trademark, and copyright advice".

Tamsin practised as a barrister for five years at specialist IP chambers prior to qualifying as a solicitor and joining a leading City firm. She joined D Young & Co in 2011 and leads the firm's dispute resolution & legal team.

Tamsin was celebrated on WIPR's list

of "Influential Women in IP 2021". Tamsin is also highlighted as an IPSTAR in Managing IP's IP Stars 2021 survey and as a "gold" expert for trade mark enforcement and litigation in the World Trademark Review 1000 2021.

Tamsin's practice involves predominantly contentious IP matters, with an emphasis on enforcement and infringement of trade marks, design rights, copyright, domain names, database rights, trade secrets/ confidential information, as well as licensing disputes, matters involving ex-employees and anti-counterfeiting work. She acts for UK and international clients in a variety of sectors, including publishing, entertainment, leisure and fashion, FMCG, luxury goods, IT, finance and life sciences.

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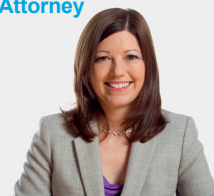
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