D YOUNG®CO TRADE MARK NEWSLETTER^{no.118}

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Editorial



Welcome to our September newsletter, which allows an important final reminder of the fast-approaching deadline of 30 September 2021 for any EUTMs that were pending on 01 January 2021 to be re-filed as UK applications (claiming the filing and priority date).

As well as the written case law commentaries in this newsletter we are pleased to note that our third case law webinar is now available. In a bite-sized webinar, Jana Bogatz provides a summary of the essential factors at play in the General Court's recent decision regarding the Guerlain lipstick shape mark.

Gemma Kirkland Partner, Trade Mark Attorney

Events



CITMA Autumn Conference

Virtual conference

Natasha O'Shea will be attending CITMA's virtual Autumn conference which will focus on dispute resolution, reputation management and settlements. www.dyoung.com/news-events.

Webinars



Guerlain - shape mark protection for a lipstick

On demand webinar

Jana Bogatz provides a short overview of the key aspects of Guerlain's successful appeal for trade mark protection for its "ship's hull" / "baby's cradle" lipstick shape. http://dycip.com/tm-guerlain-lipstick-sep21.

Brexit and trade marks webinar

On demand webinar

Jana Bogatz and Matthew Dick present a brief discussion about lessons learned post-Brexit, what is likely to happen next, and what practical steps should now be taken. http://dycip.com/tm-brexit-jul21.

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Shape marks

Hope for shape mark protection?

Guerlain's lipstick shape indicates product origin in the EU

he French cosmetics company
Guerlain was recently successful
in getting trade mark protection
in the European Union for
a particular lipstick shape
(judgment of 14 July 2021, Case T-488/20).

Shape mark protection in the EU

In general, EU trade mark law recognises trade mark protection for shapes. In theory, the criteria for assessing the distinctiveness of three-dimensional marks consisting of the appearance of the product itself should be no different from those applicable to other categories of trade marks.

However, in practice the protection of 3D shapes as trade marks has been proven to be extremely difficult. According to the EU case law, the consumer's perception of shape marks (as well as, for example, position marks, colour marks, sound marks and multimedia marks) is not necessarily the same as it is in the case of a word or figurative mark. Rather, the average consumers might not consider the product shape or the shape of a packaging (in the absence of any graphic or word element) as an indication of origin - which is why de facto trade mark protection for a shape mark (based on inherent distinctiveness) seems to be much more difficult than in relation to a word or figurative mark.

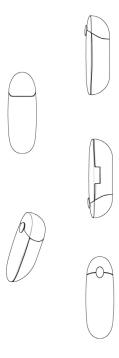
As a rule of thumb: distinctiveness of a shape mark is more likely to be denied the closer the "usual" shape resembles the shape most likely to be taken by the product in question.

Therefore, distinctiveness is only assumed where a mark departs significantly from the norm or customs of the sector and thereby fulfils its essential function of indicating origin.

Background to this case

Back in 2018, luxury cosmetics brand

Guerlain applied to the EUIPO for a 3D mark representing the shape of a its Rouge lipstick:



Both the first instance EUIPO examiner and afterwards the Board of Appeal rejected the application on the basis of an assumed lack of distinctiveness.

The Board of Appeal examined in particular if the application would significantly depart from the norms or customs of the sector - a requirement that is nowadays applied to all "non-conventional" marks (such as shapes, and position marks). It found that lipsticks were all cylindrical in shape and consumers were used to oval-shaped containers. Also, the Board of Appeal said it was usual to find multiple shapes and that the specific characteristics of that application did not allow it to be distinguished in any significant way from the other shapes usually present on that market. Therefore, taken as a whole, the mark in question would not diverge sufficiently, let alone "significantly", from the norms and habits of the sector.

Guerlain's appeal to the General Court

Guerlain appealed this decision to the General Court and pointed out why

Related webinar

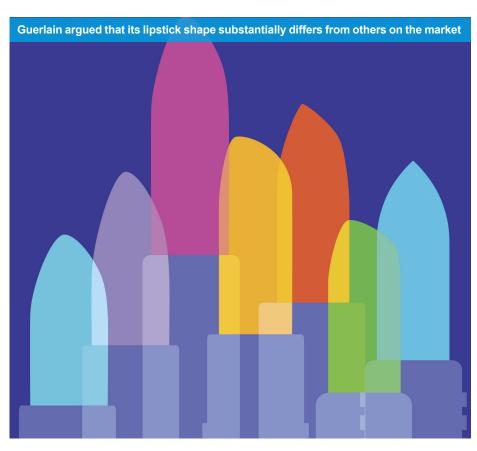


We've published a short "bite-sized' webinar about this decision that you can access on demand at: http://dycip.com/tm-guerlain-lipstick-sep21

Case details at a glance

Jurisdiction: European Union Decision level: General Court Parties: Guerlain (applicant) v EUIPO (defendant) Date: 14 July 2021 Citation: T-488/20

Link to decision: http://dycip.com/t48820



actually its very specific lipstick shape does substantially differ from the usual lipstick shapes available on the market. The special characteristics of its "revolutionary" lipstick shape can be summarised as follows:

- Without any flat surfaces, the lipstick cannot stand vertically.
- The unique form resembles a boat, bassinet or an upside down gold bar, with round edges and a convex upper part.
- There is a rectangular hinge to open the product which than reveals a double mirror.
- There is an embossed oval shape on the case.

General Court decision

After an oral hearing the General Court had to decide about this case in July 2021 and it notably followed most of Guerlain's arguments.

First of all, the court contradicted Guerlain by saying that the mere fact that "goods have a high-quality design does not necessarily mean that a mark consisting in the three-dimensional shape of those goods enables *ab initio* those goods to be distinguished from those of other undertakings".

Also, the court confirmed there was no requirement for novelty or originality and the fact that the specialist press regarded the applicant's sign as "revolutionary" was correctly not considered relevant for assessing the distinctiveness of the application.

However, on the other hand, the General Court held that "it is not inconceivable that the aesthetic aspect of a mark consisting in the shape of the packaging of a product, in this case its receptacle, may be taken into account, among other

factors, in order to establish a difference in relation to the norm and customs of a sector - provided that that aesthetic aspect is understood as referring to the objective and uncommon visual effect produced by the specific design of that mark".

It also reiterated that "the norm and customs of the sector cannot be reduced to the statistically most common form only, but include all the shapes which the consumer is accustomed to seeing on the market".

The standard shape in the industry is cylindrical or rectangular, but Guerlain's model was considered to resemble "a ship's hull" or "a baby's cradle". The shape was also considered unusual because the lipstick could not be put down.

Therefore, according to the General Court, the "shape at issue is uncommon for a lipstick and differs from any other shape existing on the market".

Key take away

Will it now become significantly easier to protect shapes as a trade mark in the EU? Unfortunately, the answer is no! However, the present case gives hope that the rather strict registration practice of the EUIPO could be overcome at least in some cases where the unusual shape of a particular product significantly differs from the industry norms and customs.

It remains to be seen how the story of shape mark protection in the EU continues and in particular if the EUIPO appeals this decision to the Court of Justice (and if its action will be considered admissible).

Further, there is already the next case around the corner with respect to shape mark protection. Already in September 2021, there has been the oral hearing at the General Court in the "Moon Boot" case (T-483/20) and we look forward to the respective decision expected at the end of 2021.

Author:

Jana Bogatz



Sky v SkyKick Court of Appeal issues judgment

Case details at a glance

Jurisdiction: England & Wales
Decision level: Court of Appeal
Parties: Sky plc and Others v SkyKick

Companies
Date: 26 July 2021

Citation: [2021] EWCA Civ 1121

Decision: http://dycip.com/sky-court-appeal-jul21

he Court of Appeal has issued its judgment in the SKYKICK saga.

To re-cap, the case concerned the validity of trade marks (1) covering overly broad and/or unclear/ imprecise specifications and (2) where an applicant does not have an intention to use the mark for all goods/services covered.

In January 2020, the CJEU issued guidance on both points, confirming in relation to (1) that a lack of clarity/precision in a specification is not a ground for invalidity. Applying the CJEU's guidance, the UK High Court decision concluded in relation to (2) that Sky had applied for at least certain goods/services with a view to obtaining an exclusive right "purely as a weapon against third parties". In other words, partial bad faith was proven so far as Sky had applied for the broad term "computer software" as part of its strategy without any commercial justification (but Sky was entitled to file for a broader scope of protection than its actual use on the marketplace reflected). This resulted in the UK High Court restricting Sky's trade marks to a specification which reflected the company's actual use.

The Court of Appeal decision concerns appeals filed by both parties: Skykick challenged the cutting-down of Sky's specifications for bad faith (contending it should have been more severe); Sky challenged the finding of partial bad faith.

"Un-finding" bad faith

The Court of Appeal was "in no doubt" that Sky's appeal should be allowed and overturned the UK High Court's decision to restrict some of its trade marks on the grounds of bad faith.

The Court of Appeal looked at key EU/ UK case law and legislation concerning bad faith, and confirmed that a lack of intention to use a mark, as a solitary factor, would not amount to bad faith.

The jurisprudence gives guidance as to the types of factors which may contribute to a finding of bad faith. For instance, in the case of Lindt (see http://dycip.com/c-52907-lindt-09), the applicant operated with a "sole objective" or "sole aim" which was inconsistent with the essential functions of a trade mark, or designed to promote unfair competition. Importantly, in SKYKICK, the Court of Appeal flagged that a lack of intention to use a mark for certain goods/services might be evidence of bad faith (where there are other "objective, relevant and consistent indicia" which allow the conclusion to be reached), but not bad faith in itself. Other mechanisms within the trade mark system enable parties to challenge conflicting rights (via opposition, invalidity on relative grounds, and non-use revocation actions).

The Court of Appeal looked at judge Arnold LJ's core reasoning for the finding of bad faith:

- i. for "some goods and services covered by the specifications", Sky did not intend to use the trade marks at the application dates and there was no foreseeable prospect that they would ever do so ("the no prospect of use conclusion")
- ii. the marks were applied for pursuant to a deliberate strategy of seeking very broad protection, regardless of whether it was commercially justified ("the broad strategy/no justification conclusion").

In relation to (i), the Court of Appeal flagged that SkyKick had challenged Sky's rights on the basis that they did not intend to use the SKY mark for **all** computer software, and there was no prospect of that. The Court of Appeal did not consider this to be a relevant or objective indicator of bad faith, noting that an absence of a plan to use a mark for **all** conceivable types or sub-divisions of computer software would not amount to bad faith.

In relation to point (ii), the Court of Appeal held that an absence of a rationale/ strategy in connection with a wide range of goods (that is, a plan under which the mark is to be used for **all** goods/services within a category of the registration) is not relevant to the bad faith assessment. The Court of Appeal also noted that, in connection with "computer software", Sky had extensive use and expectations of further use, with "obvious commercial justification for applying for computer software" – namely, the company's existing substantial business in computer software.

In short

It seems clear that broad terms such as "computer software" are not objectionable through being overly broad (if an applicant intends to use their mark in relation to just one type of software, that should be enough to show it has an intent to use for the broader term).

However, there is no clear guidance on whether an applicant like Sky is justified in covering products such as "bleach" in relation to which there is arguably no commercial justification based on their established business.

Authors:

Flora Cook & Matthew Dick



Related articles

Sky v SkyKick CJEU decision, January 2020: www.dyoung.com/en/knowledgebank/ articles/tm-sky-skykick-cjeu

Sky v SkyKick UK High Court decision, May 2020: www.dyoung.com/en/knowledgebank/articles/sky-skykick-high-court

Vans v Paredes When is a V not a V?

Case details at a glance

Jurisdiction: European Union Decision level: Board of Appeal

Parties: Vans Inc v Paredes Holding Center SL

Date: 16 July 2021 Citation: R 128/2021-4

aredes Holding Center (Paredes)
filed an EUTM application
for the position mark shown
below in respect of safety and
protective footwear in class
9 and footwear goods in class 25:



The application was opposed by Vans, Inc (Vans), on the basis of EUTM registrations for the two marks shown below, both of which covered "clothing, footwear,



headgear, belts and gloves" in class 25: Both of the Vans marks were less than five years old and not subject to proof of use. Vans claimed the application was liable to cause confusion with its prior registered rights particularly noting the similarity of the figurative black element in the application with its V design.

The Opposition Division rejected the opposition in entirety finding that although the goods were both identical and

similar, there was no similarity between the marks, and as such, a likelihood of confusion claim could not succeed.

Vans' argument for appeal

Vans filed an appeal arguing its marks had a high level of distinctive character; the marks were visually similar; the differences between the graphical elements of the marks were minor and were much closer if you changed the angle of the elements; and all the goods in question were identical, not just similar. Vans also argued that its marks had acquired distinctive character.

Parades' defence

Parades' argued Vans had not demonstrated acquired enhanced distinctive character for its marks at the time its application was filed. It further argued that the Vans marks contained a stylised letter V whereas its application contained a stylised letter S and the average consumer is aware of the variety of designs used for footwear. Further, it argued that footwear in class 9 is different to footwear in class 25 as there are different trade channels, public and intended purposes, with one being protective footwear and the other being footwear in general or for fashion.

Board of Appeal decision

The Board of Appeal rejected the appeal and upheld the original decision.

It maintained the marks were not similar because the shoe depicted in the application is different to the shoe depicted in the second Vans mark.

Further, the marks use different colours (for example, white and black as opposed to white alone), and the figurative elements comprise different shapes, lengths, directions and positions.

The Board of Appeal further held that the visual comparison of trade marks must focus on marks as they were filed or registered, and not on the basis of potential use or different angles of presentation – unless proof of use is at issue which it was not here.

Therefore, Vans' claim of visual similarity based on changing the angles of the marks had to be disregarded and the marks were deemed to be visually dissimilar.

The Board of Appeal also found there could be no finding of aural similarity between the marks because the application did not contain any letters (despite Paredes stating it did contain a letter S). As the application does not contain any letters at all, no aural comparison could be made with the Vans marks. (Interestingly, the Board of Appeal also held that the first Vans mark, namely, the mark comprising only a black design did not contain any letters either.)

In view of the lack of aural similarity between the marks, no conceptual similarity could be found either. Therefore, as the marks were not similar, there could not be a finding of confusion.

The Board of Appeal refused to be drawn on the enhanced distinctive character argument of Vans simply confirming the Opposition Division was right not to consider this given its findings the marks were not similar.

Author:

Gemma Kirkland



In short

This case demonstrates some of the difficulties with position marks such as these. Brand owners may be wise to consider protecting position marks in a variety of positions or angles in order to obtain broader protection and make enforceability easier. It is however clear that a narrow scope of protection is afforded. Would design protection have fared better? Quite possibly...

05

Likelihood of confusion / reputation

Food for thought HelloFresh successfully opposes rival trade mark "Halal Fresh"

Case details at a glance

Jurisdiction: United Kingdom
Decision level: UKIPO Court of Appeal
Parties: Halal Fresh Ltd and Hellofresh SE

Date: 03 August 2021 Citation: O/577/21

Decision: http://dycip.com/halalfresh-hellofresh

alal Fresh Ltd applied to register the trade mark below in relation to classes 29 and 31 (vegetables; fresh fruits, nuts, vegetables and herbs). HelloFresh SE successfully opposed the application on the grounds of likelihood of confusion, detriment to reputation/distinctive character and passing off.



Background and grounds of opposition

HelloFresh SE is the proprietor of the following earlier EU trade marks:

 EUTM 13716311 "HelloFresh" in classes 29, 31, 35 and 43;



EUTM 15656961 in classes 29, 31, 35 and 43; and



EUTM 16528391 in classes 29, 31, 35 and 43.

Registered rights

Much of the analysis in the opposition decision focused on the word mark "HelloFresh" as this was perceived as the strongest earlier mark on which to rely. According to HelloFresh, use of the contested mark would, without due cause, take unfair advantage of, and/ or be detrimental to, the reputation and distinctive character of HelloFresh's earlier trade mark registrations. The opposition was also based on a likelihood of confusion, but much of the analysis focused on the reputation claim.

Unregistered rights

Additionally, HelloFresh claimed unregistered rights as a result of use in

the UK since February 2015, such that the application should also be refused under section 5(4)(a) of the TMA. HelloFresh has extensively used the strapline "Dinner is solved". The inclusion in the contested mark of the strapline "Dinner is sorted" was used as evidence supporting the claim that the applicant intended to free-ride on HelloFresh's reputation and misrepresent itself as HelloFresh.

Section 5(3) TMA – reputation of earlier trade mark

The respective marks were found to be similar to a medium degree and the respective goods/services were perceived as highly similar.

HelloFresh was found to have a strong reputation amongst the UK public at the relevant date. However, some visual, aural and conceptual differences between the marks were seen as sufficient to avoid any significant level of direct confusion amongst consumers.

On the likelihood of indirect confusion, it was deemed highly likely that HALAL FRESH would be perceived as a new variant of the mark HelloFresh. The reputation of the earlier mark and the degree of similarity between the contested mark and "HelloFresh" was found to be sufficient to create a link between the marks. That is to say, consumers would perceive the contested mark as making a play on the earlier mark in the context of the marketing of foodstuffs comprising, containing, or sold as accompaniments to, halal meat or fish products.

The contested mark was clearly chosen to remind consumers of HelloFresh's earlier mark. Use of the contested mark would result in this image of the earlier mark transferring to the contested mark. This would allow the contested mark to free-ride on the reputation of the earlier mark without Halal Fresh Ltd incurring the marketing costs that would usually be required to publicise what the brand stands for. The contested mark would thereby derive an economic advantage by attracting more

consumers to buy goods offered under it than would be the case without bringing to mind the image of the earlier mark. Use of the contested mark was found to take advantage of the earlier mark.

Section 5(2)(b) TMA – likelihood of confusion

No likelihood of direct confusion was found, but the UKIPO found that a significant proportion of the relevant public are likely to believe that the contested mark is a brand extension of HelloFresh. Consequently, there was a likelihood of sufficient indirect confusion to uphold HelloFresh's case under section 5(2)(b).

Section 5(4)(a) TMA - passing off

HelloFresh successfully established that it had goodwill in "HelloFresh" at the relevant date. The resemblance between the marks plus the opponent's reputation would be sufficient to cause a substantial number of the opponent's customers to wonder or assume that there is a connection between the users of the marks, for example, HALAL FRESH is a brand extension of HelloFresh. Damage through diversion of sales and loss of control of reputation was established, and the opposition was also successful under section 5(4)(a).

A practical point on costs

Despite having been successful in relation to the opposition, HelloFresh was required to pay Halal Fresh Ltd the sum of £3,850.

This requirement was as a result of HelloFresh not sufficiently limiting the goods/services for which they were claiming reputation, and even included "flowers, office functions, and renting of cooking apparatus." The opponent was directed to limit the breadth of the reputation claimed at the hearing.

As time was taken up at the hearing to address defects in the opponent's pleaded case, costs which would normally be due to the opponent were deducted.

Author:

Alice Berkeley



OATLY v PUREOATY IPEC finds OATLY mark not infringed by PUREOATY sign

Case details at a glance

Jurisdiction: United Kingdom Decision level: IPEC

Parties: Oatly AB v Glebe Farm Foods Limited

Date: 05 August 2021

Citation: [2021] EWHC 2189 (IPEC)

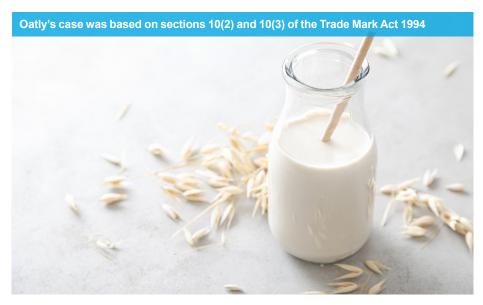
n a recent decision the Intellectual
Property Enterprise Court (IPEC) has
held that various trade mark registrations
owned by Oatly AB (Oatly) including
the marks OATLY and OAT-LY, are
not infringed by the mark PUREOATY
used by the defendant Glebe Farm
Foods Limited for an oat based drink.

Oatly is a well-known Swedish company which manufactures and sells oat-based drinks which are a plant-based alternative to dairy products. Its Barista Edition product is the top selling product in the dairy alternative product category. Oatly owns various trade marks for its OATLY mark and packaging, a number of which were relied on at trial. The judge focused the decision on the OATLY word mark on the basis this was the claimant's best case and this article also focuses on this mark.

Oatly's infringement case was based on section 10(2) (likelihood of confusion) and 10(3) (marks with a reputation) of the Trade Mark Act 1994.

In relation to the section 10(2) claim, the judge held that the marks OATY and PUREOATY had a very modest degree of similarity from a visual and phonetic perspective due to the presence of the word OAT. Conceptually the marks had some similarity in that they both referred to oats. The goods at issue were considered to be identical. When assessing likelihood of confusion the judge took into account the fact that the similarity between the OATLY and PUREOATY marks lay in the OAT element of the marks which was descriptive and which was unlikely to be given trade origin significance by consumers. Also significant was the fact that the defendant used the PUREOATY sign directly below the Glebe Farm logo on a carton which looked quite different from the Oatly carton. As a result the judge considered that no likelihood of confusion would arise in this instance.

In relation to the claim under section 10(3), the judge confirmed that Oatly's marks had a significant and extensive distinctive character and reputation in the UK. In line with the judge's conclusions



under section 10(2), he considered there to be a very modest degree of similarity between the signs, based on the common element OAT. There was, however, some evidence showing that customers were making a link between the marks OATLY and PUREOATY marks. It then fell to the judge to consider whether any of the three types of injury - to the distinctive character or repute of the mark or unfair advantage - were present on this case.

On the issue of detriment to distinctive character, the judge found that no injury was likely to be caused because any similarity between the marks resulted from their descriptive elements. In the view of the judge, the defendant's use of PUREOATY was unlikely to diminish the attractiveness of the OATLY brand as a badge of origin.

Similarly, there was no injury to the repute of the OATLY mark because there was no likelihood of confusion between the marks and, as such, the judge found it difficult to see how a customer complaint about the PUREOATY drink could impact Oatly.

Finally, in relation to unfair advantage, while the judge acknowledged the huge reputation of the OATLY mark, he considered that no unfair advantage was taken as there was no evidence of an intention on the part of the defendant to get close to or take advantage of the repute of the Oatly mark.

In case the judge was wrong about the above conclusions, he considered whether the defendant's use of the PUREOATY mark would have been with due cause, given the distinctive nature of the word OAT. In relation to detriment to the distinctive character or repute of the mark, the judge considered that the defendants actions would have been with due cause. However, if unfair advantage had been found then the judge confirmed that the defendant's actions would have been without due cause.

Oatly's claim for passing off failed on the basis no likelihood of confusion had been found between the marks.

Author:

Anna Reid



In short

This case is a reminder that where a trade mark has some descriptive elements, the particular context of use will be important in an infringement claim.

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And finally...

Final reminder!

UK trade mark filings for EUTM applications pending 01 January 2021 30 September deadline



FINAL REMINDER!

European trade mark (EUTM) applications that were pending on 01 January 2021 may be re-filed, claiming the filing and priority date, as a UK application but no later than 30 September 2021. This date also applies to any registered Community designs.

The D Young & Co trade mark team is here to assist in filing new UK applications for any EUTMs that were pending at the beginning of 2021; however, no extensions will be available beyond the 30 September 2021 deadline.

We are also able to assume responsibility. free of charge, for any cloned UK trade marks to ensure that you or your client has a UK address for service.

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