

# D YOUNG & CO TRADE MARK NEWSLETTER *no.109*

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WTR 1000 has once again ranked our firm as “gold” and we are delighted to continue to be ranked top tier in all the leading UK directories, including Legal 500, Chambers, WTR 1000 and IPSTARS. Such positive feedback means a great deal to our entire team and we are particularly pleased to see our valued overseas associates highlighted in WTR’s comments: “Leading one-stop shop D Young & Co is home to a number of the UK’s wonderful experts, whose quality is supplemented only by their network of experienced foreign agents”. We’ve enclosed information about our trade mark group members with this newsletter (online readers please visit <https://dycip.com/team-tm>).

## Events



### On demand

#### IP after Brexit webinar

Jana Bogatz, Richard Burton and Helen Cawley present a practical guide on trade marks and designs in a post-Brexit IP landscape. Contact us at [registrations@dyoung.com](mailto:registrations@dyoung.com) for access details.

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

## Brexit news



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# Sky v SkyKick Clarity from the CJEU?

Sky plc and Others (Sky), with a core business in television broadcasting, telephony and broadband provision, objected to SkyKick’s use of its name in connection with Software as a Service (SaaS) and cloud migration services in the UK Court. Sky relied on trade mark registrations which contained very broad terminology, such as “computer software”. SkyKick counterclaimed that Sky’s registrations were invalid because (i) some terms were too broad and lacked clarity and precision, and (ii) at the time of filing its applications, Sky acted in bad faith as it had no intention to use its SKY mark for all of the goods and services covered by its registrations. Since the UK Court felt that pertinent EU law was unclear on the point, it referred various questions to the Court of Justice of the European Union (CJEU) for guidance. The CJEU’s judgment was handed down on the 29 January 2020.

### Questions referred to the CJEU

It is highlighted in the judgment that, in the course of the UK proceedings, “there is evidence showing that, at the time of registration of the trade marks at issue in the main proceedings, Sky and Others did not intend to use them in relation to all of the goods and services covered by the registrations. Those registrations cover goods and services for which Sky and Others had **no commercial rationale for seeking protection**, so that the inclusion of such goods and services formed part of their strategy of seeking very broad protection of trade marks” (paragraph 46; emphasis added).

The questions referred by the UK Court to the CJEU can be summarised as follows:

1. Can a trade mark be declared wholly or partially invalid on the ground that some/all of the terms of the specification lack clarity and precision?
2. If yes, is a term like “computer software” too general to be considered “clear and precise”?
3. Is it bad faith to apply to register a trade mark without any intention to use it in relation to the specified goods/services?
4. If the answer to (3) is “yes”, is it possible

to conclude that an applicant made an application partly in good faith and partly in bad faith, where they had intention to use the trade mark for some goods/services but not for others?

5. Is the “intention to use” declaration requirement under UK law compatible with EU law?

### CJEU’s answers to questions 1 and 2 – as clear (and precise) as mud

“Lack of clarity and precision” became a hot topic thanks to the IP Translator case (which concerned the interpretation of Nice class headings). Its impact was to promote the filing of specifications which clearly indicated the goods/services the trade mark owner intended to cover with their mark.

When making its reference to the CJEU, the UK Court opined that “computer software” is too broad and thus contrary to public interest as it confers on the proprietor a monopoly of immense breadth which cannot be justified by a commercial interest. However, the UK Court’s view was that it does not necessarily follow that the term lacks “clarity and precision”.

The CJEU dealt with the first and second questions together, and looked at the provisions for seeking invalidity on absolute grounds. It was noted that the EU Directive (on which national trade mark law in each member state is for the most part based) provides a list of grounds which does not include a “lack of clarity and precision”. Moreover, the grounds which are listed are exhaustive, even if some of them are optional for member states to implement (paragraph 56). The provisions of Regulation No 40/94 (in place at the time of Sky’s applications), which governs EUTMs has almost identical wording. Further, the provisions in the Regulation concerning counterclaims indicate that invalidity could only be based on grounds mentioned elsewhere in the Regulation. As such, the CJEU concluded that there was an exhaustive list of absolute grounds of invalidity, and “lack of clarity and precision” was not one of them.

Further, the CJEU issued a reminder that IP Translator does not have retroactive

### The UK Court referred various questions to the CJEU for guidance



effect – Sky’s registrations predated the IP Translator decision, so would not be affected by the “clarity and precision” fallout from that case in any event.

SkyKick argued that the requirement for clarity and precision could be relevant when assessing graphic representability (the Sieckmann case stated that “clarity and precision” are two criteria a sign must meet in order to be considered a trade mark, otherwise the sign will be refused on absolute grounds). However, the CJEU reiterated that the Sieckmann requirements of “clarity and precision” related to signs only and did not extend to the wording of the goods/services.

The CJEU also considered whether lack of clarity and precision could give rise to invalidity on absolute grounds where the vagueness of a specification was “contrary to public policy”. The CJEU’s reasoning is somewhat lacking on this point. The decision merely states “the concept of public policy... cannot be construed as relating to characteristics concerning the trade mark application itself, such as the clarity and precision of the terms used to designate the goods or services covered by that registration...”. (paragraph 66).

Notably, presumably because it did not need to consider it, having answered the first one in the negative, the CJEU did not opine at all on the UK Court’s second question about whether “computer software” is too general to be “clear and precise”. Instead, the CJEU points out that trade mark registrations can be put to genuine

use once they are over five years old. For now, in light of the current decision at least, revocation for non-use seems to be the most plausible route (absent any earlier rights) to attack a registration which claims very broad terms (for example, “computer software”). It seems likely that the filing of broad terminology may continue to be acceptable practice for obtaining registration; however, a trade mark proprietor may lose protection if they cannot show sufficient use for certain goods/services within a subset of a broader specification after the five year non-use grace period.

#### Questions 3 and 4 – “I only acted partially in bad faith, honest!”

Under national trade mark law, applicants must have a “bona fide intention to use” their trade marks in connection with the goods/services specified in their UK applications. This is not a requirement under the EU Regulation or Directive, but a quirk of the UK system. One can view the “intention to use” requirement as a “checks and balances” provision, where it encourages filers to be realistic about their commercial goals and to file specifications which delineate core business interests as well as likely future avenues for expansion.

The UK Court asked the CJEU to clarify whether filing broad specifications (such as Sky’s) could amount to bad faith, and if so, whether an applicant at the time of filing can act partly in good faith (for example, for core goods/services), and partly in bad faith (for goods/services where there is no intention to use).

When answering the third question, the CJEU flagged its decision in Koton Mağazacılık Tekstil Sanayi ve Ticaret AŞ v EUIPO (C-104/18 P) in which it held that a bad faith ground for invalidity will apply where “it is apparent from relevant and consistent *indicia* that the proprietor of a trade mark has filed the application for registration of that mark not with the aim of engaging fairly in competition but **with the intention of undermining, in a manner inconsistent with honest practices, the interests of third parties, or with the intention of obtaining, without even targeting a specific third party, an exclusive right for purposes other than those falling within the functions of a trade mark**, in particular the essential function of indicating origin...” (paragraph 75 of the SkyKick judgment; emphasis added)

The SkyKick decision appears to have expanded on this point slightly - a lack of intention to use a trade mark “may” constitute bad faith, but it would be dependent on “**objective**, relevant and consistent *indicia*” showing the applicant either wanted to (dishonestly) undermine third parties or obtain a monopoly right for reasons “other than those falling within the functions of a trade mark” (paragraph 77). It remains to be seen what this means in practice, though it is difficult to ascertain any reasonable rationale behind why an applicant would file for a mark without any intention to use it for the goods/services covered **other than** to prevent others from doing so (or from registering the same or a similar mark), thereby immediately falling foul of the bad faith proviso. Ironically (given questions 1 and 2), there is a lack of clarity and precision in this part of the decision. What would constitute such “*indicia*”? The lack of detail here is understandable, as bad faith in the context of trade marks is defined by case law rather than national statute, EU Regulations or Directives; bad faith allegations are assessed based on facts and evidence. What we do know from this decision is that bad faith cannot be presumed **merely** from a lack of economic activity corresponding to the goods/services at the time of filing the application (paragraph 78, and paragraph 76).

[Continued on page 04]

## PDO

# Protected designation of origin NOSECCO evokes PROSECCO

The UK Court may give some more guidance when it applies the CJEU ruling to the facts, at least from a UK perspective.

Further, the CJEU answers question 4 in the affirmative: partial invalidation on the basis of bad faith is, in theory, possible. The concept may seem odd at first reading, though perhaps because most bad faith cases are “all or nothing”, where the intentions of the proprietor are clearly dishonest. However, the answer should not be overly surprising as Art. 51 (3) of EUTMR 40/94 states: “Where the **ground for invalidity exists in respect of only some of the goods or services** for which the Community trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.” (emphasis added). In the SkyKick case the position is nuanced as the goods/services covered by Sky’s registrations related to their core business interests, as well as arguably incongruent terms.

### Question 5: UK’s “intention to use” – a window to bad faith, not an open door to invalidity

In answering the fifth question, the CJEU concluded that the UK’s “*bona fide* intention to use” requirement was not contrary to EU law. The UK (and other member states) has been given a certain level of autonomy in deciding appropriate procedures for trade mark registration (paragraph 84). Whilst a lack of “*bona fide* intention to use” may be a ground for claiming bad faith, the requirement does not create a standalone basis for invalidity on absolute grounds. As such, it is not incompatible with the EU Directive.

The judgment does raise some interesting questions. Previous case law indicates that a broad specification is not sufficient to demonstrate bad faith “if the applicant has a **reasonable commercial** rationale for seeking such protection having regard to that trade mark’s use” (paragraph 43). Who is to decide what is reasonable? An applicant’s past use of its mark (and its existing activities) would provide a starting point, but brands can, and often do, diversify.

Authors:  
Flora Cook & Matthew Dick



➤ Case details at a glance  
Jurisdiction: United Kingdom  
Decision level: UKIPO  
Parties: Consorzio di Tutela della Denominazione di Origine Controllata Prosecco v Les Grands Chais De France  
Date: 13 November 2019  
Citation: O/691/19  
Link to decision: <https://dycip.com/tm-nosecco>

The UK Intellectual Property Office (UKIPO) has refused the UK designation of the international registration for the mark containing the word “NOSECCO” (as shown below) and covering “Non-alcoholic wines; non-alcoholic sparkling wines” in class 32, finding that it evokes PROSECCO, which is a protected designation of origin (PDO).



### Background

To be granted PDO status, a product must be produced, processed and prepared in one area and be made using distinct local knowledge. Other examples of PDOs include Jersey Royal potatoes, Feta cheese and Parma ham.

The UK designation was opposed by the Italian Trade Consortium responsible for the PDO for PROSECCO. As a PDO, PROSECCO can only be used for wines which meet specific requirements: they must derive from a specified grape growing area in North East Italy and be made primarily from the Glera grape. PROSECCO must also be marketed in glass bottles, with strict labelling requirements.

### Evocation

The opposition was based on, amongst other grounds, Section 3(4) of the UK Trade Marks Act 1994 in conjunction with Article 103(2)(b) of Regulation 1308/2013 of the European Parliament and Council, which provides that a PDO shall be protected against “any misuse, imitation or evocation”.

It is not necessary for there to be a likelihood of confusion for Article 103(2)(b) to apply. What is required is that the PDO is evoked: it is sufficient that when the consumer

is confronted with the mark at issue, the image triggered in their mind is that of the product whose designation is protected.

Evocation becomes more likely the more similar the goods are to those protected by the PDO. Despite the applicant’s argument that the goods are not similar because the contested goods do not contain alcohol, the hearing officer concluded that they are in fact highly similar. It was found that the contested goods are in competition with alcoholic drinks, are sold in close proximity to alcoholic wines in supermarkets, and their purpose is to be drunk in the same way as wine or other “sociable” drinks.

The applicant claimed that the inspiration for NOSECCO came from the combination of “no” as a negative and “secco” meaning dry, and that NOSECCO is a pun or play on words showing that the goods are “not dry” (but are a sweet-style sparkling non-alcoholic wine).

The hearing officer was not convinced by this and found that given the reputation of PROSECCO and the visual and aural similarities, the image of PROSECCO will be triggered in the minds of consumers when encountering the NOSECCO label. The opposition was therefore successful under Section 3(4) and the UK designation was refused in its entirety.

Author:  
Natasha O’Shea



### In short

This decision underlines the wider protection afforded to PDOs, which can benefit from a lower hurdle of evocation when compared with likelihood of confusion.



## Collective marks

# Genuine use of a collective mark Der Grüne Punkt

➤ *Case details at a glance*  
*Jurisdiction: European Union*  
*Decision level: CJEU*  
*Parties: Der Grüne Punkt — Duales System Deutschland GmbH v EUIPO (third party Halston Properties)*  
*Date: 12 December 2019*  
*Citation: C-143/19*  
*Link to decision: <https://dycip.com/collective-mark>*



**T**he Court of Justice (CJEU) recently strengthened the position of owners of collective marks in the EU, in particular by taking into account the specific consumer perception when assessing genuine use of such collective marks.

Der Grüne Punkt — Duales System Deutschland GmbH (Der Grüne Punkt) owned an EU collective trade mark registration (since 1999) for two interlaced arrows in a circle for goods in all 34 classes and several services in classes 39, 40 and 42. This collective mark aims to enable consumers (i) to recognise a product /packaging bearing the sign as being part of a recycling system and (ii) to distinguish them from other packaging/products that are not part of this system. The trade mark owner does not manufacture the products, but merely allows certain authorised third parties to use the collective mark in order to highlight the recyclability of the product packaging under Der Grüne Punkt's system.

In 2012, a Slovak company filed a revocation motion against the subject collective mark based on lack of genuine use. Der Grüne Punkt argued that the products and their packaging are sold as a unit and, therefore, have to be assessed together. In 2015, the Cancellation Division of the EUIPO partly revoked the collective mark in the first instance for most of the goods – except for various packaging goods. The Board of Appeal confirmed this view arguing that the mark was not perceived as an indication of origin for the goods in question, but only as an indication that the packaging of the goods may be collected and recycled according to that system.

The General Court (GC) found no genuine use for goods other than packaging. According to the GC, consumers clearly distinguish trade marks that indicate the commercial origin of products from those that indicate that packaging waste may be recycled. When seeing the collective mark on a packaging, the consumer would not recognise this as an indication of the origin of the product.

Further, the GC held that the mark was not intended to create or preserve an outlet for the goods at issue, but only for their packaging - even

in the unlikely case that a consumer's final choice on a product might be influenced on the basis of the quality of the external packaging alone.

The Court of Justice (CJEU) annulled the GC's decision, assuming genuine use of the EU collective trade mark. First, the CJEU emphasised the different functions of individual and collective marks. The court re-iterated that the latter should not be perceived as an indication of origin of a product deriving from a certain company, but rather indicated that a product comes from a company that is a member of a certain association.

When assessing the genuine use of Der Grüne Punkt's collective mark, this essential function of a collective mark needs to be taken into consideration. In light of this, genuine use should be assumed if a collective mark is used to distinguish the goods or services of members of the association (the association being the proprietor of the mark) from those of other companies, in order to create or preserve an outlet for those goods or services.

Therefore, the GC should also have considered the nature of the goods involved as well as the characteristics of the relevant markets. By making such a more precise assessment, the GC should have evaluated if the use of the collective mark was able to create an outlet for each different commercial sector involved.

The CJEU emphasised that some of the products in question concerned cover everyday consumer goods (such as food, beverages, personal care and housekeeping products) that generate daily packaging waste, which consumers must dispose of. Therefore, it cannot be denied that the use of a collective trade mark, which informs consumers about the recyclability of the product packaging, may influence consumers' purchasing decisions – as the consumer might prefer one product over another just because its packaging is easily recyclable. As a result, the use of the collective mark would be able to contribute to maintaining or creating market shares also for the products themselves and not just for the packaging.

**Author:**  
**Jana Bogatz**



## Renewals

# 24/7 renewals UKIPO common renewals service

### UKIPO launches 24/7 renewals



**T**he UK Intellectual Property Office (UKIPO) is planning to launch a new common renewals service in Spring 2020. This will allow the UKIPO to process renewals for trade marks, designs and patents 24 hours a day, 7 days a week. The exact date of the launch is not yet known.

Once the new renewals service is launched, it is important to note that the UKIPO will always be open for the processing of renewal payments.

**Renewal deadlines which fall on weekends or public holidays, automatic extensions to the next working day will no longer be available.**

Clients should bear this in mind when instructing renewals and should update their records and diary management systems to reflect this change. If renewal fees are not paid on time it could result in additional fees being incurred, and in some cases may lead to the loss of your intellectual property rights.

The change will apply to renewal payments submitted either electronically or on paper. The UKIPO's hours of business will not be changing for any other services that they provide.

The UKIPO will send out a reminder about the new service when the date of the launch has been confirmed.

**Author:**  
**Sharon Sequeira**





# IP after Brexit

## A brief comparison between UK and EU trade marks & designs

The UK left the EU on 31 January 2020. There will be a transition period until 31 December 2020 during which the UK will be treated like a member state and EU law will continue to apply: there will be no changes regarding the filing, scope and protection of EU trade mark and design rights.

At the end of the transition period, all registered EUTMs will be cloned into new UK registrations. EUTM applications which are pending on 31 December 2020 can be re-filed as new UK trade mark applications within a period of nine months, maintaining the original filing date, priority date or seniority date. In the table below we set out the key similarities and differences between UK and EU trade marks. In the table, right, we provide outline information on the material similarities and differences between the UK and EU registered design regimes.

 UK trade marks	Feature	EU trade marks (EUTM) 
Protection in the UK only.	<b>Extent of protection afforded</b>	Protection in all EU member states.
Applicant must declare that the mark is in use or that there is a genuine intention to use it.	<b>Intention to use</b>	No requirement.
Possible to file a single application covering a series of marks (marks which resemble each other as to their material particulars and differ only as to matters of a non-distinctive character not substantially affecting the identity of the trade mark).	<b>Series of marks</b>	Series of marks not possible.
Possible to claim priority from an earlier mark filed within the previous 6 months in a qualifying jurisdiction.	<b>Priority</b>	Possible to claim priority from an earlier mark filed within the previous 6 months in a qualifying jurisdiction.
Objections in other jurisdictions do not affect UK application.  Acquired distinctiveness must be shown throughout the UK.	<b>Absolute grounds for refusal</b>	EUTM application will be refused even if the absolute ground for refusal applies in only part of the EU.  Acquired distinctiveness must be shown throughout the EU.
At the end of the transition period, EUTMs and international registrations designating the EU will no longer provide a basis for opposition.  Opposition period is 2 months from the publication date of the application, extendable by 1 month.  Opposition on both relative and absolute grounds, including bad faith.	<b>Opposition</b>	Opposition can be based on earlier rights in any EU member state, in addition to EUTMs and international registrations designating the EU, thus increasing risk of objection.  Opposition period is 3 months from the publication date of the application.  Opposition on relative grounds only (absolute grounds can only be raised in an invalidation action once the application has proceeded to registration).
£170 in one class. £50 per each additional class.	<b>Official filing fees</b>	€850 in one class. €50 for second class. €150 for third and subsequent classes.
Registration in around 3-4 months, assuming no objections or oppositions are raised during the application process.	<b>Filing time frame</b>	Registration in around 5-6 months, assuming no objections or oppositions are raised during the application process.
Perpetual rights, provided renewed every ten years and remain valid.	<b>Duration</b>	Perpetual rights, provided renewed every ten years and remain valid.



### IP & Brexit Guide

As a European firm with offices in the UK and Germany D Young & Co is able to continue to represent you in the UK, Germany and European Union. There will be no change to the level of service that we provide during and after the transition period.

We have produced a guide to IP after the transition period. This is available on request or online at [www.dyoung.com/knowledgebank/ip-brexit](http://www.dyoung.com/knowledgebank/ip-brexit).

**Comparison table authors:**  
Natasha O'Shea & William Burrell



### UK designs

### Feature

### Community designs



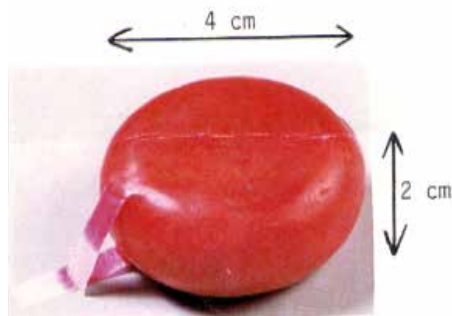
Maximum of 25 years from the filing date of the design registration.	<b>Duration of protection</b>	Maximum of 25 years from the filing date of the design registration.
A maximum of 50 designs are permitted in a single application.	<b>Designs in a single application</b>	Unlimited designs are permitted in a single application.
Assuming registration is not subject to any form of deferred publication: 1 design £50; 2-10 designs £70; 11-20 designs £90; 21-30 designs £110; 31-40 designs £130; 41-50 designs £150.	<b>Official application fees</b>	Assuming registration is not subject to any form of deferred publication: first design €350; each of designs 2-10 €175; each of designs 11 onwards €80.
The designs in the application can relate to any combination of subject matter (the Locarno classification of each design is irrelevant).	<b>Subject matter for multiple designs in a single application</b>	All designs in the application must principally relate to similar subject matter, in so far as the designs can all be covered under the same main Locarno classification number (such main numbers ranging from 01-32). It is exceptionally allowed to pursue designs covered under the same main Locarno classification number, alongside designs relating to "ornamentation" in Locarno classification 32.00, in the same application.
12 views.	<b>Maximum views allowed per design</b>	7 protected views (which define the scope of the protection afforded to the design registration) and up to 3 unprotected/explanatory views.
A written disclaimer is allowed to restrict the scope of each design from the application.	<b>Written disclaimers</b>	A written disclaimer is not allowed to restrict the scope of each design from the application.
Covers any disclosure(s) made by the designer, their successor in title, or by a third person as a result of information provided or action taken by the designer or their successor in title, which occurs no earlier than 12 months before the priority date of the application.	<b>Novelty grace period</b>	Covers any disclosure(s) made by the designer, their successor in title, or by a third person as a result of information provided or action taken by the designer or their successor in title, which occurs no earlier than 12 months before the priority date of the application.
A maximum of 12 months from the filing date of the UK registered design application.	<b>Publication deferment period</b>	A maximum of 30 months from the priority date of the EU registered design application.
Protectable.	<b>Surface ornamentation</b>	Protectable.
Protectable.	<b>Logos</b>	Protectable.
Protectable.	<b>Graphical user interfaces</b>	Protectable.
Protectable.	<b>Typefaces</b>	Protectable.
Assuming no objections are raised during the application process, publication and registration of the application is typically 2-4 weeks from the date of the initial application.	<b>Timeframe</b>	Assuming no objections are raised during the application process, publication and registration of the application is typically 1-3 weeks from the date of the initial application.

# Identifying hue is important

## Fromageries Bel v J Sainsbury

➤ **Case details at a glance**  
*Jurisdiction: England & Wales*  
*Decision level: High Court*  
*Parties: Fromageries Bel SA v J Sainsbury Plc*  
*Date: 12 December 2019*  
*Citation: [2019] EWHC 3454 (Ch)*  
*Link to decision: [dycip.com/bel-sainsbury](https://www.dycip.com/bel-sainsbury)*

In corroboration of the UKIPO's decision, the High Court of England and Wales has upheld that the trade mark (depicted below) for the Mini Babybel product should be deemed invalid on the grounds that the mark's description did not identify a specific hue of red and therefore was not sufficiently clear and precise to enable the mark to distinguish the origin of cheese.



The contested 3D UK trade mark was filed in 1996 by Fromageries Bel SA (FBSA) and registered in class 29 in relation to "cheese". The pictorial representation was filed alongside the description: "The mark is limited to the colour red. The mark consists of a three dimensional shape and is limited to the dimensions shown above".

J Sainsbury (Sainsbury's) filed a declaration of invalidity against FBSA's mark and put forward a number of arguments to the UKIPO Registry, of which one under Section 3(1) (a) TMA was successful, specifically that the "colour red" in the description did not provide sufficient clarity and precision to be capable of distinguishing origin, and that a particular hue of red should have been specified.

### Looking gouda for Sainsbury's

In the UKIPO decision, the essential characteristics of FBSA's mark went beyond colour *per se* and were considered to be the shape of the goods in the dimensions indicated, the protrusions making up the pull tag and the colour red. The number of reds in the pictorial representation was taken as being one, although the protrusions as being fuchsia-like in colour was also entertained.

The Hearing Officer, Allan James, noted that the "colour red", as included in the

description, did not satisfy the criteria in the seminal cases of Sieckmann and Libertel, in particular the absence of a colour identification code meant that the colour was not represented in an objective and durable manner and that the description was not sufficiently clear and precise.

FBSA appealed the UKIPO's decision to the High Court of England and Wales.

### Doesn't get cheddar for FBSA

First, FBSA argued that the hearing officer had erred in applying the Sieckmann criteria to a mark that is not a colour mark *per se*. However, the court noted that there is a connection between the Sieckmann criteria and the requirement that a mark is capable of distinguishing the goods/services of one undertaking from those of another. A Pantone reference to identify a hue would help satisfy the Sieckmann criteria and would also ensure that the mark is capable of distinguishing FBSA's cheese from those of its competitors.

For marks such as this which are not colour marks *per se*, the whole mark must be capable of distinguishing, and colour may play a part in that, including identification of a particular hue. The need for precision as to hue will depend on the extent to which a specific hue versus other elements of the mark is likely to confer that capacity to distinguish. In this case it was considered that the trade mark should have been limited to a single hue of red.

Secondly, FBSA argued that the hearing officer should have interpreted the registration as being limited to the specific red colour as filed in the pictorial representation of the registered mark. The court rejected this and noted that the written description specified dimensions but did not specify either a hue of red or that the hue of red should be that in the picture; therefore, the reader would consider that the description covered **any** colour red. Indeed, the description and picture could be deemed inconsistent.

Interestingly, if no description had been filed, the consumer would have had to fall back on the picture and assume the hue depicted. However, the graphical representation did not take precedence over the description.

Finally, the court also rejected an argument that FBSA should be allowed to retrospectively limit its rights to a specific shade of red (under Section 13 TMA), notwithstanding that the French registration from which the mark claimed priority included a Pantone reference.

The court distinguished between a limitation that narrows the scope of acts which would infringe a trade mark (which Section 13 TMA is intended to cover) and those which would affect the description of a mark. Here it was decided that the additional Pantone reference would affect the description, and this would introduce an additional feature into the content of the trade mark to make it distinctive, which is not permissible.

Therefore all grounds of appeal were rejected and Sainsbury's declaration of invalidity remained successful. The mark will be removed from the register in due course unless a further appeal is made.

### No need for a melt down

This case highlights the importance of identifying a specific hue of colour (for example using Pantone references) in the descriptions of non-traditional trade marks (including shapes and position marks) in particular where colour may be considered an essential characteristic of the mark.

**Owners of older 3D marks, in particular those filed alongside descriptions, which were considered valid at the time of filing may now find their marks vulnerable to attack.**

Owners may wish to file for new trade marks to strengthen their portfolios where necessary. The D Young & Co trade mark team can undertake assessments on a case-by-case basis including audits of portfolios to identify any vulnerabilities and advise on future strategy.

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# Cofemel decision applied for the first time by UK court

## Response Clothing v The Edinburgh Woollen Mill

The IPEC has issued its first ruling following the CJEU's decision in Cofemel, finding that "complete conformity" with EU law would preclude any requirement of aesthetic appeal.

### Why is Cofemel relevant?

The Cofemel decision indicated that the single requirement for copyright protection to exist is "originality" under the InfoSoc Directive (2001/29/EC) (ISD), and any aesthetic considerations should not be taken into account.

There has been considerable debate about whether the UK's closed list of categories of works which can benefit from copyright protection and the concepts of "artistic works" and "works of artistic craftsmanship" under section 4 Copyright Designs and Patents Act 1988 ("CDPA") are incompatible with EU law.

This decision is the first time that this apparent tension has been dealt with by a UK court.

### Background

Between 2009 and 2012 Response Clothing (Response) supplied ladies' tops to Edinburgh Woollen Mill (EWM). The distinctive feature of the tops was a "wave arrangement" design which consisted of multiple lines woven into a jacquard fabric in a wave pattern. Importantly, the pattern was not applied to the surface of the fabric, such as by painting, but was incorporated within the weave.

Following an attempt in 2012 by Response to increase their prices, EWM supplied a sample of Response's top to other garment suppliers with an invitation to supply tops made from a similar fabric. A few companies supplied garments made from the jacquard fabric.

Response brought a claim for copyright infringement against EWM, alleging that copyright subsisted in its wave arrangement design, on the basis that either it was a graphic work or a work of artistic craftsmanship.

### Can copyright subsist in the claimant's fabric?

HJH Hacon held that the definition of



graphic work under s.4(2) CDPA cannot be stretched to include a fabric, whether made on a loom or a knitting machine. Therefore Response's case rested on the fabric being a work of artistic craftsmanship.

The judge reviewed case law on works of artistic craftsmanship and noted that for the claimant's fabric to qualify, the author must have been both a craftsman and an artist (Bonz Group (Pty) Ltd v Cooke [1994] 3 N.Z.L.R. 216). HHJ Hacon said that the fabric required skill and creativity to devise, so fell within this Bonz Group definition.

HJH Hacon then turned to EU law and the Cofemel decision.

### Applying Cofemel

The judge recalled in that decision that "national law could not impose a requirement of aesthetic or artistic value." HHJ Hacon took the view that subject to his satisfaction that the claimant's fabric was original in that it was the "author's own intellectual creation", that design is a work within the meaning of Article 2 of the ISD - "if no sufficiently similar design existed before it was created, it must have been the expression of the author's free and creative choices."

The issue was "whether it is possible to interpret s.4(1)(c) of the 1988 Act in conformity with art.2 of Directive 2001/29

such that the Wave Fabric qualifies as a work of artistic craftsmanship and thereby its design becomes entitled to copyright protection. In my view it is, up to a point. **Complete conformity with art.2**, in particular as interpreted by the CJEU in Cofemel, **would exclude any requirement that the Wave Fabric has aesthetic appeal** and thus would be inconsistent with the definition of work of artistic craftsmanship stated in Bonz Group."

### Conclusion

HHJ Hacon concluded that the claimant's fabric was entitled to copyright protection and that copyright in it had been infringed. Since the wave pattern had aesthetic appeal, HHJ Hacon avoided needing to rule on the tension between Cofemel's exclusion of aesthetic appeal and UK law to date.

This judgment is a clear indication that the practical impact of the Cofemel decision is to exclude any requirement for a work to have aesthetic appeal. It follows that English law, as it has been interpreted to date, is incompatible with EU law in this respect. Given the UK's obligation to follow EU law for the duration of the transition period, time will tell post-transition how this issue will be tested going forwards.

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# EUIPO guidelines

## More guidance now available

➤ Notes

1. According to the “Panel discussion on guidelines: main changes of practice”.
2. Available under (PDF): <https://dycip.com/rou-eu-certification-marks>
3. See part C, section 2, chapter 4, 3.4.1.1.
4. see part D, section 3, 3.2.

The current EUIPO guidelines can be found online at: <https://dycip.com/euipo-guidelines-tm>

The new trade mark and design guidelines entered into force as of 01 February 2020. The design guidelines underwent no substantial changes and while there are no fundamental changes to the 2017 version of the trade mark guidelines, the new trade mark guidelines shed light on various aspects, which may have been on practitioners’ minds over the last years. Here we summarise some of the main changes:

### Formalities: transparent elements of marks

If a mark includes transparent elements, the applicant may choose “other” type of trade mark as a category and use the description. Utilising the description field is an important feature for EU trade mark (EUTM) filings as the description is published as well. This is, however, different for designs where the descriptions are not published. Therefore, the EUIPO advised in its “Panel discussion on guidelines: main changes of practice” to avoid trying to identify invisible parts for registered Community designs altogether.

### 100% objection rate relating to regulations of use in the first year

### Formalities: regulations of use of collective and certification marks

After a 100% objection rate in relation to regulations of use (RoU) in the first year<sup>1</sup>, the EUIPO provided further guidance on how to draft RoU and even created a template for certification marks<sup>2</sup>. Hopefully, this will reduce the objection rate in the future. Furthermore, the guidelines remind users that any transfer of collective or certification marks will require updating the regulations. Otherwise, the transfer will be refused.

### Absolute grounds: public policy and principles of morality

Given the increasing number of EUTM applications including names of drugs, such as “CANNABIS”, the guidelines now state that such marks will be refused as contrary to public policy or acceptable principles of morality (Art. 7(1)(f) EUTMR) when the sign can be perceived to promote the use of the named drug.

### The new EUIPO trade mark and design guidelines came into force on 01 February 2020



### Absolute grounds: geographical indications

The section on geographical indications has undergone a major change and users can rely on a section on direct or indirect use as well as misleading practices for clarification.

### Absolute grounds: essential position of plant variety denominations

The guidelines now provide guidance on when a plant variety denomination occupies an essential position in the complex mark applied for based on the General Court’s decision in “Kordes’ Rose Monique” (decision of 18 June 2019, T-569/18).

### Relative grounds

Users will find information on the impact of irregular capitalisations in word marks on the comparison of signs. In particular, the guidelines clearly state that such irregular capitalisations, such as “AIDAmia”, “may justify breaking down a single word into components”<sup>3</sup>.

### Proceedings: substantiation of marks in colour

One might think that this has already been the case before, but the EUIPO will no longer accept evidence in black and white for colour marks even if the rest of the submissions refer to the colour, for example, by naming it.

### Cancellation actions should be substantiated together with the application.

### Proceedings: substantiation in cancellation actions

Though this is not an admissibility requirement,

the guidelines now expressly state that “cancellation applicants should submit **all** the facts, evidence and arguments in support **together with the application**”<sup>4</sup>. Otherwise, there will be no basis for a meaningful exchange with the EUTM proprietor and the cancellation action may be rejected in case the EUTM proprietor does not file a response due to lack of substantiation.

### Geographical indications

The guidelines now include substantial information on the scope of protection of geographical indications and the exploitation of their reputation. Notably, the guidelines clarify that geographical indications have an intrinsic reputation, which requires no substantiation. However, this does not exempt from the requirement to substantiate any exploitation of said reputation.

### Goods and services: partial limitations

The EUIPO will now either accept or reject partial restrictions of EUTMs in their entirety. This means that the EUIPO will no longer accept a partial restriction in part. This aligns the procedure for partial restrictions with the one for partial surrenders.

### Goods and services: retail services

When considering the similarity between goods and retail services, the EUIPO will now have a more detailed look at distribution channels. As a result retail services for similar goods may be considered of low similarity, for example “retail services in relation to clothing” and “footwear”.

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# Evidence of bad faith

## Outsource Professional Services v Flatworld Solutions

➤ **Case details at a glance**

Jurisdiction: European Union

Decision level: CJEU

Parties: Outsource Professional Services Ltd (appellant) and Flatworld Solutions Pvt Ltd (applicant) and the EUIPO (defendant)

Date: 13 November 2019

Citation: C-528/18

Link to decision: <https://dycip.com/c-52818>

It isn't that often cases on the question of bad faith reach the Court of Justice of the European Union (CJEU). As usual the outcome is heavily dependent on the facts specific to the case.

Here, the court confirmed:

- that the concept of bad faith should be considered on its own merits, focussing on the honesty of intent at the time of filing; and,
- simply because a phrase may be descriptive does not prevent its adoption from potentially amounting to bad faith; and
- it is not necessary for a likelihood of confusion on the part of the public to be established in order for Article 52(1)(b) to apply.

### Background

In 2007 Outsource2India, a German business, filed a European Union trade mark (EUTM) application for OUTSOURCE 2 INDIA (and device) with the mark subsequently registering in 2008 without any opposition.



In 2013 an Indian company, Flatworld, filed an application for a declaration of invalidity alleging the trademark had been filed in bad faith by Outsource2India.

Article 52(1) (b) of the EUTM Regulation simply says "A trade mark shall be declared invalid ... where the applicant was acting in bad faith when he filed the application for the trade mark."

The Cancellation Division upheld the claim finding Outsource2India had intended to appropriate the element "outsource2india", which was already in use by Flatworld in the European Union. By filing such an application for registration, Outsource2India had acted in bad faith.

Outsource2India appealed and the Fourth [www.dyoung.com/newsletters](http://www.dyoung.com/newsletters)

Board of Appeal (BoA) of the EUIPO annulled the decision of the Cancellation Division.

In doing so they raised an interesting question. Could bad faith arise where the term used is descriptive?

The Board of Appeal held that as the phrase "outsource2india" is descriptive it may be freely used by all traders in the sector for outsourcing services to India, and thus bad faith could not occur. They also held that as the mark included figurative elements that Flatworld had never used, this indicated a lack of dishonest intent.

To shore up their decision the Board of Appeal noted the application filed by Flatworld in 2010 for the stylised mark:



Apparently this had been used by Flatworld in the EU prior to 2007 and with Outsource2India's knowledge.

"Are you sure?" said the General Court (GC) when Flatworld appealed.

The GC held it was necessary to examine Outsource2India's intention at the time the application was filed. The GC concluded that bad faith had occurred as a result of the "pre-contractual relationship" which existed between the parties in 2007.

The GC added that their assessment was independent of the question whether the wording "outsource2india" is descriptive and this was not relevant to the assessment as to whether bad faith had arisen.

Outsource Professional Services was granted leave to replace Outsource2India and appealed to the CJEU.

Crucially for this case, an appeal to the CJEU lies on points of law only and thus the dispute over the facts regarding the relationship between the parties in 2007, which rumbled on, was dismissed by the court.

The appellant argued that the GC should

have dismissed the appeal in the absence of a likelihood of confusion, contending that the marks are figuratively different and their only common element, namely the element "outsource2india", is descriptive.

The court held (following *Koton Mağazacılık Tekstil Sanayi ve Ticaret AŞ v European Union Intellectual Property Office*<sup>1</sup>) it is not necessary for a likelihood of confusion on the part of the public to be established in order for Article 52(1)(b) to apply.

The court agreed with the GC:

**Outsource2India had systematically presented its use of Outsource2India as being linked to its proposed collaboration with Flatworld and thus bad faith had occurred.**

In considering the potentially descriptive nature of the element "outsource2india" The CJEU said this was not a relevant factor and Outsource2India had acted in bad faith by seeking to exploit that element on the coat-tails of Flatworld.

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### In short

This case confirms that almost the sole issue is the extent to which there is dishonest intent at the relevant time. By their very nature bad faith cases will turn on the evidence presented to the court.

### Notes

1. *Koton Mağazacılık Tekstil Sanayi ve Ticaret AŞ v European Union Intellectual Property Office* (Case C-104/18 P); see <https://dycip.com/c-10418>



# D YOUNG & CO INTELLECTUAL PROPERTY

And finally...

*D Young & Co news*

## “The gold standard for foreign counsel” Top tier for WTR 1000



**W**orld Trademark Review 1000 has once again ranked D Young & Co as a top tier (gold) firm for UK trade mark attorney services. We are delighted to receive such positive feedback from our clients and colleagues and are grateful to those who participated in the directory research process.

WTR 1000 writes: “Leading one-stop shop D Young & Co is home to a number of the United Kingdom’s wonderful experts, whose quality is supplemented only by their network of experienced foreign agents. Clients are extremely positive about the way in which the group handles complex, international portfolios without charging huge fees – a capability that is largely a result of its genuine commitment to the personal touch, as one satisfied patron confirms. “D Young & Co has provided high-level trademark dispute,

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Firms and individuals in the gold band are “those that attract the most positive comments from sources. We have identified them as the crème de la crème; their success often hinges on reputations established over lengthy periods of time, something which enables them to secure the most high-profile, big-ticket work from the most prestigious of clients” (source: <https://dycip.com/wtr1000-2020-uk>).

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