

# D YOUNG & CO TRADE MARK NEWSLETTER *no.110*

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## Likelihood of confusion

# NOKIA v Kokiya

## The letters of the law

Case details at a glance

Jurisdiction: European Union

Decision level: Opposition division

Parties: Nokia Corporation v Shenzhen Road Zhengtong Trading Co Ltd

Date: 05 March 2020



### Likelihood of confusion

Nokia claimed that the earlier mark “NOKIA” has been extensively used and enjoys an enhanced scope of protection. For reasons of procedural economy, the opposition division did not examine the evidence provided, but proceeded on the assumption that the mark NOKIA has enhanced distinctiveness. Despite this and the identity of the goods and services in question, the opposition division concluded that in view of the notable differences between the signs, there was no likelihood of confusion. Consequently, the opposition was rejected in its entirety.

The opposition division noted that it is natural for brands to introduce new marks which incorporate the original “house” brand together with new verbal elements or stylisation. Interestingly it went on to comment that in the present case, the earlier mark “NOKIA” is not included in the contested sign, and so there is no reason for consumers to believe that the contested sign is a new version or an extension of the earlier mark, since there is no independent element being reproduced, but only isolated and scattered letters.

Author:

Natasha O’Shea



### In short

This decision shows that likelihood of confusion is assessed globally, taking account of several factors. Aural and visual similarity may not be sufficient for an overall finding of a likelihood of confusion, especially where the mark at issue contains other distinctive elements. The same outcome arguably may not have been reached if the contested sign consisted of the word element only without the figurative element.

### Can I use an electronic signature for deeds executed by company seal?

No, you cannot use electronic signatures.

### Can I amend a document that has been signed by electronic signature?

Amendments can be made to an electronic or hard copy original following the same rules for amendments to wet-ink documents. The parties (or their lawyers) should initial the amendments which show that they approve the changes. Those initialling the amendments should have the requisite authority to do so. However, if the agreement requires much more substantial changes it is best practice to execute a new agreement effecting this change.

### Can I use electronic signatures when contracting with parties incorporated outside of the UK?

If you are entering into a contract with a company incorporated outside the UK, you should take legal advice in that company’s jurisdiction of incorporation to confirm that the use of electronic signatures will not impact on the validity of the contract.

### Conclusions and practical guidance

Whilst electronic signatures will undoubtedly appear to be an appealing solution, whether or not they are appropriate will be specific to the circumstances, for example, exercise caution if contracting with entities outside the UK.

If at all possible, simple contracts are preferable to deeds. Companies may want to consider whether to authorise additional individuals to sign contracts on their behalf, in case regular signatories are unable to sign. Where signatories are working from home, companies will want to ensure that they are able to access electronic signatures remotely, print signature pages as necessary and (where copy signatures are sufficient) scan back or provide a pdf of signature pages.

Parties should also consider including counterpart clauses where appropriate to allow for the execution of separate copies of an agreement, which are then exchanged.

Author:

Alice Berkeley & Anna Reid



The applicant, Shenzhen Road Zhengtong Trading Co. Ltd., filed to register an EU trade mark (EUTM) for the figurative mark shown above, right, consisting of the word element “Kokiya” and a figurative element depicting a feminine silhouette. The application covers various goods in class 9, including “cell phones”. Nokia Corporation filed an opposition against the application based on a likelihood of confusion with its earlier trade mark registrations for “NOKIA”.

### Comparison of goods and services

In relation to the comparison of the goods and services, the opposition division found that some of the goods covered by the application are identical or similar to the goods and services on which the opposition is based in classes 9, 38 and 42.

### Comparison of signs

Turning to the comparison of the signs, the opposition division found that the signs are aurally similar to an average degree and visually similar to a low degree. Although the earlier mark “NOKIA” and the word element “Kokiya” both contain the string “O-K-I” and the final letter “A”, it was held that the different first letters “N” and “K” will have a stronger impact on the public. This is because consumers generally tend to focus on the first/initial element of a sign when being confronted with a trade mark.

The opposition division went on to note that although in principle when a sign consists of both verbal and figurative elements, the verbal element usually has a stronger impact on the consumer, in the present case, the figurative element in the contested sign is particularly striking due to its position, size and highly stylised depiction of a feminine silhouette. It was therefore held that the figurative element and the word element “Kokiya” are equally distinctive and important, and will equally catch the attention of the relevant public.

With regards the conceptual comparison, it was found that since the earlier mark “NOKIA” does not convey any meaning, the signs cannot be considered conceptually similar.



# Sound advice required Revived audio brand has trade marks revoked

➤ **Case details at a glance**  
Jurisdiction: England & Wales  
Decision level: High Court  
Parties: AIWA Co. Limited (appellant)  
and AIWA Corporation (respondent)  
Date: 13 December 2019  
Citation: [2019] EWHC 3468 (Ch)  
Link to decision: <https://dycip.com/aiwa>

In a case that presents a warning to anyone considering resurrecting a “dead” brand, the UK High Court in *Aiwa Co. Ltd v Aiwa Corporation* [2019] EWHC 3468 (Ch), on appeal from the UKIPO, held that the sale of second-hand goods was not sufficient to fulfil criteria of “genuine use with consent”.

## Background

In its heyday, the AIWA brand was synonymous with quality hi-fi equipment. With the passage of time and changes to the market, the company fell on hard times and it ceased to manufacture new equipment from 2008. In a latter-day resurgence of interest, two separate companies made an attempt to resurrect the brand: Aiwa Limited, having acquired the trade marks from the previous owner; and Aiwa Corporation. The dispute began when Aiwa Corporation applied for the trade mark “AIWA”. Aiwa Limited opposed Aiwa Corporation, citing three of their five trade marks. Aiwa Corporation subsequently filed revocation proceedings against all five of Aiwa Limited’s trade marks on the basis of non-use for a five year period.

## First instance

The question was whether Aiwa Limited had made genuine use of the marks with the consent of the proprietor within a period of five years, as required under the relevant provisions of the Trade Marks Act.

**As there had been no new products for over five years, the hearing officer focussed on Aiwa Limited’s claim that sales of second-hand products counted as “use”.**

The hearing officer concluded there was no consent from the original owner for pre-2008 goods, which equated to no genuine use. Limited’s marks were revoked and the opposition dismissed.

## Appeal to High Court

Core to Aiwa Limited’s appeal was that the hearing officer had joined together the concepts of “genuine use” and “consent”, and that it was improper to say that because

## Reviving old brands is surprisingly common, and is fraught with difficulty



there was no proprietor consent therefore there can be no genuine use. The judge, Mr Justice Mann, confirmed that these concepts must be considered separately and it should not be assumed that the absence of consent automatically means no genuine use, although on the facts, consent may be an important element.

## Consent

As there was no express consent from the proprietor in respect of third party sales, could there be implied consent? Counsel for Aiwa Limited argued that the concept of consent was the same whether it related to non-use, exhaustion, or infringement. In other words, exhaustion of rights is a form of implied consent to onwards sales of second-hand products, which in turn was capable of being consent to genuine use of the mark.

The judge dismissed this line of reasoning. He confirmed that exhaustion, instead, is an absence of rights, not that the proprietor has consented to the future use. Consent, therefore, implied or otherwise, does not arise from exhaustion and this part of the appeal dismissed.

## Genuine use

In line with *London Taxi* [2016] FSR 579, the judge agreed that the appearance of the AIWA mark on second-hand goods is capable of performing an essential function of a trade mark, but for second-hand sales something more is required. On the facts, Aiwa Limited’s evidence

of second-hand sales was “rather thin”, being only a few third party advertisements on eBay and Amazon, and no evidence of actual sales or marketing with involvement of the proprietor. Had there been involvement of the proprietor, it may have moved it closer to fulfilling the criteria of genuine use, but on the facts it did not. As such, there was no activity capable of creating or maintaining a market share for the relevant goods or services and, although his reasoning was different from the hearing officer, the conclusion was the same and the appeal dismissed.

## Author:

Jake Hayes



## In short

Reviving old brands is surprisingly common, and it is fraught with difficulty. Although unsuccessful for the proprietor of the trade marks in this case, the judge reinforced the message that when it comes to genuine use and the second-hand market, it is always a fact-based assessment. Therefore, this case does not establish a principle, as such, but proprietors of “revived” marks should take heed.

# IP & Brexit Time to start planning!

## Brexit & registered Community designs



There is now less than eight months to go until the end of the current Brexit transition period – which is currently set to terminate on 31 December 2020. This date has important ramifications for all users of the registered Community design (RCD) system, and in particular those that currently own RCDs, and/or who might be considering applying for an RCD in the coming months.

For a greater insight into how Brexit will impact the RCD system (and other IP rights) once the transition period expires, please do refer to our IP & Brexit resource at <https://dycip.com/post-brexit-ip> which contains key information in that respect.

In the meantime as well, for those readers seeking an understanding of how the UK registered design system differs from the registered Community design system, please do also refer to our previous resource at <https://dycip.com/uk-eu-designs> which provides a detailed comparison of these two systems.

In any case, for those with any particular questions or concerns in terms of how Brexit will impact design protection in the EU and the UK, please do not hesitate to contact one your usual D Young & Co advisor or a member of our design team: <https://www.dyoung.com/en/services/designs>.

Author:  
William Burrell



# “EUIPO Design Focus” Trends 2010 to 2019

The EUIPO recently released its “EUIPO Design Focus – 2010 to 2019 Evolution”. The report focusses on the successful progress in relation to registered Community designs (RCDs) and identifies key figures and trends in the field of RCDs in relation to direct filings, emphasising the increasing importance of RCDs for businesses worldwide over the last decade.

## Filings: global filing volumes and countries

Between 2010 and 2019 there were more than 988,000 individual design filings. The forecast for 2020 predicts a total number of individual design filings of 1.1 million between 2010 and 2020. Almost 72% of direct RCD filings originate from within the EU, headed by Germany. The three top non-EU countries filings originate from are the USA, China and Japan representing about 2/3 of all non-EU direct filings. China increased its share by about 12% since 2010 and filings have grown by over 890% compared to 2010.

## Filings: global direct filing applicants

The top ten direct filers come from “design intensive industries and commercial sectors such as: clothing, footwear, apparel and accessories; consumer electronic goods; home appliances; lighting apparatus and fixtures” and account for 5.9% of all direct filings. These are headed (from first to fifth place) Rieker Schuh, Nike, Robert Bosch, Pierre Balmain and Samsung Electronics.

## Filings: global direct filing classes

Direct filings between 2010 and 2019 included over 900,000 associated classes of the Locamo Classification, headed by class 6 (Furnishing) and followed by class 2 (Articles of clothing and haberdashery); class 6 and class 2 both having more than 90,000 filings. This is followed by class 14 (Recording, telecommunication or data processing).

## Examination of filings: average registration and deficiency rate

The average registration rate of examined direct filings was over 95%. The average deficiency rate was at over 22%, of which the vast majority were corrected.

## Examination of filings: refusals

Refusal decisions were hardly appealed,

the appeal rate to the Board of Appeal being at less than 1% of the refusals.

## Registrations: timeliness

The EUIPO improved its timeliness by over 66% and the average time for a straight-through RCD from filing to registration was lowered from twelve working days in 2010 to four working days in 2019.

## Registrations: global direct registration owners

These are for the most part identical with the list of top 10 applicants. Of these top ten, which make up over 5% of overall direct registrations, enterprises based in the EU account for over 40%. If including Swiss-based firm Rieker Schuh, the European share is even over 60%.

Furthermore, for some owners the EUIPO has seen substantial growth in direct RCD registrations, such as an over 900% growth in registrations for Apple between 2010 and 2019 and over 400% growth in the same period for Philips.

## Publication of registrations

Between 2010 to 2019 approximately nine out of ten RCD applications were immediately published, i.e. publication was not deferred.

## Invalidities

Over 3,700 invalidity proceedings were filed during the period of 2010 and 2019 encountering an annual growth rate of over 20%; English being the predominant language of the proceedings (on average over 60%) followed by German (on average over 18%). More than 85% of invalidity actions were based on the grounds of lack of novelty and individual character of the attacked design. On average over 65% of invalidities were confirmed and about 36% of RCD invalidity decisions are appealed annually.

## RCD renewals

On average, over 50% if the RCDs are renewed after the first five years and approx. 60% are further renewed after ten years in force.

## RCDs in force

As of 01 January 2020, there are over 800,000 RCDs in force.

Authors:  
Jana Bogatz & Yvonne Stone





# Unregistered design protection Protecting product parts

➤ Case details at a glance

Jurisdiction: Germany

Decision level: Bundesgerichtshof

Date: 30 January 2020

Citation: I ZR 1/19

Decision: <https://dycip.com/izr1-19>

**D**oes unregistered design protection extend to parts of a complex product even if only the complex product was made publicly available in its entirety, and if yes, when do such parts have individual character?

These two interesting questions were recently referred to the Court of Justice of the European Union (CJEU) by the German Federal Supreme Court (Bundesgerichtshof – BGH). It remains to be seen how the CJEU will answer these questions. In the meantime this article focusses on background information to the dispute, the BGH's opinion and reasons why the CJEU might want to see this differently.

## Background

The plaintiff presented its “Ferrari FXX K” model for the first time in a press release on 02 December 2014, which merely contained photos of the entire car. The “Ferrari FXX K” design *inter alia* includes a noticeable V-shape on the hood and a particular spoiler design. The limited edition model available for the purchase price of EUR 2.2 million was sold out within days.

The defendant manufactures car parts. Since 2016 the defendant offered tuning kits for the “Ferrari 488 GTB” model. These tuning kits helped to alter the design of the Ferrari 488 GTB models to include a “V-shape” on the hood of the car and a new spoiler.

Ferrari *inter alia* claims that the parts offered in the “Front Kit” infringe Ferrari's unregistered Community design (UCD) rights in the V-shape as well as the spoiler design of its “Ferrari FXX K” model.

## The BGH's opinion

After the first two instance courts refused

Ferrari's claim, the BGH referred the above questions to the CJEU. In its referral decision, the BGH already provided its proposed answers to these two questions as follows:

### Why should unregistered designs be treated differently from registered designs?

The BGH holds the view that the protection of product parts requires for the parts to be made publicly available individually. Disclosing only the complex product, like an entire car, would not suffice. This would mirror registered design protection, which if a design is filed for an entire product, only covers the design of the entire product and not individual parts visible in the design registration.

As far as individual character of such product parts is concerned, this would require that, in the perception of the informed user, the appearance of the part is not completely lost in the appearance of the complex product, but has a certain independence and concise form which makes it possible to establish an overall aesthetic impression independent of the overall form.

### Food for thought

We concur that the BGH's view is in line with the legal rules applied to registered designs and there is definitely an appeal to applying the same rules to UCD. So this approach would certainly be a neat one.

However, one could wonder if UCD protection could not be allowed a little leeway in order to free it from its perception as the “ugly stepsister” of registered Community designs. After all, while UCDs still have to fulfil the same prerequisites as registered designs, such as those pertaining to novelty and individual character, for which the designer bears the burden of proof, UCDs only protect against imitations and that only for a period of three

years. Consequently, the scope of protection granted to a registered design is much broader and potentially longer than that for UCDs. Furthermore, businesses for the most part do not actively choose only to rely on UCD protection. Rather, they often do so in case of blatant imitations of products or parts thereof, for which they do not have registered design protection. Therefore, why not let novelty and individual character be the deciding factors and make the disclosure of the complex product as a whole suffice? On the other hand, it is of course also in the business' hands to disclose in parallel the entire complex product as well as the main parts of it separately – which might lead to a greater legal security for everyone.

### What does this mean for designers?

That being said, if you want part of your products to enjoy design protection in the EU, it is safest to register the design of said product part – preferably by ensuring beforehand that it meets all prerequisites, such as novelty and individual character. You may also benefit from the bulk discount granted to an application for multiple designs for products falling into the same category (Locarno class) as well as parts thereof in the same application.

### In short

When it comes to the protection of visible product parts, registered designs may be the most reliable option to protect your design.

Depending on the CJEU's decision unregistered design protection may be a viable option as well, bearing in mind that the protection is limited to imitations and a maximum period of three years.

### Authors:

Jana Bogatz & Yvonne Stone





# Bad faith or seizing an opportunity? Where do we draw the line?

➤ *Case details at a glance*  
*Jurisdiction: United Kingdom*  
*Decision level: UKIPO*  
*Parties: Pasta Go (applicant)*  
*Kamil Kruk (opponent)*  
*Date: 04 March 2020*  
*Link to decision: <https://dycip.com/ukipo-pasta-go>*

**T**rade mark law allows brand owners to take action against a trade mark applied for in bad faith. But, what is meant by bad faith?

The UK Intellectual Property Office (UKIPO) has rejected a trade mark opposition, deeming the trade mark application did not amount to bad faith.

## Background

In September 2018, PASTA GO (the applicant) applied to register the trade mark (as shown below) in class 43 (take away food and drink services). Mr Kamil Kruk (the opponent) opposed the application under section 3(6) of the Trade Marks Act claiming that the applicant's mark was applied for in bad faith.



The opponent operates a chain of restaurants in Poland and claimed that the applicant was aware of his trade mark, and had visited one of the opponent's premises in Poland and had then copied the business name and logo. The opponent alleged that the applicant was attempting to trade off the repute of the opponent's business and block the opponent from entering the UK market. The opponent said he planned to expand the brand and business internationally.

The applicant had allegedly modified one of the opponent's images and used it in a social media post. The opponent contacted the applicant in August 2018 regarding the misuse of the photograph. It was only when challenged that the applicant then sought to file an application in the UK, when it discovered that the opponent's mark was only registered in Poland. Accordingly, the opponent argued that this behaviour fell short of the standards

Merely knowing a trade mark is in use in another jurisdiction does not amount to bad faith



of acceptable commercial behaviour and the application was made in bad faith.

In response to the allegations of bad faith, the applicant said that the opponent subjected him to threatening behaviour and scare tactics to try and make the applicant change the name of his business. When the applicant realised that the opponent only had protection in Poland, he applied for the trade mark as a measure to keep the "name and health" of his business. His view was that since he was based outside Poland, he had legal rights to expand his business anywhere in Europe.

## Decision

The relevant date for assessing whether a trade mark application was made in bad faith is the application date – in this case that was 13 September 2018.

The UKIPO considered whether the applicant knew of the opponent's business and its mark at the relevant date. The answer to this question is yes. There was Facebook contact between the parties in August 2018. However, the hearing officer commented that merely knowing a trade mark is in use by another business in a different jurisdiction does not amount to bad faith, and is not conduct that falls below the standards of acceptable commercial behaviour. Trade marks are territorial in nature meaning that effectively

protection is granted to the first to file.

The applicant's motivation for applying for the mark was deemed to be an opportunity to gain a commercial advantage knowing that the opponent's protection was limited to Poland and did not extend to the UK or Europe. The hearing officer did not view the applicant's filing as being designed to prevent the opponent from using his mark nor as a pre-emptive strike to prevent him expanding his business in the UK market. Taking all this into account, there was no finding of bad faith, rather this conduct was deemed fair in the circumstances. The opposition under section 3(6) therefore failed and the application could proceed to registration.

## Author:

Alice Berkeley



## In short

This decision underlines the high evidential bar needed to succeed in proving bad faith. Merely knowing a trade mark is in use by a third party in another jurisdiction does not amount to bad faith.

