

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

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During this global crisis our thoughts and best wishes are with our readers, clients, and colleagues around the world who may be personally affected by the coronavirus pandemic. As will be the case for many of our readers our teams are currently working remotely in order to provide an uninterrupted service and we are extremely grateful to those working on the coronavirus frontline to keep us safe and well at this difficult time. Details of our current work processes are published at: www.dyoung.com/covid-19-service.

While this newsletter includes our usual case law and procedural updates we've included some important news on changed practices at the European IP offices during this unprecedented time and some practical advice on remote execution of documents. Our most important message however is keep safe and well!

The D Young & Co trade mark group, May 2020

Brexit news



We welcome your Brexit questions (email our advisors at brexit@dyoung.com) and regularly publish news and advice regarding Brexit on our website: www.dyoung.com/knowledgebank/ip-brexit.

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Unfair advantage / distinctive character

Unfair advantage? Burlington Arcade successful at CJEU

The Court of Justice of the EU (CJEU) has recently overturned a decision of the General Court and rejected various applications for marks incorporating the word BURLINGTON, on the basis of oppositions brought by the owners of the Burlington Arcade, the high-class arcade in Piccadilly, London.

Background

Burlington Fashion GmbH, filed applications to register the word mark BURLINGTON and the following marks:



The applications covered goods in class 3 (such as soaps), class 14 (jewellery and watches), class 18 (leather bags and so on) and class 25 (footwear, clothing and headgear).

These applications were opposed by the owners of the Burlington Arcade who were the proprietor of various earlier marks for BURLINGTON and BURLINGTON ARCADE in, amongst others, class 35. These registrations broadly cover retail services, for example, the bringing together for the benefit of others, a variety of goods enabling customers to conveniently view and purchase those goods from a range of general merchandise retail stores. The Burlington Arcade's most relevant earlier marks date from 2003.

The opposition was brought on the basis of Article 8(1)(b), 8(4) and 8(5) of the EUTMR.

Initially, the opposition division upheld

the oppositions, but these decisions were then overturned by the Board of Appeal which rejected the oppositions.

The Burlington Arcade appealed to the General Court, but the appeal was dismissed and the decisions of the Board of Appeal were upheld.

Finally, the Burlington Arcade appealed to the CJEU.

Decision of the CJEU

The CJEU overturned the decision of the General Court (and the earlier decisions of the Board of Appeal) for two key reasons:

1. One of the main grounds on which the General Court had rejected the opposition was because the Burlington Arcade had provided no proof that unfair advantage had been taken of its earlier registrations.

In particular the General Court concluded that there was no evidence that the "attractiveness" of the earlier BURLINGTON registrations would be reduced. This finding was overturned by the CJEU which held that the General Court's discussions about "commercial attractiveness" were ambiguous because this was not a concept which was discussed in Article 8(5).

It essentially seems that the General Court had applied the wrong test to the assessment of unfair advantage.

The CJEU considered that it was also not clear that the General Court had considered detriment to distinctive character (and should have done so); and

2. The General Court also considered that the goods covered by the applications such as watches, jewellery and clothing were different from the retail services covered by the Burlington Arcade's earlier registrations, because the retail services in the latter were not precisely identified, that is, the specification did not state which goods the retail services related to (in line with the Praktiker case).

➤ **Case details at a glance**
Jurisdiction: European Union
Decision level: Court of Justice of the EU
Parties: Tulliallan Burlington Ltd v EUIPO
Date: 04 March 2020
Citation: C-155/18 P to C-158/18 P
Link to decision: <https://dycip.com/burlington>

Burlington Arcade appealed to the CJEU



The CJEU pointed out that the Burlington Arcade's earlier registrations were registered before the Praktiker decision, so the decision was not relevant to these registrations.

As a result, the General Court should not have simply dismissed the opposition under Article 8(1)(b) outright because the retail services did not specify the goods to which they relate. Instead, the General Court should have looked at what goods the retail services had been used for and should have then assessed whether these services were similar to the goods covered by the applications.

As a result of the above, the original decisions of the Opposition Division rejecting the applications stand.

Author:
Anna Reid



In short

This decision brings some welcome clarity to the scope of unfair advantage under Article 8(5) and serves as a reminder that detriment to distinctive character should also be assessed in some detail.

European IP offices

Coronavirus European IP offices changed practice

In response to the new coronavirus disease (Covid-19) outbreak, intellectual property offices in Europe have implemented special measures to offer some level of flexibility to rights holders whilst Europe is working under new and uncertain conditions. Whilst this flexibility is welcomed we will continue to work to original deadlines.

We are regularly updating this information and will publish the latest news (including details of the European Patent Office) at:
<https://dycip.com/covid-19-ip-offices>

UK Intellectual Property Office (UKIPO)

The UKIPO has declared 24 March 2020, and subsequent days until further notice, to be interrupted days. This will be reviewed again on 28 May 2020. The UKIPO is also still stating that it will provide a minimum of two weeks' notice before ending the period of interrupted days.

Any deadlines and applications for patents, supplementary protection certificates, trade marks and designs which fall on an interrupted day will be extended until the UKIPO states that it will be ending the period of interrupted days. This decision applies to all statutory time periods set out in UK legislation, and to all non-statutory periods set by the UKIPO. This decision does not apply to time periods set out under the various international IP treaties, such as the Patent Cooperation Treaty, European Patent Convention, or the Madrid system, where the UKIPO may be acting as a receiving office.

Future announcements from the UKIPO are likely to be found here:
<https://dycip.com/ukipo-coronavirus>.

The German Patent and Trade Mark Office (DPMA)

During March 2020 the DPMA automatically extended all time limits to 04 May 2020. Separate notifications about the amended deadline expiry dates were not issued.

The DPMA has not issued any further automatic extensions and further extensions are not expected to be issued at this time.

The DPMA has a dedicated page for Covid-19 updates:
<https://dycip.com/dpma-coronavirus>.

European Union Intellectual Property Office (EUIPO)

All time limits falling between 09 March 2020 and 17 May 2020 (inclusive) are extended until 18 May 2020.

The extension covers all procedural deadlines, irrespective of whether they have been set by the office or are stipulated directly in the Regulations, and the effect is automatic. As a consequence, periods to file a notice of opposition, cancellation and appeal will also be extended.

All staff at the EUIPO have been working at home since 16 March with the intention that it will be business as usual.

Further information can be found on the EUIPO news web page:
<https://dycip.com/EUIPO-news>.

The World Intellectual Property Organization (WIPO)

Since 17 March 2020, the majority of WIPO staff have been working remotely.

WIPO has also since released communications relating to trademark matters (<https://dycip.com/wipo-madrid-coronavirus>) and registered design matters (<https://dycip.com/wipo-hague-coronavirus>), concerning the existing remedies available for extending a response deadline which otherwise falls on a day when either WIPO or an IP Office of a contracting party is not open to the public.

To date however, unlike the EPO and the EUIPO, no blanket extensions of time have been issued by WIPO.

Future announcements from the WIPO are likely to be found here: <https://dycip.com/wipo-press-releases>.

Remote execution of documents

Electronic signatures

With large numbers of IP lawyers, attorneys and clients currently working remotely, one question which arises is how documents which require signatures, such as assignments of IP rights and court documents, can be executed remotely. In this article we examine some of the legal issues around remote execution of documents.

What is an electronic signature?

Electronic signatures can take a number of forms:

- a person typing their name into a contract or into an email containing the terms of a contract;
- a person electronically pasting their signature (in the form of an image) into an electronic version of the contract in the appropriate place;
- a person accessing a contract through a web-based e-signature platform (such as DocuSign or Adobe Sign) and clicking to have their name in a typed or handwriting font automatically inserted into the contract;
- a person using a finger, light pen or stylus and a touchscreen to write their name electronically;
- a person printing a document, applying a wet-ink signature and then scanning or taking a photograph of the same.

Can electronic signatures be used to execute simple contracts under English law?

The Law Commission recently confirmed that an electronic signature is capable in law of being used to execute a document, provided that the person signing the document intended to authenticate it, and that formalities relating to the execution of that document are satisfied.

Best practice is to confirm the method of execution in advance by email or consider including a clause in the agreement confirming that electronic signatures are permitted and that the parties' intentions are that it will have the same legal effect as a manuscript signature. Therefore use of any of the

What is an electronic signature and what can electronic signatures be used for?



above types of electronic signature would be a valid execution of a simple contract.

Can electronic signatures be used to execute deeds under English law?

The general formalities required for deeds are more onerous than for simple contracts. As a result, and at the time of writing this article in light of the current coronavirus (Covid-19) pandemic, careful consideration should be given as to whether a deed is necessary.

A deed must be in writing, it must be clear that it is intended to take effect as a deed, it must be validly executed and it must be delivered. If executing a deed as an individual, it must be signed in the presence of a witness. The courts have held that a deed cannot be witnessed through a video call and therefore this creates difficulties during the current pandemic situation.

Although a single director can sign a deed for a company in the presence of a witness, it is also possible for a UK company to execute a deed by having two directors, or a director and a company secretary, sign the deed. This avoids a witness having to be physically present to witness the act of signing. For each party, the two signatories would electronically sign the same document by one authorised signatory signing, followed by the other. If a counterpart clause is included which clarifies that separate copies of the agreement may be executed by different parties, then the parties do not need to sign the same copy of the document and that each copy will be considered to be an original.

The parties will have to take steps to ensure the signing arrangements adequately address

when delivery takes place. The deed should state when delivery will take place, for example stating that "This deed has been executed as a deed and delivered on the date set out on the top of page 1 of this deed." Usual practice would be for each party to exchange their signed counterpart with the signed counterpart of the other party. The deed should be dated with the date of the final party to sign and deliver (email a PDF copy of the executed deed by email). If signature and delivery simultaneously will not be possible then this needs to be reflected in the deed.

Can electronic signatures be used to sign court documents?

With regard to court documents including particulars of claim, defences and witness statements, it is sufficient for a party or their representative to type their name where the signature is required. CPR 5.3 provides that where any part of the CPR requires a document to be signed, that requirement shall be satisfied if the signature is printed by computer or other mechanical means. There is no specific requirement for there to be a handwritten signature and CPR 5.3 makes no distinction between different types of documents: a typed signature, in principle, could also be used on a witness statement.

If I am unable to print or scan a document, how can I sign electronically?

You can take a photograph of the executed signature page for simple contracts. A web based e-signature platform can also be used, as well as typing your name into the contract or pasting an image of your signature. However, for a deed the entire pdf/word document plus signature page must be returned.

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 initialing 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.

Grand Board dismisses Gleissner appeal

Cancellation proceedings an abuse of process

➤ **Case details at a glance**
Jurisdiction: European Union
Decision level: Grand Board of Appeal
Parties: Fashion TV Brand Holdings CV v CBM Creative Brands Marken GmbH
Date: 11 February 2020
Citation: R 2445/2017-G

Fashion TV filed revocation proceedings against a European Trade Mark (EUTM) owned by a Peek & Cloppenburg company on the grounds of non-use. Peek & Cloppenburg claimed that the revocation action was an abuse of process, since:

- Fashion TV is linked with the well-known trade mark “troll”, Michael Gleissner;
- It filed revocation actions against 36 other Peek & Cloppenburg marks within a short space of time;
- In 2014, a company related to Fashion TV had tried unsuccessfully to purchase two of the marks now under attack, with Gleissner himself handling negotiations;
- Fashion TV said it would withdraw all revocation actions if the two marks it had tried to purchase were assigned to it;
- The company had been founded only a couple of days before the revocation action was filed and has a “virtual” letterbox address. It does not appear to trade and seems to have been established solely for filing the cancellation actions;
- Companies connected with Gleissner previously filed 68 cancellation actions against Apple trade marks which in 2017 the UKIPO had held to be an abuse of process;
- Companies linked with Gleissner had also filed a number of applications corresponding to Peek & Cloppenburg marks.

Fashion TV did not respond to the abuse of process claims, and the Cancellation Division rejected the request for revocation on the basis that it had tried to use the proceedings for abusive ends unrelated to the public interest underlying non-use cancellation provisions. In most of the cases filed, the marks under attack were visibly present on the market.

Fashion TV appealed, claiming that it had a legitimate interest in revoking marks that have not been used without having to show any particular interest in doing so. Given the importance of the legal issues raised, the case

was transferred to the Grand Board of Appeal.

The Grand Board of Appeal invited Fashion TV to respond to the factual claims made by Peek & Cloppenburg regarding the approach to purchase certain marks and the numbers of cancellation actions filed. It responded claiming that the link between itself and Gleissner had not been proven, and that such claims were a conspiracy theory.

The Grand Board of Appeal reviewed all evidence of Gleissner’s previous activities. It noted that substantial evidence of use of the attacked mark had been filed, albeit not assessed. Claims that unused marks should be cancelled as a matter of public interest therefore lost part of their relevance since this was not a mark that had not been used at all.

The Grand Board of Appeal was satisfied that Gleissner had been behind the approach to Peek & Cloppenburg to buy the two marks noted. It also held that evidence of his prior activities showed there was a particular pattern to his activities and that there was general concern in the trade mark world about these.

The quantity of cases brought was “excessive”; they had been commenced with “an improper and illegitimate ulterior purpose” and their aims and effects were “disruptive”. The costs and logistical challenges involved in defending such attacks at the same time were also excessive.

The Grand Board of Appeal held that that was abusive, particularly since it seemed to be a retaliatory measure in response to Fashion TV’s failure to purchase the two earlier marks from Peek & Cloppenburg. The Grand Board of Appeal agreed with the Cancellation Division’s reliance on the Kratzer judgment of 28 July 2016 (Case No. C-423/15) which confirmed that EU law cannot be

relied upon for abusive or fraudulent ends.

The “artificial nature” of the company behind the attacks was noted, and also that this conveyed certain procedural advantages (for example, no real risk of costs awards; avoiding costs of having a representative by using a “virtual” address in the jurisdiction). The number of other trade mark applications (2,500), company names (1,100) and domain names (5,300) identified as being linked with Gleissner was also relevant.

The public interest in revoking unused marks is not absolute. Whilst it is in the public interest to cancel a non-used trade mark, flooding other parties/offices with vexatious requests is not.

The Grand Board of Appeal agreed that there seemed to be no reasoning, not even an altruistic or “Robin Hood” purpose, behind Gleissner’s actions over the years.

Author:
Matthew Dick



In short

Applying the objective and subjective criteria required by prior EU jurisprudence (in particular the Kratzer judgment), the Grand Board of Appeal held that the Cancellation Division had been correct to find that a revocation request must be rejected if it is abusive; and that the objective and subjective criteria for such abuse as laid down in CJEU case law had been fulfilled in the present case. The appeal was dismissed.

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.

Brexit & designs

Time to start planning!

Brexit & registered Community designs



There are 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 Locarno 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>

Does 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



It's not puppy love Match.com swipes left on Dogmatch logo

Match Group LLC, which operates the successful online dating website "Match.com", has successfully objected to the trade mark application "Dogmatch" logo. Match Group submitted a substantial amount of evidence to prove its reputation and convinced the European Intellectual Property Office (EUIPO) to refuse an application for unrelated services. Does this decision suggest Match.com has gained exclusivity or a monopoly right in the term "MATCH"?

Fönstria AB sought protection for the following figurative sign:



The services claimed included "Advertising, marketing and promotional services", class 35; "Providing internet chatrooms" class 38; and, "on-line social networking services", "dog walking services", "pet sitting" and "dating services, dating agency services" class 45.

Match Group LLC opposed relying on its "Match.com" registration covering "information and consultancy services in the nature and field of on-line dating and introduction services" class 42 relying on Article 8(5) reputation and alleged an unfair advantage would be taken. In addition, Match Group LLC claimed Article 8(1)(b), a likelihood of confusion and Article 8(4) based on their unregistered trade mark rights.

In July 2019 Match Group LLC submitted a vast amount of evidence to support its claim of a reputation. This consisted of the company's revenue, previous office decisions, its market share value in the Nordic countries and the United Kingdom, marketing expenditure in the EU countries

via television, social media and radio, advertising expenditure in the UK, social media's subscriptions and publications, press coverage across the EU, UK based advertisement campaigns and a list of the turnover figures generated.

Evaluating the evidence, the Opposition Division concluded that the articles and advertisement figures submitted by Match Group LLC clearly created a link between the registered mark "Match.com" and the services, namely providing information and advice on online dating and introducing people to one another on a web platform. The EUIPO attached weight to the large turnover figures submitted by Match Group LLC and the numbers of subscribers and viewers claimed borne out by the articles, reports and related rankings collated and presented by an independent source.

Taken as a whole the evidence established a long-standing, intensive and diverse exposure of the brand to the public, in the view of the EUIPO.

The Opposition Division then compared the two marks, placing the key emphasis on the "MATCH" element whilst recognising its average distinctive character, and deemed them to be visually, aurally and conceptually similar to an average degree. It went on to say that consumers would likely link the two signs together as referring to a specific segment of the services offered by "Match.com", namely for dog owners looking for a match for their pets or by a person looking for the right pet. In addition to online dating, the "Match.com" website offers consumers the ability to specify their dating needs to meet people who have a shared commitment to canines.

In considering the services listed in class 35, the Opposition Division concluded that the specific reputation of "Match.com", included qualitative aspects such as a particular image, lifestyle or particular

circumstances of marketing. Accordingly the degree of similarity between the marks allows for the image of the "Match.com" mark to be transferred to Dogmatch, notwithstanding the distance between the services offered by each party.

Fönstria AB argued that in various mediation services the term "MATCH" can be considered to have a low distinctiveness and therefore the opponent's mark should only be afforded a limited scope of protection. In addition, it argued that "Match.com" and "Dogmatch" have different objectives and target different clients, "Dogmatch" being available for all types of audiences whereas "Match.com" is specified for single people only.

The Opposition Division acknowledged that the component "MATCH" on its own could have a limited level of distinctiveness, however it confirmed that "Match.com" has achieved a high degree of recognition and that a conceptual link exists between the marks. The EUIPO concluded that "Dogmatch" was likely to take unfair advantage of the distinctive or the repute of "Match.com", rejecting "Dogmatch" for all contested services.

Whilst other famous brands including the likes of KENZO, ZARA and STARBUCKS have successfully invoked Article 8(5) to block marks containing their distinctive element for unrelated goods and services one wonders if the similarity here combined with the perhaps lower level of distinctiveness attached to the word "MATCH" was enough to get the online dating site home.

Will Fönstria AB take this lying down or might the rather sweet looking puppy in its mark bite back?

Authors:

Tanja Hofer & Jeremy Pennant



Related articles

"Coffee on the rocks: Starbucks v Coffee Rocks", regarding T-398/16:

<https://dycip.com/coffee-rocks>

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>

Trade 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.

D YOUNG & CO INTELLECTUAL PROPERTY

And finally...

Trade Mark Modernisation Act

Cancellation actions Why not file them at the DPMA?

As of 01 May 2020 the last changes to the German Trade Mark Act, introduced by the Trade Mark Law Modernisation Act (MaMoG) last year, came into force. From 01 May 2020 the German Trade Mark Act allows for administrative cancellation proceedings based on non-use and relative grounds of refusal. Before this date, the German Trade Mark Act only provided for cancellation proceedings based on absolute grounds of refusal to be brought before the German Patent and Trade Mark Office (DPMA). Revocation proceedings for lack of non-use, on the other hand, could be filed before the DPMA, but required the filing of a court action if the other side objected to the revocation within a two month deadline. Also for cancellation proceedings based on relative grounds of refusal, a court action was required.

Now parties have the choice of whether they want to file a court action or take advantage of this new option. Depending on the circumstances, there may be good reasons for one or the other. Something that might be of interest to most, however, is that cancellation proceedings before the DPMA trigger a substantially lower fee than court proceedings. Furthermore, the DPMA usually orders each party to bear their own costs, meaning that the losing party will not

be subject to reimbursement claims.

Yet, it remains to be seen if and by how many this option of cancellation proceedings before the DPMA will be utilised going forward. In particular, it will be interesting to see how long proceedings will take on average and if there will be any recognisable decision-making trends. Watch this space for further updates on this.

MaMoG aims to implement EU Trade Mark Directive 2015/2436 of 16 December 2015 and, in fact, Germany is one of the last countries for the implemented changes to come into force. However, Germany is not the last country: France has also just recently introduced such administrative cancellation and revocation proceedings (effective 01 April 2020). Now there are only six EU member states missing: Italy, Spain, Slovenia, Latvia and Malta have only partially implemented the Directive so far and there is the intention to introduce administrative cancellation and revocation proceedings before 14 January 2023. Romania has not yet implemented the Directive at all, and timing of the legislative process seems to have been affected by the current global pandemic, so it remains to be seen when they will adopt the new laws.

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