

Bird & Bird

Report of Trade Mark Cases



For the CIPA Journal

December 2022



Trade mark decisions

Decisions of the General Court (GC) and Court of Justice (CJ)

Ref No.	Application (and where applicable, earlier mark)	Comment
<p>GC T-181/21</p> <p><i>LG Electronics, Inc. v EUIPO; Anferlux-Electrodomésticos, Lda</i></p> <p>27 April 2022 Reg 2017/1001</p> <p>Reported by: <i>Chris Bouchier</i></p>	 <ul style="list-style-type: none"> washing machines, dishwashers, vacuum cleaners (7) apparatus for lighting, heating, steam generating, cooking, refrigerating, drying, ventilating, water supply and sanitary purposes etc. (11)  <ul style="list-style-type: none"> stoves (except stoves for experiments), refrigerators etc. (11) <p>(earlier Portuguese registration)</p>	<p>In invalidity proceedings, the GC upheld the BoA's decision that there was a likelihood of confusion between the marks under article 8(1)(b).</p> <p>The GC found that the BoA had not erred in its finding that there was genuine use of the earlier mark for the goods relied on in class 11. Those goods were held to be similar or identical to those applied for under the earlier mark.</p> <p>The BoA had been correct to determine that the public's level of attention ranged from average (for portable stoves), to high (with regard to refrigerators). The BoA had properly taken that range of attention into account when assessing the likelihood of confusion.</p> <p>On a comparison of the signs, the GC agreed with the BoA's analysis that the signs were visually similar to an average degree, and highly similar phonetically.</p>
Ref No.	Application (and where applicable, earlier mark)	Comment
<p>GC T-738/20</p> <p><i>Deutschech GmbH v EUIPO; Group A NV</i></p> <p>8 June 2022 Reg 2017/1001</p> <p>Reported by: <i>Sam Peterson</i></p>	<p>HOLUX</p> <ul style="list-style-type: none"> door handles; door locks; door knobs etc (6) motorised drive mechanisms for sliding doors, folding doors etc (7) electric door locks; electronic controllers for revolving doors etc (9) non-metal doors; glass doors; manually operated sliding doors and revolving doors etc (19) maintenance of doors, revolving doors, door frames etc (37) <p>HOLUX</p> <ul style="list-style-type: none"> common metals and alloys thereof, metal 	<p>The GC upheld the BoA's decision that there was a likelihood of confusion between the marks within the meaning of articles 8(1)(a) and 8(1)(b).</p> <p>The applicant's arguments that 'common metals and alloys thereof' and 'metal goods' in the class 6 specification of the earlier mark were too vague to be relied on in the opposition were rejected. The BoA had not specifically referenced 'common metals and alloys thereof' in its decision, so that argument was ineffective. In any case, the</p>


	<p>goods, especially metal doors and windows (6)</p> <ul style="list-style-type: none"> – non-metal building materials; doors and windows made of wood etc (19) – construction, repairs, general building contractor services; installation and repair services etc (37) <p>(earlier International Registration designating France)</p>	<p>EUIPO had held the goods to be specific enough in allowing the registration, so the owner was entitled to rely on it for opposition purposes.</p> <p>The BoA had been correct to find that the goods under classes 6, 7, 9 and 19 were similar and thus there was a likelihood of confusion on the part of the average consumer.</p> <p>The GC noted that the BoA had erred in finding that the services under class 37 were identical, observing that maintenance services were not identical to repair services. However, the GC nevertheless held that there was a high degree of similarity between them.</p>
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<p>GC</p> <p>T-498/21</p> <p><i>Lotion LLC v EUIPO</i></p> <p>14 September 2022</p> <p>Reg 2017/1001</p> <p>Reported by: <i>Hadrien Espiard</i></p>	<p>BLACK IRISH</p> <ul style="list-style-type: none"> – hot chocolate and frozen hot chocolate; coffees, teas (30) – beer, ale, lager, stout and porter (32) – alcoholic coffee-based beverages containing whisky, cream-based liqueurs and/or poteen; all the aforesaid being or containing whisky, complying with the specifications of the protected geographical indication Irish Whiskey/Uisce Beatha Eireannach/Irish Whisky; all the aforesaid being or containing cream-based liqueurs, complying with the specifications of the protected geographical indication Irish Cream; all the aforesaid being or containing poteen, complying with the specifications of the protected geographical indication Irish Poteen/Irish Poitín; etc. (33) 	<p>The GC upheld the BoA's decision that the mark was descriptive and lacked distinctive character pursuant to articles 7(1)(b) and 7(1)(c).</p> <p>The BoA was correct to find that – considering the English-speaking part of the EU - the terms BLACK and IRISH were both individually descriptive with regard to the goods applied for. The word BLACK described the colour of the beverages, and the word IRISH designated them as being produced in Ireland, which was possible for each product.</p> <p>As regards the words BLACK IRISH read together, they were simply two descriptive elements which together did not create an impression that was greater than the sum of its parts. Therefore, the mark would have been perceived as descriptive of the characteristics of the goods applied for.</p>
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<p>GC</p> <p>T-572/21</p>	<p>COPAL TREE</p> <ul style="list-style-type: none"> – coffee, tea; rice; tapioca and sago; flour and 	<p>The GC upheld the BoA's decision that there was a</p>
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<p><i>Copal Tree Brands, Inc. v EUIPO; Sumol + Compal Marcas, SA</i></p> <p>28 September 2022 Reg 2017/1001</p>	<p>preparations made from cereals; bread; etc (30)</p> <ul style="list-style-type: none"> – alcoholic beverages (except beers); distilled spirits; absinthe; alcoholic aperitifs; wine; etc (33) – services for providing food and drink; temporary accommodation; hotel services; etc (43) 	<p>likelihood of confusion between the marks under article 8(1)(b).</p> <p>The BoA had been correct to find that the distinctive elements of the mark applied for were the co-dominant elements COPAL and TREE. Likewise, the word COMPAL and the figurative elements of the earlier mark were co-dominant and distinctive. However, COMPAL would have had a greater impact on the public's perception of the earlier mark.</p>
<p>Reported by: <i>Amelia Barling</i></p>	<div data-bbox="438 526 630 660" style="text-align: center;">  </div> <ul style="list-style-type: none"> – dietetic foods and beverages, for medical purposes, based on fruit and fruit extracts; etc (5) – fruit pulp (liquid fruit paste); fruit paste; yoghurt; milk; etc (29) – fruit, fresh; vegetables, fresh; etc (31) – fruit and/or vegetable drinks; fruit and/or vegetable juices; etc (32) – services for providing food and drink; etc (43) <p>(earlier Portugese registration)</p>	<p>By reason of the similarity of the words COPAL/COMPAL, the marks were held to be visually and phonetically similar to an average degree. Despite the additional word TREE in the mark applied for, it was held that the relevant public would have paid more attention to the first part of that mark, i.e. COPAL.</p> <p>The marks were held to be conceptually similar to a high degree because they both referred to a tree having almost the same name.</p> <p>Since the BoA had held, correctly, that the goods and services in issues were in part identical and in part similar (ranging from low to high), they had not made an error of assessment in concluding that there was a likelihood of confusion.</p>

Ref No.	Application (and where applicable, earlier mark)	Comment
<p>GC T-696/21 <i>Les Bordes Golf International v EUIPO; Mast-Jägermeister SE</i></p> <p>5 October 2022 Reg 2017/1001</p> <p>Reported by: <i>Jason White</i></p>	<div data-bbox="438 1568 558 1736" style="text-align: center;">  </div> <ul style="list-style-type: none"> – perfumery and fragrances; etc (3) – key rings and key chains; etc (14) – printed matter; etc (16) – luggage, bags, wallets; etc (18) – textile goods, linens; etc (24) – headgear; footwear; clothing; etc (25) 	<p>The GC upheld the BoA's decision that there was a likelihood of confusion between the marks under article 8(1)(b).</p> <p>The appeal focused on the visual similarity of the marks. The GC stated that the proportions between the dominant stag's head elements were almost identical. It was held that the double outer circle of the earlier mark was akin to a round frame, with decorative background elements inside, which were somewhat eclipsed by the dominant stag's head.</p>

	<ul style="list-style-type: none"> - organisation of conferences; entertainment; etc (41) - rental of furniture; provision of food and drink; etc (43)  <ul style="list-style-type: none"> - toiletries; etc (3) - jewellery; time instruments; etc (14) - printed matter; etc (16) - umbrellas and parasols; etc (18) - textile goods; etc (24) - headgear; footwear; clothing; etc (25) - education, entertainment; etc (41) - rental of furniture, temporary accommodation; etc (43) 	<p>The word elements LES BORDES were much smaller than the figurative element, so they had a lower visual impact. Further, the GC stated that the word elements LES BORDES did not influence the conceptual comparison between the signs, because it would have been perceived by the majority of the relevant public as meaningless.</p> <p>Overall, the signs at issue displayed an average degree of visual and conceptual similarity. The GC also agreed that the inherent distinctive character of the earlier mark as a whole was average.</p>
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UK rights relevant to EUTM oppositions filed before Brexit

Nowhere Co. Ltd v EUIPO; Junguo Ye (General Court; T-281/21; 16 March 2022)

The General Court, allowing the opponent's appeal, held that the BoA should have taken its UK unregistered rights into consideration in relation to an EUTM application filed before Brexit. The CJEU will hear an appeal from the EUIPO in due course. Heidi Hurdle reports.

Legal background

On 1 February 2020, the UK-EU withdrawal agreement governing the withdrawal of the UK and Northern Ireland from the EU (the "Withdrawal Agreement") entered into force.

EU law continued to apply in the UK during the transition period which ended on 31 December 2020.

Factual background

On 30 June 2015, Junguo Ye filed an EUTM application for the figurative sign below in respect of a range of goods and services.



On 8 March 2016, Nowhere Co. Ltd opposed the application relying on article 8(4). The opposition was based on three earlier unregistered figurative trade marks consisting of the monkey images as shown below. Nowhere claimed it had used these marks in the UK (among other jurisdictions).



Decision under appeal

Key dates in the case were as follows:

- 20 September 2017: the EUIPO opposition division rejected Nowhere's opposition.
- 8 October 2018: the BoA dismissed Nowhere's appeal.
- 17 July 2019: the BoA revoked its first decision due to an obvious error attributable to the EUIPO.
- 10 February 2021: the second BoA dismissed Nowhere's appeal. It held that after the expiry of the Brexit transition period, Nowhere could no longer rely on passing off in the UK for the purposes of article 8(4). In other words, it could not rely on its unregistered rights referred to above.

Nowhere appealed the BoA's decision (the "contested decision"). It argued that the relevant date for establishing the existence of an earlier right in an opposition was the date on which the EUTM application for registration was filed. However, the EUIPO argued that the earlier right must exist not only on that date, but also on the date on which EUIPO takes its final decision on the opposition.

GC's decision

The GC annulled the BoA's decision and the case was remitted to the EUIPO for reconsideration. It did not carry out any assessment of the merits of Nowhere's opposition and reliance on the UK marks. The GC's key reasoning was as follows:

1. The GC noted that the provisions of the Withdrawal Agreement regarding IP were silent about the treatment of an opposition brought before the entry into force of the agreement. (These were contained under Title IV of Part Three of that agreement (articles 54 to 61)).
2. It considered that in this case the only relevant document which post-dated the Withdrawal Agreement's entry into force was the contested decision. The filing of the EUTM application and all other documents took place before then and in any event before the end of the transition period.
3. The GC held that the existence of a relative ground for refusal must be assessed as at the time of filing of the opposed EUTM application. The fact that the earlier trade mark could lose later the status of a trade mark registered in a Member State, in particular following the possible withdrawal of the Member State concerned from the EU, was in principle irrelevant to the outcome of the opposition.
4. Consequently, the GC concluded that as Junguo Ye had applied for the EUTM before the expiry of the transition period (and before the Withdrawal Agreement had entered into force), Nowhere's unregistered marks were capable of forming the basis of an opposition. The BoA should have taken them into account in its assessment, which it had refused to do for the sole reason that the transition period had expired when the contested decision was adopted.

In a decision dated 16 November 2022 (C-337/22 P), the CJEU determined that the EUIPO's appeal against the GC's decision could proceed. The CJEU will hear that appeal in due course.

UK rights not relevant in EUTM cancellation proceedings filed before Brexit

Shopify Inc. v EUIPO; Shoppi Ltd (General Court; T-222/21; 12 October 2022)

The General Court decided in favour of Shoppi and EUIPO, holding that evidence of use of an earlier EUTM (SHOPIFY) in the UK could not assist the Shopify in its application to invalidate the later EUTM (SHOPPI) where the decision by the Board of Appeal was taken after the UK left the EU. Callum Granger reports.

Background

Shopify filed for a declaration of invalidity against Shoppi's EUTM (see below) registered for e-commerce software in Class 9, provision of an on-line marketplace for buyers and sellers of goods and services in Class 35 and provision of access to an electronic marketplace [portal] on computer networks in Class 38.



Shopify argued that the similarities between Shoppi's later mark and their earlier mark, SHOPIFY registered in Classes 9, 35, 36 and 42, meant there existed a likelihood of confusion on the part of the public under article 8(1)(b).

The Cancellation Division invalidated Shoppi's mark but the Board of Appeal allowed Shoppi's appeal. The Board of Appeal's decision was based on Shopify's mark having a low level of inherent distinctiveness and Shopify's failure to demonstrate that the mark had acquired an enhanced level of distinctiveness through its use in the UK. Shopify appealed.

Assessment of the marks

The General Court held that the Board of Appeal was correct in finding that the "shop" element of the mark was descriptive and the suffix "ify" did not elevate the mark to anything beyond a "low" level of distinctiveness for the English-speaking public and a "slightly higher than minimum level" for the non-English-speaking public. The "shop" element was descriptive so it could not dominate the marks in a visual, phonetical or conceptual way. The distinctive elements were seen to be "ify" and "pi" which had a low degree of visual and conceptual similarity, and an average degree of phonetic similarity, meaning a likelihood of confusion was not established.

No obligation to consider use in the UK

The General Court pointed out that the date of the application for the later mark (8 May 2017) was the date for assessing distinctiveness. But previous case law required that the owner of the earlier right had to establish that they could prohibit the use of the later EUTM, not only on its filing date, but also on the date on which the EUIPO made its decision (whether that be in cancellation proceedings (*Style & Taste v EUIPO; The Polo/Lauren Company* T-169/19) or in opposition proceedings (*Beko v EUIPO; Acer* T-162/18)). As the UK had left the EU by the date of the Board of Appeal's decision (18 February 2021), evidence of enhanced distinctiveness through use in the UK had been correctly disregarded. Shopify therefore failed to establish that its mark had enhanced distinctiveness.

The General Court noted that the fundamental principle of territoriality of intellectual property rights meant that the public in the UK, post Brexit, was no longer part of the 'relevant public' since no conflict could arise in the UK between the two marks after the end of the transition period. Further, it held that, whilst it was true that the date for assessing enhanced distinctiveness of the earlier mark was the date of filing of the later mark, the requirement for the right to exist at the date of the EUIPO's decision in invalidity actions was a matter of enforceability prior to the assessment.

The Court merely noted that Shopify cited the judgment in *Nowhere* (see above) but did not comment further.

Culmination of 20-year dispute over EASYOFFICE(S)

easyGroup Ltd v Nuclei Ltd, Pathway IP SARL, Regus Group Ltd & IWG plc (Bacon J; [2022] EWHC 901 (Ch); 13 April 2022)

In a case with many issues and which was the culmination of a 20-year dispute between easyGroup and one or more of the defendants, the Judge found that easyGroup's two UK and two EU trade marks for EASYOFFICE should be revoked for non-use. If they had not been revoked, they would not have been infringed by the use by the defendants of the EASYOFFICES signs. The decision has been appealed. Katharine Stephens reports.

The claimant


easyGroup launched easyJet in 1995 and, after that, launched other business ventures using the "easy" branding. In October 2002, it applied for two easyOffice marks, US528A and EU509, and acquired a third, UK502 (all shown below), but did not launch easyOffice as a business until 2006. It later applied for a fourth mark, EU376. Initially the business was successful, but by 2012, there was declining customer interest and by 2013, there were only two locations listed on the easyOffice website.

UK 2,289,502 ("UK502")	EasyOffice	8 January 2002	Computer advisory (42)
UK 2,313,528A ("UK528A")	EASYOFFICE easyOffice 	18 October 2002	Hire of temporary office space; rental of meeting rooms (43)
EU 2,907,509 ("EU509")	EASYOFFICE	18 October 2002	Rental of offices (36); hire of temporary office space (43)
EU 11,624,376 ("EU376")		4 March 2013	Office management services; provision of services offices (35); rental of office space (36); hire of temporary office space (43)

The defendants

Nuclei, the first defendant, started a business brokering rental serviced offices over the internet in 2000 under the name Easy Offices. In November of that year, it started using an orange logo (see below), but following the receipt of a letter from easyGroup, changed it to a blue logo in April 2001 (see below) and undertook not to use a livery with white characters on an orange background. Although there were additional threats made to Nuclei in 2001 and 2002, no further action was taken.




Over the years, Nuclei went on to use a succession of logos in blue or black and white, eliding the words "easy" and "offices" together. It currently uses the logo in the following form: 

In 2007, Regus the third defendant, acquired Nuclei, the first defendant. Regus and Pathway (then called Regus No2 Sarl) the second defendant, were both part of the IWG group of companies, IWG plc, the fourth defendant.

Proceedings between the parties

At the time Regus acquired Nuclei, it wrote to easyGroup asserting passing off by use of easyOffice. This was followed up by applications to invalidate and revoke easyGroup's UK502 and UK528A marks. However, these proceedings were later withdrawn in 2009 before any decision was taken.

Pathway also applied in 2007 to register EASYOFFICES, EASYOFFICES.COM and  in the UK and, in 2008, in the EU. easyGroup opposed all the registrations and the proceedings were stay pending the outcome of the current litigation.

In 2009, Nuclei acquired two UK trade marks for EASYOFFICE from British Airports Authority ("BAA"). In 2009, easyGroup applied to revoke the marks, but whilst the action was still pending, in 2010, Pathway filed UK invalidity actions against easyGroup's UK502 and UK528A marks and in the EUIPO in respect of EU509. All three actions were based on the BAA marks.

The BAA marks were revoked by the UKIPO in 2011 and the appeal was dismissed by the High Court in 2018. The UKIPO thereafter notified Pathway that their invalidity actions were withdrawn and refused to reopen the proceedings. The EUIPO handed down a decision rejecting Pathway's application and the appeal was dismissed.

On 15 May 2019, easyGroup launched the current infringement proceedings. The defendants counterclaimed stating that the marks were invalid or should be revoked for non-use.

Brexit issues

Bacon J held that the UK's departure from the EU did not affect the Court's jurisdiction to determine the invalidity issues relating to easyGroup's EU marks. In doing so, she followed *easyGroup v Beauty Perfectionists* [2021] EWHC 3385 (Ch) in which it was held that the High Court could grant a pan-EU injunction in proceedings started before Brexit and the General Court's decision in the *Nowhere* case (Case T-281/21) (see above) in which it was held that earlier UK rights could still be relied upon in opposition proceedings commenced before Brexit but decided afterwards. (Note that this decision pre-dated the *Shopify* decision).

The Judge rejected the submission that there was a difference between opposition proceedings (*Nowhere*) and invalidity proceedings (these proceedings) and concluded that the relevant dates for the assessment of Nuclei's prior, unregistered rights were the filing dates of EU509 and EU376 (2002 and 2013 respectively) both of which were when the UK was still a member of the EU. Since the present proceedings were commenced before the end of the transition period, the assessment of the invalidity counterclaims was therefore unaffected by the UK's withdrawal from the EU.

Res judicata

The 2007 invalidity action before the UKIPO was brought by Nuclei on precisely the same grounds as were raised in the defendants' counterclaim, namely in light of the goodwill and reputation of Easy Offices prior to registration of the UK marks the use of easyOffice would amount to passing off, and a claim that easyGroup's registrations of UK502 and UK528A were filed in bad faith. Nevertheless, there was no cause of action estoppel nor was there any *Henderson v Henderson* abuse of process preventing the defendants from pursuing the same validity challenges in these proceedings. This was because the 2007 action was withdrawn by the consent of the parties, and there was no evidence that Nuclei had intended to abandon the claim.

In contrast, the 2010 UKIPO action brought by Pathway was based on the BAA marks (which were later revoked); there was no allegation based on Nuclei's goodwill or on bad faith. The defendants therefore argued that there was no cause of action estoppel because their counterclaim relied on different causes of action. The Judge did not decide the point, instead concentrating on the alternative pleading of *Henderson v Henderson* abuse of process. She found that Pathway could and should have included the present grounds of invalidity in the 2010 UKIPO action (noting that Pathway could have invoked Nuclei's goodwill prior to the entry into force of the Trade Marks (Relative Grounds) Order 2007). In the circumstances of this case, it would

be a misuse of the court's process to permit Pathway to rely on the very same arguments as to invalidity of the UK trade marks that were initially advanced in the 2007 invalidity action, but then withdrawn and not raised by Pathway in the 2010 action. Thus, the defendants were prevented from counterclaiming in these proceedings that easyGroup's UK marks were invalid.

In relation to the 2010 EUIPO invalidity action, the Judge held that article 60(4) EUTMR did not prevent the defendants (other than Pathway) from counterclaiming for invalidity in this action. However, for the same reasons as given above, the defendants were barred on the grounds of abuse of process from counterclaiming that EU509 was invalid.

Invalidity based on Nuclei's prior rights

Following the Judge's conclusions on *res judicata*, the only mark in relation to which this issue arose was EU376 (under article 60(1)(c)). This mark was filed in 2013, by which time Nuclei had been trading as Easy Offices for around 13 years and had acquired goodwill in that mark.

The Judge did not accept easyGroup's submission that Nuclei was itself passing off and therefore use of EU376 could not be said to be a misrepresentation. There was no established dishonesty or fraud preventing Nuclei from relying on the goodwill it had generated. Furthermore, easyGroup could not rely upon its "family of brands" to appropriate the word "easy" (following *easyJet v Dainty* [2002] FSR 6). As a consequence, easyGroup changed their case in closing to claim that the relevant goodwill was that of easyJet, easyEverything and easyRentacar, but that did not help them. Although she did not decide the point, the Judge commented that it was difficult to see that Nuclei's use of EASYOFFICES with orange and white branding for a few months at the end of 2000/start of 2001 would have given rise to any deception on the part of customers of easyJet etc. Be that as it may, the deciding point was that easyGroup acknowledged that Nuclei's use for so short a period of time did not "taint" its acquisition of goodwill and therefore easyGroup's submission failed.

The Judge then went on to consider and held that use of EU376 would not have been liable to amount to a misrepresentation such as to damage Nuclei's goodwill. The registered mark was in a very specific figurative form and Nuclei's own orange logo had not been used since early 2001. Therefore, people seeing EU376 would have been more likely to associate it with the "easy" companies operated by Sir Stelios. Consequently, EU376 was not invalid.

At the request of the parties, the Judge went on to consider, if she had been wrong, whether the other marks would have been invalid. Her finding on goodwill would have been the same as above despite the fact that the marks now in issue were dated 11 years earlier. Similarly, she would have come to the same decision in relation to the orange and white figurative mark (being one of the marks in the series comprising UK528A). However, in relation to the word marks and the black and white figurative mark, she would have concluded that there would have been passing off and hence the marks would have been invalid.

Bad faith

Again, because of the findings on *res judicata*, the only mark to which this was relevant was EU376.

The Judge did not accept Nuclei's submission that easyGroup's actions fell squarely within the *Lindt* scenario (C-529/07) i.e. at the time easyGroup filed its application, Pathway's applications for EASYOFFICES were pending and under opposition by easyGroup, the easyOffice business was winding down, having been increasingly unprofitable in the previous years, and consequently easyGroup must have intended to use EU376 to gain an unfair tactical advantage in its ongoing disputes with Pathway and to prejudice Nuclei's ongoing trade. As the Court of Appeal noted in *sky v Skykick* [2021] EWCA Civ 1121, *Lindt* applied where the sole objective was to compete unfairly. In contrast, in this case there was entirely coherent commercial logic to easyGroup's actions. EU376 was not registered in bad faith and, had it been relevant, neither were the other marks.

Revocation for non-use

The Judge held that all the marks should be revoked for non-use.

It was common ground that easyGroup did not make any use of UK502 (which it had acquired from a third party).

In relation to the other marks, the Judge held that they had not been used in the 5 years preceding the start of this action in May 2019. easyGroup relied upon their hire of easyOffice premises in the Croydon easyHotel building, but the evidence was thin, showing total revenue from May to September 2014 of £1,051.20 generated by 4 customers and some, as the Judge called it, "desultory" marketing effort in 2013 and 2014. The office closed in May 2016. The Judge held that the evidence did not come close to showing genuine use of easyOffice for the purpose of creating or preserving market share in the sector, contrasting the use with a report from 2012 stating that there was a total of 31 million square feet of serviced office space available in the UK across a total of 2105 centres.

In relation to EU376, easyGroup also relied upon an arrangement with Instant Offices which provided a brokerage service for serviced office space allowing them to use the easyOffice trade mark to promote its advertising of serviced office space. However, there was no written agreement or any clear evidence of the arrangement and although there were two documents showing commission amounts, there was no evidence as to how the figures were sourced or whether they were generated through the book.easyoffice.co.uk webpage. The evidence did not justify a conclusion that there had been real commercial exploitation and thus genuine use of easyOffice in the relevant period.

The Judge was then asked to decide whether revocation should be ordered to take effect from any date before the claim was filed in May 2019. easyGroup accepted that it had made no use of the marks for anything in the specifications other than those relating to rental offices. For the specifications relating to renting office space, the Judge found that the last use was the end of 2012.

Consequently, UK502 and the specifications of the other marks not relating to rental of office space were revoked from 5 years following registration of each of the marks. UK528A and EU509, as they related to office space, were revoked from 31 December 2017 and EU376 from 31 July 2018, being 5 years after its registration.

Infringement and honest concurrent use

There was no infringement under section 10(1)/article 9(2)(a). It could be argued that UK528A (word marks only) and EU509 were almost identical to EASYOFFICES, but Nuclei did not hire or rent temporary office space; it acted as a broker for the rental of serviced offices and provided search facilities for potential consumers to find office rentals provided by the companies listed on its website.

The Judge also held there was no infringement under section 10(2)/article 9(2)(b). There was no doubt that Nuclei/Easy Offices had used signs that were similar to easyGroup's the word marks and the black and white figurative marks. However, the orange and white figurative marks were very different. As to the services, those of Easy Offices were similar to those of UK528A and EU509 and identical to those of EU376 mark (which included "hire of temporary office space" and "information, advisory and consultancy services for all the aforesaid services").

The defendants submitted that there was no likelihood of confusion, relying upon the fact that, as at May 2013 (i.e. taking into account the 6 year limitation period), there had been 11 years since UK528A and EU509 were filed and there had been no concrete evidence of actual confusion. The Judge found the lack of any such evidence "striking" given there was ample opportunity for evidence of confusion to have emerged and it indicated that confusion was not, in fact, likely.

The defendants also relied upon the defence of honest concurrent use. The Judge accepted that such a defence could be used in principle (*Victoria Plum v Victoria Plumbing* [2016] EWHC 2911) and approached it as something that needed to be taken into account as part of the global assessment of confusion. On the facts, the defendants had a strong case: Nuclei adopted the name Easy Offices several years before easyGroup applied for UK528A and EU509, and long before the easyOffice business was launched. When contacted by easyGroup in 2001, Nuclei agreed not to use orange and white livery, and the logos thereafter moved away from the design elements that characterised the "easy" company brands. There was no evidence of actual confusion, nor was there any evidence suggesting that Nuclei's use of EASYOFFICES has taken unfair advantage of or had been detrimental to the character or reputation of the easyGroup marks.

In conclusion, the Judge had no hesitation in finding there was no infringement of the orange and white figurative marks, without needing to consider honest concurrent use. In relation to the other marks, the issue was more finely balanced, but she held that there was no infringement; to the extent that there had been any confusion, it was such as should be tolerated given the honest concurrent use.

No trade mark infringement

*Luen Fat Metal and Plastic Manufactory Co Ltd v Funko UK, Ltd** (Miss Recorder Amanda Michaels; [2022] EWHC 951 (IPEC); 27 April 2022)

In a case where Luen alleged that use of FUNTIME FREDDY and FUNTIME FOXY by Funko infringed its FUNTIME marks, the Judge found that the nature of the alleged infringing use alongside other prominent marks and the lack of any evidence of actual confusion was sufficient to find no infringement. Robert Milligan reports.

Facts

Luen alleged that Funko had infringed three of its UK trade marks (one being a cloned EUTM) comprising the words FUNTIME, FUN TIME and FUN-TIME by use of the signs FUNTIME FREDDY and FUNTIME FOXY in relation to toy action figures, pop vinyl and plush toys.

In its defence, Funko denied infringement on the basis that the names FUNTIME FREDDY and FUNTIME FOXY were not used as a trade mark but, instead, were used to designate characters from a computer game. Despite admitting in the defence that Luen had supplied toys and games aimed at the baby and toddler market under the FUN TIME mark in the UK, Funko put Luen to proof of use of its marks. Examples of Luen's (left) and Funko's (right) products are shown below.



Proof of Use

Luen's earlier trade mark registrations covered toys, games and playthings. However, Luen only filed evidence of use of the marks for toys and playthings aimed at babies and toddlers. While Funko accepted use of the marks for toys and playthings aimed at babies and toddlers, it queried what a fair specification reflecting the actual use should be.

The Judge noted that a fair specification could be wider than the actual use, if that was how the average consumer would fairly describe the goods in relation to which use has been proved. However, as the class heading for Class 28 encompassed a large range of goods, some of which were aimed not at children but adults, the Judge held that a fair specification was 'toys, games and playthings for babies and pre-school children'.

Distinctiveness of the marks

Funko argued the mark, FUNTIME, lacked distinctive character because it denoted a particular quality or characteristic of the goods, namely, that the toys would provide "a fun time". In response, Luen adduced evidence of acquired distinctiveness previously submitted to the UK and EU IPOs; thereby indicating that the IPOs had only accepted the mark for these goods based on evidence of use. Luen also relied on a previous case in which an unrelated defendant failed in its invalidity attack on the FUNTIME mark based on its alleged descriptiveness (*Luen Fat Metal and Plastic Manufactory Ltd v Jacobs and Turner Ltd* [2019] EWHC 118 (IPEC); *The CIPA Journal* Sept 2019).

The Judge held that the evidence filed by Luen fell short of proving the marks had acquired a significant level of enhanced distinctiveness, and Luen could not rely on the previous decision that the mark was valid because the evidence filed in that case was different. The Judge found the marks to have a low degree of distinctive character with enhanced distinctiveness existing to a limited extent in the UK.

Section 10(1)

The Judge held that the signs used by Funko would not be dissected by the average consumer and would be perceived as the whole of the names FUNTIME FREDDY and FUNTIME FOXY. Therefore, the signs were not identical to Luen's earlier registered marks and the claim under section 10(1) failed.

Section 10(2)

Due to the commonality of 'FUNTIME' in the signs and earlier registered marks, the Judge found the marks to be similar to a medium degree.

Despite Funko's arguments that pop vinyl figures and action figures were collectibles and not toys, the Judge was satisfied that at least some of these goods would be classed as toys. The evidence before the Court showed that these pop vinyl figures and action figures might be bought for children under the age of 14 and would be sold in the same outlets as Luen's products. The Judge therefore found pop vinyl figures and action figures to be similar to the goods covered by Luen's registrations.

The Judge held that Funko's plush toys were identical to the goods covered by Luen's registrations. However, the alleged infringing products did not have the 'FUNTIME' name on them, and a swing tag referred to the "Five Nights at Freddy's: Sister Location" a video game franchise popular with young teenagers and adults. Although 'FUNTIME' was used on the outer packaging of the plush toys, these indications were added by the retailers and not Funko.

There was no evidence that Funko had chosen the names FUNTIME FREDDY and FUNTIME FOXY for any inappropriate purpose or to take advantage of Luen's marks. The Judge considered Funko's use was intended to be descriptive. However, consideration had to be given to whether the average consumer would consider the names FUNTIME FREDDY and FUNTIME FOXY to be purely descriptive.

The Judge held that those consumers familiar with the "Five Nights at Freddy's" or "Five Nights at Freddy's: Sister Location" video game franchises, or, those that saw Funko's products displayed for sale alongside other game merchandise (as was often the case) would have considered the names FUNTIME FREDDY and FUNTIME FOXY as descriptors, with "Five Nights at Freddy's" and Funko as the indicators of origin. However, those consumers buying the products online or those unfamiliar with the video game franchise might have regarded the names as sub-brands with an origin function.

Even if that had been the case, the Judge held that there was no likelihood of confusion on the basis that (i) within the context of the alleged infringing use, the packaging and labelling consisted of clear and prominent usage of other brands, such as the video game titles and the name Funko; (ii) there was no evidence of actual confusion despite the products having been sold alongside each other for nearly five years; (iii) there was no evidence Luen had used 'FUNTIME' as a sub-brand; and (iv) there were clear differences between the respective products. The claim under section 10(2) therefore failed.

Section 10(3)

The Judge found Luen's marks to have a reputation for toys, games and playthings for babies and pre-school children in the UK. However, for the same reasons that there was no likelihood of confusion, she found that there was no link and the claim under section 10(3) therefore failed.

The CJ and GC decisions can be found at https://curia.europa.eu/jcms/jcms/j_6/en/. Cases marked with a * can be found at <http://www.bailii.org/>.



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