

Bird & Bird

Report of Trade Mark Cases



For the CIPA Journal

January 2023



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</p> <p>T-711/20</p> <p><i>Puma SE v EUIPO; CMS Costruzione macchine speciali SpA</i></p> <p>5 October 2022</p> <p>Reg 2017/1001</p> <p>Reported by: <i>Nia Lewis</i></p>	 <ul style="list-style-type: none"> – apparatus and industrial machine tools for making all types of heat exchanger (7) – systems and equipment for heating, air conditioning, refrigeration, heat exchange, ventilation, steam generating, drying (11) – installation, maintenance and repair of systems, equipment and industrial machine tools for making all types of heat exchanger (37)  <p>(unregistered)</p>	<p>In opposition proceedings under article 8(5), the GC partially annulled the BoA's decision as regards the oppositions based on the first two marks (depicting pouncing pumas), but upheld the BoA's decision insofar as the opposition was based on the third earlier mark (depicting a pouncing puma alongside the word PUMA).</p> <p>The GC agreed with the BoA that the contested mark was not similar to the third earlier mark, so there was no infringement of article 8(5).</p> <p>Concerning the first earlier mark, the GC held that the BoA should have re-examined parts of the evidence of reputation submitted at first instance. Similarly, the BoA had been wrong not to further examine the opposition based on the second of the earlier marks just because it had considered the degree of similarity between that earlier mark and the contested mark to be lower than for the first of the earlier trade marks. The GC referred the case back to the BoA for re-examination.</p>

Advocate General's opinion on liability of online marketplaces

Christian Louboutin v Amazon Europe Core Sàrl, & Ots (AG Szpunar for the CJEU; Joined cases C-148/21 and C-184/21; 2 June 2022)

Following requests for preliminary rulings in proceedings between Christian Louboutin and various Amazon entities, AG Szpunar opined that an online intermediary could not be held directly liable for trade mark infringement as a result of third parties' commercial offerings on its platform. AG Szpunar set out the conditions under which, in his view, the operator of an online marketplace may be found liable for 'use' of a trade mark under Article 9(2). *Maisie Briggs reports.*

Background

Louboutin brought trade mark infringement proceedings against Amazon before the District Court in Luxembourg (C-148/21) and Brussels Companies Court (C-184/21). It claimed that Amazon was liable for trade mark infringement by displaying listings for and shipping counterfeit goods. Louboutin claimed that

Amazon was liable under Article 9(2)(a) because this constituted use of a sign that was identical with Louboutin's trade mark, for identical goods and services to those for which the trade mark was registered, without Louboutin's consent.

The respective courts referred a question regarding the interpretation of Article 9(2) to the CJEU, namely whether the operator of an online sales platform like Amazon could be held directly liable under Article 9(2) by displaying and delivering infringing goods that were placed on the market by independent third-party sellers. The referring courts noted that Amazon was not a traditional marketplace. It publishes both advertisements relating to its own goods, which it sells and ships under its own name, and advertisements from third-party sellers, which it either ships under its own name (i.e. by keeping the goods in a distribution centre), or which are shipped by the third-party sellers themselves.

The definition of 'use'

The AG first set out the current concept of 'use' under established case-law. In the case of an online intermediary, direct or indirect control of the act constituting use fell under the definition of 'use' for Article 9(2) - only a third party with control of the act constituting use could stop it. Secondly, that the use took place under the third party's own initiative and in its own name – in other words that the third party used the sign in its own commercial communications (i.e. a communication designed to promote its goods or services, or the activities it carries out). Typically, this second interpretation had meant that intermediaries have not been found to have 'used' a sign for the purposes of Article 9(2). However, the AG noted that the case law had never discussed what *would* be classed as use of a sign in an intermediary's own commercial communication, only what *wouldn't* be classed as use. The AG stated that for an intermediary to be 'using' a sign in their commercial communications, they must use it in a way that somebody looking at the communication would link the sign in question with the intermediary.

Why Amazon does not 'use' a sign in accordance with Article 9

In light of the above, the AG answered the referred question: does the operator of an online marketplace use a third-party mark itself by displaying advertisements for and shipping independent sellers' listings? The AG was of the view that where an online marketplace had direct or indirect control over such advertisements, and this qualified as its own commercial communication, there would be 'use' for the purposes of Article 9(2). However, where an online marketplace displayed advertisements that related to independent sellers' listings (including sponsored ones that enhanced the visibility of sellers' own advertisements), that would not count as 'use' because the marketplace did not have control over the products.

The AG stated that in the referred cases, Amazon was not using the marks. The advertisements were not solely to benefit itself, but instead to support third-party users (i.e. the independent sellers). The third-party sellers had control over the use of the mark on the products. Amazon did not.

The AG also pointed out that Amazon is a very well-known online marketplace, and for being a distributor of goods. As such, the public were aware that advertisements for goods sold directly by Amazon, and advertisements published by third-party sellers were posted – consumers would also have been aware that they could be dealing with an advertisement published by a third-party seller. Even where Amazon's own logo appeared next to those of third-party sellers, the public would not necessarily have perceived the third-party signs as part of Amazon's own commercial communication.

Conclusion

The AG concluded that Amazon, in putting its logo on both third-party advertisements which unlawfully used a mark and on its own advertisements, had not used a mark for the purposes of Article 9(2), on the condition that the reasonably well-informed and observant internet user did not perceive the mark in question as an integral part of Amazon's own commercial communication. Article 9(2) could be applicable where an online marketplace directly offers products for sale and places them on the market (i.e. its own listings), although it was not the case here. Finally, the AG stated that in some EU Member States, secondary liability may still be relevant in relation to third party listings – that was a matter of national law.

CJEU decision

On 22 December 2022, the CJEU published its decision. It did not follow the AG's opinion, holding instead that an operator of an online market place can be found liable under Article 9(2) when the normally (reasonably) informed and reasonably observant user of an online marketplace has the impression that the marketplace operator is the one who sells, in its own name and on its own behalf, the goods. In particular, this may be the case where an online marketplace displays its own logo on the advertisements of third-party sellers and it carries out the storage and shipping of the third party goods. This decision will be reported in full in due course.

Honest concurrent use

Gnat and Company Ltd & Anr v West Lake East Ltd & Anr (Judge Hacon; [2022] EWHC 319 (IPEC); 16 February 2022)

In a case where a luxury restaurant in a 5-star hotel sued a small take-away business in Barrow-in-Furness, Judge Hacon found that, despite the businesses having operated concurrently for 12 years without any evidence of actual confusion, there was a likelihood of confusion. Louise O'Hara reports.

Background

Gnat was the owner of a series mark (the "Mark"), which it licensed to the second claimant ("CTL"), which ran a luxury Cantonese restaurant named "China Tang" at the Dorchester Hotel in Park Lane. In 2009, West Lake East ("WLE") opened a Chinese take-away in Barrow-in-Furness also under the name "China Tang".

Gnat's claim relied primarily on trade mark infringement pursuant to Sections 10(2) and 10(3), with a supporting passing off claim. WLE counterclaimed for partial revocation of the Mark and relied on a defence of honest concurrent use.



Gnat's mark



Defendants' use

Partial revocation

Gnat and CTL did not resist an amendment to the specification of the Mark to delete "self-service restaurants", and did not argue that the Mark had not been put to genuine use in relation to "cafes and cafeterias". However, they relied upon *Decon Laboratories v Fred Baker Scientific* [2001] RPC 17 to argue that a fair specification based on the evidence it had submitted would have included services provided by cafes and cafeterias.

Judge Hacon agreed and took the view that cafes and cafeterias were a type of restaurant. Consequently, to have deleted them from the specification, whilst retaining "restaurant services", would by implication limit the scope of "restaurant services" to exclude cafes and cafeterias. That would not have been apparent to the public from the proposed amended specification and would thus have been liable to mislead. "Restaurant services" was not considered to be a broad term to be split out into subsets. The Judge therefore refused the application for revocation.

Infringement pursuant to Section 10(2)

Judge Hacon found that, despite WLE's argument that takeaway food services were not the same as any of the services in the Mark's specification (i.e. in that food is intended for consumption off-premises), there was still a close similarity between the services offered. The sign CHINA TANG used without stylisation was also found to be similar to the Mark.

WLE's main argument was that the businesses had coexisted for 12 years and there had been no instances of confusion. Relying on *Compass Publishing v Compass Logistics* [2004] EWHC 520 (Ch), Judge Hacon held that the absence of actual confusion was not determinative because the Mark should have been treated as having been used across the breadth of its specification. Had the Mark been used for a low-priced restaurants, the services of which were covered by the specification, there would have been a likelihood of confusion.

Infringement pursuant to Section 10(3)

Judge Hacon found that the claimants had proven reputation geographically, by reference to a number of different press articles which were widely distributed across the country, but that they had not proven reputation economically because the single Park Lane restaurant's share of the UK restaurant market was very small. He also found no unfair advantage or detriment to the distinctive character of the Mark, so rejected the claim under Section 10(3).

Honest concurrent use

Judge Hacon went through the authorities on determining honest concurrent use and in particular noted the ten material factors set out by Arnold J in *Samuel Smith Old Brewery (Tadcaster) v Lee* [2011] EWCH 1879 (Ch). These included whether the defendant knew of the existence of the mark, and if not, whether it would have been reasonable to conduct a search (factor (i)), whether there had been actual confusion and, if so, whether the defendant knew about this (factor (vi)) and whether the defendant had sufficient justification for using the sign complained of (factor (ix)).

As a matter of principle, Judge Hacon found that a large enterprise with a trade mark department which failed to conduct a trade mark search would likely not have been acting in accordance with honest practices absent good reasons for the failure. He went on to hold that there was no principled reason for a different approach to be applied to a smaller business; even a small business should have consulted the public register of trade marks. In so finding, he was conscious that if a failure to carry out a trade mark search deprived a defendant of the defence, it would be rarely available. However, his view was consistent with that of the Court of Appeal's when Kitchin LJ stated that instances of honest concurrent use would be "rare" (*IPC Media v Media 10* [2014] EWCA Civ 1439). Referring again to Arnold J's ten factors, (vi) was in the defendant's favour, whereas (ix) was not. Judge Hacon therefore concluded that although he had some sympathy for the defendant, in the modern climate of easy trade mark and internet searches, if a party started to use a trading name without appropriate advice and simple searches, such use would not be honest concurrent use without some reason why it should be taken to be so. There was no such reason in this case.

Passing Off

As WLE had only marketed itself and offered delivery to locals, Judge Hacon found that WLE's restaurant would only be known to people living within a 2-3 mile radius of the take-away. The reputation of CLT, on the other hand, was likely to extend beyond Park Lane but probably not to Barrow-in-Furness. Since the public that would have been aware of each of the undertakings did not overlap, there was no risk of misrepresentation (and in any event no evidence was adduced to prove deception or even confusion), and the passing off claim failed.

TikTok distinctive of social media platform's services

Tik Tok International Ltd (the "Appellant") v TikTok Information Technologies UK Ltd (the "Cancellation Applicant") (Falk J; [2022] EWHC 1220 (Ch); 18 May 2022)

In an appeal by the Appellant against the Hearing Officer's decision to invalidate its registration for the mark TIK TOK, the Judge upheld the decision that there was a likelihood of confusion under Section 5(2)(a) with the Cancellation Applicant's mark, TIK TOK. The appeal was consequently dismissed. Hadrien Espiard reports.

Facts

The Appellant carried on an IT Consultancy and the Cancellation Applicant was a member of a group of companies that operated the well-known TikTok social media platform. The Appellant had applied to register the mark TIK TOK for compilation of information relating to information technology services in Class 42 (the 'Contested Mark'). The Cancellation Applicant applied to invalidate the Contested Mark under Section 5(2)(a) based on its earlier UK trade mark registration for TIK TOK (the 'Earlier Mark'). The Hearing Officer held there was a likelihood of direct confusion based on the following goods and services covered by the Earlier Mark:

- Class 9: application software; application software for smart phone; downloadable computer software applications; downloadable smart phone application (software);
- Class 38: providing access to search services of smart phone applications; providing access to peer-to-peer (P2P) sharing services; and

Class 41: electronic publication of information on a wide range of topics.

The Appellant appealed. It was common ground that the marks were identical.

Distinctiveness

The Appellant argued that the Hearing Officer had been wrong to find that the Earlier Mark was distinctive to a high degree. It sought to introduce a new argument that the Earlier Mark represented an onomatopoeic term referring to a metronome or clock which was descriptive of the Cancellation Applicant's service of providing a platform for posting short videos of musical and/or dance performances online, and that the mark was therefore not inherently distinctive.

The Judge allowed this new point to be introduced because it did not necessitate new evidence or affected the way the case was run. Nevertheless, the Judge upheld the Hearing Officer's view that TIK TOK was a distinctive combination of two well-known sounds associated with time. The fact that the combination was deliberately misspelled was a clear element of distinctiveness and indicated that the phrase was invented. This was not descriptive of music or music videos, or the goods or services relied on by the Hearing Officer in reaching the decision.

Comparison of the goods and services

The Hearing Officer had concluded that there was at least a low degree of similarity in respect of each of the goods and services for which the Earlier Mark was registered. The Judge held that these were decisions the Hearing Officer had been entitled to reach.

The services for which the Contested Mark was registered overlapped in their nature, purpose and users with the Class 9 goods of the Earlier Mark. There was also a low degree of similarity in respect of the Class 38 and 41 services. For the latter, there was overlap of users, and a low degree of complementarity because the public might have thought one undertaking was responsible for both gathering and publishing information.

Likelihood of confusion

Since the Judge upheld the Hearing Officer's decision that TIK TOK was highly distinctive, and because the identity between the marks offset any low degree of similarity between the goods and services, the Judge found that there was a likelihood of confusion and *therefore dismissed the appeal*.

High Court finds infringement for digital watch face apps developed by third parties

Montres Breguet SA & Ots v Samsung Electronics Co. Ltd (Falk J; [2022] EWHC 1127 (Ch); 20 May 2022)

The Judge held that the use by Samsung of the claimants' marks on watch face apps which had been made available on the Samsung Galaxy App Store for Samsung's smartwatches amounted to trade mark infringement. This was despite the fact that the apps had been designed by third party developers. Robert Milligan reports.

Facts

The claimants were incorporated and based in Switzerland, except for Glashütter Uhrenbetrieb GmbH which was incorporated in Germany. The claimants were all members of the Swatch group of watch makers. Each claimant had a distinct brand and between them owned at least 23 EU and UK trade mark registrations for brands such as Swatch, Tissot, Omega and Breguet covering, among other things, watches, horological and chronometric instruments and smartwatches.

The claimants alleged that Samsung had infringed 23 of their registrations between October 2015 and February 2019 by making 30 digital watch face apps available for download from the Samsung Galaxy App Store which bore the claimants' marks (see the examples below). The watch face apps were for use with Samsung's own smartwatches. Samsung admitted that the apps had been downloaded around 160,000 times by consumers in the UK and EU.



The marks TISSOT, BREGUET and SWATCH are reproduced in the top-centre parts of the watch faces shown above. These are only some select examples from the judgment.

Although each of the apps were developed by a third party, the claimants alleged that Samsung was intimately involved in and controlled the process by which the apps had been made available in the UK and EU.

Use in an online environment

Samsung argued that it had not used the signs in the course of trade. It argued that it simply provided a vehicle, i.e. the Samsung Galaxy App Store, through which third party app developers made apps available - therefore, it was those app developers that had made use of the claimants' marks in the course of trade.

However, the Judge disagreed and found that Samsung had used the signs in the course of trade. A key factor that led to this finding was that Samsung had marketed its smartwatches as "truly watch-like" and had referred to the wide variety of watch face apps available on the Samsung Galaxy App Store.

Further, the evidence showed a symbiotic relationship between Samsung and the app developers that benefitted both parties commercially. Samsung provided material assistance to the watch face app developers through its Galaxy Watch Studio tool, and the apps were designed exclusively for, and operated only on, Samsung's smartwatches.

The Judge consequently found that Samsung had not only provided the app developers with a technical environment or vehicle to allow the watch face apps to be uploaded, displayed and downloaded by consumers, but had a clear commercial interest in the apps being made available on its App Store, as well as the presentation of the apps and their exclusive ability to be used with Samsung's smartwatches.

Comparison of the marks and goods

The Judge found the marks to be identical and similar to those signs used on the watch face apps.

The Judge held that the smart watch apps (which were software goods) were not identical to the goods covered by the claimants' registrations, namely, "*computers worn on the wrist*", "*electronic apparatus incorporating a time display*", "*smartwatches*" and "*smartphones in the shape of a watch*". However, the apps were similar to "*smartwatches*" by reason of their complementarity. These goods were not only intended to be used together but were essential for each other's operation.

Use in relation to the goods

The Judge held that the average consumer would have understood the use of a sign in the name of an app seen in the Samsung Galaxy App Store to be use in relation to that app and what it would represent once downloaded. By way of example, the Judge explained that an app with the name "Tissot Watch Face" would have been understood by the consumer to denote that the app will produce a Tissot watch face when downloaded to the smartwatch. Therefore, it was use in relation to the software (i.e. the app) including the watch face that the app will produce once downloaded. The same analysis applied to any preview of the watch face consumers could view before downloading the app.

However, post-sale context was also relevant. Once the app was downloaded and used, the position was more complex because, whilst the smartwatch owner would have known that they were wearing a smartwatch and using the app, a third party seeing the watch face might not have known that. The Judge held that a sign on a downloaded watch face appeared in the location that would be expected on a conventional watch, and

on a product that Samsung had marketed for its watch-like qualities. As such, the sign had not been used solely or even primarily to denote the origin of the app, but also to denote the origin of the watch.

In light of this, the Judge found that the signs that appeared on the watch faces produced by the watch face apps were used in relation to smartwatches - these were at least highly similar to watches.

Infringement under Article 9(2)(a)

Samsung argued that the signs indicated the nature of the designs rather than the origin of the apps, but the Judge disagreed. The apps did not simply produce a depiction of a watch face, like a poster of a Ferrari showing the well-known logo on the car. When downloaded to a Samsung watch, the apps produced a watch face that looked like, and functioned as, a watch. The fact that an app might have other functionality did not affect that determination. Therefore, the appearance of the sign on the watch face was, and was clearly intended to be, perceived as branding.

Further, the fact that the apps were made available on the Samsung Galaxy App Store meant that consumers would likely assume there was some licensing or other economic arrangement with the watch maker that permitted use of the sign. A reasonably observant consumer would not have been able to ascertain, without difficulty, that Samsung did not provide the app under an arrangement with the claimants, or that there was otherwise no economic link between the provider of the app and the claimants.

Therefore, infringement was found in respect of the use of the signs on the watch faces because Samsung was using identical signs to the marks for identical goods (i.e. smartwatches).

Infringement under Article 9(2)(b)

On the basis that smart watch apps were similar to smartwatches, the Judge also found a likelihood of confusion and infringement under 9(2)(b).

Infringement under Article 9(2)(c)

The Judge found that the claimants had an "obvious" reputation for their Omega, Longines, Tissot and Swatch marks. A reputation was also found for the claimants' other marks with the Judge commenting that the existence of a reputation is also demonstrated by the fact that the watch face app developers were using identical and similar signs to the marks.

The Judge found that a link and injury was established in relation to the signs as they appeared on the watch faces.

Hosting defence under the e-Commerce Directive

The Judge held that the legal test was whether a diligent economic operator should have identified the illegality by reference to facts or circumstances of which it was aware. The content review process that Samsung implemented would have resulted in the reviewer, and through it Samsung, becoming aware of the app name and the appearance of the watch face. As a result, Samsung could not rely on the hosting defence because it should have been aware of the infringing use. The existence of a notice and take-down procedure did not in itself provide a defence.

Subsequently, the Judge ordered an injunction and refused to stay it pending appeal ([2022] EWHC 1895 (Ch)). The Court of Appeal was due to hear the appeal in December 2023.

Passing off and bad faith: use of a band name

Alan Williams Entertainments Ltd & Anr v Clarke & Ots (Ms Treacy sitting as a Judge of the Chancery Division; [2022] EWHC 1798 (IPEC); 13 July 2022)

The claimants successfully argued that the defendants had committed the tort of passing off in relation to their use of the band name THE RUBETTES for live music events, merchandising, music sales and associated goods and services. It was also held that the defendants' UK trade mark registration had been filed in bad faith. Maisie Briggs reports.

Background

The name THE RUBETTES was first used by a pop band in 1974. Between 1974 and 1976, the band traded through a company called The Rubettes Ltd, which ceased trading in 1977. Each of the band members had one share in the company. In 1976, a company named Rubettes (1976) Ltd was incorporated, with all band members also having one share. In 1983, Rubettes 1976 Ltd was also dissolved, after which business was carried out by one of the band members, Alan Williams, under the entity Alan Williams Entertainments Ltd ("AWEL"), with Mr Williams and his wife being the only directors and shareholders. When the band performed and toured under the name THE RUBETTES, AWEL made the bookings and paid the expenses. The band members were paid a fee per performance by AWEL.

In 1999, another member of the original band, Mr Hurd, set up a separate band also under the name THE RUBETTES. This resulted in litigation between Mr Hurd and Mr Williams/AWEL, which was settled in 2002. Under the settlement agreement, it was agreed that, from 31 December 2002, Mr Williams and AWEL would trade as "The Rubettes featuring Alan Williams", while Mr Hurd would trade as "The Rubettes featuring Bill Hurd". However, Mr Williams did not always use the name as agreed and occasionally performed under the original name THE RUBETTES.

The evidence showed that throughout the band various iterations, revenue had always been paid to a corporate entity rather than to any individual. The corporate entity made the bookings, and the individuals were paid a fee per performance from money held by the company.

In 2018, Mr Clarke, a member of Mr Williams' band, applied to register THE RUBETTES at the UK IP Office. The mark was registered in Classes 9, 35 and 41 on 11 January 2019 (the 'Registration'). Subsequently, in March 2019, Mr Clarke and two other band members, Mr Richardson and Mr Etherington, formed a band called RUBETTES using the logo below. Mr Clarke and Mr Williams had a disagreement prior to this, so Mr Williams was not involved with this new band. Mr Williams had also moved to Australia.



AWEL and Mr Williams issued the present proceedings against Mr Clarke, Mr Richardson and Mr Etherington. It was claimed that AWEL and Mr Williams were the owners of goodwill in the name THE RUBETTES and in the name "The Rubettes featuring Alan Williams" (the 'Rubettes Names') when used in relation to live music events, merchandising, music sales and associated goods and services. As a result, they claimed that since none of the defendants owned any goodwill associated with the Rubettes Names, their involvement in a band using the name THE RUBETTES since late 2018 amounted to passing off. The claimants also claimed that the Registration was invalid because it had been applied for in bad faith.

The defendants argued that there was no agreement as to how the goodwill generated by the band should be owned, and that therefore that the goodwill was owned by the members of the band jointly and severally.

Passing off

The Judge took the elements of the passing off trinity in turn.

Goodwill

The Judge found that originally, the goodwill in the name THE RUBETTES accrued in the company Rubettes (1976) Ltd, because goodwill was generated by trade. None of the band members individually accrued any goodwill in the name. When the company had been dissolved in 1983, the goodwill owned by the company for the years it had been active passed to the Crown as per the Companies Act.

The Judge found that from 1984 Mr Williams and AWEL had established goodwill in the Rubettes Names because they had continued to trade under them and were responsible for the band's business arrangements. The other band members did not promote the band during this period, and the defendants had not traded under THE RUBETTES or similar until 2018 when they sought to promote a band separately from AWEL, so they did not own goodwill.

The defendants argued that the 2002 settlement agreement prevented AWEL from trading as THE RUBETTES because it was only allowed to trade as "The Rubettes featuring Alan Williams", so AWEL had only acquired goodwill in that name. The Judge disagreed, stating that the settlement agreement did not mean that either party had abandoned its rights against third parties in any goodwill it may have owned. The

Judge noted that the claimants had in fact performed under the name THE RUBETTES after the settlement agreement – even though that may have been a breach of contract, it also showed that the claimants would have sought to continue trading under THE RUBETTES.

The Judge pointed out that although Mr Williams had moved to Australia in 2018, that in itself did not mean that he had abandoned any goodwill in the Rubettes Names. Mr Williams continued to trade under the Rubettes Names, flying back from Australia to perform, albeit with a different band line-up.

Misrepresentation and damage

The defendants admitted that they had used the name THE RUBETTES from 2018. They used the name when performing, and in domain names and social media accounts. They also had applied for the Registration in October 2018. The claimants had evidence to show that promoters had chosen not to book them due to possible confusion with the defendants, who were also performing under the name THE RUBETTES. From the claimants' evidence, the Judge held that the defendants' use of THE RUBETTES had caused confusion and damage to the claimants.

It was held that just because the original band members performed together, it did not necessarily mean they had a right to use the band's name. Where goodwill in a band name had been accrued by a business over time, that goodwill could have prevented others, even individual band members, from using the name. As such, since the goodwill had been accrued and owned by AWEL, it was held that, whilst the defendants could describe themselves as former members of The Rubettes, their use of THE RUBETTES damaged AWEL's goodwill by misrepresenting that there was a connection between their activities and AWEL. The claim in passing off was therefore successful.

Bad faith

The Judge held that at the date of the UKTM application:

- The defendants had been aware of Mr Williams and AWEL's activities under the Rubettes Names and did not have a genuine belief that they were abandoning their business in the UK;
- The defendants did not tell the claimants about their plans to set up a competing band or to apply for the Registration;
- The defendants had no reasonable grounds to believe that the Registration was necessary to enable them to work;
- The defendants had used the mark to interfere with the activities of AWEL and Mr Williams by writing to venues working with them raising the prospect of litigation by relying on the Registration;
- The defendants' explanation of the correspondence showing they used the Registration to raise the prospect of litigation was completely new evidence; and
- Mr Clarke gave unconvincing evidence and failed to mention the correspondence above in his written evidence, which cast light on his intentions at the application date of the Registration.

As a result, it was held that the Registration had been applied for in bad faith, and therefore it was invalid.

Passing off case relating to the shape and get-up of a bottle

Au Vodka Ltd v NE10 Vodka Ltd & Anr (Mellor J; [2022] EWHC 2371 (Ch); 21 September 2022)

The Judge refused an interim injunction in a passing off case brought by Au Vodka against a competitor, NE10 Vodka, in which it claimed that the newly launched range of NE10 vodkas was being marketed and sold in deceptively similar shaped bottles and get-up. Katharine Stephens reports.

The rival products

The Au vodka products were launched in 2015 and flavoured vodkas were added to the range in 2019/2020. The vodka was sold in gold metallised bottles with Au⁷⁹ VODKA in an embossed square label on the front, and beneath it a lower rectangular plate also with embossed writing – see below (save that there was no

black line running down the centre of the bottles). The flavours were indicated by different coloured covers to the bottle stoppers.



About a month before the hearing for an interim injunction, Au Vodka became aware that NE10 Vodka was intending to launch its NE10 vodka product. Two of NE10's vodkas (plain and blue raspberry) are shown below next to the Au equivalent – all the NE10 bottles were similarly metallised, but none were gold.



Passing off: goodwill

The Judge had no doubt that Au Vodka had a reputation in the appearance of its products. However, the big question was: in what did the reputation reside?

He proceeded on the common-sense basis that, generally, consumers were not in the habit of making assumptions about the origin of products on the basis of the shape of products in the absence of any graphic or word element. He used the word 'generally' to indicate that evidence could be capable of establishing the contrary proposition on particular facts.

Unlike in the *Jif Lemon* case (where the embossed word Jif was not easily legible and the labels around the necks of the lemon shaped bottles were taken off shortly after purchase), the Judge could not disregard the labelling. The evidence suggested that the claimant's labelling was noticed because consumers referred to it as 'Au vodka' and not 'the gold vodka' or 'the one in the gold bottle'. (The evidence also provided strong support for the proposition that the NE10 labelling did not go unnoticed by consumers, such that the products would be referred to as 'NE10 vodka'.)

In an application for an interim injunction, the Judge did not have to conclude precisely in what features the claimant's reputation resided, however, he believed it was the name 'Au' and 'NE10', followed by the metallised gold bottle, plus an indication of the flavour.

Misrepresentation

The Judge's view was that consumers would notice the distinct similarity in the shape of the bottles. However, this and possibly some of the other similarities claimed by Au Vodka, was outweighed by the word/graphic elements on the respective bottles: 'Au' and 'NE10' and the fact that none of the NE10 bottles was gold.

The Judge rejected Au Vodka's argument that consumers would rely on the similarity of the embossed plates or the conceptual similarity between the use of the chemical symbols and atomic numbers for gold and neon.

He noted that his view chimed with the evidence which, at its highest, showed that some consumers would believe that NE10 vodka came from the same stable as Au vodka – but there was no evidence that people were actually deceived.

Interim injunction

The Judge went through the *American Cyanamid* criteria finding, in particular, that following his conclusions on misrepresentation, although there might be a small number of instances of deception, damages would be an adequate remedy for Au Vodka if no injunction was granted pending trial. Conversely, since NE10 vodka had already been launched, damages would not be an adequate remedy for NE10 Vodka if an injunction was granted pending trial.

The Judge therefore declined to grant an interim injunction, but ordered that the trial should be heard on the earliest date available in January 2023, four months from the hearing.

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/>.



Katharine Stephens

Partner

+442074156104
katharine.stephens@twobirds.com



Aaron Hetherington

Trademark Attorney

+442074156183
aaron.hetherington@twobirds.com

Reporters

Nia Lewis; Maisie Briggs; Louise O'Hara; Hadrien Espiard; Robert Milligan

This report was first published in the CIPA Journal, January 2023

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