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What do Twitter, potatoes and Madrid have in common? It's simple - they're all covered in this summer edition of boult.bites™. We've scanned the trade mark sector for changes and newsworthy case decisions so you don't have to. This month we cover the new regulation that means having counterfeit or pirated goods destroyed has become easier, explore what trade mark rights you can exert with Twitter, flag the importance of trade mark watches due to proposed changes to the CTM, and focus on Protected Designations of Origin (PDO).

> What the little birdie did next...



Twitter has its own Trade Mark policy that governs use of third party Trade Marks and other names. The policy specifically covers company and business names, logos and "other trademark-protected materials" that are used in a manner that may mislead or confuse others.

Complaints regarding Trade Mark policy violations can be submitted to Twitter who will investigate and then take further action as appropriate, which can include suspending the Twitter account where there is a clear intent to mislead others, giving the account holder an opportunity to clear up any potential confusion in cases where it appears that any Trade Mark use was not intentional.

Twitter makes it clear in their policy that using a third party's Trade Mark in a way that has nothing to do with the product or service for

which the Trade Mark is registered will not be regarded as a violation of their Trade Mark policy.

Twitter also offers advertisements, known as Twitter Ads, which can be triggered by certain keywords. Trade Mark proprietors can submit a complaint about confusing keywords but these will not be disabled in every case.

Twitter allows its users to create news feeds, commentary and fan accounts and aims to provide a platform for its various users to share and receive a wide range of ideas and content. As such, Twitter does not actively monitor the content that is posted on its platform and will not edit or remove such content except in cases where there is a violation of their terms of service. When setting up a fan account, or a profile that is not actually run by the company or business

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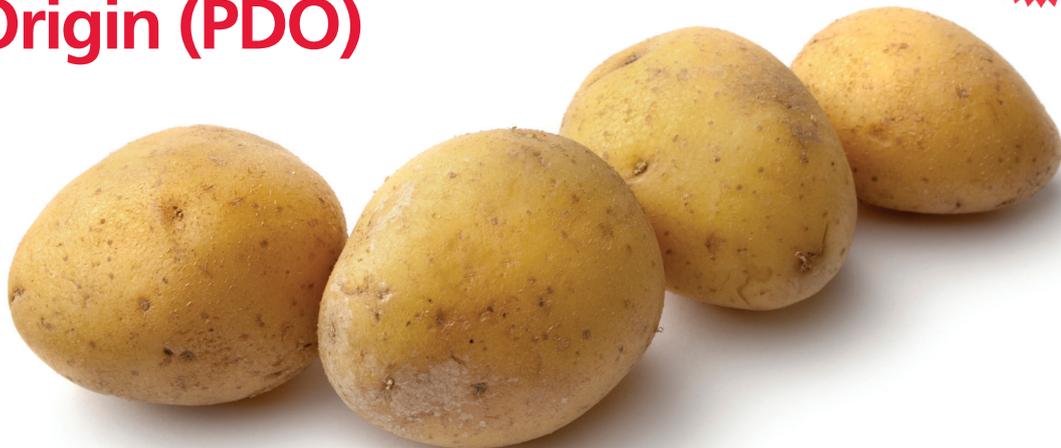
that is the subject of that account, users need to make it clear that it is not an official account. For example, the username and subject of that account should not be a Trade Mark and the profile name should not include the Trade Mark in a misleading manner. The bio should include a statement to distinguish that account from the account of the real company through wording such as “unofficial account”, the profile photo and background image should not use a third party’s Trade Mark or copyright protected image without permission and that account should not be used to deceive or mislead others about the identity. This means it is particularly important for rights holders to make it clear if their Twitter

account is a genuine one. You do not need to hold a Twitter account in order to submit a Trade Mark policy violation report to Twitter to complain about a third party using your Trade Mark.

In summary, if you are using Twitter to refer to a third party company or service make sure you do not mislead and deceive. If you are a rights holder and are concerned by third party use of your Intellectual Property it is possible to take action.

Author: Charlotte Duly, Trade Mark Attorney

> You say potato I say patattah – a focus on Protected Designations of Origin (PDO)



As we near the end of the “Jersey Royal” season, we thought we should take a moment to consider what makes a Jersey Royal potato stand out from all other potatoes and how you can make sure you are purchasing the genuine article.

In 1996, Jersey Royal potatoes were awarded protected designation of origin (PDO) status. A PDO, like protected geographical origins and traditional speciality guarantees, protects against the imitation of special food names protected on the basis of geography or traditional recipes. Jersey Royal potatoes have attracted PDO status as a result of the unique way in which they are grown, cultured and harvested.

A PDO is the name of an area, a specific place or, in exceptional cases, the name of a country, used as a designation for an agricultural product or a foodstuff. To obtain PDO status the agricultural product or foodstuff must:

- Originate from a particular area, place or country;

- Be significantly or exclusively determined by the geographical environment, including natural and human factors;
- Be produced, processed and prepared within the determined geographical area.

Therefore only Royals grown in Jersey can be called “Jersey Royals”.

From 1 May 2009, the acronym PDO and/or the above logo must appear on the product label to enable consumers to identify genuine products. To avoid others from attempting to associate their products with the notoriety of PDOs, producers are also prevented from combining the designation, for example “Jersey Royal”, with words such as “style”, “type” or “imitation”.

Other UK PDOs include Isle of Man Queenies, Yorkshire Forced Rhubarb, Cornish Clotted Cream, Buxton Blue and Orkney beef. An indication of the true quality of the agricultural industry in the UK.

Author: Lisa Ormrod, Trade Mark Attorney

> A single market which ensures effective protection to rights holders: European Council Regulation 6249/13

The European Council recently published a draft Regulation aimed at strengthening the procedures and powers of European Union ("EU") customs authorities with regard to the enforcement of intellectual property rights.

The new Regulation will introduce a simplified procedure enabling EU customs authorities, under certain conditions, to have counterfeit and pirated goods destroyed without formal and costly legal proceedings. The scope of customs intervention will also be extended to types of infringements not covered by the current rules, such as trade names, and certain protected models and designs.

Although the new Regulation will not apply to non-commercial goods contained in travellers' personal luggage, a specific procedure will apply for small consignments, allowing for seized goods to be destroyed without requiring the involvement of the rights holder.

The European Parliament will vote on the draft Regulation in the coming months and it is expected to enter into force on 1 January 2014.

Author: Luke Portnow, Trade Mark Assistant

> Hypothetical licensing arrangements can be used to calculate damages for trade mark infringement

32Red Plc v WHG International Limited [2013] EWHC 815

In a recent decision of the High Court of England and Wales, Mr Justice Newey has confirmed that hypothetical licenses can be an appropriate means of calculating damages for trade mark infringement. This may be appropriate in cases where it is difficult to quantify the damage which has been suffered by the claimant or the benefit which has been gained by the defendant from the infringement using traditional methods. Such a practice is commonly applied in patent infringement cases but very rarely in trade mark cases.

The hearing itself was an enquiry into damages, following 32Red's successful claim against fellow betting and gaming company William Hill for trade mark infringement resulting from William Hill's use of the mark 32Vegas in relation to an online casino.

In calculating the hypothetical license fee, the court took into account various factors including:

- the availability and convenience of other courses of action, such as re-branding

- whether there were any comparable royalty arrangements in place
- the strengths and weaknesses of the parties' bargaining positions, who are taken as they are but assumed to be willing to deal.

This multifaceted method of assessment gives judges potentially enormous flexibility in calculating damages for trade mark infringement. Indeed William Hill, who the court had accepted was not a wilful infringer and who the judge noted had been particularly helpful in their evidence to the court, was nonetheless ordered to pay £150,000 to 32Red. Trade mark owners should be aware of this potential lack of certainty when carrying out risk assessments for issues of potential trade mark infringement.

The full text of the decision can be found here: <http://www.bailii.org/cgi-bin/markup.cgi?doc=/ew/cases/EWHC/Ch/2013/815.html&query=william+and+hill+and+v+and+32red&method=boolean>

Author: Donna Trysburg, Trade Mark Assistant

> It's History

A & E Television Networks LLC & Anor v Discovery Communications Europe Ltd [2013] EWHC 109 (Ch)

The joint claimants in this case, A & E Television Networks LLC and their UK subsidiary AETN UK (known jointly for the purposes of this case simply as 'AETN'), filed two sets of claims against Discovery Communications Europe Ltd ('Discovery'). AETN firstly claimed passing off in respect of the specific words HISTORY and MILITARY HISTORY on the grounds that use of the channel name DISCOVERY HISTORY caused deception among members of the public and damaged AETN's goodwill.

Discovery filed a Counterclaim to invalidate AETN's trade marks.

AETN failed to establish any breach of its trade marks and/or passing off by Discovery's Disc History/Discovery History Channel. Both of AETN's claims were therefore dismissed.

However, the Judge did not accept Discovery's counter claim that the trade marks were invalid, stating that, "I have simply decided that Discovery's action have not infringed them".

Notably Mr Justice Peter Smith discussed the importance and purpose of witness evidence in trials such as this referring back to the Whitford guidelines, first described in Imperial Group Plc v Philip Morris Ltd [1984] RPC 2903 and more recently in Marks & Spencer Plc v Interflora Inc [2012] EWCA Civ 1501. He criticised the quality of the witness evidence provided:

"...this case demonstrates the need for solicitors preparing witness statements to curb their enthusiasm in seeking to obtain the best for their client." Mr Justice Peter Smith

"I am not going to criticise individuals responsible for the gathering exercise...

(however) this case demonstrates the need for solicitors preparing witness statements to curb their enthusiasm in seeking to obtain the best for their client."

The second claim was that Discovery's use of the words 'DISCOVERY HISTORY' and the common abbreviation used for on-screen TV guides 'DISC.HISTORY' infringed a number of AETN's existing trade mark registrations. These marks included CTM registrations for the THE HISTORY CHANNEL and for the History device mark in Classes 9, 16, 38 and 41 (for goods such as DVD's, Videos, books, programme guides, etc and services generally relating to broadcasting and education) and a UK registration for THE HISTORY CHANNEL in Classes 38 and 41 (broadcasting and education services).

One clear lesson to learn from this judgement is that care must be taken when putting together witness evidence, especially when cold calling potential witnesses. Also more weight may be given to witness statements provided by live witnesses who can be cross examined.

Author: Angharad Rolfe Johnson, Trade Mark Assistant

> Update on the proposed changes to the Community Trade Mark

In the last edition of *boult.bitesTM* we reported on details of draft legislation proposed by the European Commission that had been leaked. Since then, the European Commission has officially released further details, some of which differ from the earlier leaked documents. These are still proposals and have not been formally adopted. We will report further on the proposals and their impact on both CTM and national rights holders once there are more substantive developments. It has been indicated that the changes should be implemented by 2014.

Some of the key proposals were reported in the earlier edition of this newsletter and we have produced a news item on the abolition of the search of the OHIM database and the current optional national searches which can be found here: <http://www.boult.com/resources/news/details.aspx?id=80>. This makes a Trade Mark watch all the more important for brand owners and we recommend setting up watches on important trade marks in advance of 2014. Watch this space for further developments regarding these proposals.

Author: Charlotte Duly, Trade Mark Attorney

> Croatia joins the EU, creating the third largest consumer market in the world

Croatia joins the EU on 1 July 2013. This brings the total number of Member States to 28 and adds a further 4.4 million people to the EU's current population of approximately 503 million. This makes the EU the third largest market by population size in the world, behind China and India, but ahead of the US. Existing CTMs and Community Designs will automatically extend to cover Croatia on this date. These forms of protection already provide excellent value for money, and, with the addition of Croatia, they represent a cost effective and efficient way of obtaining protection in all 28 Member States.

From 1 July onwards new applications can be filed in Croatian and importantly any CTM filed between 1 January 2013 and 30 June 2013 can be opposed based on an earlier national Croatian right.

Article 165 of the CTM Regulation deals with enlargement. This allows the holders of earlier national rights in Croatia to prohibit the use of such extended CTMs in case of conflict. Therefore, an extended CTM would be valid and enforceable in the entire EU, including Croatia, but not against an earlier conflicting Croatian national right.

In relation to pending CTM applications filed before 1 July, examination on the basis of absolute grounds will only be based on the position prior to enlargement. This means that any absolute grounds for refusal which become applicable merely because of Croatia's accession, for example if a mark is descriptive in Croatia only, will not be taken into account.

This grandfathering also applies after registration; CTMs filed before 1 July can only be cancelled on the basis of an absolute ground that was valid at the time before Croatia joined the EU. Therefore, a word that is descriptive or generic in Croatia will not be refused by the OHIM or be subject to cancellation after registration on this basis if it was filed before accession of that Member State.

Author: Charlotte Duly, Trade Mark Attorney

> Rwanda joins the Madrid Protocol on 17 August 2013

Rwanda is to join the Madrid Protocol concerning the International registration of Trade Marks on 17 August 2013. From this date, Trade Mark owners can designate Rwanda as part of a new Madrid Protocol International application.

Rwanda joins Botswana, Ghana, Kenya, Lesotho, Liberia, Madagascar, Morocco, Mozambique, Namibia, Sierra Leone, Sudan, Swaziland and Zambia to bring the total number of African countries that are members of the Protocol to 14 and the contracting parties of the Protocol to 90.

Where a number of territories around the world are of interest, filing via the Madrid Protocol system usually proves to be the more cost effective method. With the addition of Rwanda, the greater the potential global reach of a Madrid Protocol registration.

Author: Charlotte Duly, Trade Mark Attorney

Interested in coming to one of our trade mark seminars? Join the Tea and Trade Mark seminar programme by emailing: teaandtrademarks@boulton.com and we'll keep you up-to-date dates of the next events.

> Latest on own name defence

Stichting BDO v BDO Unibank (and others) [2013] EWHC 418

In the recent Stichting v Unibank case, the High Court clarifies when the own name defence can be used.

The three claimants in this case are a group of accountancy firms who have traded under the name BDO (derived from Binder Dijker Otte & Co) since 1973.

The first defendant is the leading bank in the Philippines and

of trade his own name or address provided he uses them in accordance with honest practices in industrial or commercial matters.

The court went on to consider whether the defendant could rely on the own name defence. It is accepted that the defence is available to companies as well as individuals, and for trading styles as well as company names. It was determined that as of the date of the advertisements complained of, BDO was a trading style of the defendant.

There are ten factors to consider when assessing whether use of the name is in accordance with honest practices. These include:

- whether the defendant knew of the existence of the trade mark and, if not, whether he should have conducted searches,
- whether he relied on legal advice when adopting the trade mark,
- the nature of the use complained of,
- whether the defendant knew the claimant would object,
- whether the defendant was aware of a likelihood of confusion,
- evidence of any actual confusion,
- whether the claimant has a reputation in the Mark and the defendant knew this would be adversely affected,
- whether the use would interfere with the owner's ability to exploit the trade mark,
- whether the defendant has sufficient justification for using the mark complained of,
- the timing of any complaint from the trade mark owner.

Having considered the evidence, the judge concluded that the defendant could rely on the own name defence.

This case is of interest because the defendant was successful. However, success in own name defence cases is rare, as often the defendant is unable to meet many of the criteria referred to above.

Author: Sara Leno, Trade Mark Attorney

Success in own name defence cases is rare

trades under BDO, an acronym of its name Banco de Oro. The defendant uses the Trade Mark BDO REMIT in respect of a service whereby workers elsewhere can transfer money back to the Philippines.

The claimants alleged infringement of their rights in their Community Trade Mark (CTM) for BDO based on use of BDO by the defendant, including in 20 advertisements placed in publications with a European circulation.

Of the 20 advertisements complained of, the court held that only three amounted to use of BDO within the European Union (i.e. specifically targeted to the EU). It considered that as BDO REMIT was used on a small scale in a niche market it did not amount to infringement.

The CTM Regulation says that a CTM shall not entitle the proprietor to prohibit a third party from using in the course

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