

Boult Wade Tennant in Barcelona

Our award winning trade mark team have returned to the UK after enjoying the hospitality of Barcelona for the INTA 2017 Conference. The number of trade mark professionals registered for the 2017 event exceeded 10,500, resulting in the largest INTA annual meeting over the past 138 years. Barcelona provided a stunning backdrop to the conference, which along with the fine Spanish food and wine and the warm welcome from the city, made this a truly remarkable event. Whatever the reason for attending, the opportunity to meet with so many colleagues was welcomed by all.

Myself and Trade Mark Partners **Tony Pluckrose** and **Emma Pitcher** were all registered for the conference, with other team members attending the firm's reception on the Sunday. This year we had over 550 attendees join us at our wonderful reception venue. We are delighted to report it was even featured in the **INTA Daily News**.

Author: John Wallace, Managing Partner and Head of Trade Mark and Domains practice group



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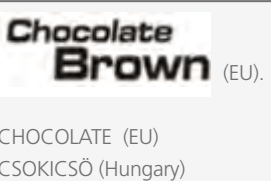
Sweet times for Choclove

Sun System Kereskedelmi és Szolgáltató v EUIPO, Case T-325/15

A recent ruling by the EU General Court reminds us that a detailed consideration of what constitutes similar and/or complementary goods and services is important in relation to European Union Intellectual Property Office (EUIPO) opposition proceedings.

The case was an appeal to the General Court, from the Board of Appeal, on an opposition between two Hungarian entities.

The Appellant had originally lost an opposition at the EUIPO to its application for the following stylised mark based on three earlier EU and national Hungarian registrations:

Trade Mark Application	3 x Bases of Opposition
	

The application claimed *inter alia* "solariums for medical purposes" in Class 10, "lighting and solarium equipment and tanning apparatus" in Class 11, and "solarium / suntanning" services in Class 44.

The opponent's earlier registrations covered tanning apparatus and lamps in Class 10 and non-medical tanning apparatus and lamps in Class 11.

The Board of Appeal annulled the EUIPO opposition decision. It was held that whilst the marks all began with word elements similar to "CHOCO", the level of attention paid by the public would differ, and that the consumers are also different, one being everyday consumers and the others being a professional public.

Upon appeal to the General Court, the Board of Appeal's decision was upheld, with the Court ruling that:

- Two different publics were at issue when comparing the goods and services:
 - o the fact that the goods and services may occasionally share the same distribution channels was not a deciding factor in relation to finding similarity between them
 - o the goods and services are not in competition with one another; the relationship of any competition was not obvious since the goods and services at issue were not directly interchangeable. There is a difference between average consumers who use tanning salons and buy simple tanning lamps, and professionals who buy very expensive solarium equipment and solarium equipment for medical purposes.
- The General Court also held that the heart elements within the trade mark applied for, and the addition of "Love" after "Choco", rendered the mark similar to the Opponent's earlier marks only to a low degree. There was also a conceptual difference in that the mark applied for denotes "an attractive skin colour which will make it possible to gain someone's affection".

Continued

Accordingly, in finding that the goods and services were only remotely similar, and that the marks were similar to only a low degree, the opposition failed.

Take away points

- “Two different publics at issue” – this phrase from the General Court decision is a reminder that an almost granular method of comparison is required when dealing with specific goods and services. One must consider the actual market and not just the nature of the goods and services at issue.

- During the proceedings the Opponent argued that they held and enjoyed a “family of marks” – here the General Court said that the test for this is strict, and it must be shown in evidence that all of the marks forming part of a series appear alongside one another in the market. The Opponent had not filed evidence showing this.

Author: Luke Portnow, Trade Mark Attorney

Maintaining trade mark rights in the EU

Brexit update - UK-based companies that rely on national operations to maintain trade mark rights throughout the EU may need to think and act creatively after the UK exits from the EU.

To maintain exclusive rights to a trade mark in the entire EU territory, genuine use of the mark is required. Until recently, it was sufficient to use the mark in one Member State, but this ship seems to have sailed. In light of a series of decisions, the latest from the Court of Justice in “Combit Software”, the rules are in practice toughening up. As a result, after exit from the EU, British companies wishing to maintain their rights may have to exploit their marks in two or more EU countries. Below are a few helpful pointers to keep in mind when planning your strategy.

E-commerce

Genuine use is based on intent to create market share. How can it be demonstrated that there is intent to target a specific EU Member State when trading online?

Case law in areas such as counterfeiting has provided some answers, but there has never been a harmonised approach across the EU. Interestingly, the recent Regulation on General Data Protection or GDPR, proposes criteria used to determine if the EU public is targeted online. The regulation states that contact details, use of local language, currency and the possibility to order goods and services online, may make it apparent that there is intent to sell to the European public. These elements may be transposed to a national public to demonstrate genuine use.

Maintaining an e-commerce website, if it is aimed at the relevant public and clearly proposes some goods or services for sale, may be sufficient. Those who have online payment tools will be able to demonstrate intent more clearly.

There is no minimum threshold to sales. If turnover is low, online referencing may be an important tool to demonstrating intent to create a market share. Similarly if the website has poor ranking in search engines, demonstrating advertising efforts will help the case.

Depending on the target market, the site may need to be translated into multiple languages. However, English could be sufficient if the intent to target the public of a given member state is clear. In some counterfeiting cases, for instance, French judges have recognised their territorial jurisdiction even when the websites involved were in English.

In the saga between Christian Dior Couture and eBay, the Paris Appeal Court found that a “.com” domain name is a generic top level domain and is thus aimed at all the public. Since French users were encouraged to consult ebay.com from ads displayed on the ebay.fr website, the Court found that there was a link with the French territory. However, in the same decision, the Court refused to retain a connection with France solely because some translation tools are available online.

The key element is that Internet use must be connected to a given territory in order to create a link with the target market. Elements which create that link may include a country code domain name or sub-domains, textual elements directed to local clients, and dedicated translated pages.

Creation of an affiliate company

The creation of a subsidiary without its own activity, even if it pays royalties for using the mark, would be useless. In Ansul, the Court of Justice tells us that use within a group of companies is symbolic and thus non-genuine, confirming that genuine use must necessarily be external use.

Use in the course of trade

Only use in the course of trade qualifies as genuine use. Again, an analogy with counterfeiting cases is useful. Importing or exporting, delivering to a single distributor, sending invoices for services, price lists, advertisements, or buying Google keywords-all of these acts are demonstrative of commercial use of a trade mark.

Provided that a formal reference to a trade mark is made, all these acts may constitute genuine use and may serve to maintain rights throughout the EU.

Be careful with dates. Proof of use requires that dates be identified with certainty, and that the mark be clearly visible on the goods, substantially in the same form as the registration. For services, the mark can appear on invoices.

Forward planning of use in terms of your EUTMs and applying the simple rules outlined above will not only help with regard to Brexit, but also reinforce the strength of your IP internationally.

Author: Severine Mas, European Attorney

Use it (well) or lose it

A trade mark registration confers on its proprietor the exclusive right to use the mark for the goods and services for which it is registered, in the territory of registration. In exchange for this monopoly, UK trade mark owners are obliged to use the mark (as registered), or risk its revocation under one of the grounds set out in s46 of the Trade Marks Act 1994 (the Act).

Revocation is more usual under the non-use grounds set out in s46(1)(a) and (b) of the Act; the 'use it or lose it' principle. In the UK trade marks are vulnerable to non-use revocation, to the extent that they have not been used within an uninterrupted five year period that is first calculated from the date of registration. Section 46(1)(c) provides for revocation of a trade mark where due to the actions or inactions of its proprietor, the trade mark has become the common name in trade for a product or service for which the trade mark is registered, i.e. it loses its origin identifying function and has become a generic one. Unfortunately this fate has befallen several trade marks over the years, such as escalator and aspirin.

A less common ground of revocation is that prescribed by s46(1)(d) whereby as a consequence of the use made by a proprietor or with his consent, the trade mark is liable to mislead the public, particularly as to the nature, quality or geographical origin of the goods and services in question. The recent IPEC summary decision of *Bhayani vs Taylor Bracewell* ([2016] EWHC 3360 (IPEC)) discussed this very issue, though judgment was not given and reserved for trial. The case concerned use of the trade mark BHAYANI BRACEWELL by a firm of solicitors in relation to their employment law practice. An established Doncaster firm, Taylor Bracewell LLP employed Ms Bhayani to expand its employment law practice. Ms Bhayani was a well known employment lawyer and joined the firm as a partner. Various partnership agreements were signed, the latest of which stipulated the use of the name BHAYANI BRACEWELL for the firm's employment practice headed by Ms Bhayani.

Unfortunately the business relationship soured and Ms Bhayani was dismissed; she subsequently brought various actions against her former employer, one of which included a revocation action under s46(1)(d). Ms Bhayani contended that the continued use of the BHAYANI BRACEWELL name by Taylor Bracewell following her departure would mislead clients in believing she was still associated with the firm. It was alleged that the firm continued to use a voicemail recorded by her out of hours and that it told clients she was still carrying out work for the firm. Taylor Bracewell argued that it retained the contractual right to use the BHAYANI BRACEWELL name following Ms Bhayani's departure.

The judge held that, whilst her claim for passing off was dismissed Ms Bhayani's prospect of success at trial for the revocation claim was realistic. Though this matter has not yet been decided, it serves as a useful illustration that the circumstances surrounding the use of a trade mark may change, whereby the continued use of a trade mark may mislead the public. Trade mark owners should not only be vigilant in protecting their trade mark rights, but once registered, ensuring that these are maintained through proper use.

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