



## Trade marks

The Report from the Max Planck Institute resulting from the Study on the Overall Functioning of the European Trade Mark System - to which the Federation had submitted evidence - was eventually published on 15 February 2011. The Study upheld the principle espoused by the Federation to the effect that genuine use of a Community Trade Mark Registration in one Member State was sufficient to maintain the validity of the registration against an attack based on the ground of non-use. Amongst the other recommendations, the Report advocated the use of the large surplus of funds to establish an organisation to tackle counterfeiting (the Observatory) rather than return fees to registered owners. The funds would also be distributed to operating and educational projects under the auspices of the National Offices. Both of these projects will require continuing funding by trade mark owners even though copyright and design infringements would also be covered by the proposals. The Commission will produce a Green Paper in 2012 setting out proposals for the reform of the Community Trade Mark Directive and Regulation taking into account the recommendations, as well as other possible changes.

One of the changes may result from an impending CJEU decision in the so-called IP Translator test case by CIPA (C-307/10). This relates to the OHIM practice whereby a Community Trade Mark Registrations listing a Class Heading as the specification of goods / services is taken to extend to all of the goods / services listed in the respective Nice classification - leading in some Classes to very large areas of protection. Owing to the vagaries of the Classification System, totally unrelated goods / services are thereby protected in some jurisdictions - giving rise in the first five years of a registration to a very wide scope of protection. (The Registration may be attacked on the ground of non-use after five years.) The recently issued Attorney General's Opinion indicates that Class Headings should not be taken cover all the goods / services in the Class unless the Heading is one of those which is sufficiently specific.

Unjustified "trade marks threats actions" are attracting notice again. (The topic was due to be discussed by SACIP, the Standing Advisory Committee on Industrial Property, at the time of its disbanding.) The Court of Appeal (EWCA Civ 618) found in *Best Buy v. Worldwide Sales Corporation España* that a European Union wide threat could give rise to a UK threats claim even if made in a "Without Prejudice" letter.

An unfortunate loophole in EU law relating to goods in transit has been demonstrated following two unsuccessful cases brought by Philips and by Nokia seeking destruction of goods apparently infringing, respectively, registered design rights and trade mark rights and held under a suspensive procedure. The CJEU held (C-446/09 and C-495/09) that where the relevant documentation was ostensibly complete and correct, goods in bonded transit through the EU had not, in effect, entered the EU and hence could not be detained, although it accepted that if the goods could have been shown to pose a risk to consumers they would have been seizable.

The intricacies of internet trading using Keywords were explored by the CJEU over the last two years. From the *Google France* case (C-236/08 to C-238/08) decided in 2010 it became clear that the use of Keywords was analogous to comparative advertising situations. If there is no room for doubt that there is no economic link between the trade mark owner and the advertised product, then the use of the Keyword is allowable on the basis of fair competition.

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Following a referral by the English High Court in advance of the trial, the CJEU has ruled (C-323/09) that the use of the trade mark INTERFLORA by Marks & Spencer - even though it was not owned by them - on a website could fall within the ambit of fair competition so long as Marks & Spencer are able to demonstrate that they are offering an alternative rather than a mere imitation. The case has now returned to the High Court to determine. Where a trade mark proprietor has not complained about use of his trade mark as an "Ad-word" there is a danger that he has given tacit consent.

Following an infringement action in a French Community Trade Mark Court, questions arose as to the effect of an injunction issued by the French Court (C-235/09 *DHL v. Chronopost* in WEBSHIPPING). The CJEU held that all of the other Member States should ensure that the injunction would have effect in an equivalent manner unless it is shown that there is a compelling reason for the original right to be unenforceable in the respective Member State. Where a Court imposed a measure requiring coercive measures such as periodic penalty payments for continued infringements other Member States must provide provisions such as to ensure that the prohibition is complied with in an equivalent manner.

Following a reference from the English High Court to the CJEU in *L'Oréal v. eBay* it was held (C-324/09) that samples marked "Not for Sale" had not been "put on the market" and also that repacked goods where origin details had been removed in the repackaging process were likely to damage the reputation of the trade mark proprietor. It was for the National Court to determine whether the eBay website was promoting an offer to trade in the EU and whether there was any adverse effect on any of the functions of a trade mark such that a reasonably well informed and observant internet user might ascertain that the goods had emanated from the trade mark owner or an economically linked undertaking, or from a third party. There were grounds for an injunctive action against a Service Provider which played something more than a neutral role in presenting the offer for sale and/or which does not expeditiously remove unlawful items from the website upon notification from the trade mark proprietor.

The provisions of the Trade Mark Directive were considered extensively by the English High Court in *Data Card Corp v. Eagle Technologies Ltd* ([2011] EWHC 244 (Pat)) in relation to the supply of replaceable items using, in a "click-through" procedure, the plaintiff's trade mark DATACARD on their Eagle website and on labels. Following the Opinion of the Attorney General in *L'Oréal v. eBay France* (C-326/09), it was held that in relation to the claim under Article 5(1)(b) there was a likelihood of confusion as to the economic link in the mind of the end user.

The BUDWEISER battle continued, with the CJEU ruling (C-96/09 and C-482/09) that a revocation action commenced just within the 5 year time limit from the date of registration (rather than the date of first use) was allowable. So far as the Directive was applicable, Article 4(1)(a) precluded recourse to the doctrine of honest concurrent use. However, the English Court of Appeal's judgement was allowed to stand, since the two UK registrations dated back to 1979, predating the Directive. The marks had been used in good faith and the beers were clearly identifiable as originating from different concerns. "Use in the course of trade" could include deliveries made without charge but with a view to an economic advantage.

For the future, it seems likely that proposals - at least in Australia, but also possibly in the UK - for plain packaging measures for tobacco products will surface yet again. At first sight, such provisions potentially would be contrary to UK's obligations under the Paris Convention and TRIPs.

2012 will also see how the London Olympic Games and Paralympic Games Act 2006 together with the Olympic Symbol etc Protection Act 1995 play out in practice both on the field and in the use of Keywords. The London Organising Committee of the Olympic Games (LOCOG) has the power to prevent the creation of any unauthorised association between a business, goods or services and the London 2012 Games in the course of trade.

David Lewis, 3 January 2012