



## **Trade Marks 2021: interesting times for brands**

This year has been an interesting one for trade marks. The boom in online trade, and the need to put our everyday lives on hold, has meant that trade marks are as important as ever.

### **Courts and Tribunals**

The Courts – the beating heart of the law - have not stopped moving in 2021 as the pandemic continues. For the most part cases have continued, with the IP courts and the lawyers that serve them working together to keep momentum, hopefully minimising the backlog reported in other areas of the law. Litigation in general has become electronic-first, and even full trial hearings have moved online.

Is the court showing an exciting ability to learn and adapt? The Business and Property Court (the Chancery division — which is the English forum for IP cases), has found that electronic litigation works very well indeed. This has led to new guidance this Autumn, that online hearings will be the default position for all short hearings “for the foreseeable future” — with bundles and other papers to be prepared electronically unless specifically requested by the judge — happily, “*to assist the courts of the Business and Property Courts to deal with their business as efficiently as possible*”.

IP work — intangible by nature — is in theory perfectly suited to the ethereal online world, and this has proved to be the case in hearings throughout the year. While not appropriate in every case, it is absolutely clear from the last year that there is a real efficiency to electronic litigation.

This efficiency should help to cut through some of the costly parts of litigation, make courts more responsive, and the cost and time savings will benefit litigants directly.

### **Implementing Brexit**

For many of us, the most striking thing about 2021 starting was that 2020 was *ending* — and with it, suddenly so was the Brexit implementation period.

So then, 2021 was the year of the birth of an entirely new raft of UK rights, including the cloned rights created from EUTMs that were registered before the completion of Brexit (officially termed a “*Comparable Trade Mark (EU)*”). Overnight, the UK Intellectual Property Office (UK IPO) flipped the switch on their database; and new provisions of the Trade Marks Act 1994 came into effect.

Brand owners would be astute to keep an eye out for developments on that front over at least the next year. Those new provisions and transitional provisions are complicated, and mainly untested. Many consider that some of them would benefit from clarification by a court; while others are clear, but poorly understood. A part of this question was before the Court in *Lifestyle Equities v Copyrights Group* [2021] EWHC 1212 (Ch), considering the UK’s jurisdiction to grant injunctions in the EU where cases were pending before Brexit. The Court found that it undoubtedly did have jurisdiction over infringements in the EU in such cases, and that there was at least an (unresolved) argument that it

had the ability to make an extraterritorial injunction into the EU in those circumstances. It is hoped that courts will continue to indicate how this new law will be applied.

It is reassuring too, that the UK IPO is also working hard to ensure that the Brexit legislation is implemented fairly in the UK. For example, having identified an inconsistency between the Opposition practice of the UK and EU offices, the UK IPO is developing practice guidance to address any disparity suffered where this could cause unfairness.

### **Case law**

Amid all those major practical developments, case law marched on in 2021. There have been many interesting points of practical significance, as the edges of trade mark law continue to develop.

The big registered trade mark decision of the year has been the Court of Appeal decision in *Sky v SkyKick* [2021] EWCA 1121. Widely reported, this decision takes a detailed look at the public policy relating to bad faith as applied to terms used in trade mark specification, and provides important filing practice guidance to benefit applicants, that wide terms may be justified where they are a fair description of services. Unless overturned if there is a further appeal to the Supreme Court, this should help to streamline trade mark applications. Further developments are expected over the next year.

Beyond trade mark infringement itself, there have been several interesting passing off decisions this year, helping to define the limits and benefits of unregistered rights. In Spring 2021, supermarket giant Lidl faced off against artisan butcher Philip Warren, who had accused Lidl of passing off with a demand put as high as £47 Million. On the evidence, the court found that passing off was not established, with Philip Warren's claim deemed speculative, and ill-founded (*Philip Warren v Lidl* [2021] EWHC 1097 (Ch.)). While that shows how difficult a case in passing off can be if not well conceived, common law rights are still important. This was demonstrated in the Autumn: A dispute between two people offering holistic psychic services over the mark "ARCHANGEL ALCHEMY" ended in surprise for the claimant, who apparently did not foresee that her own claim for trade mark infringement would fail, leaving her open to a finding that she was liable for passing off against the successful defendant (*Stone v Wenman* [2021] EWHC 2546 (IPEC)).

It has also been a strong year for Protected Designations of Origin (PDOs), with the CJEU decision in *Champagne v Champanillo* (C-783/19, 9 September 2021) clarifying that PDOs extend to services as well as products. What is more, the test of 'evocation' is not just a similarity test, but considers all the circumstances of what image would be triggered in the mind of a person confronted with the sign. As well as Champagne, *Prosecco* has seen success in the English Courts in two recent decisions: not only successfully defending an appeal from the IPO concerning the use of a similar 'Nosecco' brand last year; but also securing injunctive relief and delivery up from the court in respect of infringing flavoured "personal lubricants" this year (*Prosecco v Viator Health Limited* (2021) unreported).

And so the law continues to develop; the UK continues to be an important forum on the international stage; and the courts continue their work with a renewed drive for efficiency.

We truly do live in interesting times.

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