

D YOUNG & CO TRADE MARK NEWSLETTER^{no.53}

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Legal 500 2010



We are proud to announce that D Young & Co has been ranked in the top tier for all three Legal 500 categories, and for the ninth consecutive year for the trade mark group.

The Legal 500 comments: *'Headline successes for the strong trade mark team include a successful opposition on behalf of Duracell Batteries BVBA to a UK trade mark application for Duracell Energy Drink. Jeremy Pennant is recommended'*.

We would like to thank our clients and associates for their support and contributions to this year's review.

Editorial



As we go to press, we are proud to announce the forthcoming launch of our litigation practice, with the recruitment of Ian Starr and Tamsin Holman from law firm, Ashurst, early in the New Year. We will become the first firm of patent and trade mark attorneys to establish a legal disciplinary practice in the UK.

Jeremy Pennant, Partner and Head of the D Young & Co Trade Mark Group, comments: *'This development enables D Young & Co to expand our range of services so that clients can resolve disputes and enforce their rights without having to employ the services of a separate law firm. Increasingly, clients are requiring us to manage their contentious work, and we will now be able to offer court litigation services as well as the full range of alternative dispute resolution procedures. The ability to do so as a single firm permits us to both strengthen and streamline the services offered to clients in a cost effective manner and to ensure continuity in the quality of service they have come to expect from D Young & Co.'*

'Ian and Tamsin bring a wealth of knowledge and experience and we are excited at the prospect of their arrival. We will be recruiting further solicitors with the creation of this new team.'

If you have any queries regarding these new services, please do not hesitate to contact your usual D Young & Co adviser.

Editor:

Angela Thornton-Jackson



Article 01

Late Withdrawal of Appeals and Award of Costs Appointed Person Puts Spoke in Pro-Lite's Wheel

Beware of the potential pitfalls of withdrawing an appeal at the later stages of proceedings



On 20 March 2004, Stephen Fenton and David Hinde registered the trade mark Pro-Lite in respect of 'bicycles; parts and fittings for the aforesaid goods' in Class 12.

On 24 January 2008, Paul Gray of Cycle Sport Ltd applied to invalidate the registration on the basis that it was in breach of Section 5(4)(a) of the Trade Marks Act 1994. He claimed that he (or his company) was entitled to prevent use of the Pro-Lite trade mark at the relevant date by virtue of the law of passing off.

At the hearing Mr Fenton (on behalf of the registered proprietor) was represented by Counsel; Mr Gray represented himself. The Hearing Officer found in favour of Mr Gray and upheld the invalidation action. Mr Fenton was ordered to pay Mr Gray costs of £1,100.

Appeal

Mr Fenton filed an appeal on the grounds that the hearing officer had erred in making

findings that were unsupported by the evidence and a hearing was scheduled for 21 July 2010. On 9 June 2010, Mr Gray requested security for an award of costs. Both parties filed written submissions on this matter, but on 15 July 2010, one week before the scheduled hearing, Mr. Fenton's solicitors withdrew Mr Fenton's appeal.

On 20 July 2010, Mr Gray sought an award of costs in respect of the now abandoned appeal, claiming that he had spent more than 30 hours as an unrepresented party preparing for the appeal. Mr Fenton's solicitors claimed that no award of costs should be made, but if one was to be made, it should only reflect the minimal preparation which it would have been reasonable for Mr Gray to undertake, given the narrow grounds of appeal (which they considered to be a matter of law only) and the fact that the appeal was withdrawn before skeleton arguments had been filed by either party.

Finding in favour of Mr Gray, the Appointed Person, Amanda Michaels, held that Mr

UKIPO Trade Mark Opposition Terms Change Tribunal Practice Notice TPN 04/2010

Fenton should pay Mr Gray an award of costs as the appeal had been withdrawn late and after Mr Gray had made representations about security for costs. It was also evident that Mr Gray had taken steps to consider the merits of the appeal and towards preparing for the subsequently abandoned hearing. Ms Michaels did not consider this unnecessary or unexpected given the scope of the appeal.

She rejected Mr Fenton's solicitor's claim that the appeal only related to a point of law given that the grounds of appeal claimed that the evidence submitted did not support the hearing officer's findings, and held that it was entirely reasonable that an unrepresented party would think it necessary to re-read all the evidence from the first instance case when faced with an appeal.

Ms Michaels did not accept, however, that it was necessary to spend more than 30 hours preparing for the appeal, especially given that the appeal was withdrawn a week before the hearing was scheduled to take place. Instead, she held that a reasonable amount of time for Mr Gray to spend preparing for the appeal was 12 hours.

In determining the level of costs to be awarded to Mr Gray, Ms Michaels referred to the Appointed Person decision of Mr Richard Arnold QC in *SOUTH BECK* (Case B/L O/160/08) in which it was held that where a successful party is unrepresented, the principles set down in Rule 48.6 of the Civil Procedure Rules apply.

Rule 48.6(2) of the Civil Procedure Rules states that the costs to be awarded to an unrepresented party must not exceed two-thirds of the amount which would have been allowed if the party had been represented by a legal representative.

According to Rule 48.6(4), the amount to be awarded should reflect either the time that the party can prove they have lost in doing the work or, where loss cannot be proven, an amount for the time reasonably spent doing the work at the rate set out in the relevant practice direction.

Section 52 of the relevant practice direction supports Rule 48.6 of the Civil Procedure Rules and states that the amount of costs awarded to an unrepresented person shall be calculated at £9.25 per hour.

Having considered the above, Ms Michaels held that as Mr Gray was unable to prove the amount of time he had lost, any costs to be awarded should be made at the hourly rate of £9.25 in accordance with the practice direction. Mr Gray was therefore awarded a sum of £111, this being 12 times £9.25, which Mr Fenton was ordered to pay in addition to the previously awarded sum of £1,100 from the first instance decision.

Comment

This case demonstrates the potential pitfalls of withdrawing an appeal during the late stages of the proceedings. In withdrawing without an agreement between the parties on costs, the party withdrawing the appeal should be prepared for the fact that costs may still be awarded against them, even though the appeal has not proceeded to a final determination.

The case raises an interesting question, however, of whether the same decision would have been reached had Mr Gray been represented. Arguably, one of the factors for the award of costs was because Ms Michaels believed it entirely reasonable that an unrepresented party would re-read all the evidence from the first instance decision. This may indicate that it may not be entirely appropriate for a represented party to spend time re-reading all the evidence in preparation for the appeal, although certainly most legal representatives would, at the very least, familiarise themselves with the pertinent aspects of the evidence and arguments when preparing for the appeal.

Author:
Gemma Williams



With effect from 30 September 2010 the UK Intellectual Property Office has changed how the opposition period is calculated for published marks. While it would have been more consistent to change the rules, the change had been made to bring the practice into line with the Interpretation Act 1978.

The end of the opposition period is calculated as two calendar months from the date of publication in the UK Trade Marks Journal, ending on the day preceding that date in two months' time. Therefore a trade mark published on 15 October 2010 will be open to opposition until 14 December 2010.

If a trade mark is published on the 30th/31st of a month, and the relevant month in two months' time does not have the equivalent number of days, then the opposition period will end on the last day of that month. Therefore a trade mark published on 31 December 2010 will be open to opposition until 28 February 2011.

Author:
Richard Burton



Tribunal Practice Notice TPN 4/2010 is available here: <http://bit.ly/TPN42010>

Know Your ABCs

ECJ Sets Precedent on Registration of Single Letter Trade Marks

In this case OHIM ultimately paid the price for failing to assess an application for the single figurative letter 'α' in relation to the goods applied for. The European Court of Justice (ECJ) confirmed the findings of the General Court that OHIM, and subsequently the Fourth Board of Appeal, had not established that the trade mark lacked distinctive character. OHIM's appeal was therefore dismissed for being unfounded.

BORCO-Marken-Import Matthiesen GmbH & Co KG (Borco) filed a Community trade mark application for the figurative Greek letter 'α' in relation to 'alcoholic beverages (except beers), wines, sparkling wines and beverages containing wine' in Class 33.

Both OHIM and the Board of Appeal refused the application under Article 7(1)(b) of the Community trade mark Regulation (the Regulation) concluding that single letter word marks did not possess the requisite distinctive character. The mark was considered to be a reproduction of the Greek lower case letter 'α', without graphical modifications. Further, Greek speaking purchasers would not be able to determine the commercial origin of the goods. The Board of Appeal believed that the relevant public may view the letter 'α' as a reference to quality ('A' quality), an indication of size, or of a type or kind of alcoholic beverage, such as the goods covered by the application.

Borco appealed to the General Court, which held that OHIM had not carried out an examination, based on the facts, of the distinctive character of the sign to determine whether it was capable of distinguishing the goods (in the mind of the relevant public), from those of Borco's competitors. The Board of Appeal had also misapplied Article 7(1)(b).

The case was sent back to OHIM, which appealed to the ECJ, asking for the General Court's decision to be set aside. OHIM argued that, if it is permissible, in the context of assessing three-dimensional shapes, to maintain that consumers, in the absence of any graphic or word element, are not in the habit of making assumptions about the origin of products on the basis of their shape (Case C-136/02 P Mag Instrument v OHIM [2004]

ECR I-9165), it should also be permissible to maintain that consumers are not in the habit of making assumptions about the origin of products on the basis of single letters without any graphic element.

OHIM maintained that, under Article 7(1)(b) of the Regulation, it is not always required, when assessing the distinctive character of a mark, to carry out an examination, based on the facts of the various goods and services covered by the application. They alleged that the General Court had misunderstood the nature of the assessment that it was required to make and the burden of proof for demonstrating the distinctive character of the mark.

The ECJ disagreed, dismissing the appeal. The Advocate General had earlier pointed out that 'letters' are expressly included among the registrable signs under Article 4 of the Regulation. Therefore OHIM's assessment of the distinctive character of a letter, within the meaning of Article 7(1)(b) of the Regulation, must be carried in relation to each specific case, taking into account the nature and particular characteristics of the goods. OHIM was obligated to carry out not just a cursory examination, but a rigorous, thorough and full examination of each application.

A trade mark is only to be refused registration under Article 7(1)(b) if it is devoid of any distinctive character. This is to be assessed first by reference to the goods or services

in which registration is sought and second by reference to perception of the relevant public. The ECJ held that while the criteria for the assessment of distinctive character are the same for different types of marks, it might be that, for the purposes of applying those criteria, the relevant public's perception is not necessarily the same in relation to each of those categories. Although the mark consisted of a single letter with no graphic modifications, the ECJ referred to the fact that registration of a sign as a trade mark was not subject to a finding of a specific level of linguistic or artistic creativity or imaginativeness on the part of the proprietor of the mark (Case C-329/02 P SAT.1 v OHIM [2004] ECR I-8317, paragraph 41).

Due to the high profile scrutiny of the examination of the application in this case, OHIM have been forced to backtrack on their position. They are required to examine single letter word marks on a case by case basis, carrying out a thorough examination going forward, as the ECJ has in this case. If they fail to do so, they could face a losing battle to prevent other single letter marks with very little stylisation from making their way onto the Register. The ECJ certainly appears to have set a precedent which sends out a clear message regarding the registrability of single letter trade marks. Further cases of this nature are expected to follow in the near future.

Author:
Richard Burton



Axis AB v OHIM

Filing and Payment of Official Fee Does Not Constitute Notice of Appeal

The Axis AB v OHIM case (T-70/08, 9 September 2010) concerns whether the mere payment of an appeal fee is sufficient to constitute notice of an appeal. The General Court's opinion was that it is not.

Axis AB filed an application to register the trade mark ETRAX in relation to a broad range of goods and services in Classes 9 and 42 in June 2004. The mark was accepted and published for opposition purposes but then opposed by ETRA Investigación y Desarrollo, SA, based on their earlier figurative registrations in Spain incorporating the word ETRA.

The subsequent sequence of events was as follows:



11 Dec 2006

The Opposition Division of OHIM rejects the opposition on the ground that there was no likelihood of confusion between the marks. An appeal deadline is set for 12 February 2007.



08 Feb 2007

Appeal fee paid to OHIM.



21 Feb 2007

OHIM receives undated Notice of Appeal.



27 Nov 2007

The Second Board of Appeal upholds the appeal, annulling the Opposition Division's decision and refusing the application for registration in its entirety.

Ensure that the official fee and the Notice of Appeal is filed in time



The first argument Axis put forward was that the Board of Appeal infringed Rule 49(i) and (ii) of Regulation No. 2868/95 in finding that the appeal was admissible.

The case law (Case T-373/03 Solo Italia v OHIM, Paragraph 58) confirms that while Article 59 of the CTMR (now Article 60 of Regulation No. 207/2009) provides that an appeal is deemed to be filed only where the fee for appeal has been paid, Axis argued that the mere payment of the corresponding amount cannot be considered to be equivalent to the notice required under that provision.

In the present case, the Board of Appeal had held that although the undated Notice of Appeal had been received by OHIM on 21 February 2007, after the deadline had expired on 12 February 2007, the payment of the Appeal fee on 8 February 2007 had fulfilled the role of the Appeal Notice for admissibility purposes.

In the contested decision the Board of Appeal had stated that the opponent maintains the appeal was filed on 8 February 2007, within the time limit, and provides a fax report in support of this argument; however, OHIM could find 'no trace of such a document

being received on that date'.

In view of the above, the General Court confirmed that the mere filing and payment of the official fee does not in itself constitute, or should be regarded as equivalent to, the Notice of Appeal.

The appeal by Axis to the General Court was upheld. This resulted in the decision of the Second Board of Appeal being annulled. As a result the court held it unnecessary to examine the plea regarding alleged infringement of Article 8(1)(b) of the Regulation. The application was allowed to stand.

The, perhaps obvious, practice point to take from this case, is to ensure that not only the official fee but also the Notice of Appeal is filed in time.

In this case, the Notice of Appeal was filed in Spanish, which was not the language of the proceedings. Although this deficiency could have been remedied, the failure to file the notice as well as the fee within the time periods prescribed led to the Board of Appeal's decision being overturned.

Author:
Jeremy Pennant



Producing Evidence for the First Time at Appeal The Golden Rules



This case serves as a reminder that, while the principle of continuity of function between the Opposition Division and the OHIM Board of Appeal (BOA) allows the BOA to take into account facts and evidence produced for the first time at the appeal stage, appellants must take great care to correctly set out their grounds of appeal before the BOA to ensure all relevant issues are considered. It also highlights the fact that issues relating to genuine use of an earlier mark are 'preliminary' in nature and, if not specifically included in the grounds of appeal, are not a matter that will be considered by the BOA in assessing a contested opposition decision.

Industria de Diseño Textil (Inditex) had applied for a Community trade mark for the word **OLTEN** in relation to 'precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, precious stones; horological and chronometric instruments; ornamental pins; tie-pins; needle cases of precious metal; napkin rings of precious metal; works of art of precious metal; novelty key rings; medals; coins; gold and silverware (other than cutlery, forks and spoons); badges of precious metal; shoe and hat ornaments of precious metal; ashtrays of precious metal; cuff links'.

The application was opposed by Mr Roberto

Fernando Marin Diaz de Cerio under Article 8(1)(b) of Regulation No 40/94 (now Article 8(1)(b) of Regulation No 207/2009), on the basis of an earlier Spanish registration for the word **OLTEN** and two Spanish registrations for the figurative marks (shown page 7, right), all registered in relation to 'goods falling within class 14'.

The opponent was put to prove the use made of the earlier marks. The Opposition Division held that invoices submitted by the opponent were proof of genuine use of, at least, the earlier word mark **OLTEN** in relation to 'watches'. It also found that a likelihood of confusion existed between the marks in respect of some of the goods covered by the application.

The opposition was, therefore, successful in relation to 'Goods in [precious metals and their alloys] or coated therewith, not included in other classes; jewellery; horological and chronometric instruments; ornamental pins; tie-pins; novelty keyrings; medals; badges of precious metals; shoe and hat ornaments of precious metal; cuff links'.

The applicant appealed, challenging the Opposition Division's decision on (a) the similarity of the trade marks at issue and (b) the existence of a likelihood of confusion.

The BOA dismissed the appeal, and the

applicant appealed to the General Court (GC), putting forward three pleas:

1. That the BOA had infringed Articles 61 and 62 of Regulation 40/94 (now Articles 63 and 64 of Regulation No 207/2009) by failing to examine the issues of the proof of genuine use of the earlier mark **OLTEN** and of the similarity of the goods at issue.

These issues had been debated before the Opposition Division, with the applicant having maintained that use of the earlier mark **OLTEN** had not been proven and that, with the exception of 'horological instruments', the goods were different.

The applicant submitted that pursuant to the principle of continuity of function between the various departments of OHIM, the BOA was required to examine those issues even though they were not raised before it.

2. That the BOA infringed Article 43(2) of Regulation No 40/94 by wrongly confirming the findings of the Opposition Division relating to genuine use of the earlier mark **OLTEN**. The applicant claimed that the proof of use adduced by Mr de

CK Creaciones Kennya and Calvin Klein ECJ Rules No Likelihood of Confusion

Cerio was insufficient as it related to the figurative marks and not the word mark.

3. That the BOA infringed Article 8(1)(b) of Regulation No 40/94 by incorrectly assessing the similarity of the goods and signs at issue, and the existence of a likelihood of confusion.

The GC found as follows:

In an appeal on opposition proceedings, the BOA is called upon to carry out a new full examination on the merits of the opposition, in terms of both law and fact (Case C-29/05 P OHIM v Kaul [2007] ECR I-2213, para. 57).

Further, that the matters of law put forward to the BOA include any issues of law that need to be considered in order to assess the facts and evidence put forward by the parties, whether or not the parties have referred to it, or OHIM has ruled on that issue (case T-57/03 SPAG v OHIM – Dann and Backer (HOOLIGAN) [2005] ECR II-287, para. 21, and judgment of 13 June 2007 in Case T-167/05 Grether v OHIM – Crisgo (Thailand) (FENNEL), not published in the ECR, para. 104).

However, the issue of genuine use is not necessarily brought before OHIM in opposition proceedings under Article 8(1)(b), and is, in fact, a preliminary issue which once raised by the applicant must be decided before the opposition proper is examined. In this case, the issue of genuine use was not brought before the BOA, and therefore the issue of genuine use does not constitute a matter of law which must necessarily be examined by the BOA in order to rule on the dispute before it.

In addition, the GC's review of the legality of the decision of the BOA must be carried out with regard to the issues of law raised before the BOA (Case T-373/03 Solo Italia v OHIM – Nuova Sala (PARMITALIA) [2005] ECR II-1881, para.24 and 25). Since the issue of genuine use of the earlier mark was not part of the subject

The figurative trade marks registered in Spain by Mr de Cerio



matter of the proceedings before the BOA, this plea changes the subject matter of the proceedings before the BOA and is therefore inadmissible.

Insofar as the issue of similarity of goods, the GC found, contrary to the applicant's claim, that the BOA did, in fact, examine that issue. It was sufficient for these purposes for the BOA to refer to the assessment made in the contested decision and confirm it, thus adopting the findings of the Opposition Division as their own (Case T-304/06 Reber v OHIM – Chocoladefabriken Lindt & Sprungli (Mozart) [2008] ECR II-1927, para.50, and judgment of 24 September 2008 in case T-248/05 HUP Uslugi Polska v OHIM – Manpower (I.T.@MANPOWER), not published in the ECR, para.49).

The GC reviewed the lawfulness of the assessment made by the BOA in relation to likelihood of confusion and found that the BOA did not err in its finding. The applicant had failed to demonstrate that the Opposition Division's conclusion, approved and reiterated in the contested decision, was incorrect and this plea was also rejected. The appeal was, therefore, dismissed in its entirety.

Author:
Vivienne Coleman



In a recent decision the ECJ held that there was no likelihood of confusion under Article 8(1)(b) of the CTMR between Calvin Klein's earlier trade marks for CK and the trade mark CK CREACIONES KENNYA, as applied for by Zafra Marroquinos SL.

Despite the goods being identical, the ECJ upheld the General Court's view that there was no similarity between the marks. The overall impression created by the earlier marks is dominated by the element "CK" whereas that created by the mark applied for is "CREACIONES KENNYA". In comparing trade marks the existence of a similarity does not presuppose that their common component forms the dominant element.

On the basis that there was no similarity between the trade marks no further analysis was needed under Article 8(5) CTMR.

The approach in this case seems somewhat different from the previous decision of the ECJ in THOMSON LIFE (Medion AG v Thomson Multimedia Sales Germany & Austria GmbH C-120/04, 6 October 2005 - see our January 2006 trade mark newsletter on our website, link below), where the ECJ held that confusion may occur where the relevant element (LIFE) retains an independent distinctive role in the composite trade mark (THOMSON LIFE), even if it is not the dominant element overall.

This case suggests instead that adding a dominant element (such as THOMSON or CREACIONES KENNYA) to a third party trade mark will negate a finding of confusion. The two approaches seem difficult to reconcile and different outcomes on the same facts seem inevitable, depending on which test is favoured.

Author:
Helen Cawley



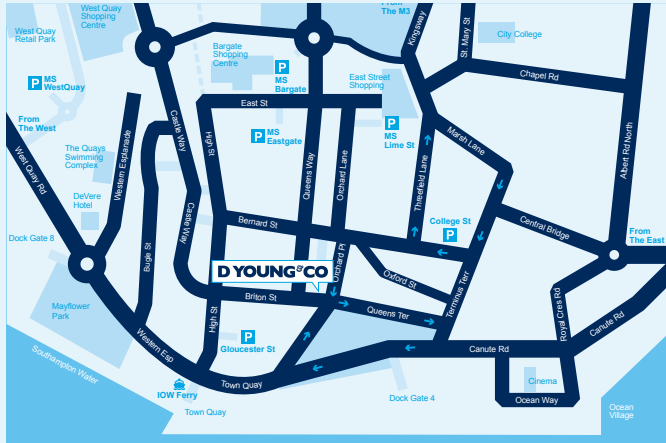
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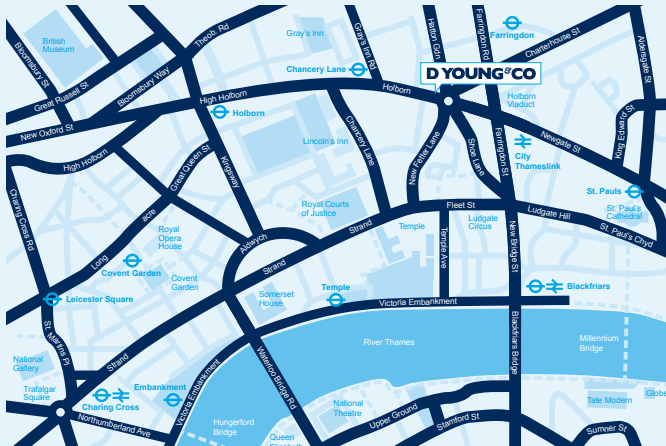
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