

October 2007

# Brands Update



## Contents

### Main news - Focus on designs

- Community designs go international ..... *more*
- Copyright protection for designs – Flashing Badges ..... *more*
- Design tumbles over prior art ..... *more*

### Other news

- "Mr Miss World" and human rights ..... *more*
- The knives are out at the UK Intellectual Property Office. .... *more*
- A flower by any other name. .... *more*
- Doctor's orders again ..... *more*
- Handbags at dawn ..... *more*
- TOSCA ..... *more*
- Piranha ..... *more*

### Tip of the month

- When does the use period begin? ..... *more*

### Contacts

# Main news - Focus on designs

## Community designs go international

The popularity of the Community Design is shortly to be enhanced by the EU's membership of the Hague System for the international registration of designs. This will enable Community businesses, through making a single application at the World Intellectual Property Organisation (WIPO) in Geneva, to obtain protection for their designs not only throughout the 27 Member States of the EU by designating the EU for unitary protection but also in other Contracting Parties such as Switzerland, Turkey and Ukraine.

The Hague System replaces the need to make a series of national and/or regional design registrations in areas of trading interest. The advantages for the design owner are one application, filed in one office, in one language (English or French), with one international fee, paid in one currency, and resulting in one registration, with one number and one renewal date valid for several territories. Design portfolios can be streamlined for easier management, agents' fees reduced and translation costs avoided.

The EC decided to join the Hague System in December 2006. The technical amendments necessary to forge the link to the Community Registered Design have now been put in place by the European Commission and EU businesses will be able to benefit from the new system as from January 2008.

The UK is not a member of the Hague System. To extend protection of a British design overseas it is necessary to make separate applications in each country or region in which protection is required. An important by-product of EU membership of Hague is that UK residents as *EU residents* will for the first time have access to the international design registration system.

## Copyright protection for designs – *Flashing Badges*

The recent *Flashing Badges* case provides further guidance on the circumstances in which a design owner can take advantage of the protection given by copyright law to the surface decoration of a design, which can be critical where such protection is not available under unregistered design law.

Where decorative elements have not been (or cannot be) registered for protection as a registered design or trade mark, one of the advantages of copyright over UK unregistered design right is that copyright can protect the surface decoration of a design, which is specifically excluded from the UK unregistered design right. It is important to note that the ornamentation of a design can now also be protected in the UK (and the rest of the EU) under the unregistered Community design right. However, that right expires three years after the first marketing of the design, whereas copyright in surface decoration will generally last 25 years after the design was first marketed. This may not be a major concern in markets with fast changing seasonal trends. However, it can be important in other markets, when previous trends return, or generally when rights are infringed over time.

Copyright can therefore provide critical protection for the surface decoration of designs. However, this is subject to section 51 of the UK Copyright, Designs and Patents Act 1988, which prevents design owners from availing themselves of that broader protection in a number of situations, in the interests of free competition. In the case of surface decoration, one of these situations is where the decoration does not have an independent existence from the design article itself - in which case the decoration will not be protected by copyright.

The English High Court has now given further useful guidance about the circumstances in which surface decoration will be held to be divorceable from the article itself, and so be protected by copyright, in a case involving flashing badges: *The Flashing Badge Company Limited v. Brian David Groves (t/a Flashing Badges by Virgo and Virgo Distribution)* [2007] EWHC 1372 (Ch).

The articles in question consisted of badges bearing stylised, pictorial messages (for example, "Happy Birthday" featured in a banner form above a birthday cake – see below), whose shape followed the outline of the drawing. The Court found that, although the badges matched the shape of the drawings, the drawings could clearly be separated from the articles themselves. The case therefore fell squarely on the same side of the line as other cases where the

## Brands update

picture or logo does not follow the shape of the article, such as a cow design applied to a mug. The only exception was a star-shaped badge that did not feature any surface decoration, and so was not protected by copyright in any event.



This was distinguished from the earlier leading English Court of Appeal case (*Lambretta Clothing Company Limited v. Teddy Smith (UK) Limited Next Retail Plc* [2004] EWCA Civ 886) involving the colourways (two white stripes along the arms) of a tracktop (see below). In that case, it was held that the colourways could only exist as part of the shape of the article, and could not subsist on other surfaces in the same way as a picture or logo could. The colourways were therefore found to be excluded from copyright protection.



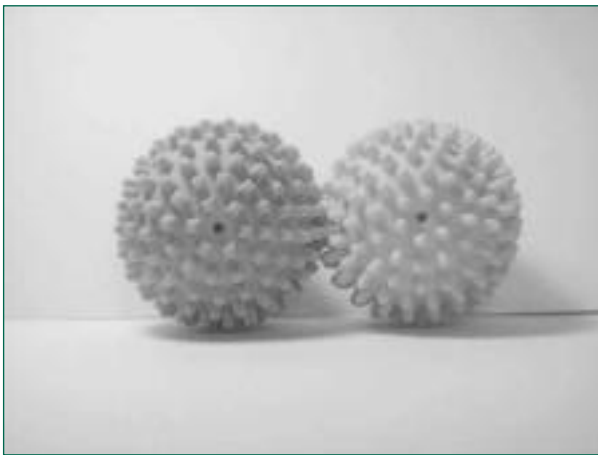
The *Flashing Badges* case clarifies the circumstances in which the surface decoration of a design can benefit from copyright protection. However, there will be cases where the distinction between decoration that can and cannot be divorced from the article itself will be less clear, in particular in the fashion industry where aesthetically key decorative elements of an article will often closely follow that article's shape. This is accordingly an area which design owners - and infringers - should think about carefully.

## Brands update

### Design tumbles over prior art

In order to be protected as a registered or unregistered Community design, will a design be sufficiently original if it is new and has individual character compared with any earlier designs in the same field, or does it need to be original compared with any earlier designs in any field? That was the question before the English High Court in *Green Lane Products Limited v. PMS International Group Limited and others* [2007] EWHC 1712 (Pat).

Green Lane registered four Community designs covering spiky plastic balls for use in tumble dryers (to help soften fabrics without chemicals – see below). The registration certificates described the class of products to which the designs were intended to be applied as: "flatirons and washing, cleaning and drying equipment". Although a registration must contain such an indication, the design is then protected in relation to any product for which the design is used. Before Green Lane had applied to register the designs, PMS had marketed its own spiky plastic balls, but as massage balls. After the filings, PMS then also marketed its balls as laundry balls (and for various other uses including dog training!). Green Lane claimed that PMS would infringe its registrations if it continued to sell its balls for anything other than use as a massage ball (the latter being permitted under article 22 of the Community Design Regulation under the "right of prior use").



The preliminary issue raised by PMS before the Court was whether its prior use could also in fact mean that Green Lane's designs were not sufficiently original to be protected in the first place (under article 7 of the Regulation). The Court held that such "prior art" could indeed mean that Green Lane's later designs were not sufficiently original, even though the respective uses - massage v. laundry balls - were in very different sectors.

This case illustrates the potentially broad reach of prior art and the risks and benefits it can pose to design owners and defendants respectively. Just because a design is original in the specific field in question does not mean that it cannot be trumped by another prior design from an entirely different sector.

[Back to contents](#)

# Other news

## "Mr Miss World" and human rights

Miss World Limited, the organizer of the famous beauty pageant, was granted an interim injunction by Pumfrey J against Channel 4 Television using the title "Mr Miss World" for a TV programme: *Miss World Limited v Channel 4* (16 April 2007).

The programme followed the fortunes of an English competitor in a beauty pageant for transvestites and transsexuals, called "Miss International Queen", that took place in Thailand in 2006. The programme focused on power tool designer Gavin from County Durham whose lifetime ambition was to enter the final of the competition.

When the claimant discovered that Channel 4 was naming the programme "Mr Miss World" it applied for an emergency injunction based on its MISS WORLD trade mark registrations. The judge thought that it was "at least arguable" that the programme title was identical to the MISS WORLD mark assuming the average consumer would have seen the "Mr" as an adjunct to the main trade mark. Even if the marks are not identical but similar, the judge thought it "strongly arguable" that there would be a likelihood of confusion.

The next question was whether "Mr Miss World" takes unfair advantage of, or is detrimental to, the distinctive character or repute of the MISS WORLD marks. Channel 4 accepted that viewers would make an association with the "Miss World" contest. The claimant believed that this was parasitic and unfair. Furthermore, by making an association between the Miss World contest and Channel 4's post-watershed programme about transsexuals there would be a detrimental effect on the Miss World brand which would compromise the ability to attract and retain sponsors.

Before addressing this question, the judge dealt with the central point of the defendant's argument, namely that Channel 4's use was protected by Article 10 of the European Convention on Human Rights which guarantees the right of freedom of expression. Under section 12(3) of the Human Rights Act 1998, the court must not grant an interim injunction which would curtail the right of freedom of expression unless "it is satisfied that the applicant is likely to establish [at trial] that publication should not be allowed."

Channel 4 cited the 2005 decision of the Constitutional Court of South Africa in *Laugh It Off Promotions v South African Breweries*. The defendants were printing T-shirts which parodied the Carling Black label trade marks. "Black Label" "Carling Beer" was replaced by "Black Labour" "White Guilt" and the slogans "America's lusty lively beer" and "enjoyed by men around the world" were substituted by "Africa's lusty lively exploitation since 1652" and "No regard given worldwide". The court said that the right of freedom of expression outweighed SAB's trade mark rights. One judge stated that "*in an open democracy, valuable expressive acts in public ought not to be lightly trampled upon by marginal detriment or harm unrelated to the commercial value that vests in the mark itself.*"

Pumfrey J was unpersuaded that Channel 4's freedom of expression argument was going to succeed. In his view, "*the use of the words "Mr Miss World" is a useful and indeed ingenious shorthand intended to convey that we are dealing with a beauty pageant for men as well as women and also for transsexuals...It is essentially descriptive and it depends for its descriptive power on the reputation that is attached to the words "Miss World". In those circumstances I think it is very likely that this is a section 10(3) infringement. I think that the principal function of the mark is to take unfair advantage of the distinctive character and the repute of the Miss World mark.*"

The judge therefore thought that the claim for infringement was likely to succeed at trial. On the balance of convenience, he weighed up the various factors including the fact that the programme had already been advertised under the "Mr Miss World" title, the difficulties in changing the title, the great speed with which the claimants acted in getting to court, the possible harm which could be done and the potential unfairness. On balance, the judge granted the injunction.

## The knives are out at the UK Intellectual Property Office

Is the word SABATIER distinctive for knives and cutlery? Rousselon Freies et Cie applied to declare invalid two UK trade mark registrations for JUDGE SABATIER and STELLAR SABATIER (both stylised) in the name of Horwood Homewares

## Brands update

Limited on the grounds that they owned three earlier trade mark registrations for SABATIER, PROFESSIONAL SABATIER (stylised) and SABATIER LION (with logo). The Hearing Officer had to consider the registered proprietor's claim that the word SABATIER on its own is descriptive of the goods for which it was registered, cutlery, domestic utensils, etc.

The registered proprietors did not establish that SABATIER was descriptive of knives or of knives with a black handle and three rivets. There was no evidence that SABATIER was anything but distinctive. However, it was not possible to say on the evidence that the applicant's marks enjoyed an enhanced degree of protection. There was clear unchallenged evidence that both the registered proprietor's products under the marks JUDGE SABATIER and STELLAR SABATIER and the products of the applicant for invalidation under the mark SABATIER had been on the market on a significant scale for many years and there had been no instances of confusion. Despite the identity of the distinctive word SABATIER, the Hearing Officer found that the addition of the words JUDGE and STELLAR was sufficient to distinguish the registered proprietor's marks from the marks of the applicant for invalidation. There was no likelihood of confusion and the application failed.

## A flower by any other name

The Japanese company, Kabushiki Kaisha Mika, applied to register in the UK the mark CAMELLIA (and the word in Katakana characters) for jewellery and watches. Chanel opposed the application on the grounds that the mark was descriptive and not distinctive and also on the grounds that Chanel had a reputation in the mark CAMELLIA and the applicant was passing itself off as being connected with them.

The Hearing Officer found the word CAMELLIA is descriptive of goods that are representations of the camellia shrub or its flower which would include all of the jewellery and watches covered by the application. The mark was therefore barred from registration under Sections 3(1)(b) and (c) of the UK Trade Marks Act 1994.

The Hearing Officer also found that the image of the camellia flower was synonymous with Coco Chanel and that this link had been exploited commercially by Chanel who had used the image as the inspiration for the design of items such as jewellery and a watch. However, the Hearing Officer found that the word was used by Chanel (and other traders) descriptively and they did not possess any protectable goodwill sufficient to sustain the action for passing off.

## Doctor's orders again

Following the decisions reported in the last Brands Update, the UK Intellectual Property Office have again considered the question of the likelihood of confusion between two pharmaceutical names. Merz filed an application for the mark SAKIRA covering pharmaceutical preparations. Intersante GmbH opposed on the basis of their Community registration SALFIRA which also covered pharmaceutical preparations in general.

The Hearing Officer said the visual comparison between the marks was important because most over-the-counter pharmaceuticals are purchased visually although aural considerations should not be discounted.

Following the ruling of the European Court of Justice in the *Alcon* case, the Hearing Officer took into account that the end consumer of prescription only medicines is the average consumer and this end user must be taken into account when looking at the likelihood of confusion. The Hearing Officer said it was possible for a likelihood of confusion to exist for one consumer group (the average consumer) but not the other (the healthcare professional). Bearing this in mind, the Hearing Officer found there was a likelihood of confusion between SAKIRA and SALFIRA for pharmaceuticals. He held that where both marks are invented words, differences are unlikely to be noticed by the end user.

## Handbags at dawn

Two recent decisions of the Court of First Instance ("CFI") have considered when goods and services are considered complementary to each other for the purposes of deciding whether they are similar.

## Brands update

### TOSCA

The first concerned an application to register a CTM for the TOSCA BLU mark (see image below) for accessories and clothing in Classes 18 and 25. Mühlens opposed, citing its earlier registration of the word Tosca for Class 3 goods including eau de toilette, eau de Cologne, body lotions and soaps.



There was no dispute that the marks were similar, the dominant element of both being TOSCA.

The Opponent argued that, due to many undertakings in the fashion sector granting licences of their trade marks for the production and marketing of perfumery articles (such as Gucci and Chanel), the public is accustomed to fashion sector articles and fine leather goods, such as handbags, being sold under perfume trade marks. Mühlens added that the common factor between the goods in question is that they complement each other.

The CFI disagreed and said that perfumery products on the one hand and leather goods and clothing on the other cannot be considered similar. They said that the goods were plainly different as regards their nature, their purpose and their method of use and that there is nothing that enables them to be regarded as functionally complementary to each other. However, the Court said that it cannot be ruled out, particularly in the fashion and body and facial care sectors, that goods whose nature, purpose and method of use are different, may be aesthetically complementary in the eyes of the public. In order to give rise to a degree of similarity, this aesthetically complementary nature must involve genuine aesthetic necessity, in that one product is indispensable or important for the use of the other and consumers consider it ordinary and natural to use these products together.

In this case, however, the Court did not consider that there is an aesthetically complementary connection between perfumery goods and leather goods and clothing so as to mean that one is indispensable or important for the use of the other and that consumers consider it ordinary and natural to use those goods together.

### Piranha

The second decision concerned an application to register as a CTM a figurative mark (see image below) for goods in Classes 16, 21 and 25. This was opposed by El Cortes Ingles, the owner of the PIRANHA Spanish trade mark registration in Class 18.



The CFI considered whether "clothing; footwear; headgear" in Class 25 should be considered similar to "handbags and purses" (1st Group) and "animal skins, hides; trunks and travelling bags; umbrellas, parasols and walking sticks, whips, harness and saddlery" (2nd Group):

The fact that goods may be made of the same material, leather, is not sufficient on its own to establish that the goods are similar.

The distribution channels of some of the goods at issue are identical. As regards the second group of goods in Class 18, the CFI agreed that the distribution channels were different from those used for the distribution of goods

## Brands update

in Class 25. The fact that the two categories of goods may be sold in the same commercial establishments, such as department stores or supermarkets, is not particularly significant since very different kinds of goods may be found in such shops. As regards the first group of goods in Class 18, the CFI noted that those goods are often sold with goods in Class 25 at points of sale in both major retail establishments and more specialised shops and that this is a factor which must be taken into account.

As well as finding that there is a slight similarity between the goods in Class 25 and the first group of goods in Class 18 (goods such as handbags were also described by the CFI as 'clothing accessories'), the CFI decided that those goods are complementary. Goods such as shoes, clothing, hats or handbags may, in addition to their basic function, have a common aesthetic function by jointly contributing to the external image of the consumer concerned. Furthermore, the fact that the goods are often sold in the same specialist sales outlets is likely to facilitate the perception by the relevant consumer of the close connections between them and strengthen the perception that the same undertaking is responsible for the production of those goods.

The application was remitted to OHIM to decide whether there is likelihood of confusion between the marks in relation to essentially clothing and handbags.

[Back to contents](#)

# Tip of the month

## When does the use period begin?

The European Court of Justice ("ECJ") has recently ruled on the date for assessing when the five year period of non-use begins to run. Under the Directive, a trade mark registration may be revoked if it has not been put to genuine use within a period of five years following the date of "completion of the registration" procedure. However, EC Member States have always applied their own rules for determining when the registration procedure is deemed to have been completed, which has led some to call for a more uniform approach. The ECJ's ruling confirms that Member States are free to determine the date on which the registration procedure is deemed to have been completed in accordance with their own procedural rules; it need not be harmonised across the EU.

As such, trade mark owners will need to continue to be alert to potential differences of approach across Member States. In the UK and Germany, for example, the registration procedure for national mark is deemed to have been completed on the date of the actual registration of the mark. That is the date on which the registration is entered on the register. In France, it is the date on which the registration is published. These are just a few examples. There are likely to be other differences of approach across Member States, particularly where International trade marks are concerned.

[Back to contents](#)

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For further details on any of the topics raised in this update please contact one of the individuals named below or your usual IP contact at Taylor Wessing, who will be pleased to answer your queries.

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[Contents page](#)