

Trade Marks and Brand Identity Newsletter

February 2013

The Colour Purple – Nestlé v Cadbury

The registration of a colour for a consumer product is always going to excite competitors; just look at the determination with which Christian Louboutin put his foot down on the use of red shoe soles by Yves Saint Laurent.

Cadbury applied to register “the colour purple (Pantone 2685C) ... applied to the whole visible surface, or being the predominant colour applied to the whole visible surface, of the packaging of the goods.”

Although the application initially faced an objection by the UK IP Office, Cadbury satisfied the Office that the colour had become distinctive through long use on its products (such as Dairy Milk). The application was however opposed by Nestlé, who argued that the colour purple was not distinctive of Cadbury’s products.

When its objection was almost entirely rejected by the UKIPO, Nestlé lodged an appeal with the High Court where it argued that, although it now accepted that Cadbury’s purple was distinctive of Cadbury’s products, the trade mark was not described precisely enough.

Nestlé’s first argument was that, unless the precise visual form of the trade mark was specified, it was too vague to be registered; the colour purple could in theory be applied to any shape of packaging, and each coloured shape would effectively be a different trade mark. In firmly rejecting this argument, the judge pointed out that there was a line of cases confirming that

a colour on its own was registrable in principle as a trade mark, as long as the colour was clearly defined, which would be the case if a Pantone reference was used.

Nestlé then argued that the use of the phrase “being the predominant colour” in the trade mark description was too imprecise in that deciding whether a colour was predominant was a subjective matter. The judge also rejected this argument; he agreed with the UKIPO’s position that the interpretation of the word “predominant” posed no more difficulty than any of the other assessments that needed to be made in determining the scope of a registration.

The judge did agree with Nestlé on one point, though, and that was that Cadbury’s evidence showed that its colour purple was only associated with its milk chocolate, and not any other types of chocolate, such as plain or white. Cadbury was therefore only permitted to protect its trade mark for milk chocolate products.

So, while it is possible to register a colour as a trade mark, do not expect an easy ride in doing so - either from the registration authority or your competitors!



Onel trademarks®

A CTM registration can be attacked on non-use grounds after it has been registered for five years and a question that has been unanswered since the CTM system came into being is, in how many EU countries do you need to use a CTM to prevent it being cancelled?

The Court of Justice of the EU recently provided guidance on this important point in its judgment of 19 December 2012 in the ONEL case. The court concluded that it was necessary to take account of “all the relevant facts and circumstances, including the characteristics of the market concerned, the nature of the goods or services protected by the trade mark and the territorial extent and the scale of the use as well as its frequency and regularity”. While this was not the clear guidance many had hoped for, the decision does contain useful – if apparently contradictory - guidance:

- you cannot determine at the outset and in the abstract what territorial scope of use is sufficient to decide whether the use of the mark is genuine or not;
- and the territorial borders of the Member States should be disregarded in the assessment of whether a trade mark has been put to genuine use in the Community;
- however, there is justification for thinking that a CTM should be used in a larger area than a single Member State (although it is possible that, if the market for the goods or services for which a CTM is registered is in fact restricted to a single Member State, use in that state only might constitute genuine use);
- also, it is not necessary that the mark should be used in an extensive geographic area for the use to be deemed genuine; whether use is genuine will depend on the characteristics of the product or service concerned in the appropriate market.

The court’s decision leaves it open to trade mark owners to argue that use even in one EU country only is sufficient to safeguard a CTM registration from non-use revocation, but whether this will suffice will depend on the particular facts of the case. Essentially, the trade mark proprietor must be able to show that a **market share is being maintained or created in the EU for the goods or services covered by the registration, taking into account the market concerned for those goods or services.**

We expect there will be differences in the ways in which the national EU courts interpret this decision, but it does look as though use of a trade mark in one EU country only may not be enough in many cases to maintain a CTM in the face of a challenge based on non-use.

Other News:

EU enlargement

Croatia will join the EU on 1 July 2013, bringing the number of member states to 28. Community Trade Marks and Registered Designs, and applications for both, will be automatically extended to Croatia with effect from that date.

More scope with International Registrations

It is possible to designate **Mexico** in an International Registration since **19 February**.

87 countries are now in the Madrid Protocol, including recent joiners **New Zealand, Colombia and the Philippines**.



Seeing Redd

Using the name of a colour for a business name may seem like a good idea, but it is always worth checking that the name isn't already protected before you start using it, particularly if the name is owned by a firm of IP lawyers!



Red Legal Limited ("RL"), a residential conveyancing firm that had been trading since 2009 using the name Red Legal and its Red Legal logo, was sued for trade mark infringement by Redd Solicitors LLP ("Redd"), a firm of lawyers specialising in intellectual property. Redd owns a Community trade mark registration for the word REDD covering "legal services", which was registered in July 2005.

RL responded to the claim with a counter-claim for partial revocation of the CTM on the grounds that the REDD trade mark had not been used for all types of legal services.

RL argued that Redd was known, and marketed itself, as an intellectual property firm and its name should therefore be protected only for these specialist services. The court disagreed, as the evidence showed the firm offered "a wide range of legal services which do not relate to intellectual property rights"; even if the principal services did relate to IP.

RL then argued a fall-back position; that the scope of Redd's registration should exclude the residential conveyancing services of interest to RL, as Redd had never provided these services. The judge also rejected this argument, stating that the term "legal services" without any qualification was the only fair description of Redd's services.

Having concluded that, as conveyancing services fell within "legal services", Redd's CTM had been infringed, the judge went on to consider RL's defence; that it was using its own name. This statutory defence protects companies as well as individuals that use their own names in respect of their businesses, as long as the use of the name is in accordance with honest practices.

The judge found that RL's use of its name was not in accordance with honest practices, citing among others the following reasons:

- the use was not a mere identification of the company name; it was "upfront", prominent usage, including in the form of a distinctive logo;
- the name Red Legal is arbitrary for the services provided;
- a trade mark search could and should have been done before adopting the name and this would likely have disclosed the REDD registration.

The decision underlines why it is always recommended to carry out a search for potentially conflicting registered trade marks before launching new products and services.



It's (not) all Greek; US Company Causes Stir in UK Yoghurt Industry

November saw the start of what may be a long-running battle in the UK courts between Greek dairy company, Fage, and its US rival, Chobani Inc, over which has the right to use the term "Greek yoghurt".



prevent Chobani marketing its product under the term "Greek yoghurt". The case against Chobani is based on a form of passing off which protects the names of products made in a defined geographical area in a specific manner.

Fage has argued that "Greek yoghurt" indicates yoghurt manufactured in Greece using traditional straining methods to create its creamy taste naturally without additives or thickening agents. As a result of these qualities, Greek yoghurt is claimed to benefit from significant goodwill amongst UK consumers, and can be distinguished from mere Greek-style yoghurt. Fage claims that Chobani's labelling of a US-made product as Greek yoghurt, amounts to a misrepresentation, likely to cause damage to the business of authentic Greek yoghurt manufacturers.

Chobani, on the other hand, maintains consumers understand the Greek yoghurt label merely as indicating the method, and not place, of manufacture of the yogurt.

Fage has brought an action against Chobani in the English High Court for passing off, seeking an injunction to

In the first stage of the case, Fage sought an interim injunction to stop Chobani describing its products as Greek yoghurt until the court finally decided the issue at the main trial. In granting the injunction, the judge decided that Fage had a real prospect of succeeding with its case and that the risk of damage to Fage's business - if Chobani carried on using the name - outweighed the harm that would be suffered by Chobani if Fage's case did not succeed at trial. The judge did, however, allow Chobani a five-week period to re-label its products to stop using the words "Greek" and "yoghurt" side-by-side. It is understood that Chobani is now using the combination "Greek-strained yoghurt" pending the outcome of the full trial, set to commence in February next year.

Whilst Chobani has compared the term Greek yoghurt to names like Yorkshire pudding, French fries and Cheddar cheese, which consumers readily recognise are not indications of geographic origin, Fage is thought by many to be the more likely to win at full trial. The market already appears to distinguish between "Greek yoghurt" and "Greek-style yoghurt" products, which suggests that consumers do recognise that there is a distinction between them.

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