

A PRACTICAL GUIDE TO  
TRADE MARK LAW

FIFTH EDITION

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OXFORD  
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Great Clarendon Street, Oxford, OX2 6DP,  
United Kingdom

Oxford University Press is a department of the University of Oxford.  
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Fifth Edition published in 2014

Impression: 1

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Published in the United States of America by Oxford University Press  
198 Madison Avenue, New York, NY 10016, United States of America

British Library Cataloguing in Publication Data

Data available

Library of Congress Control Number: 2013952806

ISBN 978-0-19-870203-0

Printed and bound by  
Lightning Source UK Ltd

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## THE TRADE MARK SYSTEM AND THE FUNCTIONS OF TRADE MARKS

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### A INTRODUCTION TO TRADE MARKS

One aspect of a modern consumer society is the proliferation of competing products and services of varying degrees of similarity, presented to the purchasing public by numerous means. In the past, products and services would have been purchased over the counter or by a personal transaction, but today purchases may be made in a plethora of ways, many of which involve no personal contact between the vendor or supplier and his customer. In such circumstances, advertising, PR, and image become increasingly important, and as a corollary the power of a trade mark to act as a distinguishing sign, guaranteeing the source and quality of goods or services, is increasingly vital to business. That importance is reflected in the value placed on brands and the goodwill attached to them as assets of the proprietor's business. **1.01**

Trade marks were for many years protected in the UK both by registration, which bestowed a somewhat limited form of monopoly,<sup>1</sup> and the common law of passing off, which gave no monopoly, but protected goodwill against damaging misrepresentations. Notwithstanding the harmonisation of trade mark law in the EU, the dual protection for registered and unregistered marks continues today. Both types of protection are explained in this book. **1.02**

Prior to 31 October 1994, UK national registered trade mark law called for a careful official examination of trade mark applications, screening out marks which were **1.03**

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<sup>1</sup> From the 1875 Act onwards.

considered to be descriptive or otherwise unsuitable for registration, as well as marks which were deemed to conflict with earlier registered trade marks. The hurdles to attaining registration were justified, theoretically at least, by the strength of the registrations eventually attained. Registration conferred narrow but exclusive rights on the proprietor, so that the mark was protected from infringement by the use as a mark of origin of an identical or confusingly similar mark in relation to goods or services identical to those in the specification. Use of a confusingly similar mark on other goods, however similar, could be protected only by the law of passing off.<sup>2</sup>

## B HARMONISATION OF TRADE MARK LAW IN EUROPE

- 1.04** The Trade Marks Act 1994 (the 1994 Act) was enacted in large part so as to bring into force in the UK the provisions of the EU Harmonisation Directive (EEC) 89/104. That Directive, together with Council Regulation (EC) 40/94, creating a Community Trade Mark Register, represented the culmination of many years of discussions and negotiations within the EU.<sup>3</sup> In addition, the 1994 Act paved the way to the UK's ratification of the 'Madrid Protocol' on the International Registration of Marks and certain aspects of the Paris Convention.<sup>4</sup>
- 1.05** The 1994 Act implemented all of the compulsory parts of the Directive as well as many of its optional provisions. However, it also contains a number of provisions which are not based squarely upon any one part of the Directive, but include, for instance, concepts from the Paris Convention, or pre-existing UK law. Some of these, as will be seen, have not withstood the test of time.<sup>5</sup>
- 1.06** The Community Trade Mark system has in many ways been extremely successful; the sheer scale of applications for Community Trade Marks (CTMs) is most telling. The system operates in 28 Member States and there are now well over 1 million CTMs. On the other hand, it is clear that the system is not perfect, for example, in terms of delays and inconsistencies, some of which are discussed further later on. In addition, there remain areas of substantial uncertainty as to the interpretation of the law. Although the system has been in force for nearly 20 years, and many of its central provisions have been considered by

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<sup>2</sup> Passing off is discussed in Ch 8.

<sup>3</sup> Directive (EEC) 89/94 has since been replaced by consolidating Directive (EC) 2008/95 and Regulation (EC) 40/94 by consolidating Regulation (EC) 207/2009. Throughout this book, the consolidated versions are referred to simply as 'the Directive' and 'the CTMR'. However, the Article numbers of the consolidated provisions are not identical throughout with the Article numbers of the originals, and this is something to bear in mind when reading decisions which pre-date the consolidation process.

<sup>4</sup> See 4.103 et seq.

<sup>5</sup> See eg comments on s 10(6) at 7.59 et seq.

both national courts and the Court of Justice of the European Union (CJEU), this does not mean that all is now clear. On the contrary, many seminal points remain hotly contested and the subject of conflicting views. Many important points which were unclear when we wrote the last edition of this book remain so and some points that we thought had been settled have been revisited.<sup>6</sup> This partly explains current proposals for further change discussed below. Together, the original Directive and the CTMR fundamentally changed trade mark law in the UK, in ways which are still evolving and, some would say, expanding. It is certainly remarkable that many significant cases have come before the Courts in the UK and EU in the four years since we wrote the last edition of this book, and how those cases continue to develop the law.

At the risk of horribly oversimplifying the position, the major structural changes brought about by harmonisation mean that: **1.07**

- Trade mark protection can be sought either for individual national territories within the EU or for the Community as a whole—a mechanism was put in place for granting CTMs, and the Community trade mark office (OHIM) with its own procedures, including internal Boards of Appeal, was established in Alicante.
- National trade mark rights subsist alongside CTMs. All such rights have been substantially harmonised in terms of what can be registered and the effect of registration.
- The ‘ex officio’ functions of the United Kingdom Intellectual Property Office (UKIPO) were significantly reduced.
- Difficulties in construing the Directive or Regulation may (or, in some cases, must) be referred by national courts to the CJEU for clarification, plus the General Court and the CJEU<sup>7</sup> have heard numerous cases relating to CTM registrations.
- The range of signs which may be registered as trade marks was expanded beyond that of the 1938 Act.
- The range of earlier rights which may be raised in opposition to a trade mark application was also extended—CTMs may be used to oppose UK trade mark applications and vice versa—and non-trade mark rights, like copyright, can be used to challenge a registration too.
- The protection given to a registered mark is now far wider than that granted by UK national trade mark law; it includes valuable rights which are more akin to unfair competition law than to (old-fashioned) trade mark law:

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<sup>6</sup> See eg 1.27.

<sup>7</sup> The Court originally called the European Court of Justice (ECJ) was renamed the ‘Court of Justice of the EU’ (CJEU) and the Court of First Instance (CFI) was renamed the ‘General Court’ (GC) by the Treaty of Lisbon. For simplicity, we have referred to the CJEU/GC throughout the book, regardless of the name of the court at the time of the judgment in question.

- o Protection extends beyond the goods or services in the specification to similar goods or services where the competing use is likely to cause confusion.
- o The protection given to a registered mark which has a reputation goes even further—where the competing use damages or takes unfair advantage of the registered mark, it does not matter whether the goods or services for which the competing mark is used are identical, similar, or dissimilar to those in the trade mark specification.

**1.08** The 1994 Act does not affect the law of passing off.<sup>8</sup> Nevertheless, the significant changes made to the scope of infringement actions, described in Chapter 7, mean that infringement has not only been broadened in scope so as to cover a wider range of infringing activities, but, as the price of doing so, requires (in some circumstances) proof of the reputation of the mark, which is often equivalent to proof of goodwill in passing off.<sup>9</sup> The common law and statutory systems remain complementary.

## C FURTHER CHANGES TO COME

**1.09** In 2009, the European Commission's Directorate General for Internal Market and Services commissioned a comprehensive study on the overall functioning of the trade mark system in Europe and the potential for improvement and future development. This was undertaken by the Max Planck Institute, whose 'Study on the Overall Functioning of the European Trade Mark System' was completed in February 2011.<sup>10</sup> On 27 March 2013, the European Commission released its response to the Study.<sup>11</sup>

**1.10** The Commission also produced draft legislation, including a proposed amended CTMR<sup>12</sup> and Directive.<sup>13</sup> These are not intended to rewrite the existing system completely, but to modernise it, and to bring national trade mark procedures and practices closer into line with those of the CTM system. It described the main elements of the proposals as being to:

- 'Streamline and harmonise registration procedures, including at Member State level, taking the Community trade mark system as a benchmark;

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<sup>8</sup> s 2(2) of the 1994 Act and see eg *Inter Lotto (UK) Ltd v Camelot Group plc* [2004] RPC 9; see also 7.03 et seq.

<sup>9</sup> As to the benefits of registered trade marks see *Mercury Communications Ltd v Mercury Interactive (UK) Ltd* [1995] FSR 850, 863–4; *Interlego's trade mark application* [1998] RPC 69, 106.

<sup>10</sup> <[http://ec.europa.eu/internal\\_market/indprop/docs/tm/20110308\\_allensbach-study\\_en.pdf](http://ec.europa.eu/internal_market/indprop/docs/tm/20110308_allensbach-study_en.pdf)>.

<sup>11</sup> <[http://ec.europa.eu/internal\\_market/indprop/tm/index\\_en.htm#revision](http://ec.europa.eu/internal_market/indprop/tm/index_en.htm#revision)>.

<sup>12</sup> <<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52013PC0161:EN:NOT>>.

<sup>13</sup> <<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52013PC0162:EN:NOT>>.

- Modernise the existing provisions and increase legal certainty by amending outdated provisions, removing ambiguities, clarifying trade mark rights in terms of their scope and limitations and incorporating extensive case law of the Court of Justice;
- Improve the means to fight against counterfeit goods in transit through the EU's territory; and
- Facilitate cooperation between the Member States' offices and the EU trade mark agency—the Office for Harmonisation in the Internal Market (OHIM)—in order to promote convergence of their practices and the development of common tools.'

At the time of writing, the draft texts are not final and no date has been set for their adoption or implementation. This edition of the book therefore states the law as it stands, but we have tried to flag up the more important anticipated changes in the text. These include: **1.11**

- changes of name from 'Community Trade Mark' to 'European Trade Mark' etc
- expansion of the signs included in the definition of trade marks
- replacement of the requirement for graphic representation of a mark by any sufficiently precise form of representation
- protection of trade mark functions other than the function of origin to be limited (see 1.28)
- abolition of searches and relative grounds examination by national offices
- changes to/clarification of honest practices provisions/defences
- significant fee changes for CTMs

## D DEVELOPMENT OF THE CASE-LAW

The system by which national courts can refer cases to the CJEU for guidance has led to a very substantial body of case-law construing the Directive, the Regulation, and national laws based on the Directive. In addition, the decisions of the various divisions of OHIM and its internal Boards of Appeal may be appealed to the General Court (previously the CFI) and then to the full CJEU.<sup>14</sup> Huge numbers of decisions have been generated by these multiple appeal processes. **1.12**

There are a number of difficulties arising in particular from the system of referring questions to the CJEU from national courts. The role of the CJEU is only to give guidance to the referring court as to the applicable principles of EU law. It is common for the CJEU to state a principle, such as how to assess the likelihood of confusion, whilst making it clear that it is for the national court to decide how to apply the principle in the dispute before it. It is not for the CJEU to make findings **1.13**

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<sup>14</sup> See 4.97 et seq.

of fact or purport to decide the case.<sup>15</sup> This means that unless the parties are able to agree on the result of their dispute in the light of the CJEU's guidance, they will have to go back to the national court to argue the impact of the CJEU's decision on the parties' dispute. This typically takes several years and is expensive. On appeals from the General Court, the CJEU's remit is to deal with points of law, not fact, which at times leads the CJEU to uphold somewhat surprising or inconsistent decisions of the General Court. The CJEU has tried to reduce the backlog of trade mark cases by issuing 'Reasoned Orders', without hearings.

**1.14** The decisions of the CJEU, whether on a reference or an appeal from the General Court, are binding on national courts. Decisions of the General Court are not binding but can give useful guidance. It should be remembered that appeals from the General Court are only in relation to the interpretation of the Regulation whereas references from national courts can be in relation to either the Directive or the Regulation depending on the issue in dispute before the national court. Decisions of the CJEU are often difficult to interpret. This is partly as a result of its role and partly as result of the way it is set up and decisions are written. This may also lead to further uncertainty, litigation, delay, and expense. The CJEU's judgments on Article 234 (now Article 267) references are not like the judgments of national courts, which decide cases, but must be read in a wider context. The accumulation of rulings develops a body of jurisprudence [which] ... differs from the common law method of building up a body of case law from binding judicial precedents. The judgments of the Court of Justice should not be read or applied too literally.<sup>16</sup>

**1.15** The jurisprudence of the CJEU is also an expanding and evolving one. A particular example is in the CJEU's development of the scope of the protection given to marks with a reputation, the lengthy and complicated history of which is discussed at 3.50 et seq. A number of the most significant decisions in this regard were references for guidance from the UK courts.<sup>17</sup> In framing the questions to be answered by the CJEU, Jacob LJ when in the Court of Appeal tended to indicate his own view as to the answers which should be given to them, and it is significant that the answers given by the CJEU were often somewhat different. In particular, it would seem that the CJEU is content to construe the harmonised trade mark law so as to

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<sup>15</sup> See the reaction of Laddie J to what he saw as interference by the CJEU in the decision-making process, in *Arsenal Football Club v Reed (No 2)* [2003] ETMR 36.

<sup>16</sup> *per* Mummery LJ in *La Mer Technology, Inc v Laboratoires Goemar SA* [2006] FSR 5 (CA), after the CJEU's ruling in Case C-259/02, [2004] ECR I-1159, [2004] ETMR 47, [2004] FSR 38. See also *Arsenal Football Club v Reed (No 2)* [2003] 2 CMLR 25, [2003] RPC 39, [2003] ETMR 73, reversing Laddie J [2003] ETMR 36 applying *Arsenal Football Club v Reed*, Case C-206/01, [2002] ECR I-10273, [2003] 1 CMLR 345, [2003] Ch 454, [2003] RPC 144.

<sup>17</sup> *eg Intel Corp, Inc v CPM UK Ltd*, Case C-252/07, [2009] RPC 15, [2009] ETMR 13; in the CA at [2007] RPC 35, [2007] ETMR 59; *L'Oréal v Bellure*, Case C-487/07, [2009] ECR I-5185, [2010] RPC 1; in the CA at [2008] RPC 9, [2008] ETMR 1; *Interflora, Inc v Marks & Spencer plc*, Case C-323/09, [2011] ECR I-08625, [2012] FSR 3, [2012] ETMR 1, a reference from [2009] EWHC 1095 (Ch), [2009] RPC 22 [2009] ETMR 54.



bring it closer into line with unfair competition rules, which approach has caused some concern (and not just in the UK) about the extent to which trade marks amount to monopoly rights and may affect competition:

the promotion of innovation and investment... requires competition and open access to ideas, words and signs. That promotion is always the product of a balance that has been struck between incentives, in the form of private goods given to those who innovate and invest, and the public character of the goods necessary to support and sustain the innovation and investment. That balance is at the heart of trade mark protection.<sup>18</sup>

## E FUNCTIONS OF TRADE MARKS

An important example of the evolution of the CJEU's jurisprudence lies in its evolving view of the scope of the functions of trade marks. A trade mark must satisfy its owner's commercial needs as well as the legal requirements for registration, matters explored in more detail in Chapter 2. Both aspects of the choice of a mark depend upon the functions which the trade mark must fulfil and which are protected by the law. The functions of trade marks in the modern economy are dictated by the sheer size of the market and the distancing of suppliers from customers. Distinctive marks are indispensable tools for the identification of goods or services. Moreover, in a society increasingly obsessed with style, image, and celebrity, brand names are invaluable marketing tools, and businesses invest significantly in the development, marketing, and protection of their brands and marks. Trade mark proprietors know that their brands can add value to their businesses, and that these intangible assets may represent a high proportion of the value of their business overall. With skilful management and well-judged and often expensive promotion, a brand may build up a body of associations, and come to represent specific, appealing values or qualities to the consumer.<sup>19</sup> The brand may not simply lead to recognition of the product, guaranteeing origin and quality, but may carry with it a host of associations, whether aspirational (for high-end fashion brands), reassuring (for more traditional products or, especially, services), or value for money (for credit-crunch times).

The issue for courts seeking to construe and apply trade mark laws has been whether or not all of those commercial interests in a mark can (or should) be protected by trade mark law. It has long been accepted by trade mark lawyers, authorities, and courts, including the CJEU,<sup>20</sup> that the essential function of a mark is to give the

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<sup>18</sup> These concerns were expressed by AG Poiares Maduro in *Google France v Louis Vuitton Malletier/Viaticum/CNRRH*, Joined Cases C-236/08, C-237/08, and C-238/08, [2010] ECR I-2417, [2010] RPC 19, [2010] ETMR 30 at [103].

<sup>19</sup> The theory, sometimes called 'brand personification', is attributed to Gardner and Levy, 'The Product and the Brand', 33 (1955) Harvard Business Review 33.

<sup>20</sup> See eg Case C-206/01, *Arsenal* (n 16) at [51].

consumer a guarantee of the identity of the marked product, by enabling the consumer to distinguish that product from others of a different provenance. It is both a badge of origin and a guarantee of consistency, carrying an implied assurance of quality. It is a sign to the customer that the goods emanate from a particular source, but also shows that the proprietor of the mark holds himself out as responsible for those goods and their quality.<sup>21</sup>

- 1.18** For a mark to fulfil its ‘origin’ function, it must be distinctive. That restricts the range of signs which may be registered as marks (see Chapters 2 and 3), and the protection offered to marks (Chapter 7). Moreover, the mark will only be protected by the law whilst it remains distinctive. If the mark is no longer able to fulfil its function, having become deceptive or generic, then an existing registration may be revoked or an application to register the mark will be refused protection.<sup>22</sup>
- 1.19** English trade mark law before 1994 reflected this view of the role of trade marks,<sup>23</sup> as did the European jurisprudence which (prior to the harmonisation of EU trade mark law) grew out of the difficulties of reconciling the economic aims of the European Community with national intellectual property rights. Rights designed to provide their owners with exclusivity in individual national territories tended to create precisely the sort of barriers to free trade which the EU Treaty aimed to dismantle.
- 1.20** The CJEU resolved the dilemma by limiting the protection of trade mark rights through identifying and protecting only the essential elements of those rights; otherwise, the rules on competition law and free movement of goods and services curtailed the exercise of such rights. It held ‘that the interests of trade mark proprietors were not sufficient to prevent consumers from benefiting from a competitive internal market’.<sup>24</sup> A trade mark proprietor would only be able to stop or restrict trade within the Community where this was ‘justified’ for the protection of his intellectual property right.<sup>25</sup> In a long series of cases, the CJEU sought to define the ‘specific subject matter’ or essential function of trade marks. It held that it was ‘to give the consumer or final user a guarantee of the identity of the origin of the marked product by enabling him to distinguish, without any possible confusion, that product from others of a different provenance’.<sup>26</sup>
- 1.21** The Directive, the CTMR, and national laws based upon the Directive all protect the origin function of trade marks. The CJEU identified the origin function as that

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<sup>21</sup> *per* Laddie J in *Glaxo Group and ors v Dowelhurst Ltd (No 2)* [2000] 2 CMLR 570; [2000] FSR 529, [2000] ETMR 415 at [18].

<sup>22</sup> See 5.34 *et seq.*, and 5.63 *et seq.*

<sup>23</sup> See *eg Aristoc v Rysta* [1945] AC 68.

<sup>24</sup> According to AG Poiares Maduro in his *Google* Opinion (n 18) at [112], referring to the ‘seminal’ *Consten and Grundig*, Joined Cases 56/64 and 58/64, [1966] ECR 299, 345 and to *Hag II* (n 26).

<sup>25</sup> Laddie J in *Glaxo Group Ltd v Dowelhurst Ltd* n 21.

<sup>26</sup> See *eg Hag II*, Case C-10/89, [1990] ECR I-3711, [1990] 3 CMLR 571, [1991] FSR 99.

protected by the Directive in one of its earliest important decisions after harmonisation, the *Canon* case. It held that:

the essential function of the trade mark is to guarantee the identity of the origin of the marked product to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the product or service from others which have another origin. For the trade mark to be able to fulfil its essential role in the system of undistorted competition which the Treaty seeks to establish, it must offer a guarantee that all the goods or services bearing it have originated under the control of a single undertaking which is responsible for their quality.<sup>27</sup>

The need to protect the origin function and the concomitant distinctiveness of marks has meant that trade mark applications will be refused where there is ‘double identity’, that is to say an earlier identical mark, for identical goods or services. Equally, where there is double identity between a registered mark and a third party sign, the latter will generally be found to infringe the mark, even without any evidence of confusion or likelihood of confusion. However, quite recently the CJEU has decided in *Bud*<sup>28</sup> that if the marks have coexisted in the marketplace without any confusion there can be no impairment of the senior mark’s function of origin; as a result the second or junior mark may be registered. Where there is long-established honest concurrent use, therefore, the mark does not provide a guarantee of origin from one party and not the other, and coexistence does not impair the guarantee of origin of either side’s mark.<sup>29</sup> **1.22**

However, the CJEU has on a number of occasions referred to the need to protect certain additional functions of trade marks. A number of its decisions now indicate that marks have broader functions which trade mark law is able to protect. These arose in the context of the provisions in the Directive and Regulation which protect a mark with a reputation from damage caused by detrimental references to it, or an unfair advantage taken of it, even where there is no confusion as to origin. Those provisions have been given a wide scope by the CJEU. **1.23**

First, the CJEU held that marks with a reputation are protected against such damage where the defendant’s sign is used on goods identical or similar to those for which the mark is registered (despite the reference in those provisions to use on goods/services which ‘are not similar’).<sup>30</sup> That led to an amendment of ss 5(3) and 10(3) of the 1994 Act, though (oddly perhaps) not of the consolidated Directive and CTMR.<sup>31</sup> **1.24**

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<sup>27</sup> *Canon Kabushiki Kaisha v MGM*, Case C-39/97, [1998] ECR I-5507, [1999] RPC, [1999] ETMR 1, [28]; see also the Recitals to the Directive.

<sup>28</sup> *Budějovický Budvar, Národní Podnik v Anheuser-Busch, Inc*, Case C-482/09, [2011] ECR I-08701, [2012] RPC 11, [2012] ETMR 2.

<sup>29</sup> *per* Jacob LJ applying the CJEU’s ruling in *Bud* [2012] EWCA Civ 880, [2012] 3 All ER 1405, [2013] RPC 12, [2012] ETMR 48 at [23].

<sup>30</sup> See 3.50 *et seq.*

<sup>31</sup> This is one of the proposed changes in the new Commission drafts.

- 1.25** Then, in *L'Oréal v Bellure*,<sup>32</sup> the CJEU held that trade mark functions include guaranteeing the quality of goods or services and those of communication, investment, or advertising. Such functions are not limited to trade marks which have a reputation, but apply to all trade marks. The Court accepted that trade marks promote innovation and commercial investment, as they protect the investment that the trade mark proprietor has made and give economic incentives for further innovation and investment.<sup>33</sup> In *L'Oréal v Bellure*, there had undoubtedly been significant investment by the trade mark owner in the trade marks for perfumes which it was seeking to protect against cheap 'smell-alike' products. It seems that the CJEU was concerned to protect that investment.
- 1.26** However, the precise scope of those additional trade mark functions has yet to be clarified and whilst they may apply in theory to all trade marks for all kinds of goods and services, on the face of it they would seem most likely to apply to well-established marks with a reputation, and possibly also to marks for high-quality goods or services.<sup>34</sup> Other decisions of the Court do reflect its concern to protect such marks. For instance, in *Copad SA v Christian Dior Couture SA*,<sup>35</sup> it held that the quality of luxury goods results not only from their material characteristics but also from their 'allure and prestigious image' so that damage to the aura of luxury would affect 'the actual quality of those goods'.
- 1.27** The possible expansion of the scope of trade mark law represented by the *L'Oréal* decision was seen as a significant development. In his Opinion in *Google*,<sup>36</sup> the Advocate General had remarked that 'the protection afforded to innovation and investment... is never absolute. It must always be balanced against other interests, in the same way as trade mark protection itself is balanced against them.' The balancing of interests was, perhaps, more evident in the CJEU's subsequent decisions in *Google* and in *Interflora v M&S*.<sup>37</sup> In *Interflora*, in particular, the Court reined back on its position in *L'Oréal*, holding that advertising and investment functions are

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<sup>32</sup> Case C-487/07, n 17, see especially [58]; for further discussion of the case see 3.66 et seq. See also the AG's Opinions in *Arsenal Football Club v Reed*, Case C-206/01, n 16, and *Intel Corp, Inc v CPM UK Ltd*, Case C-252/07, [2009] RPC 15, [2009] ETMR 13.

<sup>33</sup> Analysis of AG Poiares Maduro in his *Google* Opinion (n 18) at [95] et seq. See also the GC in *Sigla SA v OHIM*, Case T-215/03, [2007] ECR II-711, [2007] ETMR 79 at [35] 'a mark also acts as a means of conveying other messages... the qualities or particular characteristics of the goods or services which it covers or the images and feelings which it conveys, such as, for example, luxury, lifestyle, exclusivity, adventure, youth... the mark has an inherent economic value which is independent of and separate from that of the goods and services for which it is registered. The messages... conveyed... by a mark with a reputation... confer on that mark a significant value which deserves protection... because... the reputation of a mark is the result of considerable effort and investment on the part of its proprietor.' This was foreshadowed by OHIM's 3rd Bd App in *Hollywood SAS v Souza Cruz SA* [2002] ETMR 64. See 3.50 et seq.

<sup>34</sup> See 7.51 et seq.

<sup>35</sup> Case C-59/08, [2009] ECR I-3421, [2009] FSR 22, [2009] ETMR 40.

<sup>36</sup> See n 18 at [102].

<sup>37</sup> See n 17.

not affected merely because a proprietor may need to intensify his advertising and efforts to preserve the mark's reputation in the face of *fair* competition.<sup>38</sup> Following that guidance, when *Interflora* came (eventually) to trial before Arnold J, he held that M&S's behaviour affected the origin function of the mark, but he also said that had it not affected that function he would have found no dilution of the mark.<sup>39</sup>

It is perhaps significant that one of the changes which it is proposed to implement in the proposed new Directive and CTMR is to restrict cases of infringement where there is double identity to cases in which the origin function is affected.<sup>40</sup> However, this does of course leave open the difficulty of knowing to what extent the Court will protect any other functions of marks which have a reputation. **1.28**

## F RELATED RIGHTS AND PROTECTIONS

There are already a number of alternative forms of protection offered to trade mark interests. In the UK, the major additional protection lies in the law of passing off, which is the nearest the UK has to a law of unfair competition. It provides a flexible remedy in many cases where a misrepresentation suggests that a defendant's goods or services are those of the claimant, or are in some way linked to them. This is discussed in Chapter 8. **1.29**

An important additional related protection is that against misleading comparative advertising. This again is based upon harmonised Community law, currently Directive (EC) 2006/114, which codified earlier provisions<sup>41</sup> and was implemented in the UK by the Business Protection from Misleading Marketing Regulations 2008.<sup>42</sup> This is discussed at 7.62 et seq. **1.30**

In addition to those rules a number of related provisions are discussed: the protection of well-known trade marks (at 7.124 et seq), geographical indications (at 7.129 et seq), and the rules against the registration of opportunistic company names (at 9.134 et seq) and domain names at (at 9.131 et seq). **1.31**

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<sup>38</sup> At [54]–[66].

<sup>39</sup> [2013] EWHC 1291 (Ch), [2013] ETMR 35, 21 May 2013 at [321]. At the time of writing the decision is under appeal.

<sup>40</sup> See Art 9 (2)(a) proposed CTMR, and Art 10(2)(a) proposed Directive.

<sup>41</sup> The main Directives were (EEC) 84/450 on misleading advertising, Directive (EC) 97/55 which amended (EEC) 84/450 to include comparative advertising, then Directive (EC) 2005/29 on unfair business-to-consumer commercial practices.

<sup>42</sup> SI 2008/1276, in force 26 May 2008.