

MACFARLANES

LOGOS AND NO-GOS



OOPS, BOOP-OOP-A-DOOP! UNAUTHORISED MERCHANDISING FOUND NOT TO BE MERE EMBELLISHMENT

The High Court recently handed down its judgment in the case of *Hearst Holding Inc & Anor* (“Hearst”) v *A.V.E.L.A. Inc and Ors* (“Avela”) [2014] EWHC 439 (Ch) regarding the use by the defendants of an image of Betty Boop and the word “Boop” on merchandise. The defendants were held liable for trade mark infringement and passing off both in respect of the use of infringing imagery on merchandise and also in the offering of merchandise licenses. The decision of Mr Justice Birss fires a warning shot to licensors and distributors who believe that their use of images and words on merchandising is mere embellishment.

Hearst is the registered proprietor of a number of UK and CTM registered word marks for BETTY BOOP together with device marks featuring the character Betty Boop with or without an accompanying word mark in a selection of classes. The claimants claimed to be the successors of the originator of the cartoon character Betty Boop and the only legitimate source of Betty Boop merchandise in the UK. Avela licenced artwork, including images of Betty Boop and the word “Betty” or “Boop” for use on clothing merchandise. Avela’s co-defendants comprised its UK licensing agent (TPTL), UK licensees, distributors and merchandise retailers.

Hearst brought proceedings against Avela and others for trade mark infringement (under s. 10(1) of the Trade Marks Act 1994 for the word marks, and 10(2) and 10(3) of the Act for all of the claimants’ trade marks). In addition, Hearst claimed two cases of passing off:

1. the sale of Betty Boop merchandise misrepresented as official merchandise to trade and the public; and
2. the deception to Avela’s licensees that they had been granted a licence by the claimants or a party authorised by the claimants.

Hearst claimed substantial goodwill and reputation in the UK in the sale of goods bearing the Betty Boop image and word mark, as well as through its trade in licensing Betty Boop merchandise. This, it was argued, resulted in the device and word marks denoting to trade and the public products which emanated from the claimants or their licensees. The defendants argued that their use of the Betty Boop image

and Boop signs was merely decorative, relying on s.11(1) of the Act. In other words, they were not making any representation about trade origin.

On the basis of the substantial control implemented by Hearst regarding how Betty Boop’s image was presented to the public, the Judge found that:

- ◆ Hearst’s Betty Boop character did act as a sign;
- ◆ the designation of origin by Betty Boop was not confined to a particular pose; and
- ◆ the effect of the claimants’ trading was to imbue the character with trade mark significance in the public mind.

The Judge found that at all relevant times all three classes of the average consumer (Avela’s licensees, the organisations which buy products from the licensees and the purchasing public) regarded the words Betty Boop and the character as trade marks, given the education that the claimants and their agent had been responsible for.

The Judge found infringement for each limb of s. 10 of the Act for the offering of merchandise licenses by Avela and TPTL and the use of the signs on the defendants’ merchandise. In respect of likelihood of confusion, it was held that the conceptual similarity between the defendants’ image and the BETTY BOOP word mark would cause the average consumer to think that the image conveyed the same origin information as the words would. The printing of the word “Official Licensee” on the merchandising would enhance the origin significance. The defendants’ merchandise did also take unfair advantage of the “investment the claimants have put into the trade marks”.

The Judge also held that the offering of merchandise licenses by Avela and TPTL amounted to passing off as well as the sale of the merchandise by Avela’s licensees. The public and retail customers of Avela and its licensees would, it was held, think that the goods originated from the same source of Betty Boop merchandise that they were familiar with (i.e. Hearst). Avela and TPTL’s misrepresentation was further reinforced by their use of the words “Official Licensee” or “Officially Licensed Product” on the merchandise.

This is another example, following the recent High Court decision against Topshop for passing off regarding its sale of unauthorised Rihanna t-shirts (as we reported [here](#)), of the courts not tolerating merchandisers and licensors “free riding” off personalities’ images (both fictitious and real).

The claimants’ copyright infringement claim will be heard in January 2015.

CONTACT DETAILS

If you would like further information or specific advice please contact:

GEOFF STEWARD

DD: +44 (0)20 7849 2341

geoff.steward@macfarlanes.com

ALICE MANISTY

DD: +44 (0)20 7849 2065

alice.manisty@macfarlanes.com

APRIL 2014

MACFARLANES LLP

20 CURSITOR STREET LONDON EC4A 1LT

T: +44 (0)20 7831 9222 F: +44 (0)20 7831 9607 DX 138 Chancery Lane www.macfarlanes.com

This note is intended to provide general information about some recent and anticipated developments which may be of interest. It is not intended to be comprehensive nor to provide any specific legal advice and should not be acted or relied upon as doing so. Professional advice appropriate to the specific situation should always be obtained.

Macfarlanes LLP is a limited liability partnership registered in England with number OC334406. Its registered office and principal place of business are at 20 Cursitor Street, London EC4A 1LT. The firm is not authorised under the Financial Services and Markets Act 2000, but is able in certain circumstances to offer a limited range of investment services to clients because it is authorised and regulated by the Solicitors Regulation Authority. It can provide these investment services if they are an incidental part of the professional services it has been engaged to provide. © Macfarlanes April 2014