

MACFARLANES

LOGOS AND NO-GOS



COURT OF APPEAL SEES THROUGH GREEN TINTED SPECTACLES

The English Court of Appeal holds that the High Court was partly mistaken in its finding that Asda had not infringed Specsavers' trade marks, and refers two questions to the Court of Justice on colour and use of a trade mark.

The Judgment was handed down on 31 January 2012 by the English Court of Appeal (the Court) in the case of *Specsavers International Healthcare Ltd & Ors (Specsavers) v Asda Stores Ltd (Asda)*.

In 2009, Specsavers commenced proceedings against Asda for trade mark infringement. Asda had, earlier in the year, re-launched its in-store optician services through a marketing campaign that made use of straplines and logos, used both separately and together, which, Specsavers claimed, caused confusion in the minds of the public and/or which took unfair advantage of the reputation of its trade mark.

In 2010, the High Court rejected almost all of Specsavers' arguments. Whilst it found that Asda's "Be a real spec saver at Asda" did take unfair advantage of one of Specsavers' registered Community Trade Marks, it neither found Asda's use of another similar strapline (Spec Savings At Asda), nor use of a logo of abutting white ovals with ASDA OPTICIANS written across it in green, to be infringing.

The Court of Appeal overturned part of the High Court's decision, stating that the Judge had erred in his assessment of the similarity of "Specsavers" and "spec saver". Further, it held that Asda's use of a logo similar to Specsavers' registered mark did take unfair advantage.

In a bid to clarify the position in relation to the importance that should be attached to the colour of a trade mark, which although registered without any colour limitation, has become synonymous with that mark when assessing public confusion and unfair advantage, the Court of Appeal has sought guidance from the Court of Justice. The Court has also requested guidance where a third party seeks to revoke a graphic device mark for non-use, but where such a mark has also been used in conjunction with a word mark.

IN THE FRAME – THE FACTS

Specsavers is a well known brand of high street opticians whilst Asda is a supermarket chain, with its own opticians in several

of its supermarkets' premises. Specsavers operates under a logo of two overlapping green ovals emblazoned with the words SPECSAVERS. Asda uses a similar green for its ASDA logo and branding.

In October 2009, Asda initiated a marketing campaign to re-launch its in-store opticians. After over a year of deliberation and consultation with its outside designers and in-house lawyers, Asda launched the initiative under two straplines: "Be a real spec saver at Asda" (the First Strap Line) and "Spec Savings at Asda" (the Second Strap Line) together with a logo of two conjoined white ovals with "ASDA" and "OPTICIANS" written across the ovals in the Asda green script (the Asda Logo). The Asda Logo was also used in an alternate form where the green and white were reversed. Asda, wished to present itself as a provider of value for money services, but also as an alternative destination to Specsavers for choice and professionalism.

LOOKING BACK TO THE HIGH COURT

Specsavers commenced proceedings in the High Court against Asda for infringement under the Community Trade Mark Regulation (the Regulation) of the following Community Trade Marks:

- ◆ the word mark SPECSAVERS (the Word Mark);
- ◆ the logo mark consisting of two overlapping ovals with the words SPECSAVERS with no limitation as to colour but with a darker shaded area at the point of overlap (the Shaded Mark);
- ◆ the logo mark consisting of two overlapping ovals with the words SPECSAVERS with no darker shaded area at the point of overlap (the Unshaded Mark); and
- ◆ the monochrome wordless mark (the Wordless Mark).

Specsavers alleged infringement of its CTMs under Article 9(1) (b) of the Regulation in relation to the Asda Logo and the two Straplines, and under Article 9(1)(c) for the two Straplines alone.

There was no doubt, from internal presentation documents and correspondence produced at trial, that Asda was specifically targeting Specsavers by feeding off its advertising material. One presentation stated "review of messaging and marketing campaign to launch full on assault of Specsavers" whilst an internal Asda note commented on a mock-up logo as "Asda version of Specsavers – rip off".

The High Court found that Asda had only infringed Specsavers' CTM in relation to its use of the First Strap Line under Article 9(1)(c). Mann J found that Asda's "use of the First Strapline plainly called Specsavers and the Word marks to mind"; that Asda's use of "spec savers" gave Asda an advantage; and that that advantage was unfair owing to Asda's clear intention in using the First Strapline to convey similarity in value to Specsavers' brand. The Second Strapline and the Asda Logo only called Specsavers to mind weakly for the purposes of Article 9(1)(c), and unfair advantage could not be made out despite the use of green in the Asda Logo.

In relation to Asda's use of its Logo, Specsavers unsuccessfully argued that the "elevated reputation in the colour green... should be taken into account when assessing the likelihood of confusion" for the purposes of finding infringement under Article 9(1)(b). There could also be no finding of confusion, according to the High Court, because the Asda Logo was "visually different" from the Shaded and Unshaded Marks as registered. Further, the fact that Asda may have been "living dangerously" by basing its marketing campaign on Specsavers' branding did "not amount to evidence of an intention to confuse". Both Straplines, once dissected and appreciated (at least in the case of the First Strapline) as a play on words, could not be considered to cause confusion.

The High Court also ordered Specsavers' Wordless Mark to be revoked for non use.

THE COURT OF APPEAL HAS CLEARER VISION

Specsavers' appealed and Asda cross-appealed the High Court's decision. Lord Justice Kitchin, giving the leading judgment, disagreed with part of the High Court's decision, finding instead that:

1. the Second Strapline did infringe Specsavers' Shaded and Unshaded Marks under Article 9(1)(c); and
2. the Asda Logo did infringe the Shaded and Unshaded Marks under 9(1)(c).

He did, however, agree with the High Court that the First and Second Straplines and the Asda Logo did not infringe Specsavers Word Marks and the Shaded and Unshaded Marks under Article 9(1)(b), and that Asda's use of the First Strapline did infringe the Word Marks under Article 9(1)(c).

CONFUSION UNDER ARTICLE 9(1)(B)

Specsavers' counsel submitted to the Court that it should overturn the High Court's findings on lack of confusion relation to Asda's use of its Logo and the two Straplines (i) as the registered marks should be compared against the potentially infringing marks "stripped of their context"; (ii) the significance of Specsavers' enhanced reputation in green should have been taken into account when assessing the likelihood of confusion; and (iii) Asda's intention to live dangerously recognised a "likelihood that [its] activity would deceive some people".

Kitchin LJ rejected the first and last arguments. A detailed review of both English and European case law showed to him, in relation to Specsavers' first submission, that a potentially infringing sign should be appreciated as viewed by the average consumer (i.e. in the context of straplines, posters and other materials which would result in a more informed understanding of the use of the sign) and not stripped of context. Further, in relation to the third submission, Kitchin J countered that a defendant's intention is only one of many factors that should be taken into account when assessing confusion - "living dangerously" cannot automatically mean intention to cause deception and benefit from another's goodwill.

The Court has referred the question (Specsavers' second submission) in relation to a trade mark's association with a particular colour to the CJ.

UNFAIR ADVANTAGE

In putting forward its cross appeal, Asda argued that its use of the First Strapline was not taking advantage in the *L'Oreal v Bellure* sense of the phrase (obtained intentionally to benefit from Specsavers' power of attraction and reputation without making its own marketing efforts) since its use was merely comparative advertising. The Court disagreed – Asda's marketing campaign was not an "objective comparison of verifiable and representative features of the parties' goods or services".

The Court also found that, contrary to the High Court's decision, the Second Strapline was visually, aurally and conceptually very similar to the Word Mark. Since a link could, therefore, be drawn between the Word Mark and the Second Strapline a case for unfair advantage followed: "Asda intended to benefit from the power of attraction attaching to the Specsavers brand". A finding of infringement of the Word Mark also followed for the Shaded and Unshaded Marks as they incorporated the word SPECSAVERS.

In addition, the Court found, having assessed the cumulative effect of Asda's use of the logo in conjunction with the Straplines, that they took unfair advantage of the Shaded and Unshaded marks "as part of the composite and promotional campaign".

ALL EYES ON THE COURT OF JUSTICE

The Court has referred two questions to the CJ:

1. Where a trade mark is not registered in colour but where that colour (or combination of colours) has become "associated in the mind of a significant portion of the public" with that mark, is that colour relevant when carrying out a global assessment of likelihood of confusion or unfair advantage? and
2. Where a trade mark proprietor uses a graphic device mark with a word mark, does that use constitute use of the graphic device mark for the purposes of Article 15 of the Regulation? If so, how does one assess use of the graphic mark and would it matter if the word mark is placed over the graphic device and the proprietor has the combined mark registered as CTM?

The Court has stayed its decision in relation to revocation of Specsavers' Wordless Mark while it waits for the CJ's guidance to its second question.

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FEBRUARY 2012

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