

businesses whilst easyGroup's services were intended for the general public. It was also noted that the goods and services were not in competition with each other, nor were they complimentary, as Commercys' goods and services related to the actual computer software required for on-line reservation and booking services, whereas easyGroup's services related to the provision of its own reservation and booking services on-line. Further, all on-line services inevitably require the support of computer software to function and therefore this similarity was not sufficient to detract from the differences between the goods and services.

This case therefore acts as a reminder that an identical earlier registration does not guarantee a complete monopoly right in the mark, even if the marks are registered for goods and services that have some similarities. Therefore it is important that consideration is given to the classes of goods and services in which a mark is registered and used.

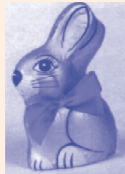
Rosalyn Newsome and Rosanne Jenkins

### Bad faith trade mark registrations

In 2000, Chocoladefabriken Lindt & Sprüngli AG applied for a Community trade mark (CTM) for a 3D mark for the shape of its chocolate bunny as shown below; this was registered on 6 July 2001. Lindt had been producing such chocolate bunnies since the early 1950s. Another company, Franz Hauswirth GmbH had been producing its own style chocolate bunnies, also shown below, since the early 1960s.



Lindt bunny



Hauswirth bunny

Lindt proceeded to bring trade mark infringement proceedings in Austria against Hauswirth to stop manufacture of its bunny. Hauswirth counterclaimed for invalidity of Lindt's 3D CTM on the grounds that Lindt was acting in bad faith when it applied for the CTM. Hauswirth claimed that Lindt knew that many other manufacturers in the EU were making similar chocolate bunnies and stated that Lindt had only applied for registration of a 3D CTM in order to prevent competitors from making these products. Indeed, after the grant of its CTM Lindt actively took steps to pursue Hauswirth and the other chocolate bunny manufacturers.

After decisions by the lower courts in Austria, an appeal was filed to the Austrian Supreme Court. This court decided that a reference should be made to the European Court of Justice (ECJ) for a definitive EU ruling on the criteria that should be taken into consideration when assessing if a trade mark application has been filed in bad faith.

The ECJ has ruled that when determining whether a trade mark applicant is acting in bad faith when applying to register a Community trade mark the national court must take into consideration all the relevant factors specific to the particular case which pertained at the time of filing the application for registration. In particular, consideration must be given to:

- whether the applicant knows, or must know, that a third party is using, in at least one EU country, an identical or similar sign for an identical or similar product capable of being confused with the sign for which registration is sought
- whether the applicant has the intention to prevent that third party from continuing to use such a sign
- the respective degrees of legal protection that are enjoyed by the third party's sign and by the sign for which registration is sought.

The above guidance must now be applied by the Austrian Supreme Court to the facts of this particular case. We will therefore await a ruling in this matter to see how the ECJ decision is put into practice.

Karen Hensman

### Innocence is no defence for trade mark infringement

In the case of Essex Trading Standards v Wallati Singh the UK High Court considered an appeal from a decision of the Magistrates' Court that had found a market stall holder, Mr Singh, not guilty of trade mark infringement.

Mr Singh had been found to have in his possession 392 pairs of trainers bearing the NIKE name or logo and fifteen pairs of trainers bearing the BAPE sign or logo, all of which were counterfeit goods. In the original trial the defence was based on the fact that the defendant had no previous convictions and that he was merely minding a market stall belonging to a friend, whom he had asked about the legitimacy of the goods in question. Mr Singh had been told that the goods were genuine but were clearance stock, hence the cheap price. It was noted that Mr Singh was in the business of selling ladies' fashion shoes and hence was not in a position to determine the provenance of the sports shoes.

However, the High Court overturned the not guilty verdict. Based on existing case law, Mr Singh had to be treated as being aware of the existence of the registered trade marks in question; this meant that the burden of proof was on Mr Singh to

show that he believed, on objectively reasonable grounds, that the goods were genuine. The High Court found that Mr Singh had failed to discharge this burden of proof as he did not go far enough to ascertain for himself whether the goods were genuine. Mr Singh failed to seek any independent evidence, such as documentation relating to the goods' supply or provenance.

In conclusion, when considering commercial dealings with potentially counterfeit branded goods it is not sufficient to act honestly or in good faith; reasonable steps should be taken to come to an objective conclusion that the goods are genuine. Therefore ignorance, voluntary or otherwise, is no defence to trade mark infringement.

Tracy Arch

### Employee compensation for a patent of outstanding value

In the first successful action of its kind in the UK, in Kelly & Chiu v GE Healthcare Ltd, two inventors have been awarded compensation totalling £1.5 million as a result of the outstanding commercial benefit to their employer of its patents for a radiopharmaceutical heart-imaging agent.

UK law was amended in 2005 in an attempt to make compensation easier to obtain for employee-inventors, with the current legal test being that the invention, or the patent for it, or a combination of both, must be of outstanding benefit to the employer. However, this case was decided under the law prior to the 2005 amendment, under which the patent itself had to be shown to be of outstanding benefit to the employer.

In assessing the benefit of the patent, the position of the employer if the patent had not been granted was compared with the employer's position with the benefit of the patent. Finding that the patents had "transformed" the company, the court had no difficulty in recognising that the patents were of outstanding benefit to the employer, and that an award was just.

In determining the "fair share" of the benefit of the patent to be awarded to the employee-inventors, the court found that the claimants' thought and creativity, and the relatively low R&D costs of the imaging agent, weighed in their favour. In the employer's favour were the opportunities it provided to the employees to make inventions, its marketing, and its taking of the risk involved in the project. It was ultimately decided that 3% of the benefit, equating to £1.5 million, represented a just and fair award to the claimants.

Carl Yelland

A detailed article is available - please contact us or download directly from our website

### Successful petition for review at the European Patent Office

Since the new European patent law of EPC2000 came into force in December 2007, it has been possible for parties adversely affected by a decision of the Board of Appeal to refer the case to the Enlarged Board of Appeal (EBA) for review. Previously, decisions from the Boards of Appeal were entirely final and non contestable.

However, the circumstances under which a petition for review to the EBA can be allowed are restrictive. Generally, the reasons allowed relate to: the Board of Appeal including a person who should not have been on the Board; a fundamental procedural defect occurring during the appeal proceedings; or a criminal act having occurred that may have had an impact on the decision.

Therefore whilst there have been a number of petitions for review filed, with an average of about one case a month being submitted, it has taken some time before a successful case has been concluded.

In the case R7/09 the patent in question had been opposed, but the Opposition Division rejected the opposition. The opponent appealed, and subsequently the Board of Appeal decided that the patent would be revoked. However, the patentee requested review of this decision by the EBA, on the basis that the decision was taken without it having had the right to comment, which is a fundamental procedural violation.

Essentially, the patentee should have been provided with the opportunity to comment on the opponent's grounds of appeal before a final decision was taken. However, although the Board of Appeal did generate a letter inviting the patentee's comments, the patentee's representative did not receive this and the Board of Appeal could not provide any record of dispatch for that letter. In the absence of any evidence to the contrary, it had to be concluded that the patentee had not been notified of the grounds of appeal and invited to comment before the Board of Appeal took its final decision in favour of the opponent.

Accordingly, it was clear that a fundamental procedural violation had occurred and the Board of Appeal decision has been set aside by the EBA. The case has now been remitted to the Board of Appeal for the correct procedures to be followed, such that the patentee has the opportunity to comment before a final decision is taken.

It is therefore good news for users of the European patent system that the new review system has been shown to work when there has been a clear breach of the correct procedures during an appeal case.

Yvonne Johnson

THE INFORMATION IN THIS REVIEW SHOULD NOT BE RELIED UPON AS BEING A COMPLETE STATEMENT OF THE LAW ON ANY SUBJECT. WE RECOMMEND SEEKING ADVICE BEFORE PURSUING ANY ACTION.



# BARKER BRETTCELL

Autumn 2009 News Review Compiled by Barker Brettell for its Clients

## DEVELOPMENTS IN IP

### Important changes to European patent practice

As reported previously, on 1 April 2010 European law covering a number of practical aspects will be changing.

Potentially the most important change is the reduction, in most cases, of the time available in which to file a divisional application. There will, however, be a guaranteed grace period for filing divisional applications from pending European applications in the near future to determine whether any divisional applications will be necessary, for example where a number of inventions are provided in the same application.

Other significant changes include a compulsion to file a substantive response to the written opinion accompanying the European search report, and a restriction on voluntary amendments, such that they must be filed with the mandatory response to the search report rather than up to the time of filing a response to the first examination report. These changes will therefore effectively transform the European search report into an exam report and so the overall effect should be that there is to be an acceleration of prosecution of EP applications, unless the European Patent Office begins to slow down the rate at which search reports are generated.

Binesh Patel

A detailed article is available - please contact us or download directly from our website

### UK patent application fee changes

With effect from 4 October 2009, the UK Intellectual Property Office (UK IPO) has made reductions in patent application fees for electronically filed cases. For electronically filed patent applications, the application fee is reduced from £30 to £20 if paid on filing. There is also a £10 reduction in the official fee for a request for search that is filed electronically and for an e-filed request for examination.

Additionally, it is worth noting that the UK IPO has been carrying out a consultation with a view to more radical changes to the fee system in the UK. The main changes being considered are:

- an increase in patent search and examination fees, but with larger discounts for e-filed search and examination requests
- increases to patent renewal fees, with the renewal fees for the final seven years of the patent term being most affected
- the introduction of a fee for each claim above the fifteenth
- the introduction of a fee for progressing litigation proceedings at the UK IPO where the proceedings are contested.

We will of course report on any changes that are decided in due course.

Yvonne Johnson

### Speedier prosecution for "green" UK patent applications

An initiative has been announced that will allow patent applications with an environmental benefit to be fast-tracked through the UK patent system. The UK Government is implementing the scheme as part of its measures to tackle climate change. It is believed that the initiative will help businesses working in green technologies to get patent rights quicker and therefore potentially speed up the time taken to get products to market.

The initiative applies both to new applications and to existing patent applications. It is hoped that the prosecution time to obtain grant for applications processed under this scheme could be reduced from the average of two to three years to around nine months, as green patent applications will be given priority over other applications.

If you have an invention that relates to technology that can reasonably be described as giving rise some environmental benefit and are interested in accelerating patent grant in the UK, please contact your usual patent attorney.

Ben Lincoln

### Changes to UK applications for a series of trade marks

The UK Intellectual Property Office (UK IPO) has historically permitted a series application consisting of a number of trade marks which are essentially the same and where any differences are not significant. For example, such an application could cover the same word mark shown in capitals, in italics, and in plain lower case lettering. The number of marks that could be applied for in a series application has been unlimited and there has been no additional cost for consideration of a series of marks. Upon examination, it could be determined whether any or all of the marks being applied for within the series application were considered to be registrable; if any were not then these could be deleted. Further, if the series was not deemed acceptable, then this could be divided into separate applications for individual marks whilst retaining the original filing date.

However, for UK trade mark applications filed on or after 1 October 2009 the following changes will apply:

- the maximum number of marks in a series will be capped at six
- there will be no additional UK IPO fee for the first and second marks in the series; however, each mark beyond the first two will incur an additional official fee of £50
- it will not be possible to divide an application on the basis of the marks in the series, although divisions based on the selected goods and services will still be possible.

An important impact of these changes is that if, upon examination, it is decided that the marks do not constitute a valid series then it will be necessary to delete marks from the application until a valid application remains. No refund of any series fee paid will be made in these circumstances. Further, if protection is required for the marks that are deleted this would have to be via a new application, which would only be entitled to its actual filing date rather than retaining the original date of filing.

Julia House

### In This Issue

- Important changes to European patent practice
- UK patent application fee changes
- Speedier prosecution for "green" UK patent applications
- Changes to UK applications for a series of trade marks
- Changes in the UK customs procedures
- First referral to the European Court of Justice regarding designs
- When is a European patent application "pending"?
- Further country coverage available for European patent applicants
- The London 2012 Olympics – what companies can and cannot do
- Seeking to prevent the sale of goods on eBay
- Trade mark protection in China – special considerations
- Company Names Tribunal – an update
- Prior unregistered rights can be used against a trade mark registration
- The importance of a clear chain of entitlement to patent priority
- Interpretation of patent claims
- easyHotel trade mark survives further challenge
- Bad faith trade mark registrations
- Innocence is no defence for trade mark infringement
- Employee compensation for a patent of outstanding value
- Successful petition for review at the European Patent Office

138 Hagley Road, Edgbaston, Birmingham B16 9PW  
 10-12 Priests Bridge, London SW15 5JE  
 Medina Chambers, Town Quay, Southampton SO14 2AQ  
 St John's Innovation Centre, Cowley Road, Cambridge CB4 0WS

Tel: +44 (0)121 456 1364 Fax: +44 (0)121 456 1368 Email: bham@barkerbrettell.co.uk  
 Tel: +44 (0)20 8392 2234 Fax: +44 (0)20 8392 1858 Email: london@barkerbrettell.co.uk  
 Tel: +44 (0)23 8033 6970 Fax: +44 (0)23 8033 7006 Email: soton@barkerbrettell.co.uk  
 Tel: +44 (0)1223 411355 Fax: +44 (0)1223 243272 Email: cambridge@barkerbrettell.co.uk

BARKER BRETTCELL LLP IS A LIMITED LIABILITY PARTNERSHIP REGISTERED IN ENGLAND AND WALES. REGISTERED NUMBER OC334393  
 REGISTERED ADDRESS: 138 HAGLEY ROAD EDGBASTON BIRMINGHAM B16 9PW ENGLAND. WHERE A LIST OF MEMBERS MAY BE INSPECTED  
 A REFERENCE TO A PARTNER MEANS A MEMBER OF BARKER BRETTCELL LLP OR AN EMPLOYEE OR CONSULTANT OF BARKER BRETTCELL LLP WITH EQUIVALENT STANDING AND QUALIFICATIONS

## Changes in the UK customs procedures

HM Revenue and Customs (HMRC) has revised the procedures which it has in place in connection with pirated or counterfeit goods. These changes place a higher burden on the rights holder.

Previously, HMRC would detain goods that were potentially counterfeit and inform the rights holder. The rights holder would then have a period of ten working days to examine the goods; if it confirmed by way of a witness statement that the goods were counterfeit, HMRC would destroy the goods, unless the importer sought to rebut the allegations.

However, the burden of proof has now shifted to the rights holder. Whilst HMRC will detain goods that it believes to be potentially counterfeit and will still inform the rights holder, the rights holder must commence legal proceedings.

In addition, such proceedings must be instigated within ten working days from the date of notification by HMRC informing the rights holder it has seized potentially counterfeit goods. For HMRC to detain the offending goods for longer than ten working days, the rights holder must either reach an agreement with the owner of the goods or, alternatively, request a ten working day extension of time. The time period for which HMRC will detain the goods will not exceed twenty working days unless court proceedings are issued. In relation to perishable goods, the period of time within which court proceedings must be issued is three working days; this cannot be extended.

If legal proceedings are not taken and/or the rights holder is not successful, then the goods will be released. Where the rights holder obtains judgement in its favour, destruction of the infringing goods must now be carried out at the expense and under the responsibility of the rights holder, whereas previously HMRC would destroy such goods.

Lucy Walker

## First referral to the European Court of Justice regarding designs

For the first time, the European Court of Justice (ECJ) has been asked questions on the correct application of European law in relation to Community designs. In this regard, the Community Design Court of Spain referred a number of questions to the ECJ regarding the determination of the ownership of designs.

The relevant EU law provides that where a design was developed by an employee in the execution of his duties or following the instructions given by his employer, the right to the Community design shall vest in the employer, unless otherwise agreed or specified under national law.

In the judgement now issued by the ECJ, it has been confirmed that this provision does not extend to commissions. Therefore the automatic transfer of rights only occurs where there is an employment relationship of the type where the designer is bound by a contract governed by employment law. The possibility for a non-employed designer to assign his rights remains, however, and such an assignment contract should be considered under national law.

Yvonne Johnson

## When is a European patent application “pending”?

A reference has been made to the Enlarged Board of Appeal at the European Patent Office (EPO) relating to whether or not divisional applications can be still filed following a refusal of a parent application. Under European practice, a divisional application can only be filed whilst the parent case is pending.

The question asked in the referral, G1/09, is whether an application that has been refused by a decision of the Examining Division is still pending until the expiry of the time limit for filing a notice of appeal, when no appeal is actually filed.

The patent application in question was refused by the Examining Division at oral proceedings. Following the oral proceedings, but before expiry of the time limit for filing an appeal against the decision, a divisional application was filed. The decision to refuse the parent application was not appealed. The divisional application was rejected as not validly filed, on the basis that the decision to refuse the parent application at the oral proceedings took legally binding effect immediately.

The applicant appealed, submitting that the parent application was still pending when the divisional application was filed, because an application must be considered pending as long as the applicant has the possibility of filing an appeal.

The Board of Appeal noted that the use of the term “pending” has several different meanings in European law. Further, it acknowledged that present practice results in the situation where an application ceases to be pending when a decision to refuse the application is taken by the Examining Division, but that it would become pending again should an admissible appeal be filed.

Therefore a definitive ruling has been sought from the Enlarged Board of Appeal on when the pending status of an application ends. We will report when the Enlarged Board’s decision issues in due course.

Ben Lincoln

## Further country coverage available for European patent applicants

San Marino has joined the European Patent Convention (EPC) with an accession date of 1 July 2009. European patent applications with a filing date on or after the accession date will be able to designate San Marino as an EPC member state. The EPC now has 36 member states and three extension states.

Meanwhile, the London Agreement entered into force for Lithuania, as the fifteenth contracting state, on 1 May 2009. Lithuania does not require proprietors of European patents to supply a translation of the full patent specification into Lithuanian, irrespective of the language in which the European Patent Office granted the patent, although a translation of the claims into Lithuanian is required. This law change will have no effect in practice, however, because the previous translation requirements

under Lithuanian law were the same.

Lucy Trueman

# IP ANALYSIS

## The London 2012 Olympics – what companies can and cannot do

Many businesses will wish to maximise revenue generating opportunities resulting from the successful bid for London to host the 2012 Olympic Games. However, marketing strategies and advertising campaigns must be carefully created to avoid the risk of infringing the London Olympic and Paralympic Games Act and the Olympic Symbols Act 1995.

The use of various Olympic marks in the UK has been regulated for over ten years by the Olympic Symbols Act 1995. “Olympic Marks” are defined as the words Olympic(s), Olympiad(s), Olympian(s) and London 2012 and logos such as the Olympic rings, Team GB, GB Paralympic logo, British Paralympic Association logo, London 2012 bid logo and British Olympics Association logo. Infringing acts extend to use of these marks, or similar marks, where an association with the Olympic movement is created in the mind of the public.

The London Organising Committee for the Olympic Games (LOCOG) advises that the combination of a word in Group one with a word in Group two from the following lists could be held to infringe the London Olympic Association Right.

- Group one: games, two thousand and twelve, 2012, twenty twelve.
- Group two: gold, silver, bronze, London, medals, sponsor, summer.

The LOCOG will also be monitoring the use of insignia associated with the Olympics, such as an Olympic style torch and images of venues that will be used for the Games.

By means of a cautionary example, Olympic Removals has operated for over twenty years as a library removal service. The company is reported to have received an email from the LOGOC concerning the use of the five-ring Olympic symbol on its livery. Olympic Removals is, coincidentally, located opposite what will be the white-water site for the Games and, unfortunately for Olympic Removals, this may have contributed to the strong handed approach from the LOGOC. The message from the LOGOC is clear: change your livery or risk being sued.

It also appears that the London Olympic Association Right may prevent the use of Olympic tickets as prizes in company-run promotions, although further clarification is anticipated on this point.

It is therefore apparent that any business which uses representations associated with the Olympics in the course of trade in a manner that is likely to suggest to the public that there is an association with, or an endorsement by, the LOCOG runs the risk of having to defend an action for alleged infringement.

Rosalyn Newsome

## Seeking to prevent the sale of goods on eBay

With the power of internet selling growing on a daily basis, increased consideration needs to be given as to how to prevent unapproved listings on eBay. The options available will depend on a number of factors including whether the goods being offered for sale are genuine goods or counterfeit.

There are a number of different considerations that could affect how to proceed in connection with the sale of goods on eBay and each case will have to be assessed on a case by case basis. It will also be important to consider the desired end result, e.g. whether the intention is simply to stop the sale of goods on eBay or to additionally seek financial compensation.

If the aim is just to stop the sale of the goods, then the Verified Rights Owner (VeRO) process provided by eBay will be the quickest and cheapest way of preventing such use. If the additional aim is to seek financial compensation from the sellers, then consideration should be given as to whether to also issue proceedings for trade mark infringement/passing off. It can be anticipated that the costs of issuing such proceedings would be far higher than filing a VeRO application.

One other option available would be to consider whether it might be worth seeking to enter into some form of agreement with any of the eBay sellers, especially some of the larger shops. This could be a chance to give consideration as to whether any licensing opportunities are available which would enable the controlled use of the relevant trade marks and the generation of revenue.

Lucy Walker

**A detailed article is available - please contact us or download directly from our website**

## Trade mark protection in China – special considerations

The importance of China, both as a potential market and also a manufacturing source of products, has increased in recent years. However, China remains a challenging environment for companies to protect their trade marks and one where special considerations apply. China is also significant in terms of being the origin of many counterfeit products.

In trade mark terms, China is a first registrant country, i.e. rights in a trade mark are granted to the first to apply. As a result, companies can often find that by the time they seek registration themselves, or wish to enter the Chinese market, a local individual or company has already applied for and registered their trade marks. This problem originally related mainly to the owners of well-known brands, but greater internet availability and usage in China has increased the information available locally on non-Chinese marks and as a result almost any trade mark with a web presence is at risk.

Although, in certain circumstances, it is possible to challenge a local registration by filing a cancellation trial, on the basis of “bad faith”, these proceedings are lengthy and difficult to prove. They need to be supported by comprehensive and detailed

evidence establishing that the company’s trade mark is well known internationally and/or in China.

Local language issues also make China a country requiring special consideration. There may be more than one way to represent a trade mark in Chinese characters. Brand owners should therefore make sure that at an early stage they develop and identify the way in which they wish to present their marks in Chinese, and also consider any alternative versions which might be used, and seek registration of these marks. If prompt action is not taken there is a risk that these Chinese marks will be registered by third parties.

Additionally, local Chinese companies often apply to register trade marks under other classifications of goods and services, in particular for packaging, in order to try to create a “blocking” registration which the company may be forced to try to acquire in order to clear its trade mark for use in China.

China is a member of the Madrid Protocol and therefore owners of International trade marks under the Madrid Protocol can apply to add China as a designation. This may often be the most straightforward way of registering marks in China, as some of the formalities requirements which apply to local trade marks are avoided. However, for marks that are focussed on presentation of the mark in Chinese characters, and for coverage for goods/services that are potentially outside the scope of a basic International registration, additional national filings may be required.

There is a balance to be achieved between the extent of coverage sought and the costs involved, especially bearing in mind that, if challenged, Chinese trade mark registrations are vulnerable to cancellation on the basis of non-use after a three year period. Nevertheless, special circumstances in China justify serious consideration of a more comprehensive and robust filing programme than one that might suffice elsewhere.

Jill Matchett

## Company Names Tribunal – an update

Since 1 October 2008, the UK Intellectual Property Office has been operating a Company Names Tribunal that passes judgement as to whether a company name has been registered for opportunistic purposes.

To date, the Company Names Tribunal has had twenty five cases to determine. Of these twenty five, two were withdrawn, one was struck out and twenty two resulted in findings for the applicant or brand owner. However, it should be noted that only two of the applications actually resulted in substantive decisions and all but one of the remaining applications was unopposed.

The following key points have emerged from the case law:

- evidence of confusion carries no weight
- ownership of a trade mark will not contribute to an argument as to goodwill or reputation
- a witness statement, affidavit or statutory declaration must be filed in support of any claim to goodwill or reputation, along with any supporting documentation
- if a company name holder files a defence, then unless the defence used is that the name was adopted in good faith or that the interests of the applicant are not adversely affected to any significant extent, the applicant must show that the registration is opportunistic or obstructive for it to succeed in its application.

Therefore whilst the Company Names Tribunal is a useful addition to the options available for companies, it is not a quick and easy alternative to a passing off or trade mark infringement action, and a successful result for a brand owner is certainly not guaranteed where the application is defended by the company name holder.

Julia House

**A detailed article is available - please contact us or download directly from our website**

# CASE LAW

## Prior unregistered rights can be used against a trade mark registration

In the case of Last Minute Tours Spa v Last Minute Networks, Last Minute Networks sought to rely on its UK unregistered rights to invalidate a Community trade mark (CTM) registration.

Last Minute Tours had looked to register marks containing the words “Last Minute Tours”. These were opposed by Last Minute Networks on the basis of its own rights, under UK passing off laws, in the sign “lastminute.com”. The action was initially rejected by the Community Trade Mark Office (OHIM) on the basis that there was a lack of confusion between the marks. However, on appeal, this decision was annulled by the European Court of First Instance (CFI) and the CTM registration was cancelled.

The CFI found that the OHIM Board of Appeal had examined the mark and earlier sign side-by-side for an aural, visual and conceptual comparison, which would be the expected approach for assessing an infringement action. However, under passing off, the relevant criteria are goodwill, misrepresentation and damage; these factors had not been considered.

Additionally, instead of looking at the relevant public of the earlier user’s customers, as should be done under the law of passing off, OHIM had looked at the average consumers of the goods and services for the trade mark registration.

The OHIM Board of Appeal was also found to have erred in its judgement that the term “last minute” was generic and devoid of distinctive character, which had led to the conclusion that no-one could expect to be granted a monopoly in this term.

Under the law of passing off, a sign that is devoid of distinctive character may still have acquired a reputation.

Ultimately, even though the sign was unregistered, it was found to have acquired earlier national rights, under the UK law of passing off, that were able to cancel the CTM.

OHIM had clearly struggled with implementing national laws it was unfamiliar with, but this case has now paved the way forward for the use of national prior rights, including passing off rights, against registered CTM rights.

Rosalyn Newsome and Rosanne Jenkins

## The importance of a clear chain of entitlement to patent priority

In the case of Edwards Lifesciences AG v Cook Biotech Incorporated the UK High Court addressed the issues of loss of priority due to an incomplete assignment, as well as the credibility of expert witnesses. This case highlights the importance of ensuring a correct chain of title when filing a patent application.

Cook was the proprietor of a European patent which related to an artificial heart valve, which Edwards had applied to have revoked in the UK. During the case the Court considered whether Cook’s patent was entitled to its priority date. The patent derived from a PCT patent application that was filed in the name of Cook as applicant. However, it claimed priority from a US patent application that was in the name of the three inventors. One of the inventors was an employee of Cook and his rights in the invention were automatically assigned to Cook via his contract of employment. However, the rights of the other two inventors were assigned to Cook by an assignment document dated after the filing date of the PCT application. The Court held that the priority claim was invalid because at the date of filing of the PCT application the right to claim priority belonged jointly to Cook and the two non-employee inventors, and not to Cook alone.

Since Cook’s patent was not entitled to its priority date, a document published between the priority and filing dates was citable as prior art. The Court held that several claims of the patent were obvious in light of this document.

A question was also raised regarding the credibility of an expert witness and specifically whether an expert changing his opinion undermined his value as an expert. One expert witness appearing in the case had also appeared as an expert in an earlier decision of the UK High Court involving Edwards and another party. It was noted that the opinions of the expert differed in material respects between the two cases. However, the Court decided that opinions may change during the course of a case, particularly after cross examination and further consideration as to the abilities of the ordinary skilled person. The expert’s opinions were found to be “cogent and reasonable” rather than partisan.

Paul Andrews

## Interpretation of patent claims

The recent case of Ancon Limited v ACS Stainless Steel Fixings Limited has highlighted the UK Court of Appeal’s attitude towards interpretation of patent claims. Claim interpretation is of particular importance because the interpretation adopted by a court can be pivotal in determining whether a patent is held infringed and/or invalid.

The patent at issue related to channel assemblies used in the construction industry to fix components to a building. In the initial decision, the High Court held that ACS’s assembly did not infringe Ancon’s patent. However, on appeal by Ancon, the Court of Appeal held that the High Court had interpreted the claimed feature “generally elliptical cone shape” too narrowly and so was wrong to find non-infringement by ACS. The Court of Appeal held that the claimed feature should in fact be interpreted more broadly as “any rounded non-circular form”. The ACS assembly fell within this broader interpretation and so the ACS device was held to infringe Ancon’s patent.

In its reasoning the Court of Appeal emphasised that it had come to its conclusion by using the claim construction test established by the UK House of Lords, in which the court determines what the person skilled in the art would have understood the patentee to have used the language of the claim to mean.

Following the EPC2000 law changes that came into effect in December 2007, European patent law now requires that “due account” should be taken of any element that is equivalent to an element specified in the claims but which the claim language does not literally cover. However, the Court of Appeal indicated that it did not rely on any rule of equivalents in coming to its decision and indeed suggested that the new language used in EPC2000 was not intended to change the law on this subject.

This decision is a clear signal that the Court of Appeal does not favour use of equivalents in interpreting claims, and emphasises the importance of careful drafting of the entire patent specification, since before a UK court it might not be possible to successfully rely on a doctrine of equivalents in a potential case of patent infringement.

Simon Robinson

## easyHotel trade mark survives further challenge

In the case of Commercy AG v OHIM, easyGroup IP Licensing Ltd, the European Court of First Instance (CFI) considered whether easyGroup’s mark “easyHotel” should be cancelled on the basis of Commercy’s earlier German registration for the trade mark “EASYHOTEL”.

The cancellation action before the Community Trade Mark Office (OHIM) had been rejected, and in the appeal to the CFI this decision was upheld. The CFI ruled that the respective goods and services of the “easyHotel” mark and the earlier right were not to identical or similar.

In particular, the nature, intended purpose and method of use of the goods and services differed, because Commercy’s goods and services were intended for