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January 2025

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### Editorial

As we welcome the new year, we reflect on the dynamic landscape of IP law and its evolving challenges. In this edition, we delve into the implications of the long-anticipated Supreme Court decision in SkyKick v Sky, where the assessment of bad faith in UK trade mark applications has been significantly clarified. We also explore an interesting example of the *mutatis mutandis* principle, and discuss the interplay between UK national and EU law in two recent copyright-related decisions. Finally, we provide a brief but comprehensive overview of the Court of Appeal's reasoning for overturning the High Court decision in VETSURE v PETSURE. As ever, if you have any further questions on any of the topics raised in this newsletter, we very much welcome your comments. Thank you for your continued readership. Here's to a successful 2025.

#### Tamsin Holman Partner, Solicitor

#### Events

#### MARQUES Spring Meeting

Barcelona, Spain, 13-14 March 2025 Jana Bogatz and Gabriele Engels will be attending the 22nd MARQUES Spring Meeting.

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#### **INTA Annual Meeting**

San Diego, USA, 17-21 May 2025 Jana Bogatz, Richard Burton, Matthew Dick, Gemma Kirkland, Anna Reid and Yvonne Stone will join brand professionals from around the world at INTA 2025. They look forward to catching up with clients and colleagues during the meeting.

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## **Bad faith / infringement / Brexit**

## A clearer sky ahead UK Supreme Court delivers final decision in SkyKick saga

fter seventeen months of waiting, the Supreme Court has issued its judgment on the long-running dispute between SkyKick and Sky, ruling that a trade mark application can be deemed to be in bad faith if the specification is overly broad in scope or includes sub-categories the applicant never intended to use.

#### History of the SkyKick dispute

To briefly summarise the journey of the Sky and SkyKick dispute to the Supreme Court:

At the heart of the case, Sky alleged that SkyKick infringed its trade marks by offering email migration and cloud storage services under the SkyKick mark. Sky based its claim on five registered trade marks: four European Union trade marks (EUTMs) and one UK mark, covering a broad range of goods and services, including both class headings and specific terms. In response, SkyKick counterclaimed that the SKY marks were invalid due to unclear specifications and bad faith, arguing that Sky had no intent to use the marks for the broad range of goods and services listed. Initially, Sky relied on all five marks but later narrowed its scope.

The High Court held that SkyKick's allegations raised legal issues on bad faith that warranted input from the Court of Justice of the European Union (CJEU). The CJEU responded, ruling that an applicant does not need a fully developed intention to use a mark but must have a genuine intention to explore the mark's viability. If no such intention exists, and the applicant seeks to enforce the mark across a broad range of goods, this could be considered bad faith. However, the CJEU also held that the inference of bad faith could be rebutted if the applicant provided a legitimate commercial rationale for the broad coverage of its mark.

The High Court applied the CJEU's guidance and found that Sky's registrations had been partly filed in bad faith, as Sky had no intent to use the marks for certain goods and services, applying for those terms purely as a legal weapon. The High Court reframed Sky's limited specification to provide it fair protection, and SkyKick was found to have infringed Sky's trade marks through its services. The Court of Appeal reversed the High Court's findings, ruling that SkyKick had failed to prove bad faith, thereby seemingly raising the bar for third parties to succeed in a bad faith claim where there is no intention to use.

UK Supreme Court decision There were three issues for the Supreme Court to consider:

- Bad faith: whether a trade mark registration can be invalidated, in whole or in part, due to bad faith if the applicant had no genuine intention to use the mark for some or all of the goods or services at the time of application.
- 2. Infringement: whether SkyKick infringed Sky's trade marks through its email migration and cloud storage services.
- 3. Brexit: whether courts in the United Kingdom retain jurisdiction in actions concerning EUTMs post IP completion day (31 December 2020).

#### **Bad faith**

The decision largely endorses the earlier High Court and CJEU SkyKick rulings. In this case, the United Kingdom Intellectual Property Office (UKIPO), acting as an intervener, filed submissions expressing concern over the Court of Appeal's limitation on bad faith claims, which received significant attention in the decision, particularly in relation to:

- 1. The use of broad specifications;
- 2. The use of overly broad descriptions (class headings); and
- 3. The inference that third parties must specify, at the outset of a claim, which goods or services the applicant should have applied for and which are subject to the bad faith allegation.

Use of broad specifications

In relation to broad specifications, it was held:

 If a person applies to register a mark in all 45 classes, the broad scope of the specification (without explanation) could justify a finding of abuse. Once abuse is suggested, it becomes a matter of Case details at a glance Jurisdiction: England & Wales Decision level: Supreme Court Parties: SkyKick UK Ltd and another (appellants) v Sky Ltd and others (respondents) Citation: 13 November 2024

Decision: dycip.com/sky-skykick-supreme-court

Date: [2024] UKSC 36

#### ≥ Related articles

We have closely followed the developments in this dispute over the years and have released a series of articles on each of the previous judgments. These offer a detailed analysis of the legal arguments and rulings at each stage of the litigation.

- 21 September 2021, Sky v SkyKick. Court of Appeal issues judgment: dycip.com/sky-skykick-court-appeal
- 04 May 2020, Sky v SkyKick UK High Court decision: dycip.com/sky-skykick-high-court

- 31 January 2020, Sky v SkyKick CJEU decision: dycip.com/sky-skykick-cjeu
- 11 November 2019, Shooting for the stars? Have faith. Why the SkyKick case is important for brand owners: dycip.com/sky-skykick-cjeu-questions
- 08 November 2018, Sky v SkyKick. Clarity and bad faith in trade marks: dycip.com/3sky-skykick-high-court-questions

The Supreme Court clarified that each bad faith claim must be assessed on its own facts



degree whether the size and scope of the specification, relative to the size and nature of the applicant's business (or lack thereof), rebuts the presumption of good faith and justifies a finding of bad faith.

- The key question is whether, in the absence of a consistent explanation for the application's scope, it is reasonable to infer that the application constitutes abuse based on the size and nature of the listed goods and services and other circumstances.
- Reputation alone does not justify applying to register a trade mark for goods and services the applicant never intended to use, even though the Court of Appeal had given significant weight to Sky's UK reputation in its earlier decision.

Use of class headings and broad terms Regarding the use of class headings and broad terms, it was held:

- It would be unfair for traders using broad terms to be in a more favourable position than those using specific sub-categories.
- The matter should be assessed at the time of application, considering whether the applicant was "required" or "encouraged" to use class headings when evaluating bad faith.
- There is no doubt that an application to register a mark for a broad category of goods and services may be partly in bad faith if it includes distinct sub-categories the applicant never intended to use, whether conditionally or otherwise.

The Supreme Court acknowledged that the law is still developing when it comes to using class headings versus more precise descriptions of goods or services. However, even if the law does not require more clarity, it doesn't stop someone from arguing that an application was made in bad faith by applying for broad categories with no intent to use.

#### Setting out a bad faith claim

The Supreme Court clarified that the party alleging bad faith may not know the applicant's true intentions at the time of filing and is unlikely to be able to specify the exact specification the registration should cover. It is accepted that the party making the claim may be constrained to relying on the objective facts available.

#### **Consideration of the facts**

The Supreme Court was persuaded that, when considering the history of the dispute, the Court of Appeal had overlooked several key points. Specifically, that Sky initially relied on its full range of goods and services and maintained this position despite the bad faith objection, only narrowing the scope of its claim five weeks before trial and further reducing it in closing submissions. Sky was prepared to "deploy the full armoury" of the SKY marks against a trader whose activities were unlikely to cause confusion and did not amount to passing off. This was viewed as strong support for a finding of bad faith.

#### Infringement

The Court of Appeal disagreed with the High Court's finding that email migration services were an "electronic mail service", and held that "electronic mail services" do not encompass "all services related to electronic mail". It held that the High Court had extended the core meaning of the term to include an unclear and indeterminate range of services related to electronic mail. The Supreme Court ultimately agreed with this point, maintaining only the infringement finding for the use of SkyKick in relation to cloud backup/storage services.

#### Brexit

As regards whether UK courts retain jurisdiction over EUTM infringement actions and can apply sanctions across the EU after IP Completion Day, the answer is yes. Article 67(1)(b) of the Withdrawal Agreement allows UK courts to continue handling proceedings involving EUTM infringement proceedings that were commenced before Brexit, and to apply sanctions across the EU. UK courts are also granted additional powers to apply remedies or injunctions to EU comparable trade marks in such circumstances.

#### Commentary

This decision effectively restores the threshold for bad faith claims to the level originally set by the High Court and CJEU in the earlier SkyKick decisions. The Supreme Court has clarified that each bad faith claim must be assessed on its own facts, with Sky's conduct in this case being a significant factor in determining bad faith.

While the use of broad specifications and terms may now be sufficient to infer bad faith, applicants are still free to file for class headings and large specifications, and retain the opportunity to rebut any bad faith inference by providing a legitimate "commercial rationale" or reasonable explanation for the filing. As noted by the Supreme Court, an applicant "does not have to have a commercial strategy to use a mark for every possible species of goods or services falling within the specification". However, applicants should consider their goods and services with a critical eye: if an owner seeks to rely on an overly broad registration without at least a degree of commercial justification, they may well be on the receiving end of a successful bad faith counterclaim.

#### Author: Bonnie Brooks

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03

## Likelihood of confusion / similarity

## The extreme approach Use restraint when assessing a hearing officer's decision

Case details at a glance Jurisdiction: England & Wales Decision level: Court of Appeal Parties: Extreme Networks Limited v Extreme E Limited Citation: [2024] EWCA Civ 1386 Date: 06 November 2024 Decision: dycip.com/ewca-2024-1386

he applicant, Extreme E, sought to register the mark shown below in the UK, for services in class 41, including the organisation of sporting and cultural events, motor vehicle races, and award ceremonies. This application faced opposition from Extreme Networks, an event and experience organiser, which holds a UK trade mark covering the class 41 service of booking seats for shows.





Extreme E Extreme Networks Source: BAILII dycip.com/ewca-2024-1386

#### Background

At first instance a likelihood of confusion between the two marks was found. Notably, the United Kingdom Intellectual Property Office (UKIPO) hearing officer concluded that organising sporting and cultural events shared a medium degree of similarity with booking seats, due to their complementary nature and overlapping audience. Additional similarities in the services' nature, user base, method of use, and purpose supported this finding.

Extreme E appealed, arguing that ticket sales were incidental to event organisation and that many sporting events lack bookable seating. The High Court agreed with Extreme E and overturned the hearing officer's decision.

Having appealed to the High Court, rather than the UKIPO appointed person, it was open to Extreme Networks to seek leave to appeal further, to the Court of Appeal, which reinstated the original assessment of similarity.

#### The correct approach

Lord Justice Arnold, in the Court of Appeal, began by clarifying the proper approach for determining whether a hearing officer's decision should be overturned. He emphasised that assessing similarity requires a multi-factorial evaluation, considering factors such as those listed above. Consequently, an appellate court may only intervene if there is an error in law, logic, or consistency. Simply reaching a different conclusion based on the same facts is insufficient.

This approach demands considerable judicial restraint and caution. embodying the principle of *mutatis mutandis*. meaning that it is not appropriate to hastily conclude there has been an error in law or logic, even if every detail of the decision is not explained. Given that hearing officers are specialists in their fields, it is reasonable to presume that they will arrive at the correct conclusion.

This perspective profoundly shapes the Court of Appeal's assessment of the case, which is best understood through sporting and non-sporting lenses.

#### **Non-sporting events**

As previously noted, in the High Court, Extreme E contended that the booking of seats was merely incidental to the organisation of a show. However, the Court of Appeal deemed this argument irrelevant in assessing similarity, emphasising that it was a test of identity. Consequently, the hearing officer made no error in law or logic and was justified in concluding that, given the complementary nature of the services (one being essential for the use of the other) consumers could reasonably perceive the same entity as responsible for both. As a result, the similarity finding was upheld.

#### **Sporting events**

Extreme E also argued that sporting events should not be classified as "shows" and that many lack seating or bookable seating.

Initially, Lord Justice Arnold highlighted Justice Holgate's definition (in the High Court decision) of a show as "a display, exhibition, spectacle, or form of entertainment". Despite this definition being relatively broad, the High Court concluded that it did not include sporting events. In contrast, the Court of Appeal reasoned that it could not see why sporting events could not fit within this definition to conclude that sporting events are shows.

On the second point, the Court of Appeal acknowledged that while some sporting events may lack bookable seating, or seating entirely, the majority of sporting events have them. Consequently, the Court of Appeal found the hearing officer had again made no error in law or principle that warranted intervention, therefore the initial decision was reinstated.

Author: Tamsin Holman

#### In short

At first glance it appears that this case simply confirms that the organisation of cultural and sporting events are likely to be considered as similar to the booking of seats for shows.

However, this decision may also serve as a helpful guide in relation to the approach courts should be taking when deciding whether to intervene in a hearing officer's decision. The *mutatis mutandis* approach emphasised throughout the Court of Appeal judgment reaffirms the attitude of judicial restraint exercised in these cases, setting a relatively high bar for intervention of a clear logical or legal flaw.

## Copyright

## No room for reciprocity where generosity reigns EU member states may not apply reciprocity principle

#### Case details at a glance

Jurisdiction: European Union Decision level: CJEU Parties: Vitra Collections AG v Kwantum Nederland BV et al. Citation: C-227/23 Date: 24 October 2024 Decision: dycip.com/c-227-23

#### Useful links

European Commission, EU copyright legislation: dycip.com/ec-copyright-legislation

WIPO, Summary of the Berne Convention for the Protection of Literary and Artistic Works (1886): dycip.com/wipo-berne-convention

n this decision, the Court of Justice of the European Union (CJEU) ruled that European Union (EU) copyright laws prevent EU member states from implementing the Berne Convention's reciprocity test for works of applied art. As a result, the copyright protection for such works originating from other countries does not depend on the law in the originating country.

#### **Background of the case**

Vitra Collections AG (Vitra) is the licensee of various chairs designed by Ray and Charles Eames, including the Dining Sidechair Wood. Ray and Charles Eames were citizens of the USA, where they first displayed the Dining Sidechair Wood in 1950. Vitra saw the copyright to the Dining Sidechair Wood infringed by a chair distributed by the chain of shops of Kwantum Nederland BV and Kwantum België BV (Kwantum).

Vitra's claims were dismissed at first instance. The Court of Appeal in The Hague found infringement of Vitra's copyright. On further appeal, the Supreme Court of the Netherlands found it necessary to have the CJEU clarify the applicability and scope of the reciprocity rule of the Berne Convention.

#### Copyright protection in the EU

The Berne Convention is an international treaty that implements basic principles and minimum standards regarding the protection of works and the rights of their authors. EU member states but not the EU are members to the Berne Convention. The EU however committed to comply with it through other treaties. The three basic principles of the Berne Convention are:

- National treatment (works originating in one of the Berne Convention contracting states are given the same protection in each of the other contracting states as granted to its own nationals).
- Automatic protection (no formality requirement).
- Independence of protection (protection independent of the existence of protection in the country of origin).

Vitra claimed copyright to the Dining Sidechair Wood was infringed by Kwantum



As an exception from those principles, for works of applied art, contracting states may make copyright protection dependent on protection in the originating state (reciprocity rule).

In EU legislation, the copyright protection of "works" is laid down in the Directive 2001/29/ EC (InfoSoc Directive), which is transposed into national laws of EU member states. The directive aims at a high level of protection as a basis. It neither distinguishes between the origin of works, nor does it provide specific rules for works of applied art.

#### **Referral questions**

In the Vitra v Kwantum case, the Court of Appeal in The Hague held that the reciprocity rule does not prevent copyright protection of the Dining Sidechair Wood because works of applied art are not generally excluded from copyrightability in the USA. Kwantum argued that it has to be considered that the Dining Sidechair Wood specifically was not subject to copyright in the USA.

The questions referred to the CJEU, in summary, ask whether the case fell within the scope of EU law; whether EU law precluded EU member states from applying the reciprocity rule; and whether it made a difference if a state joined the Berne Convention prior to joining the EU.

#### **CJEU** answers

The CJEU held that the case is subject matter of EU law because the InfoSoc Directive may apply. The relevant provisions cover works of applied art, regardless of their origin. Applying the reciprocity rule would thus contravene the directive's wording and undermine its objective, namely the harmonisation of copyright law and a high standard of protection. Since the reciprocity rule is not a binding rule for member states, the fact that a state may have joined the Berne Convention before joining the EU does not justify its application.

Author:

Jacqueline Feigl

### In short

EU courts will no longer assess if works of applied art are protected in other countries. Rather, they will need to assess if copyright protection exists under the relevant national and EU laws, making enforcement less burdensome. Yet many questions remain. There are currently two CJEU cases pending, seeking clarity, inter alia, regarding the threshold for protection of works of applied art, the scope of protection, and the relevance of the subjective view of the creator (cases C-580/23 and C-795/23).

### **Distinctiveness**

## Jima Project's two parallel stripes on sport shoe General Court confirms lack of distinctive character for basic geometric shapes

 Case details at a glance Jurisdiction: European Union Decision level: General Court Parties: Jima Projects v EUIPO Citation: T-307/23 Date: 23 October 2024 Decision: dycip.com/jima-projects-t30725

he General Court upheld the European Union Intellectual Property (EUIPO) Board of Appeal's decision, affirming that the following figurative sign lacked inherent distinctiveness.

Source: Curia dycip.com/jima-projects-t30725

In its judgment the General Court (GC) sheds further light on the requirements for inherent distinctiveness of figurative marks on the side of shoes.

At the core of the case lay the figurative mark consisting of two parallel stripes, registered for "footwear, including sports footwear" in class 25.

The General Court upheld the EUIPO Board of Appeal's decision, reaffirming the principle that simple geometric shapes must significantly deviate from industry norms to qualify as trade marks.

#### Background

Jima Projects (Jima) applied for the contested mark in 2002 which was registered in 2020 only, in order to be attacked straightaway by Eli Salis Sulam due to lack of inherent distinctiveness. The Cancellation Division of the EUIPO agreed, declaring the mark invalid. This decision was later upheld by the Board of Appeal, prompting Jima to appeal to the General Court.

#### **Relevant public's level of attention**

In the first plea, Jima argued that consumers pay particular attention to simple markings because it is common practice to place relatively simple elements on the sides of shoes to indicate commercial origin. The General Court rejected this argument, emphasising that sports footwear is an everyday consumer product aimed at the general public, whose level of attention remains average.

Despite the market trends involving simple design elements to signal brand origin, the General Court found no evidence that consumers automatically associate such designs with specific manufacturers. The General Court further clarified that a higher level of consumer attention does not necessarily mean that a sign with weaker distinctive character is sufficient to indicate commercial origin.

#### **Distinctiveness**

For a mark to possess distinctiveness, it must enable consumers to identify goods as originating from a specific undertaking. The General Court concluded that the two stripes failed to meet this criterion for the following reasons:

#### 1. Indistinguishable from the product The contested mark could not be

dissociated from the shape of the product itself. Such signs are only distinctive if they significantly depart from the norms or customs of the sector.

#### 2. Lack of striking features

Jima argued that the mark featured two distinctive slanted stripes on the side of a shoe, distinguishing it from simple geometric shapes. However, the General Court found that the mark resembled basic geometric shapes, specifically parallelograms, which lack any distinctive character.

## 3. Branding trends do no not influence consumer perception

The General Court rejected the argument that the relevant public perceives the contested mark as a badge of origin merely because it is placed on the side of a shoe. While it is common practice for manufacturers to affix marks to the sides of shoes, this alone does not demonstrate that consumers automatically associate such signs with specific manufacturers.

#### Implications of the judgment This judgment aligns with the General Court's established case law regarding figurative or

positional marks on the sides of footwear.

For instance, in the K-Swiss case (T-3/15), the registration of five stripes on the side of a shoe was refused due to a lack of distinctiveness.



Source: Curia dycip.com/k-swiss-t315

The General Court held that the five stripes were indistinguishable from the shape of the product itself.

Further, placing decoration on the sides of shoes was considered common in the sector such that the stripes would be simply viewed as an embellishment and not an indication of origin.

In contrast, in the Deichmann case (T-117/21), the distinctiveness of a cross mark on the side of footwear was upheld.



Source: Curia dycip.com/deichmann-t11721

Here, the General Court concluded that the evidence submitted failed to demonstrate that crossed lines are common in the industry and, therefore, could not substantiate the claim that the mark lacked distinctive character.

The Jima Projects case aligns more closely with the K-Swiss decision. It reaffirms the principle that, to be registrable, a sign must significantly depart from the norms or customs of the sector when it cannot be dissociated from the product itself. A certain practice itself does not render a basic sign distinctive.

Author: Julian Graf Wrangel

## Copyright

## Drifting away from EU law? High Court explores tension between originality and artistry in WaterRower v Liking

#### Solution State State

Jurisdiction: England & Wales Decision level: High Court Parties: Waterrower (UK) Limited v Liking Limited (trading as Topiom) Citation: [2024] EWHC 2806 (IPEC) Date: 11 November 2024 Decision: dycip.com/2024-ewhc-2806-ipec

n a long-awaited judgment, the High Court found that the UK test for copyright subsistence in respect of works of artistic craftsmanship cannot be reconciled with the InfoSoc Directive and Court of Justice of the European Union (CJEU) authorities. As a result, the claimant's WaterRower machine would have satisfied the EU test for copyright subsistence, but did not benefit from copyright protection under the UK's Copyright, Designs and Patents Act 1988.

#### **The WaterRower**

The focal point of WaterRower v Liking is whether the machine depicted below (including its prototype and variants) should be considered a "work of artistic craftsmanship" under section 4(1)(c) of the Copyright, Designs and Patents Act (CDPA).



Source: The National Archives dycip.com/national-archives-ewhc-2806-IPEC

Evidence was given by its designer, a former rower with a life-long interest in artistic design and carpentry. The WaterRower was described as a machine that works through water resistance and provides a "welcoming emotional connection" for its user. It was deliberately crafted like a fine piece of furniture, with various hand-made elements, and was featured in publications from the Museum of Modern Art (MoMA) and Architectural Digest.

#### What is a work of artistic craftsmanship?

Deputy High Court Judge Campbell Forsyth gave careful consideration to this question, bearing in mind that the UK's "closed category" approach to copyright subsistence is difficult to harmonise with the open-ended EU position. Under EU law, copyright protects works resulting from their authors' "own intellectual creation" as an expression of "free and creative choices", without any requirement of aesthetic or artistic value.

The underlying tension was recently explored in Response Clothing Ltd v Edinburgh Woollen Mill Ltd, where His Honour Judge Hacon noted that any UK requirement for an original work to have "aesthetic appeal" would be inconsistent with the CJEU's interpretation of Article 2 of the InfoSoc Directive (2001/29/EC).

Response Clothing, following a line of UK authorities, including the House of Lords and Supreme Court's respective decisions in Hensher and Lucasfilm, found that a work of artistic craftsmanship involves a medium that has been worked with craftsmanship (where the visual appearance involves artistic expression that is not wholly constrained by functional constraints). The assessment is not one that requires value assessments of artistic merits or quality; but "more than eye appeal" is needed: visually appealing aesthetics alone are not enough.

The deputy judge in WaterRower found that, whilst the High Court was under a strong duty of interpretation in respect of the conformity of UK law and the InfoSoc Directive, the conflict could not be reconciled.

#### The way forward

The deputy judge considered that the definition of a work of artistic craftsmanship could be subsumed within the "open" EU test, and adopted the following approach:

 The court should first consider whether the work is original within the meaning of the InfoSoc Directive: Is it the author's own intellectual creation, as an expression of free and creative choices? If so: 2. The court should apply the section 4(1) (c) CDPA statutory test, interpreted in the context of Hensher and the line of English and related authorities.

The prototype of the WaterRower satisfied the EU test, but not the UK one.

The shape of the prototype was primarily influenced by the need to work as a rowing machine, but it was not solely dictated by its function: there was room for the designer to reflect his personality.

The evidence demonstrated significant effort and skill in the WaterRower's creation (including in choice of materials, the wooden frame, the nature of the joints and the hand finish), and the prototype was carefully created to preserve and enhance the beauty in the natural wood used in the design.

However, the court determined that the designer "did not have the character of an artist craftsman", as the WaterRower was not the result of a mind with a desire "to produce something of beauty which would have an artistic justification for its own existence".

Since copyright did not subsist in the WaterRower, there was no finding of infringement.

#### **Zooming out**

The conflict between section 4(1)(c) and assimilated EU copyright law post-Brexit will now need to be resolved by an appellate court; unless the primary legislation is amended, we may see a convergence with or departure from the CJEU standard of originality in relation to works of artistic craftsmanship.

Author: Agnieszka Stephenson

### Information

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### And finally...

Infringement / likelihood of confusion

## VETSURE v PETSURE Court of Appeal overturns pet insurance ruling

n October 2023 the UK High Court found no infringement of the mark VETSURE by the brand PETSURE. VETSURE subsequently appealed the High Court decision on a number of grounds, the most interesting of which are discussed below.

#### **Conceptual similarity**

VETSURE had argued that the judge wrongly conflated the issues of conceptual similarity with assessment of the distinctive character of the VETSURE mark, and wrongly concluded that there was no conceptual similarity between VETSURE and PETSURE. On this point, the Court of Appeal found that the two marks actually have considerable conceptual similarity, as they would both be understood to describe pet insurance.

#### **Distinctive character**

The judge also erred in his assessment of distinctive character of the VETSURE mark. Just because there are two descriptive elements VET and SURE, this does not mean the combination is descriptive. In fact, VETSURE is an invented portmanteau word, which would not be found in any dictionary. It alludes to pet insurance, but it does not describe it.

#### Reputation

The judge found that VETSURE had a reputation but his findings on inherent/acquired

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mail@dyoung.com www.dyoung.com distinctiveness were inconsistent and unclear. The Court of Appeal ruled that it is impossible to have obtained a reputation without at least some enhanced/acquired distinctiveness.

Given these errors, the Court of Appeal felt empowered to re-examine the likelihood of confusion assessment. In doing so, the court found that the judge failed to take into account the imperfect recollection of consumers; he also failed to consider the position from the perspective of consumers for whom VETSURE had a reputation.

In this case, there was evidence of confusion, which the judge had been largely dismissive of, but which the Court of Appeal thought was relevant. In context, the evidence of confusion was considered significant and the High Court was wrong to find no infringement.

This decision is hopefully a step in the right direction regarding the weight given to evidence of actual confusion. It also serves as a reminder that the combination of descriptive elements may not in itself be descriptive.

#### Author: Peter Byrd

Case details at a glance Citation: [2024] EWCA Civ 1103 Decision: dycip.com/ewca-civ-1103

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