

Oxford International Intellectual Property Moot 2019

Instructions

The 2019 moot concerns the case *Marmalade Holdings, Inc v Alinor Products Pty Ltd* [2018] HCE 100. A copy of this case is included in the pages that follow, along with relevant provisions of the Trade Marks Act 1993.

At first instance in the High Court of Erewhon, Madam Justice Davies held that there was no infringement of the claimant's trade mark. She held that the sign registered by the claimant was distinctive; that the specifications should be rewritten to refer to "racing bicycles" rather than "land vehicles propelled wholly by the rider"; and that skateboards are neither identical nor similar to racing bicycles.

The claimant was granted leave to appeal from this judgment, and the defendant granted leave to file a cross-appeal in relation to elements of its counterclaim that were unsuccessful. By order, without issuing an opinion, a unanimous bench of the Court of Appeal upheld the decision of the High Court. The claimant and defendant have been granted leave to bring a further appeal to the Supreme Court of Erewhon. It is your task to prepare written and (for teams that are invited to the Oral Proceedings) oral submissions for this appeal. Some points to consider:

- a. Each written submission must cover all issues on appeal, ie, in relation to Marmalade's claim of infringement under section 57(1) and/or (2), and Alinor's counterclaim in relation to distinctiveness and non-use. For clarity, in the Supreme Court, Marmalade is the appellant and Alinor is the respondent.
- b. Whilst you are encouraged, within the grounds of appeal, to present arguments and authorities not mentioned by Madam Justice Davies, you should not seek to introduce entirely new causes of action, or to press arguments that have been conceded or were never ventilated in the original proceedings. To illustrate, it is not permissible to argue that the Mark has acquired distinctiveness or to argue infringement under section 57(3) of the Trade Marks Act.
- c. To provide some authenticity, the Shangri-Lese language is based on Mandarin Chinese. For the purpose of the moot, teams should accept the definition of the Shangri-Lese characters given by Dr Chou in paragraph 2 of the moot judgment.
- d. Erewhon is a common law jurisdiction, and the opinion of Madam Justice Davies includes reference to a number of cases. For the purposes of the written submissions, it is expected that you will deal with all of these cases, and you risk missing out on credit if you omit analysis of them. However, these references are **not** intended to constitute your sole authorities for the moot, and indeed you are expected to rely on other primary and secondary materials. The emphasis you give to any particular authority (including those cited by Madam Justice Davies)

is up to you, although the Panel will not look favourably upon strong reliance on an unduly narrow spectrum of authorities.

- e. Although the moot is held in Europe, this is an international competition and you are not limited in the jurisdictions from which you use authority. You may therefore use authorities from around the world. Obviously, however, it needs to be clear why any given authority is relevant to the legal issues in dispute.
- f. Erewhon is not a member of the European Union. It is a signatory to the Paris Convention for the Protection of Intellectual Property and the TRIPS Agreement. Treaties are not self-executing in Erewhon.
- g. Requirements for your written submissions are contained in §14 of the Rules. The following is some additional guidance:
 - i. You do not need to include such things as a table of contents, statement of jurisdiction, statement of facts, index of authorities, etc. Submissions should focus on the substantive matters raised in the appeal.
 - ii. When marking your submissions, the Panel will be instructed not to give extra credit for court headings and other flourishes that merely give the submissions the superficial “look” of an official court document. Credit may be awarded for a presentation style that facilitates the arguments being made (for instance, in the content and number of headings, the use of a logical paragraph numbering system, and so forth). You should not, therefore, be worried about purely stylistic matters when constructing your submissions.
 - iii. The word count includes all the text in the footnotes. It is recommended that footnotes are used primarily for citation purposes, and that you minimise the amount of substantive text that appears in the footnotes.
 - iv. There is no prescribed style guide for the submissions. Teams should, however: (i) maintain consistency of style throughout each submission; (ii) include full citations for sources on which they rely (at least the first time any given source is cited); and (iii) ensure that whenever they *quote* from a source, or otherwise use that source for a specific point, a pinpoint reference is included to the relevant page number and/or paragraph.
 - v. For ease of administration, please include a cover sheet on each submission that includes your anonymous identifier, the word count and whether the submission is for the appellant or respondent. The text on the cover sheet will not count for the purposes of the word count.

Any requests for clarifications of or corrections to the moot problem should be directed to the Moot Secretary at [moot@oiprc.ox.ac.uk] by **midday on Wednesday 7 November 2018 (Oxford time)**. Requests should note the paragraph number to

which they relate and explain why the requested clarification or correction is expected to have legal significance for the problem. Requests will be treated as confidential. If any clarifications or corrections are deemed necessary by the Organising Committee (“OC”), these will be released on the moot website by **Wednesday 14 November 2018**. The OC will not respond individually to any requests for clarifications or corrections, nor will it respond to requests that are seeking assistance with substantive aspects of the moot.

Your submissions must be received by the Moot Secretary (at the email address above) by **3.00pm** on **Monday 10 December 2018, Oxford time**; see further §15-§16 of the Rules. As noted there, within their written submissions, teams must identify themselves **only** by use of the anonymous identifier given to them in advance by the Moot Secretary. To apply for this identifier, you should email the Moot Secretary at [moot@oiprc.ox.ac.uk] **well before** the submission deadline.

The registration process will not open until *after* invitations have been issued to compete at the oral rounds. These invitations will be issued in mid-late January 2019. **Only those teams who are invited to the oral rounds will need to register and pay the registration fee.**

To keep apprised of announcements and news in relation to the moot (**#OxIPMoot**), please follow us on Twitter: **@OxIPMoot**.

Before:

THE HONOURABLE MADAM JUSTICE DAVIES

Between:

Marmalade Holdings, Inc

- and -

Alinor Products Pty Ltd

Madam Justice Davies:

Introduction

[1] The claimant, Marmalade Holdings, Inc (“**Marmalade**”) manufactures bicycles and bicycle accessories. Its products are sold at department stores, sports stores and specialist bike shops throughout Erewhon.

[2] Since July 2011 Marmalade has been the registered owner of Erewhonian trade mark number EW0011393, being 自己 SPEED “in Class 12 for land vehicles propelled wholly by the rider” (“**Mark**”). The characters 自己 (in Pinyin, Ziji) are from Shangri-Lese, the official language of Erewhon’s neighbour Shangri-La. Translated to English they mean “self”: expert evidence of Dr Chou from the National University of Erewhon. Marmalade uses the Mark in relation to a line of high-end road racing bicycles sold only at specialist bike shops. According to internal marketing documents written by a Mr Spot, Director of Brand Development at Marmalade, the Mark was developed because of the famous multi-stage road racing event, the Tiger Tour, held in Shangri-La. Marmalade wanted to develop a brand name that would remind target consumers (cyclists who compete in road racing or triathlon, or who otherwise undertake a lot of road cycling) of Shangri-La and the Tiger Tour. Marmalade does not have any commercial connection to Shangri-La; for instance, it neither manufactures nor sells bicycles in that country.

[3] In March 2018 the defendant, Alinor Products Pty Ltd (“**Alinor**”), launched a range of skateboards, also under the sign 自己 SPEED. These skateboards are sold in department stores, toy shops and sports stores.

[4] Marmalade claims that the use by Alinor of the sign 自己 SPEED in relation to skateboards places Alinor in contravention of either section 57(1) or (2) of the Trade Marks Act 1993:

(1) A person infringes a registered trade mark if he or she uses in the course of trade a sign which is identical with the trade mark in relation to goods or services which are identical with those for which it is registered.

(2) A person infringes a registered trade mark if he or she uses in the course of trade a sign where because—

(a) the sign is identical with the trade mark and is used in relation to goods or services similar to those for which the trade mark is registered, or

(b) the sign is similar to the trade mark and is used in relation to goods or services identical with or similar to those for which the trade mark is registered,

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the trade mark.

[5] Alinor does not seek to deny that it has used a sign that is identical to the Mark or that its use occurred in the course of trade. It does, however, question the validity of Marmalade's registration, and has brought a counterclaim in relation to two matters. First, it argues that 自己 SPEED should be read as SELF SPEED and that this is descriptive of bicycles and indeed all other self-propelled land vehicles. It therefore argues that the Mark lacks distinctiveness and was registered contrary to section 8(1) of the Trade Marks Act. Its second submission is that even if distinctive, the Mark has not been used in relation to "land vehicles propelled wholly by the rider" but only in relation to racing bicycles. It argues that the registration should be revoked or, in the alternative, narrowed.

[6] For the reasons set out below I have formed the view that the Mark is distinctive; that the specifications should be rewritten to refer to "racing bicycles"; and that skateboards are neither identical nor similar to racing bicycles. As such, there is no infringement under either section 57(1) or 57(2).

Distinctiveness

[7] In order to determine whether 自己 SPEED is descriptive and hence non-distinctive, I must first consider how the mark should be read, given its use of Shangri-Lese characters and an English word. There have not been any previous cases in Erewhon to consider this issue.

[8] Marmalade's main argument is that I should ask what the characters 自己 mean to ordinary Erewhonian consumers, similar to the approach in *Matratzen Concord AG*

v Hukla German SA, Case C-421/04, [2006] ECR I-2303.¹ It presented evidence from the national census and other sources that no more than five per cent of Erewhon's population of 50 million people are proficient in Shangri-Lese at a conversational level or above, and tendered written statements from two bicycle shop owners to the effect that customers wishing to purchase a 自己 SPEED bicycle generally use language such as "the speed range" or "a tiger speed bike", with very few reciting the Shangri-Lese characters. It argued that the average Erewhonian consumer would interpret the Mark as the word SPEED to the right of two Shangri-Lese characters, communicating the message of foreign speed or speed that is connected to Shangri-La. It said that the Mark was better viewed as a combination mark, having ornamental elements (the characters) alongside an English word (SPEED).

[9] Alinor's primary submission is that Erewhonian judges should disregard public familiarity with Shangri-Lese (or any other foreign language) when interpreting marks that contain foreign words. Instead, it says, we should recognise a strict doctrine of foreign equivalents, such that the mark must be read as SELF SPEED. It says that this better reflects the need to keep free (ie, that other traders may wish to use foreign words in their descriptive sense) and avoids the logistical and other challenges of distinguishing between common and obscure languages. Alinor's alternative submission is that Shangri-Lese is a common language, judged both within Erewhon and internationally. In closing arguments I put to counsel for Alinor that Shangri-Lese is used much less frequently than English, Spanish and Italian, being the official language of only a single country (Shangri-La, population 100 million people). As part of her response, counsel pointed me to the USPTO Trademark Trial and Appeal Board opinion in *In re S Squared Ventures, LLC*, Serial No. 86813357 (16 August 2017) where it was accepted that Swahili is a common modern language for the purposes of the US doctrine of foreign equivalents.

[10] I accept the evidence presented by Marmalade in relation to the level of familiarity of members of the Erewhonian public with Shangri-Lese. I nevertheless agree with Alinor that Erewhon should recognise a strict doctrine of foreign equivalents, and that this should apply to all modern languages and not merely those that are "common" (whatever that means) in Erewhon. In reaching this decision, I have been swayed by the criticism of cases such as *Cantarella Bros Pty Ltd v Modena Trading Pty Ltd* [2014] HCA 48 and *Matratzen*, *ibid*. I therefore agree that the mark should be read as SELF SPEED.

[11] The next question is whether the mark is descriptive of self-propelled land vehicles. Marmalade argues that even if I read the mark as SELF SPEED, it is not descriptive, being a "lexical invention" similar to the words BABY-DRY in *Proctor & Gamble Co v OHIM*, Case C-383/99, [2001] ECR I-6251. I agree with the statement in paragraph 37 of that case that prohibitions on the registration of descriptive marks

¹ Marmalade did not seek to argue that the Mark had acquired distinctiveness.

exist to “prevent registration as trade marks of signs or indications which, because they are no different from the usual way of designating the relevant goods or services or their characteristics, could not fulfil the function of identifying the undertaking that markets them and are thus devoid of the distinctive character needed for that function.” Applying the reasoning to the present facts, although SELF SPEED alludes to a vehicle that is propelled by the labour of the driver, it is not an everyday term but has a “syntactically unusual juxtaposition” (paragraph 43) which renders it distinctive and capable of registration.

[12] For completeness I wish to add that had I agreed with Marmalade that the Mark is, in essence, a combination mark of a figurative device and a word, I would have held it to be inherently distinctive. Alinor presented a number of arguments that this mark lacked distinctiveness, for instance on the basis that the only memorable component of the Mark is the word SPEED, and that SPEED for bicycles or self-propelled vehicles is descriptive. I would not have agreed with this attempt to read away the ornamental features of a combination mark.

Non-use

[13] Having held that the Mark is distinctive, I now consider the non-use argument of Alinor. The issue here is straightforward: Marmalade registered the Mark in Class 12 for “land vehicles propelled wholly by the rider” but has only used the Mark for racing bicycles. Should the Mark be able to stand on its current terms or should the specifications be rewritten by me or, more radically, the entire Mark revoked? Power to revoke on the ground of non-use is found section 34(1) of the Trade Marks Act 1993, which provides in paragraph (a) that a trade mark may be revoked if:

within the period of five years following the date of completion of the registration procedure it has not been put to genuine use in Erewhon, by the proprietor or with his consent, in relation to the goods or services for which it is registered, and there are no proper reasons for non-use ...

Section 34(5) states that “[w]here grounds for revocation exist in respect of only some of the goods or services for which the trade mark is registered, revocation shall relate to those goods or services only.”

[14] Both sides presented compelling arguments in relation to non-use. For instance Alinor said that although extreme, revocation of the Mark would send the strongest signal to would-be registrants that trade marks must not be drafted with overbroad claims. I see merit in the argument that the less extreme response – narrowing or redrafting the specifications – may encourage applicants to use broad language on the basis that there are no downsides if the worst case scenario is for a judge to rewrite the specifications to cover less expansive territory. On the other hand, Marmalade argued that a trader’s product range, and hence trade mark specifications, should not be frozen in time but that traders should be able to change their offerings in response to market conditions: *Roger Maier Assos of Switzerland SA v ASOS plc* [2015] EWCA

Civ 220 per Sales LJ (dissenting). It therefore argued against any narrowing in this case.

[15] Overall I am more persuaded by Alinor's arguments, although I am also cognisant of the harshness to trade mark proprietors of revoking marks that have been used, especially given the breadth of many of the approved terms of the Erehonian Trade Mark Office (ETMO), which include such descriptions as 'computer software' and 'clothing'. As such, I will adopt the approach of Aldous LJ in *Thomson Holidays Limited v Norwegian Cruise Line Limited* [2002] EWCA Civil 1828 at paragraph 31 that:

[t]he court's task [is] to arrive at a fair specification of goods having regard to the use made. ... In my view that task should be carried out so as to limit the specification so that it reflects the circumstances of the particular trade and the way that the public would perceive the use. ... [T]he court should inform itself of the nature of trade and then decide how the notional consumer would describe such use.

[16] Applying this approach, I think it is clear that the notional consumer would describe the use as pertaining to racing bicycles, this being the only product on which the Mark has ever been used. I will make orders for the specifications be amended to read "Class 12 for racing bicycles".

Similarity / identity of goods

[17] I now ask whether skateboards are identical or similar to "racing bicycles", this being relevant to whether the facts fall within section 57(1) (double identity infringement) or section 57(2) (likelihood of confusion infringement).

[18] Alinor concedes that if skateboards and racing bicycles are identical, all the elements of section 57(1) have been made out and it will be liable under that provision. I agree with Alinor, however, that it is not liable under section 57(1) as skateboards are not identical to racing bicycles, being neither the same as nor a subset of those items. My conclusion would have been different had I agreed with Marmalade that the original specification should be left intact as "land vehicles propelled wholly by the rider". Although Alinor sought to point to the Nice classification system and the fact that skateboards are listed within Class 28 for toys and sporting articles, I would have held that skateboards are clearly "vehicles" and are self-propelled, with the Nice classification system irrelevant to this conclusion.

[19] The final question is whether skateboards are similar to racing bicycles. Here I have applied the approach of Jacob J in *British Sugar Plc v James Robertson & Sons Ltd* [1996] RPC 281 (Ch). In that case the plaintiff had a registration for TREAT in class 30 for dessert sauces and syrups. Its product, Silver Spoon Treat, was designed to be poured onto ice cream. The plaintiff brought proceedings against the defendant in relation to its product Robertson's Toffee Treat, a sweet-flavoured spread. In finding that the two products were not similar, Jacob J recognised as relevant: the

characteristics of the respective uses and users of the goods; the physical nature of the goods; the trade channels by which the goods reach the market; (for “self-serve consumer items”) where each product is found in the shop; and whether the goods are competitive: pp. 296-297. Applying similar considerations, I am of the view that skateboards are not similar to racing bicycles. For instance, racing bicycles are designed for long distance on-road use (including commuting) whilst skateboards are designed primarily for recreational use in parks and skating facilities. One is ridden upright on a platform that has four wheels whilst the other is ridden seated on a frame that has two in-line wheels.

[20] In the light of the above, it is not necessary for me to consider submissions in relation to confusion as there is no similarity or identity of goods and hence infringement under section 57(2). Marmalade’s claim for trade mark infringement is dismissed. The counterclaim is successful as it relates to partial non-use.

Madam Justice Davies made orders that trade mark number EW0011393 be amended to delete the words “land vehicles propelled solely by the rider” and replace them with “racing bicycles”.

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Trade Marks Act 1993 – extracts

Section 5 Meaning of trade mark

(1) In this Act a “trade mark” means any sign capable of being represented graphically which is capable of distinguishing goods or services of one undertaking from those of other undertakings.

(2) A trade mark may in particular consist of the following:

- (a) words (including personal names);
- (b) designs;
- (c) letters;
- (d) numerals;
- (e) a colour or combinations of colours; and
- (f) the shape of goods or packaging.

Section 8 Absolute grounds for refusal of registration

(1) The following shall not be registered—

- (a) signs which do not satisfy the requirements of section 5;
- (b) trade marks which are devoid of any distinctive character; and
- (c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services,

provided that a trade mark shall not be refused registration by virtue of paragraph (b) or (c) if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.

Section 33 Grounds for invalidity of registration

(1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 8.

(2) Where the trade mark was registered in breach of section 8(1)(b) or (c), it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered.

Section 34 Revocation of registration

(1) The registration of a trade mark may be revoked on any of the following grounds—

- (a) that within the period of five years following the date of completion of the registration procedure it has not been put to genuine use in Erewhon, by the proprietor or with his consent, in relation to the goods or services for which it is registered, and there are no proper reasons for non-use; ...

(4) An application for revocation may be made by any person, and may be made either to the registrar or to the court, except that—

- (a) if proceedings concerning the trade mark in question are pending in the court, the application must be made to the court; and
 - (b) if in any other case the application is made to the registrar, he may at any stage of the proceedings refer the application to the court.
- (5) Where grounds for revocation exist in respect of only some of the goods or services for which the trade mark is registered, revocation shall relate to those goods or services only.
- (6) Where the registration of a trade mark is revoked to any extent, the rights of the proprietor shall be deemed to have ceased to that extent as from—
- (a) the date of the application for revocation, or
 - (b) if the registrar or court is satisfied that the grounds for revocation existed at an earlier date, that date.

Section 57 Infringement of a registered trade mark

(1) A person infringes a registered trade mark if he or she uses in the course of trade a sign which is identical with the trade mark in relation to goods or services which are identical with those for which it is registered.

(2) A person infringes a registered trade mark if he or she uses in the course of trade a sign where because—

- (a) the sign is identical with the trade mark and is used in relation to goods or services similar to those for which the trade mark is registered, or
- (b) the sign is similar to the trade mark and is used in relation to goods or services identical with or similar to those for which the trade mark is registered,

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the trade mark.

(3) A person infringes a registered trade mark if he or she uses in the course of trade a sign which—

- (a) is identical with or similar to the trade mark, and
- (b) is used in relation to goods or services which are not similar to those for which the trade mark is registered,

where the trade mark has a reputation in Erewhon and the use of the sign, being without due cause, takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark.

(4) For the purposes of this section a person uses a sign if, in particular, he or she—

- (a) affixes it to goods or the packaging thereof;
- (b) offers or exposes goods for sale, puts them on the market or stocks them for those purposes under the sign, or offers or supplies services under the sign;
- (c) imports or exports goods under the sign; or
- (d) uses the sign on business papers or in advertising.

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Links to cases cited by Madam Justice Davies

Matratzen Concord AG v Hukla German SA, Case C-421/04, [2006] ECR I-2303:

<http://curia.europa.eu/juris/liste.jsf?num=C-421/04>

In re S Squared Ventures, LLC, Serial No. 86813357 (16 August 2017):

<http://ttabvue.uspto.gov/ttabvue/ttabvue-86813357-EXA-24.pdf>

Cantarella Bros Pty Ltd v Modena Trading Pty Ltd [2014] HCA 48:

<http://www.austlii.edu.au/cgi-bin/viewdoc/au/cases/cth/HCA/2014/48.html>

Proctor & Gamble Co v OHIM, Case C-383/99, [2001] ECR I-6251:

<http://curia.europa.eu/juris/liste.jsf?language=en&num=C-383/99>

Roger Maier Assos of Switzerland SA v ASOS plc [2015] EWCA Civ 220:

<http://www.bailii.org/ew/cases/EWCA/Civ/2015/220.html>

Thomson Holidays Limited v Norwegian Cruise Line Limited [2002] EWCA Civil 1828:

<http://www.bailii.org/ew/cases/EWCA/Civ/2002/1828.html>

British Sugar Plc v James Robertson & Sons Ltd [1996] RPC 281 (Ch):

<http://www.bailii.org/ew/cases/EWHC/Ch/1996/387.html>