

O-433-14

**TRADE MARKS ACT 1994**

**IN THE MATTER OF REGISTRATION NO. 2650525 IN THE NAME OF  
MORGENLAND GMBH IN RESPECT OF THE FOLLOWING TRADE MARK IN  
CLASSES 3 AND 5**



**AND AN APPLICATION FOR A DECLARATION OF INVALIDITY THERETO  
UNDER NO. 500037 BY TOXIC TWINS LIMITED**

## Background and pleadings

1) Morgenland GmbH is the proprietor of the above mark (“the registration”). It applied for the registration on 21 December 2012 and the registration procedure was completed on 3 May 2013. The registration covers the following goods:

**Class 3:** *Cosmetics*

**Class 5:** *Sanitary preparations for medical purposes; plasters; materials for dressings*

2) On 27 June 2013, Toxic Twins Limited (“the applicant”) applied for the registration to be declared invalid. The grounds of the application are:

- The applicant relies on Section 5(4)(a) of the Trade Marks Act 1994 (“the Act”) and claims passing off rights based upon the earlier sign shown below where use has been claimed throughout the UK since January 2008 in respect of *cosmetics*:



- The applicant claims that the registration offends under Section 3(6) of the Act because it was made in bad faith and explains its position in the following terms:

Toxic Twins Limited had an Agency & Distribution Agreement with a German company called Fly Communications GmbH where one of the directors/promoters of that entity was a Joerg Epkenhaus. Morgenland GmbH is being promoted/directed by Joerg Epkenhaus also we understand by his wife a Mrs Debbie Epkenhaus.

- The applicant claims ownership of the copyright in a work that is identical to the proprietor’s mark and states:

Copyright was created by Ms Jennifer Hedderman t/a Illuminate Creative Consultancy an Irish sole trader. Ownership of the copyright vested in Toxic Twins Limited on 30.07.07 on foot of payment of invoice to Jennifer Hedderman t/a Illuminate Creative Consultancy.

Toxic Twins Limited registered their Irish Trade Mark on 07/08/2008 and therefore they owned the copyright contained in the said Trade Mark. The U.K. Trade Mark has copied the Irish Trade Mark exactly and is therefore infringing the copyright of Toxic Twins Limited.

3) The proprietor filed a counterstatement denying the claims made. In particular:

- It denies that the applicant has generated goodwill in the UK claiming that the selling of goods to “a few retailers in London” and unknown levels of website sales does not automatically lead to the requisite goodwill.
- It denies acting in bad faith stating that Fly Communications GmbH is not, nor never has been, an associated company and is in no way connected to the proprietor;
- It claims that mere payment of an invoice does not lead automatically to a vested interest and the applicant is therefore not the owner of an exclusive right.

4) Only the applicant filed evidence in these proceedings. This will be summarised to the extent that it is considered appropriate or necessary. The proprietor did file short written submissions which will not be summarised but will be referred to as and where appropriate during this decision. No hearing was requested and so this decision is taken following a careful consideration of the papers.

## Legislation

5) The case has proceeded to final determination on the basis of Section 3(6), Section 5(4)(a) and Section 5(4)(b) of the Act, with such grounds being relevant in invalidation proceedings in view of the provisions of Section 47(1) and Section 47(2)(b) of the Act.

6) In light of my findings later in this decision, it is only necessary for me to set out the legislation in respect of Section 47(2)(b) and Section 5(4)(b). These read as follows:

“47. - (1) ...

(2) The registration of a trade mark may be declared invalid on the ground-

(a) ...

(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

Unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.”

and

“5. -(1) ...

(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented –

(a) ...

(b) By virtue of an earlier right other than those referred to in subsections (1) to (3) or paragraph (a) above, in particular by virtue of the law of copyright, design right or registered designs.

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of “an earlier right” in relation to the trade mark.”

7) Only certain persons are entitled to make a claim under section 47(2)(b), as detailed in the Trade Marks (Relative Grounds) Order 2007 (“the Order”):

“5.—(1) Only the persons specified in paragraph (2) may make an application for a declaration of invalidity on the grounds in section 47(2) of the Trade Marks Act 1994 (relative grounds).

(2) Those persons are—

(a) ...

(b) in the case of an application on the ground in section 47(2)(b) of that Act, the proprietor of the earlier right.”

## Evidence

8) The applicant, a company based in Ireland, includes in its evidence a witness statement by Jennifer Hedderman, graphic designer, creative consultant and principal of Illuminate Creative Consultancy, a company based in Dublin, Ireland. She states that in 2007, she was commissioned by the applicant to produce and design a logo and artwork for brand identity and packaging purposes. She provides a copy of the commissioned work at Exhibit JH1. It corresponds to the unregistered mark relied upon by the applicant in respect of the Section 5(4)(a) grounds and also to the proprietor’s mark.

9) Ms Hedderman also states that she assigned all intellectual property rights in the work to the applicant by way of formal assignment on 30 July 2007 and that the owner of the copyright in the commissioned work is the applicant. A copy of this assignment is provided at Exhibit JH2. The assignment document identifies that it relates to a work that corresponds to the applicant’s unregistered mark and the proprietor’s mark and, at paragraph 1.1 it states:

“In consideration of the sum ...now paid by the Assignee [*identified as the applicant*] to the Assignor ... the Assignor [*identified earlier in the document as Ms Hedderman t/a Illuminate Creative Consultancy*] as beneficial owner  
HEREBY ASSIGNS and transfers all intellectual property rights ...”

10) The same assignment document is also provided by Lorna Clancy, director and shareholder of the applicant, at Exhibit LC1 of her witness statement.

## DECISION

### Section 5(4)(b)

11) For reasons of procedural economy, I will begin by considering the applicant's case based upon Section 5(4)(b) of the Act. The relevant date in these proceedings is the date on which the invalidation action was filed, namely 27 June 2013. The earlier right relied upon is copyright and the applicant must have been in a position to prevent use of the proprietor's mark under the law of copyright at that date.

12) From the evidence referred to above, it is clear that the applicant has been the beneficial and legal owner of any copyright in the mark since the date of the assignment agreement on 30 July 2007. However, it is disputed if any copyright subsists in the mark. In its written submissions the applicant claims that the proprietor's mark is not protected by copyright under the Copyright, Designs and Patents Act 1988 ("the Copyright Act") because, as a creation consisting of the applicant's name plus a small crown, it is not a dramatic, musical or artistic work, nor film, sound recording, broadcast or arrangement of published additions. Consequently, it does not fall within one of the protected categories of work.

13) Section 1 and Section 4(1) of the Copyright Act state:

"(1) Copyright is a property right which subsists in accordance with this Part in the following descriptions of work –

- (a) original literary, dramatic, musical or artistic works,
- (b) sound recordings, films [or broadcasts], and
- (c) the typographical arrangement of published editions."

and

"4. Artistic works.

(1) In this Part "artistic work" means-

- (a) A graphic work, photograph, sculpture or collage, irrespective of artistic quality,
- (b) ...
- (c) A work of artistic craftsmanship"

14) A helpful summary of the main principles of copyright law and artistic works was given by District Judge Clark in *Suzy Taylor v Alison Maguire* [2013] EWHC 3804 (IPEC):

6. I will set out the law in greater detail than usual to assist the unrepresented Defendant, who did not attend the hearing, in understanding it. Section 1 of the CDPA provides for copyright to subsist in original artistic works. An "original artistic work" is a work in which the author/artist has made an original contribution in creating it – for example by applying intellectual effort in its creation.

7. Artistic works are listed in s.4(1) CDPA and include "a graphic work... irrespective of its artistic quality". Graphic work is defined in 4(2) as including "(a) any painting, drawing, diagram map, chart or plan and (b) any engraving, etching, lithograph, woodcut or similar work...".

8. For an artistic work to be original it must have been produced as the result of independent skill and labour by the artist. The greater the level of originality in the work the higher the effective level of protection is, because it is the originality which is the subject of copyright protection. If the work includes elements which are not original to the artist then copying only those elements will not breach that artist's copyright in the work. It is only where there is copying of the originality of the artist that there can be infringement.

...

11. If something is an exact copy of the whole or a substantial part of an artistic work protected by copyright, it will be an infringement if there is no defence provided by one of the exceptions contained in the CDPA. If something is an inexact copy, for example if it merely resembles an artistic work protected by copyright, it may or may not be infringing. The issue is whether it is a mere idea which has been copied or whether it is the work itself – ie the expression of the author's idea – which has been copied. There is no copyright in an idea per se because a mere idea is not a "work" in which copyright can subsist.

12. The issue was considered by Lord Hoffman in *Designers Guild Ltd v Russell Williams (Textile) Ltd* [2001] FSR11 HL who said:

*"Plainly there can be no copyright in an idea which is merely in the head, which has not been expressed in copyrightable form, as a literary, dramatic, musical or artistic work, but the distinction between ideas and expression cannot mean anything so trivial as that. On the other hand, every element in the expression of an artistic work (unless it got there by accident or compulsion) is the expression of an idea on the part of the author. It represents her choice to paint stripes rather than polka dots, flowers rather than tadpoles, use one colour and brush technique rather than another, and so on. The expression of these ideas is protected, both as a cumulative whole and also to the extent to which they form a "substantial part" of the work...*

*Ladbroke (Football) Ltd v William Hill (Football) Ltd establishes that substantiality depends on quality rather than quantity... and there are numerous authorities which show that the "part" which is regarded as substantial can be a feature or combinations of features of the work, abstracted from it rather than forming a discrete part. That is what the judge found to be copied in this case...*

*Generally speaking, in cases of artistic copyright, the more abstract and simple the copied idea, the less likely it is to constitute a substantial part. Originality, in the sense of the contribution of the*

*author's skill and labour, tends to lie in the detail with which the basic idea is presented."*

13. Lord Hoffman went on to set out the correct approach for a court concerned with determining an action for infringement of artistic copyright, which is the approach I shall follow:

*"The first step in an action for infringement of artistic copyright is to identify those features of the defendant's design which the plaintiff alleges to have been copied from the copyright work. The court undertakes a visual comparison of the two designs, noting the similarities and the differences. The purpose of the examination is not to see whether the overall appearance of the two designs is similar, but to judge whether the particular similarities relied on are sufficiently close, numerous or extensive to be more likely to be the result of copying than of coincidence. It is at this stage that similarities may be disregarded because they are too commonplace, unoriginal or consist of general ideas. If the plaintiff demonstrates sufficient similarity, not in the works as a whole but in the features which he alleges have been copied, and establishes that the defendant had prior access to the copyright work, the burden passes to the defendant to satisfy the judge that, despite the similarities, they did not result from copying... Once the judge has found that the defendant's design incorporates features taken from the copyright work, the question is whether what has been taken constitutes all or a substantial part of the copyright work. This is a matter of impression, for whether the part taken is substantial must be determined by its quality rather than its quantity. It depends upon its importance to the defendant's work... The pirated part is considered on its own... and its importance to the copyright work assessed. There is no need to look at the infringing work for this purpose."*

15) Therefore, an "artistic work" is one where "the author/artist has made an original contribution in creating it". This is clearly the case here. The mark at issue was created by Ms Hedderman and consists of original features such as the style, presentation and colour of the words "Toxic twins" and the choice of position of the crown logo. In light of this, I dismiss the proprietor's claim that there is no copyright vested in the mark.

16) The proprietor's mark is identical in every detail with all of its features being identical to the applicant's copyright work. Consequently, there can be little doubt that it was copied and it cannot be coincidence that the proprietor's mark is identical. I have already concluded that there are original features in the mark. In such circumstances, the burden passes to the proprietor to satisfy me that its mark did not result from copying. It has not attempted to do this.

17) I take all of this account, together with the fact that original artistic works created in Ireland are protected under UK copyright law<sup>1</sup> and that the work relied upon by the applicant is a graphic work and thus capable of qualifying for protection as an artistic work by virtue of Section 1(1) of the Copyright, Designs and Patents Act 1988. In doing so, I conclude that use of the registered mark would be contrary to copyright law in the UK and, therefore, the registration is contrary to Section 5(4)(b) of the Act.

### **Section 3(6) and Section 5(4)(a)**

18) In light of my findings, it is not necessary for me to also consider the grounds based upon Section 3(6) and Section 5(4)(a) of the Act.

## **COSTS**

19) The applicant has been successful and is entitled to a contribution towards its costs. In the circumstances I award the applicant the sum of £1400 as a contribution towards the cost of the proceedings. The sum is calculated as follows:

Preparing statement (including official fee) and considering other side's statement	£600
Preparing evidence	£800
<b>TOTAL</b>	<b>£1400</b>

20) I therefore order Morgenland GmbH to pay Toxic Twins Limited the sum of £1400. The above sum should be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 8th day of October 2014**

**Mark Bryant  
For the Registrar,  
the Comptroller-General**

---

<sup>1</sup> The latest list of the countries in which such protection is granted is contained in the Copyright and Performances (Application to Other Countries) Order 2008, S.I. 2008/677.