

Neutral Citation Number: [2020] EWHC 713 (Ch)

Claim No: IL-2019-000046

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND & WALES
INTELLECTUAL PROPERTY LIST (ChD)
INTELLECTUAL PROPERTY
SHORTER TRIALS SCHEME

Wednesday 25 March 2020

Before: MR DANIEL ALEXANDER QC
Sitting as a Deputy Judge of the Chancery Division

B E T W E E N:

(1) PLANETART LLC
(incorporated under the laws of Delaware, USA)
(2) PLANETART LIMITED

Claimants

and

(1) PHOTOBOX LIMITED
(2) PHOTOBOX FREE PRINTS LIMITED

Defendants

Mr Douglas Campbell QC (instructed by Taylor Wessing LLP) for the Claimants
Mr Tom Alkin and Ms Kyra Nezami (instructed by Jensen & Son) for the Defendants

Hearing dates: 14-17 January 2020

APPROVED JUDGMENT

Covid-19 Protocol: This judgment was handed down remotely including by circulation to the parties' representatives by email and subsequent release (including annexes) to Bailii. The date and time for hand-down is deemed to be Wednesday 25 March 2020 at 2.00pm

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MR DANIEL ALEXANDER QC

INTRODUCTION

1. By this claim, commenced on 26 April 2019, in the Shorter Trials Scheme, the Claimants seek relief against the Defendants in respect of alleged trade mark infringement and passing off arising out of the use of marks relating to app-based photo printing. There is also a claim for revocation of one of the Defendants' UK trade marks based on the Claimants' alleged earlier rights and bad faith.

Outline of the case

2. The Claimants seek to protect the name and branding of their mobile application (or "apps") business, which is branded "FreePrints" with certain other insignia, and is operated in the UK through four apps, all branded with FreePrints-related names. The claim is primarily directed against use by the Defendants of the name "Free Prints" for their app, which it is said has been targeted to compete directly with the Claimants' business and against certain other aspects of the branding of the Defendants' business. The Claimants, broadly, contend that the Defendants have illegitimately copied the Claimants' business and its presentation to the public to the extent of adopting readily confusable branding which trades off their reputation and risks diluting their brand. They say that the absence of evidence of actual confusion is explicable by the fact that (a) it would be unlikely to come to light and (b) the Defendants objected to the Claimants trying to obtain evidence of confusion by a survey, thereby rendering such evidence harder to obtain. They contend that, in any event, the trade mark claims are unaffected by this absence of evidence.
3. The Defendants, broadly, contend that, having chosen a mark for their business "FreePrints" in respect of apps for ordering free prints and supply of free prints, the Claimants can hardly complain that a rival trader has chosen the term "free prints" to describe its own business of providing similar apps and supplying free prints, especially when others also use the term "free prints" to describe the supply of free prints. They contend that this is all they are doing and that they have adequately distinguished. They submit that the case is really an illegitimate attempt on the part of the Claimants to monopolise ordinary English words and features of design to describe their business to make it harder for a newcomer to compete and that the branding they have chosen is sufficiently different not to give rise to grounds for complaint. They say that the reason for there being either no or very limited evidence of confusion is because there is none. They say that this is not surprising because, even if consumers treat the term "FreePrints" in the Claimants branding as a brand, they do not treat the words "Free Prints" in the Defendants' branding as such but as a description of the Defendants' goods and services.
4. The Defendants' position has *prima facie* appeal. Where a trader has chosen a brand which describes what the business does and others want to use that term to describe a business of the same kind, the first trader may be aggrieved that a newcomer is using its branding. However, the second trader may be equally aggrieved that the first trader has appropriated words of the English language as branding for its business in the first place. In such cases, both the law of trade mark infringement and the law of passing off (in somewhat different ways) provide a reasonable degree of latitude to a second trader. There are two reasons for this. One is broad policy - to avoid monopolisation of elements of language which others may wish to use to describe what they are offering. The other is because consumers are taken to be sufficiently astute to be able to discriminate between use of a term as a brand and use of the same or similar term in a descriptive sense, because of the immediate context of such use.

In such cases, the similarity of the term in question means that the likelihood of confusion as to trade origin is low because the term in question in the defendant's branding does not denote trade origin at all. While that is a characterisation of the general legal principle, as I outline in greater detail below, there is no general answer in law to that question and resolution requires close attention to the specific facts.

5. There are several complicating factors in this case. First, the Claimants contend that, despite its descriptive connotation the term "FreePrints" (as a single word) has come to denote specifically the Claimants' business and that, whatever the position before the Claimants started trading, by April 2019 when the Defendants started the acts complained of, the Claimants had effectively traded themselves into exclusivity of use of that term or a term very similar to it. Second, the Claimants contend that the Defendants have gone further than merely using the words "free prints" descriptively and, by a combination of features of their branding (including, in particular, the colour scheme and logo design) they have infringed the Claimants' registered trade mark (which is for a specific design of app icon and not the word "FreePrints" alone). Third, subject to a debate discussed in detail below, there is either no or very limited evidence of any actual confusion having occurred during the period for which the apps have been trading side by side and limited evidence of any actual impact of the Defendants manner of trading on the Claimants' business.

Procedural history

6. The Claimants' solicitors sent a letter of claim dated 18 April 2019 to which the Defendants did not respond initially. Proceedings were issued on 26 April 2019 and an application was made for an interim injunction which was rejected in July 2019 with the Defendants giving limited undertakings until trial. These undertakings (broadly) limited the marketing of the Defendants on the Apple App Store and kept them from launching in the Android/Google Play online store in the interim. The claim was later amended, in November 2019, to include trade mark infringement.

EVIDENCE AND WITNESSES

7. Senior executives from both the Claimants and the Defendants gave evidence and were cross-examined. There was also evidence of more minor witnesses whose evidence was not challenged and which do not matter greatly.
8. The main witness for the Claimants was Mr Roger Bloxberg, the CEO of both of the Claimants. He described the history of the Claimants' business and the use of the marks in issue. His evidence was clear and comprehensive and as to the facts was not seriously challenged.
9. The main witness for the Defendants was Mr Christian Woolfenden, the Managing Director of both Defendants. He described the history of the Defendants' business so far as relevant, the genesis of the apps and marks in issue and described the way in which the Defendants' used the marks and why. Save as to the reasons for adoption of the marks used by the Defendants and the extent to which the Defendants had copied and were targeting the Claimants, intending to deceive or free ride, his evidence as to the primary facts was also not seriously challenged. As to that, he was the primary decision maker with respect to the choice of name (but not design of the apps). It was said that he had not been candid about the reasons why the branding adopted by the

Defendants for the apps in question had been chosen and that the branding had been designed to take advantage of the goodwill and reputation of the Claimants' marks. Overall, he gave his evidence in a somewhat casual manner, but nonetheless I found him to be a straightforward, if somewhat self-confident, witness. He underplayed the extent to which the Defendants' business was specifically targeting the Claimants' business as shown by the manner in which he addressed the various market research documents, but I did not find him to be dishonest.

10. His evidence was supported by Mr Mark Singleton, the Chief Marketing Officer of the Defendants. The Claimants' counsel requested that he was not in court while Mr Woolfenden gave his evidence on the basis that he was said to be a corroborating witness. That was not materially resisted by the Defendants' counsel and, with some reluctance, given the need for open justice, I agreed to that course.
11. In the event, his evidence was broadly the same as that of Mr Woolfenden, although some aspects of his evidence were not wholly satisfactory. For example, despite being presented with compelling evidence that the design of the Defendants' App Store layout was in certain respects copied from the Claimants' he denied this and originally maintained that the similarities were co-incidental. Although he was not directly responsible for the design, the similarities are such that I found this evidence hard to credit. Ultimately he was driven to concede that there was a chance that it might have been copied and in this part of his evidence he was visibly uneasy in the witness box. Also, Mr Singleton had originally said that the Defendants' logo used forest green (on the main corporate colours of the Defendants' overall business). This was corrected but Mr Singleton sought to defend what he had previously said in a way that revealed a willingness to put a favourable gloss on unfortunate truths, even if not wholly accurate.
12. Taken as a whole, both of the Defendants' witnesses played down the extent to which (a) the Defendants' app based printing business was based on the Claimants' (b) the Defendants' were targeting the Claimants' customers and (c) the Defendants modelled aspects of their business on the Claimants successful business. That said, while I have taken that into account in making the relevant evaluations, it is important to keep that kind of evidence in its place. This is not a copyright case and there is no tort of targeting (and seeking to take key features of) a rival's business as such.

Absent witnesses and evidence on the relationship with Apple

13. The Claimants also point out that potential witnesses who could have shed some light on certain matters were not called (for example, the product manager and main point of contact with Apple in whose App Store these apps feature). While true, I am not satisfied that their evidence is likely to have been of significant incremental assistance or would have added to what can be gleaned from the disclosure documents. There was also a side dispute as to the communications with Apple and, in particular, whether Apple had itself said that the Defendants' app name was too close to the Claimants. Although there was a lack of clarity as to the nature of a document recording Apple's views, it was not in my view central to the issues and I am not satisfied that Apple ever expressed the view that the Defendants' branding was objectionable because of a similarity with the Claimants. Apple's objection appeared to be different – see below.

LAW – TRADE MARK INFRINGEMENT/PASSING OFF

14. It is convenient to gather together the principles of law on trade mark infringement, and passing off. I deal with the law and facts relating to bad faith separately, under that heading.

(a) Trade Mark infringement - law

Trade Marks Act section 10(2)

15. For present purposes, there was no debate that the essential principles relevant to the claim under section 10(2) of the Trade Marks Act 1994 could be taken from the judgment of Kitchin LJ (as he then was) in the Court of Appeal in *Comic Enterprises v Fox* [2016] EWCA Civ 41 at paras [26]-[34]. At para [28], Kitchin LJ identified six issues to be considered and, in this case, only points (iv) and (vi) are in serious dispute:

"namely (i) there must be use of a sign by a third party within the relevant territory; (ii) the use must be in the course of trade; (iii) it must be without the consent of the proprietor; (iv) it must be of a sign which is identical with or similar to the trade mark; (v) it must be in relation to goods or services which are identical with or similar to those for which the trade mark is registered; and (vi) it must give rise to a likelihood of confusion."

Likelihood of confusion

16. At para. [31], Kitchin LJ said:

"Turning to condition (vi), this court explained the general approach to be adopted to the assessment of the likelihood of confusion in *Specsavers International Healthcare Ltd v Asda Stores Ltd* [2012] EWCA Civ 24, 2012 [FSR] 19 at [51] to [52]. We endorsed at [52] the following summary of the key principles developed by the Trade Marks Registry as being sufficient for the determination of many of the disputes coming before it:

"52. ...

(a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors;

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is

permissible to make the comparison solely on the basis of the dominant elements;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may, in certain circumstances, be dominated by one or more of its components;

(f) and beyond the usual case, where the overall impression created by a mark depends heavily on the dominant features of the mark, it is quite possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a greater degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

(k) if the association between the marks causes the public to wrongly believe that the respective goods [or services] come from the same or economically-linked undertakings, there is a likelihood of confusion."

32. In *Maier* we explained (at [76]) that to this summary should be added the further guidance provided by the Court of Justice in *Canon* (at [29]) that the risk that the public might believe that the goods or services in question come from the same undertaking or, as the case may be, from economically-linked undertakings, constitutes a likelihood of confusion for the purposes of the provision.

33. The decision in *Specsavers* clarified one further important point concerning the context of the accused use. As this court said at [87]:

"... In assessing the likelihood of confusion arising from the use of a sign the court must consider the matter from the perspective of the average consumer of the goods or services in question and must take into account all the circumstances of that use that are likely to operate in that average consumer's mind in considering the sign and the impression it is likely to make on him. The sign is not to be considered stripped of its context."

17. Kitchin LJ went on to consider matters relating to the average consumer at paras. [34](i) to (iii) and continued:

"iv) the issue of a trade mark's distinctiveness is intimately tied to the scope of the protection to which it is entitled. So, in assessing an allegation of infringement under Article 5(1)(b) of the Directive arising from the use of a similar sign, the court must take into account the distinctiveness of the trade mark, and there will be a greater likelihood of confusion where the trade mark has a highly distinctive character either per se or as a result of the use which has been made of it. It follows that the court must

necessarily have regard to the impact of the accused sign on the proportion of consumers to whom the trade mark is particularly distinctive;

v) if, having regard to the perceptions and expectations of the average consumer, the court concludes that a significant proportion of the relevant public is likely to be confused such as to warrant the intervention of the court then it may properly find infringement."

18. A few further points merit comment.

19. First, it is common ground that, in a case of trade mark infringement, there is no need to show actual confusion: see *Och-Ziff Management Europe Ltd & Anor v OCH Capital LLP & Ors* [2010] EWHC 2599 (Ch), at para [117]:

"In any event, it is not necessary for the claimant in an Article 9(1)(b) claim to prove any actual confusion at all in order to succeed. What matters is whether the court considers that there is a likelihood of confusion;"

20. Especially in cases involving ordinary consumer goods or services, the court is able to make its own determination without assistance from evidence of confusion. It is clear from the summary in *Comic Enterprises* and the more recent case law discussing it that the concept of the average consumer provides a "normative benchmark" (to use the language of Arnold J in *Jack Wills*). Like a standard of negligence, the question of whether there is a likelihood of confusion involves evaluation of what can reasonably be expected of such a consumer, not what actual consumers perceive. If it is reasonable to expect that such a consumer would distinguish the respective marks, there will be no likelihood of confusion. If not, there is likely to be.

21. Second, the Claimants submit that, as regards the comparison of marks combining verbal and figurative elements, the verbal elements should be considered more distinctive than the latter. They refer to *Wassen International Ltd v OHIM* (T-312/03) EU:T:2005:289, applied and approved by HHJ Hacon in *Bentley 1962 Ltd & Anor v Bentley Motors Ltd* [2019] EWHC 2925 (Ch) at para [66]: ("... where a trade mark is composed of verbal and figurative elements, the former should, in principle, be considered more distinctive than the latter, because the average consumer will more easily refer to the goods in question by quoting their name than by describing the figurative element of the trade mark."). While true in general, this is not a warrant for disregarding important visual elements of a logo mark.

22. Third, the Claimants point out, and the Defendants do not dispute, that it is necessary to take account of a range of ways in which confusion may occur as a result of similarity of marks even where a consumer recognizes the differences between them. They refer, in particular, to the following kinds of potential confusion:

- a. **"Another brand" confusion.** In *L.A. Sugar v Back Beat* (O-375-10), Iain Purvis QC sitting as the Appointed Person said at para [16], that this may arise where a consumer's thinking is: "The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark".

- b. **Reverse confusion.** In such a case, consumers may recognize that the brands are different but consider that a claimant is in a relevant way responsible for the defendant's goods or services (see: for example the discussion in *Comic Enterprises v Twentieth Century Fox* [2014] EWHC 185 (Ch) at para [83-84]).
- c. **Post-sale confusion.** This kind of confusion was referred to in *Datacard Corporation v Eagle Technologies Ltd* [2011] EWHC 244 (Pat), by Arnold J at para [289], preceded by his observation at para [288]:

288. "Finally, as a matter of principle, I find it difficult to see why it should matter if confusion only arises after the goods have been sold. Suppose that a consumer orders goods from a third party's website and, at the time of ordering, is not confused as the trade origin of the goods; but when the goods arrive some days later, the goods are labelled in a manner which wrongly leads the consumer to believe that the goods emanate from the trade mark proprietor. Why should such confusion not be actionable? It falls within the scope of a contextual assessment of the use of the sign. It is surely capable of being damaging to the trade mark proprietor. For example, it may cause the consumer to obtain the goods from the same website the next time he or she orders those goods under the same mistaken belief."

23. That leads to a related issue, namely the extent to which the whole context of a disputed use can be taken into account in determining the likelihood of confusion. As to this, it is necessary to exercise some care. It is clear that a sign complained of must be evaluated in the context in which it is actually used. In *Specsavers*, Kitchin LJ said:

"85. These paragraphs were considered by Arnold J in *Och-Ziff Management Europe Ltd v Och Capital LLP* [\[2010\] EWHC 2599 \(Ch\)](#), [\[2011\] FSR 11](#). The case concerned a claim by Och-Ziff Management that Och Capital had infringed its Community trade mark registrations for the marks OCH-ZIFF and OCH by the use of the sign OCH Capital. After referring to the paragraphs of the decision of the Court of Justice in *O2 Holdings* set out above, he continued at [77]-[78]:

"77. The question which arises is this: how far do the "context" referred to by the Court at [64] and the "circumstances characterising that use" referred to by the Court at [67] extend? Counsel for Och-Ziff submitted that the context and circumstances were limited to the actual context and circumstances of the use of the sign itself. Thus, in the O2 case itself, where the sign was used in a comparative advertisement, the context was the whole of the comparative advertisement, but no more. By contrast, counsel for the defendants submitted that the context and circumstances included all circumstances relevant to the effect of the use of the sign, including circumstances prior to, simultaneous with and subsequent to the use of the sign.

78. In my judgment the context and circumstances are limited to the actual context and circumstances of the use of the sign itself. The Court of Justice explicitly said at [64] that the referring court was right

to "limit its analysis" to the context in which the sign was used. Furthermore, it referred at [67] to the circumstances "characterising the use", not to the circumstances more generally. Thus circumstances prior to, simultaneous with and subsequent to the use of the sign may be relevant to a claim for passing off (or, under other legal systems, unfair competition), but they are not generally relevant to a claim for trademark infringement under art.9(1)(b).. In saying this, I do not intend to express any view on the question of post-sale confusion referred to below."

86. It is not entirely clear to me what Arnold J and the parties had in mind by the phrase "circumstances prior to, simultaneous with and subsequent to the use of the sign" but it must, I think, be seen in light of the particular and rather specific issue in that case, namely whether Article 9(1)(b) extended to confusion arising from use of the sign in advertising and promotional materials, so called 'initial interest confusion', whether or not any sale resulted and whether or not the consumer remained confused at the time of any such sale. The judge held that initial interest confusion was actionable. At least in the circumstances of that case, it mattered not that it was dispelled at a later time.

87. In my judgment the general position is now clear. In assessing the likelihood of confusion arising from the use of a sign the court must consider the matter from the perspective of the average consumer of the goods or services in question and must take into account all the circumstances of that use that are likely to operate in that average consumer's mind in considering the sign and the impression it is likely to make on him. The sign is not to be considered stripped of its context."

24. In my view, Arnold J, as he then was, in *Och-Ziff* was saying that the CJEU took the view that, in considering infringement of a registered trade mark, it was not appropriate to look so broadly at the context that use which was *prima facie* infringing was nonetheless to be regarded as non-infringing because other, separate, acts of the defendant had countered actual deception. An extreme example is where a defendant uses a well-known brand for counterfeit goods but nonetheless makes it very clear that the goods are in fact counterfeit so that no actual purchaser is confused. There may be no actual confusion as a result of the use of the sign but there is nonetheless trade mark infringement because the court must focus on the use of the sign in question not the other statements by the defendant as to the trade origin of the goods.

25. Accordingly, while it is right to take the context in which the given sign will be seen into account, I am not persuaded that it would be right to expand the view so broadly as to take account of the fact that a given sign only appears in this case after a different sign has been used. To that extent, each use of the signs must be examined separately in what might be described as its "local" context.

The significance of commonality of descriptive signs

26. One aspect of the approach to determining whether there is a likelihood of confusion which is important to this case is the significance of the adoption of common

descriptive elements. In *Reed Executive plc v. Reed Business Information Ltd* [2004] EWCA Civ 159 at [83]-[84] the Court of Appeal said:

“...where you have something largely descriptive the average consumer will recognize that to be so, expect others to use similar descriptive marks and thus be alert for detail which would differentiate one provider from another”.

See also *Elliott v. LRC Products* (O/255/13 at [57]) where the Appointed Person, Daniel Alexander QC, observed that consumers are less likely to think that two descriptive marks denote businesses that are connected with one another because a credible and dominant alternative explanation exists for the similarity in marks which has nothing to do with their denotation of a common trade source, namely that the similarity is attributable to their descriptiveness.

27. The case law does not suggest that there are general rules as to how descriptiveness should be taken into account but it is clear that it should be done. The fact sensitivity of such is illustrated in a number of cases. For, example, one concerning registration of a figurative mark incorporating “VAPE & Co” for e-cigarettes which was opposed by the proprietor of an prior registration for a figurative mark including the words “The Vape Co” (*Nicoventures Holdings Ltd v The London Vape Company Ltd* [2017] EWHC 3393 (Ch)). Birss J said (see [31]-[36]:

“The nature of the common elements needs to be considered and in a case like this, in which the common elements are elements which themselves are descriptive and non-distinctive...it is necessary somewhere to focus on the impact of this aspect on the likelihood of confusion. As has been said already it does not preclude a likelihood of confusion but it does weigh against it. There may still be a likelihood of confusion having regard to the distinctiveness and visual impact of the other components and the overall impression but the matter needs to be addressed.”

28. That approach drew on the analysis by Arnold J of the case law of the European courts in *Whyte and Mackay v Origin* [2015] EWHC 1271 (Ch) where he said at [44]:

“...what can be said with confidence is that, if the only similarity between the respective marks is a common element which has low distinctiveness, that points against there being a likelihood of confusion”.

29. These cases show that there is no hard rule that use of a descriptive term cannot lead to a finding that there is confusion but they also show that such a case is harder to establish. It also has the impact of somewhat downgrading the significance of conceptual similarity in the evaluation of the likelihood of confusion at least in so far as the mark is descriptive of the goods and services in question.

Infringement pursuant to Trade Marks Act section 10(3) - generally and the concept of "due cause"

30. As to infringement pursuant to section 10(3) of the Act, in *Comic Enterprises* at para. [110] ff Kitchin LJ said:

"110...infringement under this provision requires a degree of similarity between the mark and the sign such that the average consumer makes a connection

between them. It is not necessary that the degree of similarity be such as to create a likelihood of confusion, but it must be such that the average consumer establishes a link between the mark and the sign; and this is to be assessed globally having regard to all of the circumstances of the case: *Specsavers* at [120]; *Adidas-Salomon* at [29] to [30]. The fact that for the average consumer the sign would call the mark to mind is tantamount to the existence of such a link: *Specsavers* at [122]; *Intel Corp Inc v CPM United Kingdom Ltd (C-252/07)* [2008] ECR I-8823; [2009] RPC 15 at [60].

111. In *Interflora* this court explained (at [69]) that a proprietor of a registered trade mark alleging infringement under Article 5(2) must therefore show that the following requirements are satisfied: (i) the registered trade mark must have a reputation in the relevant territory; (ii) there must be use of a sign by a third party in the relevant territory; (iii) the use must be in the course of trade; (iv) it must be without the consent of the proprietor; (v) it must be of a sign which is identical with or similar to the trade mark; (vi) it must be in relation to goods or services; (vii) it must give rise to a link between the sign and the trade mark in the mind of the average consumer; (viii) it must give rise to one of three types of injury, that is to say, (a) detriment to the distinctive character of the trade mark, (b) detriment to the repute of the trade mark, or (c) unfair advantage being taken of the distinctive character or repute of the trade mark; and (ix) it must be without due cause."

“detriment to the distinctive character of the mark”

31. As to this requirement, in *Comic Enterprises* at para [113], Kitchin LJ said:

"113. The Court of Justice explained what is meant by detriment to the distinctive character of a mark in *Intel* at [29]:

"As regards, in particular, detriment to the distinctive character of the earlier mark, also referred to as 'dilution', 'whittling away' or 'blurring', such detriment is caused when that mark's ability to identify the goods or services for which it is registered and used as coming from the proprietor of that mark is weakened, since use of the later mark leads to dispersion of the identity and hold upon the public mind of the earlier mark. That is notably the case when the earlier mark, which used to arouse immediate association with the goods and services for which it is registered, is no longer capable of doing so."

114. The Court then went on (at [72] to [76]) to explain how such injury might be established. In summary, it is not necessary for the earlier mark to be unique, although the more 'unique' it appears, the greater the likelihood that a later identical or similar mark will be detrimental to its distinctive character; second, the use of an identical or similar mark may suffice, in some circumstances, to cause actual and present detriment to the distinctive character of the earlier mark or to give rise to a serious likelihood that such detriment will occur in the future; and third, detriment to the distinctive character of the earlier mark is caused when that mark's ability to identify the goods or services for which it is registered and used as coming from the proprietor of that mark is weakened. There followed at [77] this important explanation of what is needed by way of proof:

"77. It follows that proof that the use of the later mark is or would be detrimental to the distinctive character of the earlier mark requires evidence of a change in the economic behaviour of the average consumer of the goods or services for which the earlier mark was registered consequent on the use of the later mark, or a serious likelihood that such a change will occur in the future."

115. Then, at [78], the Court emphasised that it is immaterial for the purposes of assessing whether the use of the later mark is or would be detrimental to the distinctive character of the earlier mark, whether or not the proprietor of the later mark draws real commercial benefit from the distinctive character of the earlier mark.

116. The need for evidence of a change in the economic behaviour of the average consumer, or a real likelihood that such a change will occur in the future, was considered by the Court of Justice once again in *Environmental Manufacturing LLP v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* (C-383/12) given on 14 November 2013 at [34] to [43] in considering the similar provisions in Regulation No 207/2009. The Court said this:

"34. According to the Court's case-law, proof that the use of the later mark is, or would be, detrimental to the distinctive character of the earlier mark requires evidence of a change in the economic behaviour of the average consumer of the goods or services for which the earlier mark was registered, consequent on the use of the later mark, or a serious likelihood that such a change will occur in the future (*Intel Corp*, paragraphs 77 and 81, and also paragraph 6 of the operative part of the judgment).

35. Admittedly, paragraph 77 of the *Intel Corp* judgment, which begins with the words '[i]t follows that', immediately follows the assessment of the weakening of the ability to identify and the dispersion of the identity of the earlier mark; it could thus be considered to be merely an explanation of the previous paragraph. However, the same wording, reproduced in paragraph 81 and in the operative part of that judgment, is autonomous. The fact that it appears in the operative part of the judgment makes its importance clear.

36. The wording of the above case-law is explicit. It follows that, without adducing evidence that the condition is met, the detriment or the risk of detriment to the distinctive character of the earlier mark provided for in Article 8(5) of Regulation No 207/2009 cannot be established."

117. A little later, it continued:

"42. Admittedly, Regulation No 207/2009 and the Court's case-law do not require evidence to be adduced of actual detriment, but also admit the serious risk of such detriment, allowing the use of logical deductions.

43. None the less, such deductions must not be the result of mere suppositions but, as the General Court itself noted at paragraph 52 of the

judgment under appeal, in citing an earlier judgment of the General Court, must be founded on 'an analysis of the probabilities and by taking account of the normal practice in the relevant commercial sector as well as all the other circumstances of the case'."

118. Here the Court of Justice has explained that a serious risk of detriment may be established by deduction, but any such deduction cannot be supposition and must instead be founded properly on all the circumstances of the case and the nature of the trade in issue."

32. That is important because it highlights a difficulty in application of these provisions. Actual evidence of a change in the economic behaviour of consumers is often difficult to obtain. Moreover, where the distinctiveness of a mark is whittled away, the detrimental impact can, in some circumstances, be reflected just as much in the evasive action that a proprietor needs to take to re-establish distinctiveness. Where a rival creeps up on a brand, a proprietor is sometimes forced to edge away from the new-comer at some cost or devote resources to amplifying its brand message to avoid its original distinctiveness being drowned out by the alleged infringer. In my judgment where the evidence, taken as a whole, shows that damage of that kind is sufficiently likely, it is a corollary of the statement of principle of the Court of Appeal that it is not invariably necessary for there to be actual evidence that consumers have changed their behaviour as a result of the adoption of the rival mark.

33. However, it is also necessary to bear in mind in applying these provisions what the General Court said in Case T-215/03 *SIGLA SA v Office for Harmonisation in the Internal Market* [\[2007\] ECR II-711](#) the General Court held at [38]:

"... the risk of dilution appears, in principle, to be lower if the earlier mark consists of a term which, because of a meaning inherent in it, is very common and frequently used, irrespective of the earlier mark consisting of the term at issue. In such a case, reuse of the term in question by the mark applied for is less likely to result in a dilution of the earlier mark. Thus in *SPA-FINDERS*, ... paragraph 44, the Court found that, since the term 'spa' was frequently used to designate, for example, the Belgian town of Spa and the Belgian racing circuit of Spa-Francorchamps or, in general, places for hydrotherapy such as hammams or saunas, the risk of another mark also containing the word element 'Spa' being detrimental to the distinctive character of the mark SPA appeared to be limited."

34. Just as in a case of infringement under section 10(2), so under section 10(3), descriptiveness of the respective marks is a key element. A trader has less right to complain that its brand is being diluted if it has chosen a mark which is of limited distinctiveness in the first place. Nor can a trader complain that precisely because its brand is so vulnerable to loss of distinctiveness and swamping by a newcomer using it descriptively that this gives rise to a claim for dilution. Nonetheless, these propositions must have regard to the precise marks in issue and the extent to which they only consist of descriptive terms.

“unfair advantage”

35. As to this requirement, the law is uncontroversial. First, there has to be an “unfair” advantage, not merely an economic (or commercial) one: see *Argos Limited v Argos Systems Inc* [2018] EWCA Civ 2211 at [108] per Floyd LJ, with whom Sir Colin Rimer and Kitchin LJ agreed at [115], [116]. The Court of Justice described this as taking unfair advantage in *C-487/07 L’Oréal SA v Bellure NV* [2009] E.C.R. I-5185 at [41] in the following terms:

41. "As regards the concept of ‘taking unfair advantage of the distinctive character or the repute of the trade mark’, also referred to as ‘parasitism’ or ‘free-riding’, that concept relates not to the detriment caused to the mark but to the advantage taken by the third party as a result of the use of the identical or similar sign. It covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation.”

36. Second, it is necessary to perform a global assessment of the circumstances of the case in order to determine whether an advantage is unfair. In *L’Oréal SA v Bellure* the CJEU said at paras. [44] ff:

"44. In order to determine whether the use of a sign takes unfair advantage of the distinctive character or the repute of the mark, it is necessary to undertake a global assessment, taking into account all factors relevant to the circumstances of the case, which include the strength of the mark's reputation and the degree of distinctive character of the mark, the degree of similarity between the marks at issue and the nature and degree of proximity of the goods or services concerned. As regards the strength of the reputation and the degree of distinctive character of the mark, the Court has already held that, the stronger that mark's distinctive character and reputation are, the easier it will be to accept that detriment has been caused to it. It is also clear from the case-law that, the more immediately and strongly the mark is brought to mind by the sign, the greater the likelihood that the current or future use of the sign is taking, or will take, unfair advantage of the distinctive character or the repute of the mark or is, or will be, detrimental to them (see, to that effect, *Intel Corporation*, paras.67 to 69).

45. In addition, it must be stated that any such global assessment may also take into account, where necessary, the fact that there is a likelihood of dilution or tarnishment of the mark.

...

49. In that regard, where a third party attempts, through the use of a sign similar to a mark with a reputation, to ride on the coat-tails of that mark in order to benefit from its power of attraction, its reputation and its prestige, and to exploit, without paying any financial compensation and without being required to make efforts of his own in that regard, the marketing effort expended by the proprietor of that mark in order to create and maintain the image of that mark, the advantage resulting from such use must be considered to be an advantage that has been unfairly taken of the distinctive character or the repute of that mark.”

The relevance of a defendant's intention in a case of unfair advantage

37. This aspect was the focus of some debate. In *Sky v SkyKick* [2018] EWHC 155 (Ch) Arnold J said at para. [315]:

“It is clear both from the wording of art.9(2)(c) of the Regulation/ art.10(2)(c) of the Directive and from the case law of the Court of Justice interpreting these provisions that this aspect of the legislation is directed at a particular form of unfair competition. It is also clear from the case law both of the Court of Justice and of the Court of Appeal in this country that the defendant's conduct is most likely to be regarded as unfair where he intends to take advantage of the reputation and goodwill of the trade mark. Nevertheless, in *Jack Wills Ltd v House of Fraser (Stores) Ltd* [2014] EWHC 110 (Ch); [2014] F.S.R. 39 at [80] I concluded that there is nothing in the case law to preclude the court from holding in an appropriate case that the use of a sign the objective effect of which is to enable the defendant to benefit from the reputation and goodwill of the trade mark amounts to unfair advantage even if it is not proved that the defendant subjectively intended to exploit that reputation and goodwill. Counsel for SkyKick did not challenge that conclusion.”

38. The difficulty with this aspect of law is not conceptual but arises because it is sometimes hard evidentially to disentangle a defendant's intention to copy a claimant's business from an intention to benefit from the claimant's reputation and goodwill. In one sense any rival trader who is adopting similarities in approach and presentation of a business is intending to benefit from that but a court must be astute not to confuse that with the more specific intention to benefit from the reputation and goodwill of the registered trade mark. It is also necessary to bear in mind the observations of Kitchin LJ as he then was in *Specsavers International Healthcare Ltd & Ors v Asda Stores Ltd* [2012] EWCA Civ 24 at [115]:

“In my judgment it is important to distinguish between a defendant who takes a conscious decision to live dangerously and one who intends to cause deception and deliberately seeks to take the benefit of another trader's goodwill. It has long been established that if it is shown that a defendant has deliberately sought to take the benefit of a claimant's goodwill for himself the court will not "be astute to say that he cannot succeed in doing that which he is straining every nerve to do": see *Slazenger & Sons v Feltham & Co* (1889) 6 RPC 531 at p.538 per Lindley LJ. A trader who has taken the decision to live dangerously is in a different position, however. He has appreciated the risk of confusion and has endeavoured to adopt a sign which is a safe distance away. All must depend upon the facts of the particular case. Further, it must be kept firmly in mind that the ultimate question whether or not the similarity between the trade mark and the sign is such that there exists a likelihood of confusion is one for the court to determine in the light of its global assessment of all material factors, of which the intention of the defendant, as a person who knows the market in which he is offering his goods or services, is only one.”

39. Although that was said primarily of a case under section 10(2), it is equally applicable to a case under section 10(3): it is one thing to live dangerously, in the sense of

pushing the boundaries of legitimate creep up on an incumbent. It is another to intend to deceive.

“without due cause”

40. As to "due cause", Kitchin LJ said in *Argos* at para [120] that the defendant had the burden of establishing that there was due cause and continued at paras. [122]ff:

"122. The use must also be 'without due cause'. As the Court of Justice made clear in *Intel* at [39], where the proprietor of a registered mark has shown that there is either actual and present injury to its mark for the purposes of Article 4(4)(a) of the Directive (the ground for refusal corresponding to Article 5(2)), or failing that, a serious risk that such injury will occur in the future then it is for the proprietor of the later mark to establish there is due cause for the use of the later mark.

...

...[quoting from *Leidseplein Beheer BV, Hendrikus De Vries v Red Bull GmbH, Red Bull Nederland BV* (C-65/12) [2014] ETMR 24]:

"60. ... the proprietor of a trade mark with a reputation may be obliged, pursuant to the concept of "due cause" within the meaning of that provision, to tolerate the use by a third party of a sign similar to that mark in relation to a product which is identical to that for which that mark was registered, if it is demonstrated that that sign was being used before that mark was filed and that the use of that sign in relation to the identical product is in good faith. In order to determine whether that is so, the national court must take account, in particular, of:

- how that sign has been accepted by, and what its reputation is with, the relevant public;
- the degree of proximity between the goods and services for which that sign was originally used and the product for which the mark with a reputation was registered; and
- the economic and commercial significance of the use for that product of the sign which is similar to that mark."

123. More broadly the Court has explained that the concept of due cause involves a balancing between, on the one hand, the interests which the proprietor of a trade mark has in safeguarding its essential function and, on the other hand, the interests of other economic operators in having signs capable of denoting their products and services (see, in particular, *Leidseplein* at [41] to [46])."

41. Again here, the difficulties in this area are not so much conceptual but arise in the practical application of a test of this kind to a range of cases. In my view, there are several points to bear in mind in considering whether that provision comes into play.

42. First, having regard to the general principles of trade mark law, which require consideration of marks as a whole, the question of whether (for example) there are interests of other economic operators having signs capable of denoting their products and services justifying the use of the sign must be evaluated by reference to the mark and sign taken as a whole. In the case of a mark composed of a number of elements,

the court should consider whether those interests should reasonably permit the use of all of those elements in combination, not merely some of them.

43. Second, the approach should not be so strict that it is only where a defendant proves that there is no practical alternative at all to the use of the sign in question that a defendant's sign would be regarded as being used with due cause. There has to be some degree of latitude, which will depend on the circumstances of the trade. However, it must be borne in mind that this provision only comes into play after it has been found that there is not only a link between the registered trade mark and the sign but also that it has taken unfair advantage or is detrimental to the distinctive character of the trade mark in the sense that the case law has required. That does raise the bar for a defendant to show that the use of the sign is nonetheless with due cause.
44. Third, where the registered mark includes descriptive elements (or other elements which are less likely to have trade mark significance – such as a colour or design) and the case for application of section 10(3) is largely based on the common use of such elements, the easier will it be for a defendant to show that the use of those elements is with due cause. That approach gives effect to the purpose of the law articulated in *Leidesplein* and *Argos*.
45. Fourth, cases are highly fact dependent but the court should seek a proportionate response. The greater the intrusion into the trade mark proprietor's legitimate interests in the ways that the law seeks to protect against, the stronger will need to be the defendant's justification for nonetheless using the sign in question.
46. In what follows, I have not sought to recite mechanically the application of this thinking to the evaluation required but have borne it all in mind.

(b) Passing off - law

Basic principles

47. There was no dispute as to the basic principles, which can be taken from the *Jif Lemon* case (*Reckitt & Colman Products v. Borden* [1990] RPC 341) at p 406 lines 21-43.

“The law of passing off can be summarised in one short general proposition - no man may pass off his goods as those of another. More specifically, it may be expressed in terms of the elements which the plaintiff in such an action has to prove in order to succeed. These are three in number. First, he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying "get-up" (whether it consists simply of a brand name or a trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods or services. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff. Whether the public is aware of the plaintiff's identity as the manufacturer or supplier of the goods or services is immaterial, as long as they are identified with a particular source which is in fact the plaintiff. For

example, if the public is accustomed to rely upon a particular brand name in purchasing goods of a particular description, it matters not at all that there is little or no public awareness of the identity of the proprietor of the brand name. Thirdly, he must demonstrate that he suffers or, in a *quia timet* action that he is likely to suffer, damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff.”

48. There are, however, two areas where the parties diverged to some extent: the approach to evaluation of misrepresentation and how to address use of a descriptive element. It is necessary to analyse these in greater detail.

(i) *Misrepresentation*

49. First, in most cases, of which this is no exception, the central question is whether there is a misrepresentation. As the Defendants submit, this is the critical element of the tort. A finding of misrepresentation, or its absence, informs but is not conclusive of the other two requirements of the tort. If there is a misrepresentation, it is often likely that it is because the claimant has developed sufficient goodwill. So the presence of misrepresentation is itself a test of goodwill.

50. Second, as noted above, the question of likelihood of confusion in a trade mark case is as much a normative question - focusing on the reaction of a notional average consumer - as a purely factual one. However, in the law of passing off, the evidence or absence of actual confusion is more dominant in the enquiry (subject to a point about tolerable confusion, considered below). It is true that passing off cases can also succeed without actual evidence of confusion but, in cases where confusion is not *prima facie* likely because of all the circumstances of trade, they face an uphill battle. That is illustrated by the manner in which the courts have addressed this issue. In his short concurring speech in the *Jif Lemon* case, Lord Bridge of Harwich said:

“If I could find a way of avoiding this result, I would. But the difficulty is that the trial judge’s findings of fact, however surprising they may seem, are not open to challenge. Given these findings, I am constrained by the reasoning in the speeches of my noble and learned friends, Lord Oliver of Aylmerton and Lord Jauncey of Tullichettle to accept that the judge’s conclusion cannot be faulted in law...With undisguised reluctance I agree with my noble and learned friends that this appeal should be dismissed”.

51. The findings to which he was there referring were that, despite the fact that shoppers would realize that the defendant’s products were not the claimant’s if they read the labels, they did not usually do so and assumed that a product in a lemon-shaped container must be Jif. Against that background, the defendant’s point that shoppers ought not to be confused had limited force. They were. That was sufficient for the passing off case to succeed. However that proposition has a converse correlate. Even if the defendant’s sign is confusingly similar to that of the claimant, if customers are not in fact confused, possibly due to the circumstances in which the mark is encountered, there will be no passing off.

(ii) *The presence and absence of evidence of confusion*

52. In consequence, in a passing off case, whether and the extent to which there is in fact confusion is often the critical factual issue (see *Neutrogena v. Golden* [1996] RPC 473). In this case, this gives rise to a further question, namely how should the court treat the absence of evidence of confusion where attempts have been made to find it? The Claimants submit that relatively little weight should be placed on the almost total lack of solid evidence of actual confusion despite very extensive use of the Defendants' signs. They submit that the absence of evidence should not be equated with evidence of absence. In particular, they submit that there is some slight evidence of actual confusion and that part of the reason for the absence of evidence is that the Defendants themselves prevented the Claimants from finding it by objecting to admission of a survey.
53. Although largely a question of fact, this issue gives rise to a need to consider briefly the principles upon which the court should proceed.
54. The first, straightforward, question is what approach should be taken to evaluation of putative evidence of confusion? In my view, unless the law is to act on speculation, which in general it should not, where there has been significant transparency of consumer reaction, a significant opportunity for the public to express its spontaneous reaction (thereby providing opportunity for confusion to come to light) and the best that can be shown is ambiguous, rare instances, open to being viewed in more than one way, the court should be very hesitant about treating that as sufficient for a finding of sufficient confusion to amount to a misrepresentation.
55. The second, slightly less straightforward, question is what approach the court should take to the absence of evidence of confusion where a claimant has attempted to conduct a survey and the court has not given permission to rely on it. Should the court treat a defendant's submission that there is evidence of absence of confusion with greater caution because it has itself contributed to the absence of evidence by successfully inducing the court to prevent the testing of that proposition by survey evidence?

The survey

56. The background to that issue is, briefly, as follows. On 2 July 2019, Ms Pat Treacy sitting as a Deputy Judge of the High Court refused an application for an interim injunction to restrain passing off (trade mark infringement not then being in issue). In that judgment, [2019] EWHC 1688, the Deputy Judge held (and I paraphrase) that while there was a serious issue to be tried, the merits of the passing off case favoured the Defendants. She placed considerable weight on the descriptive nature of the term "Free Prints", the limited evidence of the acquisition of a secondary meaning in that phrase and the limited evidence of goodwill attaching to FreePrints as a signifier of origin, the steps taken by the Defendants to distinguish their business, the fact that small differences mattered in contexts of this kind and the limited evidence of damage done as a result.
57. Doubtless disappointed by this decision, the Claimants decided to commission an expert experienced in this field, Mr Philip Malivoire, to conduct a pilot survey (or more strictly several individual surveys) asking a number of questions of members of the public, following presentation of certain marks. They applied for permission to

adduce full survey evidence and, by a judgment dated 2 August 2019, permission to do so was refused by Ms Amanda Tipples QC (as she then was) sitting as a Deputy Judge of the High Court. Her judgment ([2019] EWHC 2436) is carefully considered. It identifies numerous problems with the proposed surveys to be conducted along the lines of the pilot surveys, which it is not necessary to repeat in detail here. For present purposes, one of the criticisms seems to me of particular importance namely that the context of actual use was not adequately taken into account, a criticism fairly accepted on behalf of the Claimants (see judgment of Ms Tipples at [72]-[73]). The surveys in question were side-by-side comparisons of marks stripped from even their local context. The problem with that approach is that it is unable to pick up on the important nuances of the context in which the signs in question are presented. Moreover, from my reading of the survey questions as proposed, the criticisms made by the Deputy Judge that certain critical questions may be leading had real force. The underlying problem with them in this respect was that they were pointing responders into thinking that the term “Free Prints” as used in the Defendants’ sign was being used as a brand when one of the key questions in the case was whether or not, in a real situation in which those words would be encountered in the Defendants’ signs in their context, it would be perceived as such.

58. Although there are some situations in which surveys of that kind can have utility, those are likely to be relatively limited. Moreover a submission that a defendant through objecting to a survey has deprived the court of the chance to consider relevant evidence must be looked at realistically and in context. It has particularly limited force where the survey itself is accepted not to take account of relevant context and where there is in any event a mass of real life, non-survey, material available as to customers’ reactions (or non-reactions) to a sign in issue. It is one thing if the absence of a survey completely deprives a court of any realistic way of obtaining an insight into the consumer’s mind, it is another where there is a large volume of customer response or social media traffic where one would expect at least some real life confusion to show up. In such a case, the Court has not been placed into a difficult position by the absence of survey evidence. To the contrary, it has been spared costly and potentially distracting material of an inconclusive nature.

(iii) *Confusing similarity in the case of marks with common descriptive elements*

59. Passing off cases sometimes raise difficulties of evaluation because the court has to consider, even in cases not concerning signs containing descriptive elements, whether such confusion as may have been proved is really evidence of misrepresentation or whether, for a range of reasons it is tolerable. The courts have to some extent, resisted the concept of dismissing low percentages of confusion on the basis that they are *de minimis* (see the discussion in the Court of Appeal in *Neutrogena*), perhaps partly because, in consumer markets, a small percentage of confused customers can translate into large numbers of actual people. Moreover, as in the law of trade marks, the concept of sufficiency of confusion for a cause of action to arise is not free of normative elements. Where descriptive terms are in play, the considerations referred to in the context of trade mark infringement law are, perhaps even more significant. In the light of the way the arguments were developed in this case, it is necessary to summarise some of them.

Reddaway v. Banham

60. The starting point is *Reddaway v Banham* [1896] AC 199, HL, where the factual context needs to be borne in mind. The claimant originally made and sold the belting in question as “Woolen Belting”. In about 1879, he began to sell it as “Camel Hair Belting” for the purpose of distinguishing it from the belting of other manufacturers. The belting was, in fact, largely made of camel hair although it was not (until relatively shortly before the claim) widely known to be made of camel hair. That is of some significance because, to a member of the general public who did not know that the belting was in fact made of camel hair, the term “Camel Hair Belting” would not have had descriptive significance. The defendant ex-employee started selling his belting as “Arabian” belting but then changed the name to “Camel Hair Belting”. Many other manufacturers had for many years past sold belting which was in fact made of camel hair but was sold and described by names such as yak, buffalo, llama, crocodile and so on. The defendant claimed that since “Camel Hair Belting” was descriptive of the goods (which were in fact made of camel hair) it had a good defence to the action. The case came before a jury who found for the claimant. The Court of Appeal reversed the decision.

61. When the matter came before the House of Lords, the Lord Chancellor, Lord Halsbury gave a speech which has echoes in the speeches of Lord Bridge in *Jif Lemon* and Jacob LJ in *Neutrogena*. He said that had he been sitting as a jurymen, “I confess (but for circumstances I am about to mention) I should have had great difficulty in acquiescing in the contention that a person was making his goods pass as the goods of somebody else by simply describing the subject of sale by these words.” However, the circumstances which persuaded him to reverse the Court of Appeal’s somewhat more theoretical decision and uphold the decision of the jury was key evidence from one of the defendant’s customers who had specifically asked that the belting “should bear no other stamp than Camel Hair Belting” and if he got that he thought he could “take the order from Reddaways”. As to this evidence, Lord Macnaghten observed:

“When a manufacturer’s goods are a drug on the market so long as they bear his own name or proclaim their true origin, and yet are saleable at one if marked with nothing but some common English words, and when that manufacturer holds himself out as ready and willing so to mark his goods, and does so mark them at the “instigation” as he says of a purchaser, a Lancashire jury may perhaps be trusted to read the riddle.”

62. That is important for the present case because, *Reddaway v. Banham* was a case of a situation of a defendant refusing to identify himself as the true origin of the goods by the use of his own trade mark.

63. Lord Halsbury emphasised that the question in a case of this kind was one of fact. He said at p204 in a passage relied on by the Claimants:

“My Lords, I believe in this case that the question turns upon a question of fact. The question of law is so constantly mixed up with the various questions of fact which arise on an inquiry of the character in which your Lordships have been engaged, that it is sometimes difficult when examining former decisions to disentangle what is decided as fact and what is laid down as a principle of law. For myself, I believe the principle of law may be very plainly stated, and that is, that nobody has any right to represent his goods as the goods of somebody else.”

64. The Claimants contend that this passage is “sufficient to decide the case in the Claimants’ favour”. However, equally instructive are the speeches of Lord Herschell and Lord Morris which develop the point in greater detail and touch on matters of some relevance to the present case.

Creating and countering confusion

65. First, Lord Herschell drew attention to the issue at the heart of cases of this kind: the ambiguity of meaning of terms in dispute. He said at p213, commenting the reasoning of the Court of Appeal in that and *Wotherspoon v. Currie* (1) LR 5 HL 508:

“...the fallacy lies in overlooking the fact that a word may acquire in a trade a secondary signification differing from its primary one, and that it is used to persons in the trade who will understand it, and be known and intended to understand it in its secondary sense, it will nonetheless be a falsehood that in its primary sense it may be true. A man who uses language which will convey to persons reading or hearing it a particular idea which is false, and who knows and intends this to be the case, is surely not to be absolved from a charge of falsehood because in another sense which will not be conveyed and is not intended to be conveyed it is true. In the present case, the jury have found, and in my opinion there was ample evidence to justify it, that the words “camel hair” had in the trade acquired a secondary signification in connection with belting, that they did not convey to persons dealing in belting the idea that it was made of camel’s hair but that it was belting manufactured by the plaintiffs”.

66. Lord Morris’ speech is also important in the present context. He said, at pp221-222, that the jury’s finding established as a fact that the use of the words “camel hair belting” simpliciter deceives purchasers “and it becomes necessary for the respondents to remove that false impression so made on the public”. He went on:

“That, to my mind is obviously done when the respondents put prominently and in a conspicuous place on the article the statement that it was camel hair belting manufactured by themselves. Having done so, they would, as it appears to me fully apprise purchasers that it was not Reddaway’s make, by stating that it was their own. A representation deceiving the public is and must be the foundation of the appellant’s right to recover; they are not entitled to any monopoly of the name “camel hair belting” irrespective of its deceiving the public, and everyone has the right to describe truly his article by that name, provided he distinguishes it from the appellants’ make. In this case, the respondents did not so distinguish it because they omitted to state that it was their own make.”

67. That approach was reflected in the order in *Reddaway* which has become a conventional form in cases of this kind: the defendant was not absolutely enjoined from using the term “camel hair belting” as such. The injunction was qualified by the words “without clearly distinguishing such belting from the belting of the claimants”.

Discussion

68. That reflects a recognition that a central issue in cases of this kind is as much what is not said by a defendant as what is said. If a defendant omits use of its own brand in circumstances where a *prima facie* descriptive term has become distinctive of a claimant, members of the public are likely to treat the term as distinctive of the claimant in sufficient numbers to require the court's intervention to prevent such deception.
69. However, where a defendant also prominently uses its own brand that has two effects. First, it signals to the consumer that the defendant is the origin of the goods. Second, it has the effect of "descriptivising" the term which has both a primary (descriptive) and secondary (origin- denoting) connotation. It pushes the understanding of the term back to its primary meaning. Put another way, addition of a defendant's brand not only brands the goods or services as those of the defendant but also "unbrands" the term (in the sense of making the word cease to bear the secondary meaning) which has become distinctive of the claimant when used alone. That is not, I should emphasise, a proposition of law although it has an element of legal policy behind it. Were it otherwise, a defendant - and the public - could never claim the use of a descriptive term which a claimant has sought to make its own brand, no matter how prominent the use of the defendant's own brand.
70. I have spent some time considering that case, since it is relied on by both sides here and the approach in it has not been materially affected by the later case law, of which a considerable amount was cited. I therefore deal with some of the subsequent case law briefly, highlighting only the points of most relevance to the present case.

Office Cleaning and other cases

71. In *Office Cleaning Services v Westminster Window & General Cleaners Ltd* (1946) 63 RPC 39 where it was held that "Office Cleaning Association" was sufficiently different to "Office Cleaning Services Ltd" in respect of office cleaning services, again emphasized that the issue in cases of this kind was one of fact. The point of relevance to the present case is that in cases where there is use of a descriptive term, the threshold at which a level of confusion translates into a material actionable misrepresentation may be higher than in other cases. The decision was described in these terms in *Phones4U Ltd v Phone4u.co.uk Internet Limited* [2007] RPC 5 at paras. [16]-[23]:

"21. In this discussion of "deception/confusion" it should be remembered that there are cases where what at first sight may look like deception and indeed will involve deception, is nonetheless justified in law. I have in mind cases of honest concurrent use and very descriptive marks. Sometimes such cases are described as "mere confusion" but they are not really—they are cases of tolerated deception or a tolerated level of deception.

...

23. An example of the latter is *Office Cleaning Services Ltd v Westminster Window and General Cleaners Ltd* (1946) 63 R.P.C. 39. The differences between "Office Cleaning Services Ltd" and "Office Cleaning Association," even though the former was well-known, were held to be enough to avoid passing off. Lord Simmonds said:

"Where a trader adopts words in common use for his trade name, some risk of confusion is inevitable. But that risk must be run unless the first

user is allowed unfairly to monopolise the words. The Court will accept comparatively small differences as sufficient to avert confusion. A greater degree of discrimination may fairly be expected from the public where a trade name consists wholly or in part of words descriptive of the articles to be sold or the services to be rendered” (p.43).

In short, therefore, where the “badge” of the plaintiff is descriptive, cases of “mere confusion” caused by the use of a very similar description will not count. A certain amount of deception is to be tolerated for policy reasons— one calls it “mere confusion.””

72. That approach is reflected in numerous other cases of which *Stannard v Reay* [1967] RPC 589 (cited with approval in *Phones4U* at [25]) and *Media Agency v Space Media Agency* [2019] EWCA Civ 712 are examples. In the latter case, the Court of Appeal upheld a finding of passing off saying at para. [26]:

“The judge made findings that the claimant had attracted significant business through the website "transportmediaagency" amounting to clear evidence of goodwill and that the defendants' activities had caused damaging confusion. To my mind, it is obvious that the name "Transport Media", whilst having a descriptive component, is not so descriptive that it is incapable of supporting a claim to passing off on the basis of significant use, and I do not regard that case as being inconsistent with the pleadings. The pleadings do say that the name is descriptive but, understood in context, that means "have a descriptive element". The judge was entitled to find as he did by implication that the use of the name by MAG was sufficient to give rise to a protectable goodwill.”

73. Other recent examples are *Hasbro v. 123 Nahrungsmittel* [2011] FSR 21 where the claimant’s trade mark was for the word “PLAY-DOH”. They sued in respect of the use by the defendants of “YUMMY DOUGH – the edible play dough”. The defendants argued that “play dough” was entirely descriptive and that the claimant could not rely on its “PLAY-DOH” mark to stop the use of the strapline. Floyd J, as he then was, rejected this defence and found for the claimant on both trade mark infringement and passing off (see [233]-[235] in respect of passing off).

74. Finally, the Defendants rely on *Cranford Community College v Cranford College Ltd* [2014] EWHC 2999 (IPEC), [2015] ETMR 7 in which the judge discussed some of the above cases. In that case, a community college in Cranford sued to stop another college in Cranford calling itself “Cranford College”. The claimant relied largely on goodwill in “Cranford College”, but had only used that rarely, rather than “Cranford Community College” which was its primary name. The judge found that there was no relevant goodwill and no misrepresentation.

75. The Claimants contend that the following passing in that case upon which the Defendants rely is open to question:

“19 Thus, confusion caused solely by the common use of descriptive words (or possibly the use of a common descriptive idea, albeit in different words) in a trade name is not evidence of a misrepresentation — it’s just confusion

generated by two traders describing their respective businesses in the same way. An addition to descriptive words, even a minor one, can in principle give rise to a badge of origin — a trade name which the claimant can protect. But he cannot use such a trade name to fence off to his own use the descriptive words contained within the name; he cannot rely on those descriptive words, where those words are the source of confusion, to sustain an action for passing off.”

76. The Claimants originally submitted that this passage, which was said by HH Judge Hacon to be a consequence of *Office Cleaning* conflicts with the reasoning of the House of Lords in *Reddaway v. Banham* since the point of the latter case was that there was common use of descriptive words, and nothing else. I do not think that HH Judge Hacon was departing from *Reddaway v. Banham*. That passage, when read in the context of the case as a whole, is consistent with it and ultimately the Claimants did not press that point. The judge in that case was merely emphasizing a point made in *Office Cleaning* that where descriptive words were chosen for a brand, the mere fact that there was some confusion did not mean that the defendant was making a misrepresentation as a result of the adoption of those common descriptive words.

77. However the Claimants are justified in submitting that the formulation of the law in the Defendants’ skeleton, that the law of passing off does not protect a trader who chooses to include descriptive words in his or her trading name from confusion caused by other traders making descriptive use of those same words, is somewhat too general. It is true that the law will be prepared to regard a greater degree of confusion as tolerable in those circumstances. It is also true that if the use is in fact understood descriptively - and a defendant ensures that this is done by (for example) the use of its own brand - there will be no cause for complaint. But the mere fact that the words are descriptive does not immunize them from suit. The law will not as a matter of strict rule permit a defendant to smuggle in use alone of a sign which is proven to be origin-denoting in its operation under the cloak of it being ordinarily descriptive in connotation.

(iv) *Standard of perspicacity and extent of confusion*

78. There was no dispute as to the standard of perspicacity required. As Arnold J, as he then was, said in *Enterprise Holdings v. Europcar Group* [2015] FSR 22 at [58], the law of passing off requires the court to consider whether ordinary consumers who purchase with ordinary caution and who know what is fairly common to the trade are likely to be misled. Equally, there was no dispute as to the extent of confusion required. The Court must assess whether a substantial number of a claimant’s actual or potential customers would be deceived but it is not necessary to show that most of them are (see *Interflora Inc v. Marks and Spencer Plc* [2012] EWCA Civ 1501).

(v) *Relevance of defendant’s intention in a case of passing off*

79. The Claimants place some emphasis on the Defendants’ intention in this case which can on occasion be an important factor in a passing off claim. If a defendant has deliberately sought to take the benefit of a claimant’s goodwill for himself the court will not “*be astute to say that he cannot succeed in doing that which he is straining every nerve to do*” (see *Slazenger & Sons v Feltham & Co* (1889) 6 R.P.C. 130 at p.538 per Lindley LJ).

80. However, just as with trade mark infringement, some caution is needed in evaluating a defendant's intention. There is a fundamental difference between a defendant's intention to copy a claimant's business and a defendant's intention to represent falsely that it is or is connected with the claimant. While it may not always be easy to decide precisely what intention a defendant has, since that is rarely admitted by key witnesses and is usually concealed, it is important to make that distinction. Such an evaluation is often made harder in that witnesses in cases of this kind quite frequently make implausible denials of any intention to copy in written and oral evidence, despite it being clear that they did, perhaps for the misguided reason that if they admit having "copied" they will be taken to have admitted an intention to deceive. So the reliability of the evidence in cases of this kind is tainted by the zeal of the cover-up. In my view a tribunal must be careful in not letting that obscure the truth of the matter which is quite often better revealed by contemporary documents.

FACTS

81. Other than the points I have mentioned relating to the Defendants' motivation for proceeding as they did and aspects of confusion (or its absence) there was, ultimately, limited dispute as to the primary facts. This section therefore summarises the most important material from the witness statements, disclosure and oral evidence. I then set out the principal findings based on these primary facts.

The Claimants and their business

82. The First Claimant is a US company, and operates its business in the UK through its wholly owned UK subsidiary, the Second Claimant. There is no need to distinguish them for the purpose of this claim.

The Claimants' FreePrints App and the FreePrints Icon

83. The Claimants launched an app in the United Kingdom in January 2014 which provides access to a dedicated mobile phone-based photo printing service. Customers must first acquire the app from one of the well-known app stores and download it onto their phone or tablet. Once downloaded, customers can then place orders to have photos on their phone or tablet printed for free, paying only delivery charges. Customers are entitled to up to 45 prints for free per month – an entitlement which is reset every month.

84. Although I consider the manner in which the app is branded in greater detail below, it is convenient shorthand to refer to this as the FreePrints App. Once downloaded, an icon appears on a customer's screen, which has been referred to in the case as the FreePrints Icon. This icon is shown below.



Other FreePrints apps

85. The Claimants have developed a range of apps which are spin offs from this FreePrints App. These are called “FreePrints Photobooks” (for creating photobooks), “FreePrints Photo Tiles” (for creating phototiles) and “FreePrints Cards” (for creating cards). They share elements of common branding (albeit with somewhat differing primary colouring and designs for the app logos).

The Claimants’ FreePrints app business

86. The Claimants’ FreePrints business has been highly successful in the UK. The evidence showed that the FreePrints App had probably been viewed by over 9 million people by 2019. In its specialist market for apps for users to print photos on their phones or tablets for free, the FreePrints App is the market leader. This is illustrated by the evidence of Mr Bloxberg of which the following are relevant highlights.

- a. By the end of 2019, FreePrints-branded apps had been downloaded over 17 million times within the UK, including over 11.5 million UK downloads just for the FreePrints App itself. The equivalent numbers applicable when the Defendants started the activities complained of in April 2019 were approximately 13 million and 9.4 million downloads respectively. As the Claimants submit, when considered against the number of individuals in the particular target demographic those figures show that the FreePrints App has been viewed by a significant proportion of the UK population.
- b. The Claimants’ turnover in the UK is about £33.4 million in FY2018 from the FreePrints-branded apps and the Claimants spent more than £5.5 million alone in FY2018 promoting their FreePrints-branded apps.
- c. The Claimants’ marketing since 2014 has generated over 3 billion advertising “impressions” overall in the UK, which equates to an average of 45 impressions for each person in the UK.
- d. The FreePrints App has been listed in the top 10 downloads in the Photo & Video category for the App Store (for Apple users) and the Google Play online store (for Android users) every week for more than three years and at the date of Mr Bloxberg’s evidence was ranked 7th.
- e. The FreePrints App has attracted over 314,000 5-star ratings since 2014 in Apple UK’s App Store and the UK Google Play store.
- f. The FreePrints App was the 51st highest ranked app by the number of 5* ratings of the huge number of apps (of any type) that are available in the App Store.

87. On any view, these are impressive statistics. However, mere use of a term does not ipso facto lead to it having trade mark significance. Widespread use of a term is consistent with it being descriptive, not distinctive. It is therefore necessary to consider more specifically the extent to which the Claimants have undertaken branding activity and how that has been received by the market.

The use of FreePrints as a brand

88. The Claimants contend that they have consistently used the composite word mark “FreePrints” as a brand and, that being so it has acquired a secondary meaning. In evaluating the position, it is convenient to consider the matter under three heads: the

Claimants' use, third party references and perception (including as revealed in the Defendants' internal documents).

Claimants' use of FreePrints as a trade mark or brand

89. I have no doubt on the evidence that the Claimants have taken extensive steps to present and project the term "FreePrints" as their brand. That is reflected in a wide range of their marketing materials and includes a consistent use of the (single word) FreePrints. The same is true of the FreePrints Icon. Both are used in the place and in a manner (including prominence) where consumers would expect to find trade marks whether in the Apple App Store presentation or as the marks come up on screens more generally. Although the FreePrints Icon is itself used in a combination of turquoise and white, other icons with the same design for other kinds of service use different colours. To that extent, the Claimants have not adopted a consistent colour livery across all of their products, thereby diminishing but not wholly removing the extent to which a consumer would regard the use of the colours turquoise and white in a logo as reinforcing the origin-denoting significance of FreePrints and the FreePrints Icon. Nonetheless this material does point towards the term FreePrints having acquired a degree of origin-denoting significance, since serious and concerted efforts have been made to imbue it with such and that such would be reinforced by the use of a similar logo.

Defendants' reference to FreePrints as a trade mark or brand and its internal survey

90. Second, the Defendants commissioned their own mini-survey in the course of deciding how to market their App and to determine the extent to which it would appeal to the public. Among the questions asked were those where one of the boxes to tick was "FreePrints" which seems to me to amount to an assumption that members of the public would regard FreePrints as a brand.

Q3. What **brands** have you previously heard of? (Select all that apply).

... .FreePrints...

Q4. What **brands** have you previously personalised products prints from [sic] (Select all that apply).

... .FreePrints...

91. That is of significance because it suggests that both the Defendants and those assumed to be the Defendants target customers would treat it in that way. Moreover, the survey data shows that a significant proportion of those surveyed (about half) had previously heard of the Claimants' FreePrints brand. That is reflected in a number of the other documents produced by the Defendants – of which some others are considered below but the survey is the highlight.

Third party use of FreePrints which treats the term as a brand

92. There is also some evidence (see e.g. the reviews in Exhibit CW9) that customers treat FreePrints as a brand since they use that single-word term to refer specifically to that service to distinguish it from others. In some cases, these reviews are positive and in some they are critical but in the cases where the term is used, it is used to denote the specific service.

The Defendants and their business

93. The First and Second Defendants are UK companies (the Second Defendant is the First Defendant's subsidiary but does not trade).

The Defendants' previous business

94. Prior to the matters complained of, the Defendants had a significant and established business largely operated by a pay-per-photo model. As part of that business, they have had their own app, branded 'Photobox' (the "Photobox App"), but this was not used for providing the service directly competing with the FreePrints App. The Photobox App uses a white and dark green icon (the "Photobox Icon"). That dark green colour (referred to as "forest green") is a primary corporate branding colour of the Defendants and is used on their Facebook and Instagram accounts.

The launch of the app complained of – the Photobox Free Prints App and Icon

95. When the app complained of ("the Photobox Free Prints App") was launched it was initially branded 'Printly' and was marketed as 'Printly – Prints by Photobox.' After the change of name a few weeks later, at the beginning of April 2019, the Photobox Free Prints App was re-branded 'Photobox Free Prints' (I will refer to this as the "Photobox Free Prints App").

96. This app provides a similar service to the FreePrints App and in a similar way although the precise details of how many prints are provided for free and the charges differ somewhat. Like the FreePrints App (and indeed all apps), it has an associated icon which appears on a user's screen once the app is installed. This is as follows.



97. As part of a seasonal marketing campaign at the end of 2019, the Defendants also produced and promoted a more "Christmassy" icon which is shown below.



The Defendants' analysis of the market prior to launch of the new app

98. Prior to launching their new app, the Defendants undertook a good deal of work to determine how best to position and to brand it.

99. This started in July 2017. The Defendants commissioned or produced a document entitled “App market assessment” in which they identified the app market as “growing” and noted that they were “under penetrated”. The document noted that the app market growth has been “driven by new entrants with innovative offerings, such as Chatbooks & FreePrints” (which, it should be noted, was there referred to in a manner to suggest that it was a brand). There was a suggestion of proceeding by way of mergers and acquisitions (and the evidence suggests that there was a tentative approach made to the Claimants by the Defendants in this regard which did not proceed). The document identified the Claimants by the FreePrints name and FreePrints in a blue rectangle and noted in several places that the Claimants’ revenues were increasing significantly: “Freeprints revenue more than doubled in Q3”. I have no doubt, on the basis of this material, and the evidence given by the Defendants’ witnesses that they thought they were behind in this respect and needed to catch up in the app market. The Claimants were identified as having been particularly successful in this respect.

100. As to branding, an internal report which appears to have been in draft form as at 5 July 2018 entitled “Photobox App Brand” work identified a number of possible approaches to branding with names centered around “FREE” and “PRINT” (notably not including Free Print but including Print Free, Print King, Free Photo, Print Easy, Free Snaps, You Print, Photo Free as well as names centered around other concepts such as emotion and photography). In December 2018, an internal Product Review document noted that the Defendants will launch “PBX Free Prints app with a single print product...Commercial proposition is competitive with FreePrints...” The document said:

“App icon – We ran a design workshop on how to differentiate it from FreePrints”

“Team has ongoing concerns about name and text label underneath app icon”

101. It recorded the fact that the App Store review had rejected the Defendants’ submission. On the evidence, although it is not entirely clear, but as recorded in that document, it appears that the reason for Apple originally rejecting the Defendants’ submission was not related to trade mark concerns but largely because of the use of the term “free” (referring to the price of the app) and the requirement to “sign up” (i.e. user registration).

102. It also noted that brand work was “progressing based on feedback”. Throughout the document as with others, there was extensive reference to “FreePrints” as the Claimants’ app and service and among those targeted by the Defendant’s proposed app were to be those who organically discovered the app in the Apple App Store.

103. By early 2019, considerable work had been done on the choice of the branding. This is summarized in a disclosure document entitled “Free prints app naming working doc”. It is a useful snapshot of the Defendants’ thinking at the time and is in my view a more reliable guide to it than the somewhat reconstructed evidence of the Defendants’ witnesses. It is also illuminating in summarizing the previous work done in choosing names for the app.

104. This document was produced in response to Apple’s rejection of the app on the basis that the name contravened its guidelines. It records that Apple were “holding firm on their insistence that we remove “any reference to pricing or free”” and is produced against that background.
105. First, it records the large number of names for the app originally considered, new names which had emerged in February 2019 and other ideas from those involved in design of the app. Over 100 potential options are recorded. Of those the one favoured (but objected to by Apple) was Photobox Free Prints.
106. Second, it recorded that a decision had been made to use the name Photobox Free Prints and that it would be a challenge in finding a name that was as effective as Photobox Free Prints.
107. Third, it proposed using the name “Printly by Photobox” and to submit that to the Apple Store. The document records that Mr Woolfenden as “sceptical of the name” but that submitting it gave an option if Apple approved it. A potential issue was identified with that name in that there was another app with the name Printly but the Defendants appear to have assumed that it would be possible to negotiate with them and buy the name if necessary. This, I am bound to say, does suggest a rather high handed approach on the part of the Defendants who appear to have thought that they could proceed to use the name of another app and use their commercial muscle to buy them out rather than seeking permission in advance.
108. Fourth, certain key criteria were identified for the new name. It should be linked to Photobox: “(e.g. by Photobox)”; it should “make clear what we are selling” and it needed to “show or suggest value”. That was consistent with the Apple App Store guidelines as recorded in that document which suggested that developers should chose a “simple, memorable name that is easy to spell and hints at what your app does. Be distinctive. Avoid names that use generic names or are too similar to existing app names”.
109. Among the other things that the Defendants’ document suggested needed to be considered in the choice of name were that the name should be “Short enough to fit under the app icon on the phone screen” and that it had “no serious blockers from a copyright perspective”. As to the former, this appears to be a recognition by the Defendants that it was important that the app name should appear on-screen under the icon – so it could not be too long. That is reflected in the Apple App Store Guidelines which state that an App name can be up to 30 characters long. As to the latter, it was recognized that the name should not face intellectual property challenges. Although the reference is to “copyright” this was in my view a generic description of not facing rights problems. By that stage, the Defendants had registered the mark “PHOTOBOX FREE PRINTS” which from the disclosure documents appears to have been done partly to meet a possible challenge from the Claimants and partly with a view to assisting their attempts to persuade Apple to accept them on the App Store with that name. The document recorded that the Defendants had anticipated a challenge by the Claimants to the use of Free Prints in that it said:

“We registered a UK trade mark with this name as part of a strategy to answer an anticipated challenge from our competitor FreePrints.”

110. In the event, Apple eventually approved of the Photobox Free Prints name for the App which resulted in its appearing in the App Store. As to the icon, the evidence was to the effect that difficulties were encountered in putting the full name of the app under the icon on a users' screen although it was left unclear how difficult that would have been. No difficulties appear to have arisen in putting "Photobox" alone under the icon, for example, but the Defendants chose not to do that which they could have done (see, in this connection, the evidence of Mr Singleton at Day 2, p316-317).

Logo design and colour

111. The evidence concerning the logo design and choice of colouring (both for the logo and for some of the screenshot backgrounds) at trial was not wholly satisfactory partly because the actual designer of the logo did not give any evidence about it and the evidence given by the witnesses who were cross examined was rather thin. However, again, the Defendants' disclosure provides sufficient information for present purposes of which these are the key features.

112. First, the main brand colouring of the Defendants is forest green (a rather dark green). However, among the range of colours used by the Defendants as part of their corporate branding for other Photobox business before the launch of the Photobox Free Prints app is turquoise. It appears from the Defendants' brand guidelines that this was not a particularly widely used colour and the reasons why it rather than others was selected for the main colouring of the icon was not wholly clear. Although it is not possible to be completely sure from the depictions in the evidence, as far as I can tell, it is the most similar of all of the Defendants' brand colours to that of the Claimants' logo and as the Claimants point out, the colours are very similar to the naked eye. Although there are other logos, used for photo printing apps, which feature a somewhat similar turquoise or blue background their overall logo design is again much more dissimilar.

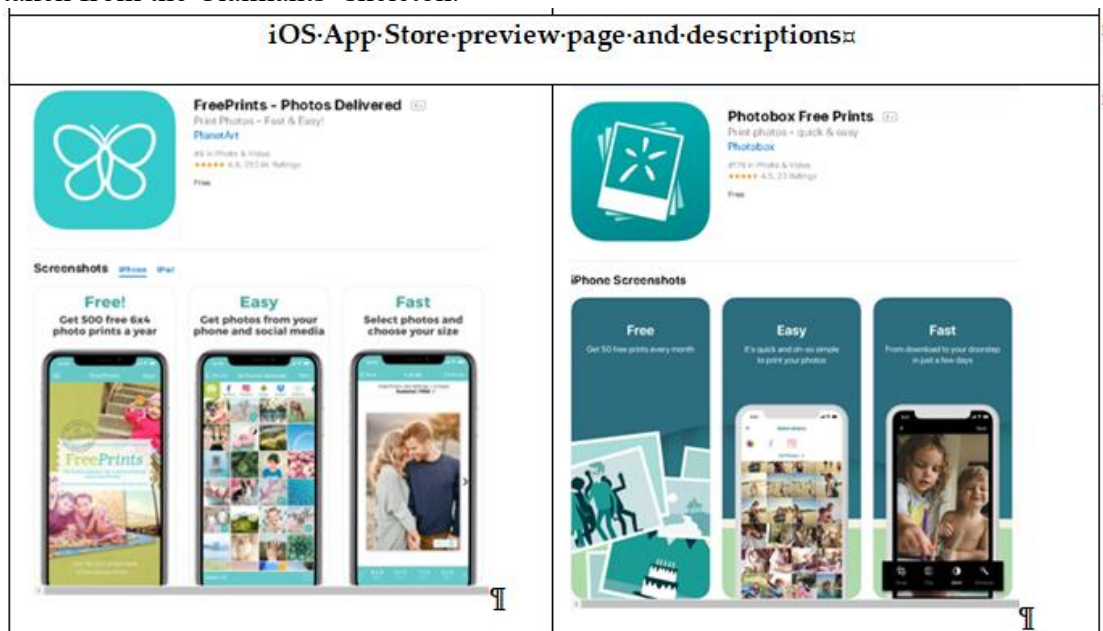
113. Second, the rationale given both in the disclosure documents and in the evidence at trial for the choice of a turquoise background was that it tested best in the customer surveys undertaken by the Defendants. That is borne out by the materials. Of the five colour backgrounds tested, it scored highest and was the least polarizing (tangerine was also liked nearly as much but was also significantly disliked). Three of the colours chosen were eliminated and what remained was a choice between turquoise and forest green (the Defendants' primary brand colour). Forest green did not score at all well with target customers. Turquoise was the most popular but one comment was that the colour was "Similar to FreePrints". In my view, what happened was that out of a range of colours put forward for testing which had some existing connection with the Defendants' colour palette, it happened that the most attractive one to the public was also the main colour of the Claimants' logo.

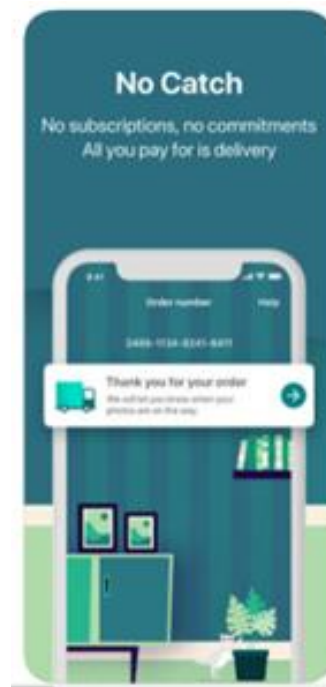
114. Third, however, there was no clear explanation for why not only was the colour turquoise chosen for the background but the colour white was chosen as the only colour for the line drawing on it. The probability in my judgment was that this was carried over from earlier Photobox branding but it does not seem to have been inevitable since there were changes in the logo from the standard Photobox starburst design to one involving a line drawing of retro-style photos with a starburst on one of them.

115. Fourth, the rationale for only having specifically a logo reversed out in white on turquoise – with no other colouring – was not made clear in the evidence and does not appear from the disclosure. Many other icons (for apps of this kind and generally) are more multicoloured and, while a two colour design has the benefit of simplicity, it is not an inevitable choice for an icon of this kind. This is not a situation in which, for example, a designer has to be careful to adopt a bichrome design because of a concern as to how more diverse colours would appear in monochrome reproductions. All smartphone screens are capable of full colour reproduction so when a designer choses just to use two of them, and the same two colours as the market leader, some explanation is warranted if that combination is used together with other insignia similar to those of the market leader.

Presentation in the Apple App Store

116. The side by side comparisons of the presentations of both logos and original screens (which were later changed by the Defendants to less similar ones) shows a similarity in presentation as they would appear in the Apple App Store. The significance of these is that this is said to be one of the main ways in which the Defendants are intending a customer to encounter the branding. The following is taken from the Claimants' skeleton.





117. The Claimants draw attention to the similarities in presentation and, in some cases marketing messages and language. While I have little doubt that the Defendants' marketing was heavily influenced by the Claimants and has sought to reproduce aspects of it including the idea of having “Free”, “Easy”, “Fast” trio of notional phone screenshots and the emphasis on a no subscriptions and no commitments service, I find that this was not done in order to deceive but was done to copy the Claimants’ successful approach to marketing so that the same message would be conveyed. The fact that the Defendants sought to present these similarities in their evidence as co-incidental was regrettable.

118. As the Claimants point out, senior members of the Defendants' staff have been buying the Claimants’ services for some time and given that the Defendants were trying to emulate the success of the Claimants it seems inconceivable that these similarities were the product of chance. It is, to my mind, obvious that the Defendants were targeting the Claimants’ business in the sense of hoping to emulate its success and emulate its key features of approach to marketing and overall offer to the consumer, except to do that better. Virtually every internal disclosure document of the Defendants about the product shows that the Defendants had the Claimants and what they were doing directly in their sights. However, as I have said, that is not determinative of the claim either for trade mark infringement or passing off.

Other aspects of the market and circumstances of trade

119. It is necessary to mention a few other aspects of the market and the circumstances of trade using the respective signs to place these matters into context, particularly as regards the manner of presentation on screen of the icons and presentation in the Apple App Store.

(i) *Widespread and increasing use of the term “free prints” to describe or search for free prints*

120. First, there has been widespread use of the term “free prints” (as two words) to describe or search for free prints or a service offering them. The Defendants and others have engaged in web-based services where they have on occasion offered free prints as part of promotions well before the current dispute arose.

121. There has also been an increasing trend, shown by Google Trends data (see e.g. that summarized in Exhibit CW6) for searches for the terms “free prints” and “freeprints” over the last ten years (or more). The interest over time in the single word “freeprints” has increased from a very low level since the Claimants launched its app. However, the interest in the two-word term “free prints” has been significantly above that for some years and has also increased in recent years. This suggests that members of the public have been looking for free prints well before the Claimants launched their app and have been continuing to do so. It is possible that the launch of the Claimants’ app has been responsible in a significant way for increasing the demand for a service of this kind generally but that is harder to infer from the limited data available.

122. This suggests, albeit somewhat weakly on the data, that even if the single word term “FreePrints” has become the Claimants’ brand, the two-word term “free prints” is still regarded by members of the public as primarily descriptive.

(ii) *Circumstances of trade in apps of this kind and free prints ordered via them*

123. Second, both the Claimants’ and the Defendants’ apps are provided through the Apple App Store. Such stores feature a wide range of apps and in order to appear in that store it is necessary to obtain approval from the undertaking running the store, in this case Apple. Once approved, the app will appear in the store together with many others and can be searched for by type of app or by name. Apps appear in the store with three key features (see e.g. Exhibit CW13) an icon, the brand or name of the app sometimes followed by a description of what the app does and usually three panels with visual imagery relating to the app. These are often multicoloured and for apps connected with photograph, often bear photographs. In the case of some of the apps there is a predominant colour palette, which is common to the main colour of the icon and in others the position is more diverse. As to the use of colour in these kinds of apps, there is no dominant colour for apps relating to production of prints. There is some use of turquoise in another app icon (from Snapfish) which features a logo of a largely black cartoon fish with bulging eyes on a turquoise background. Some of the icons are more multicoloured than others and there is no other icon which has a largely turquoise background with a white line drawing.

124. The wide variety of apps in the broad area of photographic printing can be seen in Exhibit RSB51. This has some significance because it suggests that at least in the App store, there are certain conventions which have been adopted as to how those apps are presented with the brand being the first word used and it being common to have descriptive words after the brand indicating what the app does. Examples of these other than the Claimants and Defendants are Moonpig, Snapfish, LaLaLab, PixPax, PhotoLab, Collage Maker, Instasize, Airbrush, bonusprint, FaceApp, Kodak Moments, Mixgram, Piics, Cheerz, PicsArt, Funky Pigeon, Shutterfly, Freefotos and so on. **Annex 1** to this judgment contains a selection of pages reproduced from Exhibit RSB51 to illustrate certain key points necessary to understand the reasoning. It shows some but not all of these apps as they would be shown as a user scrolled

through the App store selection having searched for Freeprints. The pages included show among others (a) the Claimants main entry (page 1, bottom and several of the other FreePrints spin off apps on the following pages); (b) the Defendants' entry in issue and that of Snapfish (page 5, bottom and top); (c) the Defendants' entry for their main Photobox app (which is not in issue but shows the Defendants main logo for their other business – page 7); Funky Pigeon and Zno's entries (page 19 – top and bottom) and a range of others.

125. These show the wide range of designs chosen for app icons in this area and illustrate the point made above concerning the placing of brand and description. The Claimants point out that, normally, in such situations the brand is separated from the descriptive term by some punctuation (such as in the case of “Piics – Free Prints & Books”, where a hyphen separates the brand from the description). However that is not universal: see for example “PRINTASTIC Photo Books” where no punctuation is used. The Claimants also observe with some justification that this shows (i) that there was no need for the Defendants to have chosen an icon which had a rounded square turquoise backdrop with a white line drawing and (ii) no other trader in this area has thought it appropriate to use the words Free Prints in a stylised script (albeit under the sign Photobox – see Annex 1 p5 bottom left hand tile). The Defendants point out, also with justification, that this kind of material shows (i) the common use of “Free Prints” descriptively and (ii) the fact that this store is so “busy” in its presentation would suggest that consumers are likely to be discriminating.

126. Although care must be taken with the extent to which a particular approach to branding has become conventional because the court may only be presented with a snapshot, in this case it is safer than in some to reach the conclusion that consumers are likely in the case of apps of this kind in the App Store to expect the brand to be the first word or words used (in relation to these apps more generally) with a descriptor to follow (if there are any following words).

(iii) The way in which the Photobox Free Prints Icon appears in its context, after installation of the apps

127. Once apps of this kind have been installed on a user's device, the app icon will appear on the screen, normally together with a number of other apps which may have been provided ready-installed or downloaded by a user. Although in some cases, it may appear as the only app icon on a users screen, it is more likely to appear as one of many. Users often have so many apps installed that they cannot all be accommodated on a single screen in reasonable size. So they may appear on another page: prime screen “real estate” can be precious.

128. Moreover, depending on the size of screen, the actual icons themselves can be fairly small. As reproduced in the exhibits in this case, they are enlarged compared with how they would typically appear, both as to icon size and as to text size although the text size may be to some extent user configurable.

129. Typically on a screen, icons will have words underneath a logo which are either a brand or a description of what the app does. Thus, commonly pre-installed icons offering a mapping services may have the word “Maps” beneath them in an on-screen icon. That is by no means universal but it is of some significance for this case that in the case of photo printing apps, all of the most popular ones (other than the

Photobox Free Prints Icon) have the main brand under the visual logo. This can be seen in the comparison in **Annex 2**.

(iv) Accessing the app service using the app icon

130. Once the app is installed, the user will touch the icon screen to access the service. In order to access the service the user wants she or he has to identify the relevant icon out of potentially a number on the screen of the device (of which some may appear on one page and some on another page of the device's screens). Some apps are in regular use and may be more likely to feature on a "home" screen and in a fixed position so that a user may (possibly by muscle memory) locate the app without needing to look at the screen at all. However, while that may be so of apps which are in very frequent use, that may be less so in respect of apps which are less frequently used. Given the nature of the apps in question and the goods and services offered by them, they are unlikely to be in such everyday use that a person will not need to look at the screen to locate the app. Because of that, in my view, visual identification of the app is likely to be of some significance and the icon is the gateway to the service on the user's screen.

131. There is some evidence that the user demographic of both the Claimants and Defendants' apps is skewed towards younger women but it is not so skewed that issues of clarity of visual identification are not likely to be an issue taking all potential users into account. Moreover, because of the number of installed apps, the absolute numbers of people who are likely to identify the app by reference to its visual appearance is not negligible. Moreover, against the background of a large number of different apps, the importance of a clear, bold message sent by an app icon, making it readily identifiable is more important, both to the service provider to help the user identify and chose its service and to the user, to select what he or she is looking for.

Discussion

132. The features identified above lead to the following broad conclusions.

133. First, in relation to photo printing apps of the kind in question, if an app uses a term (either in the icon or in the name of the app as the first term in a composite brand) with descriptive words in a subsidiary position in an app store, the primary words are more likely to be taken to be the brand for the app and the descriptive words treated as mere description. Second, if words appear underneath an app icon on the user's screen, for apps of the kind, those words are more likely to be taken to be the brand for the app (as to which, see the evidence of Mr Singleton that the Defendants' app was unusual in this particular area in using for the on-screen icon what were said to be descriptive words in that position). Third, that it is important to consider all of the elements of branding, words, images and the position of each. Fourth, that there is a large choice of designs of icon (and primary branding) with significant differences even within the constraints of a square logo format. Some icons use the format – and the mere use of a round cornered square logo is common to the trade. But others do not, using logos which are differently shaped. Fifth, in consequence, in my view it is reasonable to expect an app provider to take reasonable steps to ensure that its icon design is sufficiently different from that of others to make it relatively easy to distinguish from them, especially where they are competing in the same market for the same customers for provision of similar services. Sixth, it is

clear from the icons used by others that, whether intentionally or otherwise, no other icon for services of the kind in question is more similar to the icons in issue in this case when they appear on a user's screen.

Evidence and absence of evidence of confusion

134. Unlike many passing off cases, it is essentially common ground that (subject to some possible and ambiguous instances discussed below) no instances of confusion have come to light.

135. Between April 2019 and the trial, there had been multiple months of side by side trading of the two apps. Between April 2019 and November 2019 (when Mr Singleton made his third witness statement) there had been 140,000 downloads of the Photobox Free Prints app and 67,000 orders from 43,000 separate customers.

136. First, there is media chatter about these apps and in my view it is highly likely that had there been significant customer confusion this would have been expressed on a significant number of occasions. Mr Singleton said that he was not aware of any instances of confusion (other than points which he addresses and explains as not being such) and explains that he would have become aware of it if people had been confused. He says that he did not come across anyone who thought their service was connected with FreePrints. I accept that evidence and prefer it to the speculation on the Claimants' side that the reason that confusion has not come to light is because it is significantly "hidden" and that people do not complain. I do not accept that there was unchallenged evidence that confusion would not be detected. The Claimants' evidence (and arguments) in this respect were providing possible reasons for why confusion might not come to light including the lack of propensity for people in England to complain and the low rate of complaints to the Claimants. I did not find that convincing. In this kind of business, there is ample opportunity for people to comment on apps and services and I have little doubt that at least some people would have raised the issue had they been confused. In my view the likelihood is that, although this is not the only route to perception of the marks, the fact that the App Store branding of the Defendants' app contains their Photobox brand, it is more likely that customers take the use of Free Prints in that branding (and subsequently) as being descriptive and looking at the context as a whole, there is no material confusion.

The instances of confusion particularly referred to

137. Second, I am not persuaded that the matters to which the Claimants have drawn attention are actually instances of confusion. By the time of closing, the Claimants focused mainly on an entry from the Slack disclosure from Mr Vincent Merlini, well before the Defendants' launch where he wrote to the Defendants praising the Claimants' app and offering. He said: "just tried and ordered on freeprints, really great app, nice looking easy to use". It is said that there was confusion because this must have referred to the Claimants. It is not possible for this to be an instance of confusion caused by the marks in issue since it does not relate to their use. Ms Shelley Mannion for the Defendants responded by pointing out that this was a competitor's app and this does not appear to have been taken further. In my view this is no more than a customer drawing attention to the fact that a competitor is providing a great service. Moreover, Mr Merlini is a Photobox employee based in

France. Although he did not give evidence, it is highly unlikely that he was confused but was in his message simply drawing attention to what a competitor was doing.

138. There was also ultimately lighter reliance placed on a Trust Pilot Review from Ms Michelle O'Reilly on 3 October 2019 (there is limited reference to this and no emphasis on it in the Claimants' written note of evidence). In my view that was justified. This material is certainly not clear evidence of confusion and the reviews in question are not even specific to the Photobox Free Prints (as Mr Singleton points out).

139. Third, it is said that one customer who used the Defendants' service wrote to praise it in the following terms in July 2019:

“Good pictures, speedy delivery BUT would love to have the option to chose different sizes on your FreePrints app.”

I am not satisfied that this is evidence of confusion. To the contrary, although the individual has used FreePrints as a single word, this is someone who does not appear to have been confused.

Other aspects of disclosure commenting on potential for confusion

140. Connected with this, the Claimants draw attention to an entry in the Defendants' internal e-mail traffic stating “the lawyers are worried that this may look like we are actively trying to impersonate freeprints in case the user has both freeprints and PBFP on their phones (lul!)” (“LUL” is said to be an acronym for “lame uncomfortable laugh” and is said to reflect a recognition on the part of the Defendants that there would be impersonation). I am not satisfied that it goes this far although it is true that it appears to have reflected some internal concern that aspects of the Defendants' branding were too similar to the Claimants.

141. Nor was I persuaded by the reference by Ms Laura Blundell on 30 January 2019 who said:

“(Un)surprisingly, Apple has rejected Photobox Free Prints as a name for the app as it's a liiiiiittle too close to a certain competitor”.

I have no doubt that some in the Defendants were concerned about the name but the documentation overall is more consistent with Apple having rejected the name for the reasons given in the Defendants' evidence (mainly that there was use of the term “free” and involving a registration requirement, as reflected by the extracts of Apple's conclusions). I was not persuaded by the line of argument that suggested that these had been unfairly altered.

Discussion

142. In my view, this is a situation in which it is highly likely that had there been significant confusion, it would have shown up. Moreover, the evidence taken as a whole suggests that consumers do provide significant feed-back in terms of customer reviews. Had there been significant customer deception, there would have been expressions of outrage on the part of at least some consumers since in cases of this

kind (of which *Neutrogena* and *Fage v Chobani* are examples, this kind of material normally comes to light in the case of large scale consumer goods and services). In my view, the fact that it has not is significant.

143. I am not satisfied by the Claimants’ explanations for the absence of evidence. In cases such as the present, side by side trading for months is a kind of consumer survey – indeed a more realistic one than a questionnaire-based survey may be. I am therefore not persuaded that there has not been adequate opportunity to test the public reaction to the Defendants branding. That test has not suggested that there is a serious level of customer confusion still less that it has risen above the level of tolerable confusion inherent in the fact that both Claimants and Defendants have incorporated descriptive elements in their branding.

APPLICATION OF THE LEGAL PRINCIPLES

144. I now turn to evaluating the claims in the light of all of the material.

Trade Mark Infringement

145. The First Claimant’s trade mark number UK 3393165 (“the Claimants’ Registered Trade Mark”) is registered for the FreePrints Icon (this is shown below). The Claimants rely on both section 10(2) of the Trade Marks Act 1994, i.e. likelihood of confusion, and section 10(3) insofar as the Defendants’ acts are detrimental to the distinctive character of the Claimants’ reputed FreePrints Icon mark (“Dilution”) and/or take unfair advantage, without due cause, of such mark (“Free-riding”).




Infringement pursuant to Trade Marks Act 1994, section 10(2)

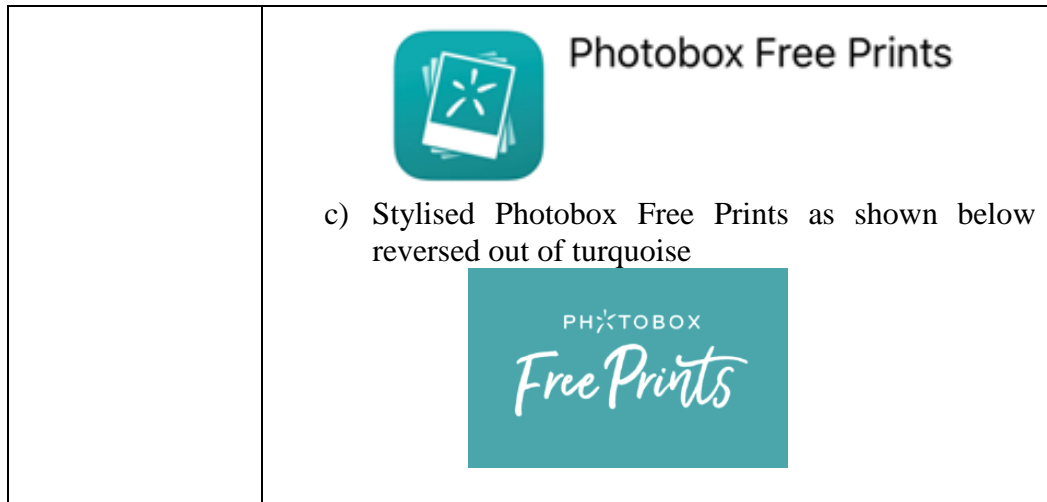
The respective goods and services

146. First, it is clear that the services in respect of which the marks complained of are used are the same or similar. The Claimants’ registration encompasses both downloadable and mobile app software goods in class 9 and photographic printing services in class 40, and the relevant goods and services are identical.

The Defendants’ signs compared with the Registered Trade Mark

147. It is not in dispute that the table set out in the Particulars of Claim and reproduced in the Claimants’ skeleton sets out the relevant comparisons to be made and is reproduced below.

FreePrints Icon	Photobox Free Prints Signs
 <p data-bbox="371 1850 515 1877">FreePrints</p>	<p data-bbox="663 1686 1382 1753">a) Photobox Free Prints Icon (including the new seasonal version on the right)</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div data-bbox="719 1765 895 1939">  <p data-bbox="722 1951 892 1984">Free Prints</p> </div> <div data-bbox="1134 1765 1310 1939">  <p data-bbox="1137 1951 1307 1984">Free Prints</p> </div> </div> <p data-bbox="663 1989 1382 2056">b) Photobox App Store search App name and branding</p>



148. It is well-established that a global appreciation of the respective marks and signs is required from the perspective of the average consumer but it is useful to break down the various ways in which the marks may be evaluated. It is important to have regard to the similarities but it is also necessary to consider the differences and to do so for each of the marks in turn. While the comparison is of the sign against the registered mark it is necessary to take into account the context of use to the extent permitted by the law (see the discussion of *Specsavers* above).

(i) Photobox Free Prints Icon

Aural similarities and differences

149. The Claimants submit that the Photobox Free Prints Icon (both versions) is aurally identical to the Claimants' Registered Trade Mark, since the FreePrints Icon and the Photobox Free Prints Icon can be pronounced only one way, i.e. identically (any gap in aural pronunciation of the Defendants' icons being silent). While that is true, it is not clear that aural similarity is particularly important in a context where apps are downloaded from a web-site and once installed the photo printing services will be invoked by clicking on the icon in question. Nor (see below) is it right to treat the mark as though it was the mere word mark, ignoring the visual elements.

150. The Claimants submit that aural confusion may arise where someone orally recommends the FreePrints App to a friend. The friend then types "Freeprints" in the search field in the App Store, and the Photobox Free Prints comes up, as well as the FreePrints App. The friend does not know which one of the two apps had been recommended to them and chooses to download the Photobox Free Prints App believing that to be what was being recommended. Once the App is on their phone, it reads, simply, "Free Prints" which wrongly indicates to the referred friend (and perhaps even the person that had made the recommendation) that they have downloaded the correct app. While that is a way in which confusion may occur, there is no convincing evidence that it has ever happened and I consider that to be speculative. I consider the relevance of that below.

Conceptual similarities and differences

151. The Claimants submit that because there is no correlation between what is depicted and the words, the conceptual perception of the marks will be “driven by the words” and as a result there is a high degree of conceptual similarity between the marks, albeit with some degree of distinction arising from differing arbitrary graphic concepts of a butterfly and a framed star burst image. I am not satisfied that there are strong conceptual similarities but there are some – the visual imagery is somewhat different and the verbal similarities are limited to largely descriptive matter.

Visual similarities and differences

152. The Claimants submit that there is also a very high degree of visual similarity since the FreePrints Icon and the Photobox Free Prints Icon each have an image above the same 10 letters in the same order, in the same font and with the same capitalisations, with the only difference being a gap between the fourth and fifth letter in the Photobox Free Prints Icon. The Claimants draw attention to the fact that the image is a turquoise-coloured square with rounded corners and a simple design reversed out of that in white lines. They submit that the colouring of the Christmas version of the Photobox Free Prints App is marginally closer to that of the Free Prints Icon than is the case for the previous version of the Free Prints Icon.

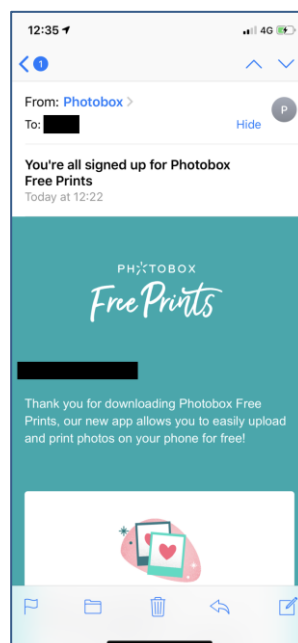
153. The Defendants draw particular attention to the following. First, that the term “free prints” in each mark is descriptive and, in particular, that as presented the words appear in the icon in a place where, sometimes words appear which are descriptive of the function or nature of the app in question. Second, the features of icons which are common among apps – and it is indeed the case that many app icons are square with rounded corners. Third, they submit that the design of the icons is different and that it is wrong to treat the mark as though it was the word mark FreePrints, ignoring the visual differences. While they accept that they are both two-colour icons with a line drawing in white on a turquoise background, they submit that the two designs are clearly distinguishable in that the FreePrints Icon has a butterfly and the Photobox Free Prints Icon has a stylized representation of a small stack of somewhat retro (Polaroid style) photos of the image of their corporate branding “starburst” which would be clearly perceived as such. Fourth, they submit that given the fact that the main similarity alleged is in the words and because the words Free Prints are descriptive, such similarity would not be likely to lead to confusion but rather would lead the average consumer to consider that the app in question was offering free prints.

The main arguments of the parties in the global appreciation test

154. The Claimants submit that the side-by-side comparisons (see above) show more than a mere possibility of confusion for the average consumer and demonstrate a clear likelihood and the risk is compounded by the Defendants' use of identical or similar marketing messages and colour to those used by the Claimants. The Claimants draw particular attention to the following:

- a) The identity of the goods and services;
- b) The aural identity, very high visual and high conceptual similarities between the Photobox Free Prints Icon ((a)) and the FreePrints Icon (see above);
- c) The above average visual, aural and conceptual similarities between the Photobox Free Prints Sign (b) and the FreePrints Icon;

- d) The high degree of visual, aural and conceptual similarities between the Photobox Free Prints Sign (c) and the FreePrints Icon, noting that the gap between 'Free' and 'Prints' may not be perceived by the average consumer (in which connection reference is made to *LTJ Diffusion v Sadas* (C-291/00) where the CJEU said "...a sign is identical with the trade mark where it reproduces, without any modification or addition, all the elements constituting the trade mark or where, viewed as a whole, it contains differences so insignificant that they may go unnoticed by an average consumer.");
- e) The fact that the Defendants use the Claimants' capitalised first letters F in "Free" and P in "Prints" and the lower case for the other letters and the same font;
- f) The very high degree of distinctive character and repute of the FreePrints Icon in this particular market as a result of the extensive and longstanding (for this market) promotion and use of the mark in the UK;
- g) The imperfect recollection of the average consumer and the reality that they will remember only the general turquoise colour, not the precise hue and tone that differ slightly between the FreePrints Icon and the relevant Photobox Free Prints Signs, and they will not normally have the benefit of a side-by-side comparison;
- h) The fact that the turquoise colours may appear different on different phone screens;
- i) The fact that the icons, when viewed on a phone screen, may be no more than 1cm square, i.e. are small, which means not only that the exact image of what is reversed out in white lines on a turquoise background is not fully appreciated, but that the space between the Defendants' words "Free" and "Prints" may not even be noticed;
- j) The long established principle that it is the words within combination marks (such as these) that are most remembered and relied upon by consumers;
- k) The fact that the stylised words 'Free Prints' within the Photobox Free Prints Sign (c) are visually dominant and have an independent distinctive role such that those words (in that form) are used as a standalone main or sub-branding element and the mere addition, in a much smaller size (occupying about one fifth of the area), of the Defendants' name does not reduce or remove the likelihood of confusion. They also rely on the manner in which that sign appears when sent to new users (reproduced below).



- l) The context of the Defendants' use, in particular, the use of very similar text and designs in their App Store promotional pages to those used for the FreePrints App;
- m) The fact that each party's respective app can be downloaded with just one click, with no payment and can be readily deleted from the consumer's phone without the user resenting any loss of money. They say that this means that the average consumer is unlikely to give their choice of app at the time of download much consideration. Accordingly, the level of attention of the average consumer when initially seeing the relevant Photobox Free Prints Sign and considering whether to download the apps is, therefore, likely to be below average. In particular, they may just make a cursory glance at the relevant Photobox Free Prints Sign and assume it is the FreePrints Icon or somehow commercially connected with it and think little or nothing of it, perhaps reassured by the high 5* rating of the Photobox Free Prints App (albeit with approximately one thirtieth of the number of assessments of the FreePrints App); and
- n) The extent of similarity between the Photobox Free Prints App's name, icon and marketing materials and those for the FreePrints App is such that a reasonable inference can be drawn that the Defendants deliberately set out to cause confusion with the FreePrints Icon and to trade off the Claimants' goodwill and reputation in the FreePrints Icon above regarding the interest taken by the Defendants' in the Claimants' FreePrints App.

155. The Defendants do not deny that there are similarities but they draw particular attention to the clearly visible differences between the signs and the FreePrints Icon. They contend that the Claimants' approach to comparison and evaluation of a likelihood of confusion does not do sufficient justice to the fact that the registered mark is a composite visual mark (with the Claimants illegitimately focusing on the word element which is only part of the mark) and that the word element is in any event the most natural term to use to describe the service offered by the FreePrints App, namely the provision of free prints.

156. The Defendants do not accept that the Claimants' wide approach to context is appropriate in the context of a claim for trade mark infringement and in any event contend that if that approach is taken, they further draw attention to the manner in which apps of this kind are likely to be present in the App Store where consumers would have to exercise some powers of selection between a range of apps providing services of a similar kind of which a considerable number use descriptive terms. They contend that by the time the FreePrints App was downloaded onto a user's device, the customer would inevitably have had it presented to him or her in a way that also used the mark PHOTOBX and that it is only when it appears on a users screen that this branding is absent.

Other considerations

157. The Claimants also draw attention to the distinctiveness of the FreePrints Icon. I am prepared to accept that that mark has some enhanced distinctive character taken as a whole. However, whether any given element of the mark has a highly distinctive character is a different question. Moreover, even if a mark does have a highly distinctive character but an element of it is (or is similar to) a highly descriptive term it does not follow that there will be an increased likelihood of confusion as a result of the distinctiveness. It is true that, in some cases, large scale use of a mark will have sensitized the public to hear or see that mark and for that reason, confusion which may otherwise not occur may be more likely. In *Aveda Corporation v. Dabur India Ltd*

[2013] EMTR 33 at para. [48] Arnold J (as he then was) said: “*The human eye has a well-known tendency to see what it expects to see and the human ear to hear what it expects to hear. Thus it is likely that some consumers would misread or mishear UVEDA as AVEDA*” (see also *Lewis v. Client Connection Ltd* [2011] EWHC 1627). This is one explanation for why the CJEU case law (such as *Canon*) may be correct to treat marks with a highly distinctive character on the grounds of their acquired reputation as enjoying more extensive protection than those with a lower level of distinctiveness. However, that is not a proposition which can be mechanically applied. In some situations the very ubiquity of a term or phrase may be because it is descriptive of the goods or services in respect of which it is used. In my judgment, it is necessary to apply a more sophisticated analysis where the relevant term is descriptive.

158. The Claimants do not, however, rely for this aspect of the case only on the extensive use of the words FreePrints. They also, indeed primarily, rely on the fact that the FreePrints Icon taken as a whole has been consistent over a lengthy period and has received the very significant exposure summarized above. In my view, in this case, that is a more relevant consideration in that it is right to take account of the significant consistent use of the visual elements of the mark in making an overall evaluation.
159. The Claimants also rely on the absence of any “Photobox” branding (and only use of “Free Prints” on the first four screens that a user of the Free Prints App sees if they click on the Free Prints icon to use it). So, they contend that a user who has downloaded the App and clicks on it, believes that up to this point in the transaction they have been dealing with a service from the Claimants (on the assumption that they had forgotten they had originally downloaded the Free Prints App from Photobox and particularly if the Claimants' renowned FreePrints App has only been recommended to them, or otherwise come to their attention, long after having downloaded the Free Prints App). It is said that, by this stage of using the App, the user will have gone to the effort of selecting and uploading up to 50 photos and so they will be extremely reluctant to abandon the transaction, even if the Photobox name becomes apparent to them. It is therefore said that this would give rise to operative “post-sale confusion”, even if the original act of downloading the Free Prints App might have been done without confusion having been the cause of that download.

Discussion on the global evaluation likelihood of confusion

160. In my judgment, this is a case in which it is particularly important to compare the respective marks as a whole rather than seizing upon similarities and differences in individual features. I find that there are significant similarities in aural and visual elements of the sign and some (albeit more limited) similarity in conceptual nature. While aural use is likely to be of lesser importance I do not consider that it can be discounted entirely, for the reasons given by the Claimants. As to conceptual similarity, it is somewhat artificial to analyse these marks in these terms since they do not really have “conceptual” content. However, the best way of expressing this is that they are each marks which have verbal content that is significantly similar and visual content that is not significantly different against the background of other marks of this kind. It is relevant in this evaluation to bear in mind that for apps of this kind (namely those concerned with photo printing), the evidence showed that it was invariably the case that the words beneath the logo were a brand rather than descriptive of the service in question. I am also not persuaded that the Photobox starburst logo appearing on the

stylized photographs is so readily recognized by the average consumer that it would be sufficient to dispel confusion in all the circumstances.

161. The relevance of this material is that it would appear that the average consumer is likely to expect the term below the logo to have trade mark significance. It is certainly hinting at having such significance. That is reinforced by the fact that the Apple App Store Guidelines say that the app name should appear below the app, which is likely to have given rise to a degree of commonality of practice among developers (reflected in Annex 2) and therefore an expectation among users.
162. I have reviewed the numerous other logos for apps of various kinds in evidence and it is true that the Photobox Free Prints Icon can be distinguished upon close examination but again, of the logos I have seen in evidence for the main apps of this kind, it is much more similar to the FreePrints Icon than are others. In particular, there is no other logo which features a two-colour turquoise and white design where the turquoise is the background colour and is substantially a homogenous colour field (albeit slightly “textured” for particularly the Christmas logo) and the design appears as a somewhat “spindly” almost-line drawing like picture. In the case of the Photobox Free Prints App, there are relevant similarities in both the visual and the word elements but without clear dissimilarities pointing the other way.
163. Taken together, and having regard to the reputation attaching to the FreePrints Icon and the identity of the goods and services, in my judgment these similarities between the marks, taken as a whole (and not merely the word elements), are sufficient to give rise to a likelihood of confusion within the meaning of section 10(2) of the Act.
164. I have also considered, in accordance with the guidance in *Specsavers*, and generally whether there is anything about the context of presentation of the marks which negates that result. In my view there is not. It is also necessary for the court to be cautious in adopting an overly expansive approach to taking account of context in a trade mark claim. One purpose of registered trade mark protection (in which it is distinguished from passing off) is to provide an element of exclusivity in the use of a registered mark, regardless of the wider context in which it is used, so long as the conditions for protection are fulfilled.

The relevance of the absence of evidence of confusion to the trade mark case

165. I have set out the law on this issue above. As to the facts, this seems to me a case in which the court has to make its own evaluation as to whether there is a likelihood of confusion in the relevant, partly normative, sense. Moreover, this is likely to be a situation in which despite the fact that for the purpose of trade mark law, there is a sufficient likelihood of confusion if a mark for sign comparison is made, it is quite possible that there is very limited actual operative confusion because of the context in which the Photobox Free Prints Icon will be presented to the average consumer – namely after a selection process which results in the icon only appearing on a user’s screen once it has been selected in a way that has not involved confusion. That is to say, actual confusion may be obviated or is akin to “post-sale” confusion in that it is not causative of any change in a consumer’s behavior. Nonetheless, infringement under section 10(2) of the Act, does not require that there be actual confusion or that the use of the mark has caused a consumer to purchase the goods in question.

(ii) Photobox Free Prints App Store search App name and branding and Stylised Photobox Free Prints

166. The Claimants submit that the analysis as to a likelihood of confusion should lead to the same conclusion for these two marks as that reached for the Photobox Free Prints Icon for essentially the same reasons, while acknowledging that the presence of the word PHOTOBX in these signs makes some (albeit not any decisive) difference.
167. I am unable to accept that submission for the following principal reasons.
168. First, both of these signs contain the word “PHOTOBX” prominently and in a position and manner where ordinarily consumers would expect a brand to be found. That is a clear and important – indeed dominant - difference.
169. Second, for each of these signs, the fact that this has been done, has an impact on how an average consumer would perceive the marks, taken as a whole, in that they would be likely to attribute greater origin-denoting significance to those parts of the signs (taken as a whole) which appear to be origin denoting (in this case the word “PHOTOBX”) and greater descriptive significance to those parts of the signs which appear to be most naturally descriptive of the goods or services offered (in this case the words “FREE PRINTS”). Put another way, there is nothing in these signs to displace the ordinary perception of the words “FREE X” as signaling to a consumer that free X was on offer.
170. Third, it seems to me right in principle in this context to have some regard to the fact the app store entries in Annex 1 commonly involve the use of combined phrases or signs where parts are trade marks and parts are descriptions. Put another way, at least one partially dominant aspect of the signs is presented as the brand and other parts are not. In this case, the part presented as the brand is distinctively dissimilar to any aspect of the registered mark.
171. Fourth, I do not accept the argument advanced by the Claimants that either the positioning of the words or the presence of the word “PHOTOBX” makes no material difference. To the contrary, while there are similarities of the kind identified by the Claimants, the prominent presence of an element that is clearly a different brand seems to me a critical difference in the evaluation of the distinctive and dominant elements of the mark and signs. The Claimants submit that it is also no answer to say that the Defendants have added the word “PHOTOBX” because even if customers may see that their Free Prints App is "by PHOTOBX", they may well think that the Claimants are the Defendants (or in some way connected with them – for example as a subsidiary). They draw attention to the fact that the Claimants do not brand, and have never branded, their FreePrints-branded Apps as “PlanetArt” and consistently use the FreePrints brand for their FreePrints-branded Apps. The Claimants therefore submit, with respect to all of these signs, that even if the average consumer recognizes the mark “PHOTOBX” or recognises the Photobox “star burst” logo as being part of the Defendants’ branding, and sees it as clearly different from “FREEPRINTS” he or she would assume, given its nature as an additional feature and its positioning, that the Claimants were responsible for or connected with the “FREEPRINTS” branded goods or services.
172. As I have said above in the analysis of the law, arguments of this kind of “reverse confusion” which allege that the average consumer will assume that a connection exists

between two brands rely on it being shown that such a consumer would believe that the sign was a composite, containing two linked origin-denoting elements. In my judgment, that is not the case for signs expressly incorporating the word PHOTOBOX. For those signs, the words FREE PRINTS clearly, to my mind, appear as descriptive of the goods and services that PHOTOBOX is offering. So this way of putting the argument that confusion may arise does not, in my view, add to the analysis on the facts of this case.

173. Fifth, nor am I convinced by the point that the stylized presentation of “FREE PRINTS” in the Photobox Free Prints Sign (including the point as to whether it is possible to discern a gap) or the commonality of the colours makes a real difference to this issue.
174. Sixth, nor does it make a difference that the word “PHOTOBOX” with the first O replaced with a “star burst” is very small in comparison (occupying about one fifth of the area of the words 'Free Prints') since it is clearly visible. It is common for advertising materials to promote “free” offers with much greater prominence to the free offer than the brand in question but that does not mean that the average consumer will not notice the brand or would think that the relative size of the promotion meant that it was the brand.

Overall conclusion on infringement pursuant to section 10(2)

175. For the reasons given, the Registered Trade Mark is infringed pursuant to section 10(2) of the Act by the use of the Photobox Free Prints Icon but is not infringed by the other signs in issue.

Infringement pursuant to Trade Marks Act section 10(3)

176. In my judgment, in this case, the claim for infringement pursuant to section 10(3) does not add anything of significance to the claim pursuant to section 10(2) but I find that the position as to liability is the same under this head.

(i) Photobox Free Prints Icon

177. First, for the reasons given above, in my view the Registered Trade Mark has a sufficient reputation.
178. Second, again for the same reasons as given above, the average consumer would be likely to make a link, in the sense that the mark would be brought to mind.
179. Third, in my view, although marginally, I consider that the very widespread use of this icon on the screens of millions of phones is likely to diminish the ability of the Claimants’ Registered Trade Mark to act as the reliable “face” of the Claimants as it is regularly presented to users of those phones. That is material damage to its distinctive character. One difficulty for a claimant in such a position is that they then may feel obliged to make their mark more different from that of a newcomer in order to maintain the same level of recognition in the specific combination of features of the Registered Trade Mark. Although that is not a direct impact on the economic behavior of consumers, it arises because the use by the Defendants of the sign in question means that it is relatively diminished in its ability to pick out the goods and services of the Claimants. I emphasise that this is not because of the use in the

Photobox Free Prints Icon of the words “Free Prints” alone. It is because of the particular combination of features. This is a situation in which the approach of the courts in evaluating the impact as a whole by making deductions from the evidence as a whole without the need for specific evidence is appropriate and I consider that there is (just) a sufficiently serious impairment of the distinctiveness of the claimant’s trade mark to warrant the court’s interference under this head as well.

180. I have also considered whether such a case can really be sustained for the following reason: because the term FREE PRINTS is descriptive, there is limited material impact on the distinctiveness of the mark – it is already vulnerable. I am not satisfied that this is a sufficient answer in the light of the reputation of the mark as a whole.

181. As to the question of whether there is taking unfair advantage, I reach the same conclusion essentially for the same reasons (and, again, the view I take is marginal). This seems to me a case of use of the Photobox Free Prints Icon benefitting from the reputation and goodwill of the FreePrints Icon, even though I do not find that this was specifically the Defendants’ intention. Again, this is as a result of the Defendants using a specific combination of features.

182. Finally, I am not satisfied that the Defendants have shown “due cause” for this particular use. The question here is not whether there is due cause for the use of elements of the sign – there is for the element “free prints” as a description alone but whether there is such cause for use of the sign as a whole. In my view, what seems unjustifiable is to use a mark which, in so far as it uses words uses them in the position where ordinarily a brand name would appear, uses them with a combination of other elements which it is not necessary to have chosen and does not use “Photobox” branding at all.

(ii) Photobox Free Prints App Store search App name and branding and Stylised Free Prints

183. As before, the analysis for these signs is similar to that under section 10(2).

184. First, the presence of the prominent mark “Photobox” has the twin effect of making the use of the term “Free Prints” likely to appear more descriptive and indicating that the trade origin is the Defendants. I do not therefore consider that there is likely to be any link made in the relevance sense or that there is sufficient “de-linking”.

185. Second, I do not consider that it is established on the evidence that these uses would have a serious impact on the distinctive character of the Claimants’ Registered Trade Mark or that these uses take advantage of the reputation associated with it.

186. Third, I consider that there is in any event due cause for these uses in that the key feature of which complaint is made “Free Prints” is sufficient clearly used descriptively in those contexts and there is a reasonable need to do so for a service offering free prints or an app to provide them. Moreover, the presence of the “Photobox” branding is sufficiently clear to mean that, taken as a whole the use is justifiable. I do not think that the colour and icon design in this context sufficiently

detracts from these conclusions as to turn use which is otherwise with due cause into use without it.

Overall conclusion on infringement pursuant to section 10(3)

187. For the reasons given, the Claimants' Registered Trade Mark is infringed pursuant to section 10(3) of the Act by the use of the Photobox Free Prints Icon but is not infringed by the other signs in issue.

Amended defence pursuant to section 11 Trade Marks Act 1994

188. At the start of the trial, the Defendants made an application to re-amend their pleadings to plead an additional defence pursuant to section 11 of the Trade Marks Act 1994 alleging, based only on the existing pleaded facts, that a defence that the sign "FREE PRINTS" was not distinctive and/or concerns the kind, quality, value and/or other characteristics of the defendants goods or services and said use is in accordance with honest practices in industrial or commercial matters.

189. I gave permission for the defence to be amended on the basis that no new facts were relied on although, with reluctance, given its lateness and the absence of credible explanation for why the defence had not been raised before. My central reason for giving permission was that I took the view that it would not make any difference. In the event, by the end of the trial it was accepted on behalf of the Defendants that it would not. In summary, the reason is that in so far as the sign alleged to benefit from that defence is "FREE PRINTS", if it is combined with the term "PHOTOBOX" in a suitably prominent way, I have found that there is no infringement in any event. In so far as it is not (for example in the Photobox Free Prints Icon), it is not merely descriptive. Indeed in that context, the words "FREE PRINTS" are in the place where a consumer would expect to find the name of the app (and Apple directs that it should appear). Moreover, the use is undertaken in such a way that, for the reasons given above, would not be in accordance with honest practices in industrial or commercial matters.

Stepping back

190. Looked at in the round, the Defendants' approach to branding does insufficient justice to the fact that, in the Photobox Free Prints Icon, there is not only use of the term "Free Prints" in the place where normally a brand appears but also adopts other elements of branding similar to that of the Claimants' and make no reference to "Photobox". The Claimants' approach on the other hand does insufficient justice to the fact that, in the other signs, the Defendants' "Photobox" branding is prominent, the use of the term "Free Prints" is reasonably necessary to describe the goods and services offered and the other features are not so closely associated with the Claimants alone to detract from that.

PASSING OFF

Goodwill and reputation

191. In the light of the evidence as a whole, as to goodwill and reputation, I find the following to be the position at the relevant date (namely April 2019 when the acts in question of the Defendants commenced).
192. The Claimants have some goodwill in the mark “FreePrints” in that, to a not insignificant part of the relevant public, that term (as a single word) denotes the Claimants’ business or one connected with them. That is not seriously disputed by the Defendants. To that extent, I accept that the term “FreePrints” has acquired a secondary meaning in the sense understood by the case law. I would go further: because the composite word FreePrints is not itself a normal English word, albeit closely similar to a pair of normal English words, it is easier for that composite to acquire such distinctiveness than would be the case had reliance been placed (which it is not) on the two words separately.
193. However, that goodwill is not so strong that the mere use of the words “Free Prints” in relation to a business of supplying free prints or an app for that purpose has come to denote the Claimants’ business or one connected with them, regardless of what other matter appears with those words or regardless of whether they are presented as a single word. That is for two reasons: those words are descriptive and the Claimants have not attempted to use them (separated in that way) to any or any significant extent as their brand. Indeed the Claimants do not claim goodwill in the words “Free Prints” as such.
194. The Claimants have developed some goodwill in the visual elements of the FreePrints Icon taken on their own (namely the butterfly design and its colouring). The Claimants have developed a more significant goodwill in the FreePrints Icon as a whole in that members of the relevant public are more likely to consider that such an icon, if used as a whole, denotes the Claimants’ business or one connected with them.
195. The Claimants have not developed a significant goodwill in the colour turquoise or the colour combination of turquoise and white alone. The Claimants have not used such a colour combination exclusively and such use as there has been has not signaled to consumers that this combination is intended to denote origin. However, when used together with the word FreePrints or words similar thereto, that may increase the likelihood that some consumers would think that the goods or services in relation to which it was used were connected with the Claimants.

Misrepresentation

196. Having regard to all of the circumstances in which the Defendants’ signs are used, including the matters to which attention is specifically drawn above, the specific uses complained of do not make a misrepresentation and the evidence is insufficient to prove that such would.
197. First, the Defendants do not (save in one respect considered below) use Free Prints alone. If they did so, different issues may arise. In each case where a user has to make a decision as to whether to purchase the goods or services in question, there

is sufficient identification by the Defendants of the origin of the goods by the use of its own brand PHOTOBOX.

198. Second, in the case of the Photobox Free Prints Icon, although the brand Photobox is not used, it is an icon which only appears after a user will have encountered the brand Photobox on more than one occasion. By the time the icon appears on the screen, any potential for actual confusion is likely to have been dispelled. This is a situation in which the relevance of the broader context of use in a claim of passing off is important. Moreover, insofar as the icon is used to order prints, during the course of use of the Defendants' app, there is significant use of Photobox branding (albeit not on every screen which appears).

199. Third, that conclusion is supported by the fact that no evidence of actual confusion has come to light despite ample opportunity for at least some to have emerged. If there was confusion on the scale alleged, it is likely that it would have shown itself in some way during the period of side by side trading. In my judgment, the more likely reason for the absence of evidence of confusion is that there has been either no operative confusion or it has been very slight. The most likely explanation for that is that the use of the mark PHOTOBOX in the selection of the app initially is sufficient to negative confusion which would arise but for the presence of a prominent brand name.

200. Fourth, while I am satisfied that the Defendants have done sufficient in the use of their PHOTOBOX brand to distinguish their business from that of the Claimants in the case of those uses which use that brand in a prominent way, my conclusion on passing off is more marginal with respect to the use of the Photobox Free Prints Icon. This is a case in which my conclusion that there is no passing off in this more limited respect is largely based on the absence of concrete evidence of such, not on the basis of concrete positive evidence that confusion which would arise were that sign alone used would be dispelled. This is a situation somewhat like that in *Neutrogena* where the court comes to the case thinking, having looked at all of the evidence, that the circumstances of trade, taken as a whole, should not lead to customer deception. In that case, the court's view was proved wrong. In this case, the evidence has not persuaded me from that initial view which is the same as that taken by Mr Treacey in her decision at an interim stage.

201. This conclusion and reasoning applies to all of the uses complained of. In this case, there has been a developing picture with the Claimants relying on aspects of the Defendants' presentation and branding other than those specifically pleaded, including use of colour and stylised presentation on screens referred to in evidence and correspondence. I have taken all of those into account, pleaded and unpleaded, and consider that, neither individually nor taken together do they make a misrepresentation. In each case, the PHOTOBOX branding is sufficiently clearly used either directly or indirectly and it is otherwise sufficiently clear that the term "Free Prints" is used to describe the nature of the goods and services rather than their origin.

Damage

202. Because there is no misrepresentation, the uses in question have not caused damage.

203. The Claimants submit that deceived customers downloading the Photobox Free Prints App, thinking that they are downloading the Claimants' FreePrints App will take business from the Claimants. They also suggest that users will often merely search the Apple App Store or Google Play Store for "freeprints" or a similar expression and that someone doing such a search would return the Photobox Free Prints App within the search results. However, while that may be true, it is likely that it would not return only those: customers have to exercise some discrimination and care in selecting from a wide range of search results and, even if it did, the Photobox Free Prints App results would use the Photobox brand in a prominent way making it clear what the origin was. While it is possible that the Defendants may be able to pay to gain a ranking higher than the Claimants in response to searches, that is a consequence of competition. On occasion it can result in a second-comer knocking an incumbent from the top spot. That can happen without any unfairness of competition.

Conclusion on passing off

204. I am not persuaded on the evidence that the Defendants have engaged in passing off. This may not matter greatly because it is a consequence of this judgment, subject to argument to the contrary, that the Defendants will need to change their app icon at least as it appears on users' screens. Whether they are compelled to do so on the basis of trade mark infringement or passing off is unlikely to matter greatly commercially but in this case, I think that the trade mark rights are more powerful to limit the Defendants' activities.

Alleged invalidity of the First Defendant's trade mark 00003342932

205. The First Defendant is the owner of registered UK trade mark number 00003342932 for the word mark PHOTOBOX FREE PRINTS ("the Defendants' trade mark") filed on 3 October 2018 and registered on 21 December 2018 in respect of classes 16 and 40. The Claimants seek a declaration that this mark is and always has been invalid upon the following grounds:

- a) It was applied for by the First Defendant in bad faith, contrary to s 47(1) and 3(6) of the Trade Marks Act 1994; and
- b) Its use is now and has at all material times been liable to be prevented by virtue of the Claimants' earlier rights under the law of passing off, pursuant to s 47(2)(b) and 5(4)(a) Trade Marks Act 1994.

(i) *Use liable to be prevented by the law of passing off*

206. I have considered the latter ground above. In my judgment the Defendants trade mark, PHOTOBOX FREE PRINTS taken as a whole with the term PHOTOBOX as the most distinctive and dominant feature of it is not liable to be prevented by the law of passing off for the reasons given.

(ii) *Bad Faith*

207. The Claimants refer to (and the Defendants did not disagree with) the recent summary of the relevant law in *Carry On Films Ltd's Trade Mark* (BL O/567/19, 27

September 2019, Thomas Mitcheson QC, sitting as the Appointed Person) based on *Red Bull*:

“23. The Applicant made no criticism of the Hearing Officer's summary of the law. He relied on the eight principles set out by Arnold J. in [Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited \[2012\] EWHC 1929 \(Ch\)](#) , which can be summarised as follows (with citations omitted):

(a) the relevant date for assessing whether an application to register a trade mark was made in bad faith is the application date;

(b) later evidence is relevant if it casts light backwards on the position as at the application date;

(c) a person is presumed to have acted in good faith unless the contrary is proven and so it is not enough to prove facts which are also consistent with good faith;

(d) bad faith includes not only dishonesty, but also 'some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined';

(e) the provisions against bad faith are intended to prevent abuse of the trade mark system. There are two main classes of abuse - abuse vis-à-vis the relevant office and abuse vis-à-vis third parties;

(f) the tribunal must make an overall assessment, taking into account all the factors relevant to the particular case;

(g) the tribunal must first ascertain what the defendant knew about the matters in question and then decide whether, in the light of that knowledge, the defendant's conduct is dishonest (or otherwise falls short of the standards of acceptable commercial behaviour) judged by ordinary standards of honest people. The applicant's own standards of honesty (or acceptable commercial behaviour) are irrelevant to the enquiry;

(h) consideration must be given to the applicant's intention at the time of filing, including whether an applicant is intending to prevent a third party from entering the market.

24. The Court of Justice has recently handed down judgment in case C-104/18P *Koton*. In this decision the Court emphasised a number of the principles relevant to the law of bad faith. In particular, it stated as follows (emphasis added):

47. The intention of an applicant for a trade mark is a subjective factor which must, however, be determined objectively by the competent administrative or judicial authorities. Consequently, any claim of bad faith must be the subject of an overall assessment, taking into account all the factual circumstances relevant to the particular case (see, to that effect, judgment of 11 June 2009, [Chocoladefabriken Lindt & Sprüngli, C-529/07, EU:C:2009:361](#) , paragraphs 37 and 42). It is only in that manner that a claim of bad faith can be assessed objectively.”

208. I have had regard to the whole of the evidence, of which highlights are summarized above, and in particular Mr Singleton’s evidence that the mark was filed as part of a strategy to convince Apple to allow the Defendants to use the name Photobox Free Prints and overcome their objection to use of the word “free”. That

evidence is supported by the disclosure documents although those suggest that a further reason was to meet a potential challenge from the Claimants.

209. The other key facts relevant to the overall assessment are as follows. First, the Defendants' trade mark is composed (broadly) of two elements. The initial element, which has a prominent distinctive character is PHOTOBOX. It is the Defendants' brand which they have used for a considerable time. Second, it consists of the words FREE PRINTS which, as I have held, are descriptive of an app offering free prints or of a service which does so. Third, while the First Defendant was clearly aware of the Claimants' substantial and widely promoted business carried on under or by reference to FreePrints and made its application deliberately and knowingly in that sense, it did not in this respect do so to take advantage of the goodwill and reputation of the Claimants' business but rather for the reason stated by the Defendants. Fourth, the approach to branding in that respect was consistent with the Apple App Store Guidelines even if Apple may have objected for other reasons. Fifth, for the reasons given above, the manner in which the elements of the mark are combined sufficiently clearly signal that the goods and services to which it would be applied have their trade origin in PHOTOBOX and are free prints prints or a service for delivering such. Sixth, an applicant for a trade mark must be permitted reasonable latitude in adopting a mark which contains both a brand and a description of what the goods and services are if due weight is to be given to the need to permit such descriptions. Seventh, the Claimants do not claim to have goodwill in the term "FREE PRINTS" as such and recognize that it is capable of being used descriptively which in the context of the mark applied for it is. In my judgment, there is a significant difference between making a trade mark application which seeks legitimately to protect its own business and which uses one's own mark as the most prominent element and a mark that is applied for in bad faith. I reject the claim that this was an application made in bad faith.

Conclusion on invalidity of the Defendants' trade mark

210. Accordingly, I dismiss the application to declare the Defendants' trade mark invalid on either of the grounds alleged.

OVERALL CONCLUSION

211. For the reasons given,

- a) The use by the Defendants of the Photobox Free Prints Icon infringes the Claimants' Registered Trade Mark pursuant to both sections 10(2) and 10(3) of the Trade Marks Act 1994 but the other claims for trade mark infringement are dismissed.
- b) The claim for passing off is dismissed.
- c) The claim to declare the Defendants' trade mark registration for PHOTOBOX FREE PRINTS invalid is dismissed.

FUTURE CONDUCT OF THE CLAIM

212. Given current circumstances, it is important that parties confine further disputes to the unavoidable. Against that background, one of the court's duties, is to assist the parties in resolving matters with the minimum need for further hearings (there have been three substantive ones in this case so far). Having heard a good deal

of evidence at trial, that requires the court to outline its provisional thinking as to how matters should proceed.

213. First, subject to submissions to the contrary, I will provide a more extended period following hand down (in this case, approximately 28 days) for the parties to consider this decision and, subject to any earlier applications, to come up with constructive proposals to give effect to it. Although I will consider any applications on their merits - including any applications as to whether relief should be granted by way of alerting people to this finding of infringement, if that is pursued - it is unlikely that the court will regard as constructive extravagant and/or complex bases of claims for monetary remedies for such trade mark infringement as I have found to occur (or on the cross-undertaking in damages in respect of the interim undertakings given) or on approaches to the Defendants changing the Photobox Free Prints Icon which involve tiny adjustments and which, in reality, are a fig leaf for a largely business-as-usual approach.
214. Second, this may be a moment for the Defendants to reflect. I have found one of the main uses of the Defendants' branding to be too close to the Claimants' branding to be lawful. But the other uses, which combine the turquoise and white colour scheme with prominent use of stylized "Free Prints", while not, in my view actionable, constitute what might be described as an antisocial non-distancing of the Defendants' identity from that of the Claimants. My impression is that this general approach was pushed largely by Mr Woolfenden, against some internal resistance of others at the Defendants. My findings should not therefore be taken as a vindication of the Defendants' approach in other respects. I suspect, having seen the evidence as a whole, that the outcome of this case and these observations will come as no surprise to the Defendants, since they anticipated objection. They have been edging away from the similarities to the Claimants' branding under pressure from this claim, more recently moving from the more turquoise colour-field background. They may wish to consider changes along these lines for the logo colouring as well when changes are made in the icon to give effect to this decision.
215. Third, it should be remembered that, on an inquiry as to damages for trade mark infringement, evidence which may have been regarded as inadmissible at trial as to the extent to which the Defendants' activities may have caused damage would not necessarily be inadmissible. The decision of Ms Tipples concerning survey evidence struck me as, on the one hand, impeccable as an application of the *Interflora* principles and, on the other, something of a lucky escape for the Defendants in shutting out one kind of potential evidence in the case as to customer reaction to its branding. That material, as far there recorded, and with all the qualifications as to its utility, did not give the Defendants a completely clean bill of trade mark health – especially in the context of the Defendants own material indicating concerns that aspects of its branding were too close to the Claimants'. The decision of Ms Treacy refusing interim relief and expressing views on the merits was also taken before the First Claimant obtained registration of its trade mark and may have lulled the Defendants into a false sense of self-justification.
216. Fourth, the Claimants cannot and should not attempt to prevent genuinely descriptive use of the term "FREE PRINTS" in respect of a business or app offering free prints (or similar service) or a means of obtaining the same and must give other traders, including the Defendants, broad latitude in how that is communicated. They

cannot reasonably expect to have the business of offering the kind of service they are offering to themselves or to be able to prevent others from describing what they are offering, and doing so prominently – even in stylized script. However, given the Claimants’ business and the work it has done in establishing it in the public eye, the Defendants may wish to consider adopting a more respectful attitude to ensuring that the distinction between their respective businesses is completely clear and must, in any event, do so for the icon as it appears on user’s screens.

217. I will therefore consider at any further hearing, should that be unavoidable, procedural means for giving effect to those considerations, including, possibly staying further proceedings for a short while to enable the parties, assisted by a mediator (on-line or otherwise) if appropriate, to resolve this matter once and for all, if that appears likely to be productive.

218. Finally, I will consider applications as to costs at that stage as well, if necessary. Realistic proposals should be made to resolve them. Although I have held that there has been infringement on a narrower basis than claimed, having heard the evidence, this appears to be an action which the Defendants have, to a significant extent, brought upon themselves and which could have been avoided had they adopted a somewhat less aggressive approach, steering clearer of elements of the Claimants’ branding, which others in this field appear to have done. Moreover, the Claimants have succeeded in the claim relating to the core aspect of their branding (i.e. the FreePrints’ Icon) which appears as the Claimants’ gateway or “face” to the customer on millions of screens. I am open to persuasion but will need an explanation for why, in those circumstances, a significant proportion of the reasonable standard costs of this claim should not be paid by the Defendants, despite the fact that the Claimants have not succeeded on all of their broader claims.

Note on Annexes

Annex 1 consists of pages 2-11, 15-19, 24-25 of Exhibit RSB51.

Annex 2 consists of an expanded colour reproduction of the second box on the left of p76 of the Defendants’ Disclosure (E1/Tab 10) referred to in the cross-examination of Mr Singleton at Day 2, p17.

Annex 1

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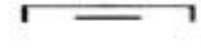
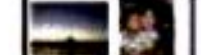


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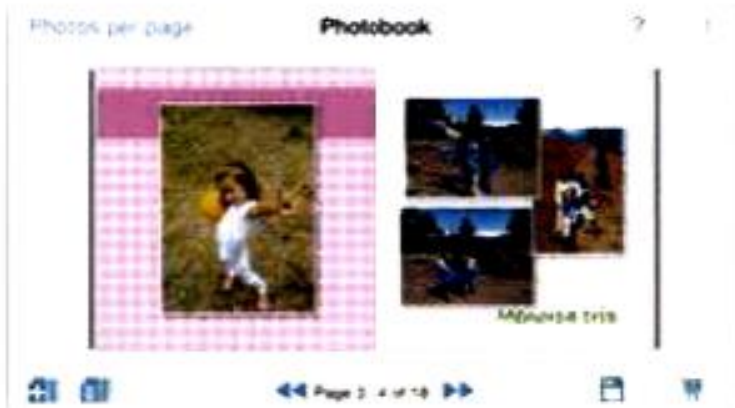
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