

Review

Intellectual Property



Whirlpool Corporation v Kenwood Ltd [2009] EWCA Civ 753

Background

Whirlpool produces kitchen equipment, including an electric stand mixer known as the KitchenAid Artisan (the “Artisan”) aimed at design-conscious consumers and sold at a premium price of over £300. Whirlpool owns a community trade mark registration in class 7 (electric beating and mixing machines) in respect of the shape of the machine, which bears the word ‘KitchenAid’ (the “CTM”).

Kenwood, seeking to enter the same market, launched their own kMix mixer, which looked similar to the Artisan, although there were small differences and the word KENWOOD appeared beneath the dial.

Whirlpool alleged trade mark infringement under Articles 9(1)(b) and 9(1)(c) of Council Regulation 40/94 (the “Regulation”), and passing off. Whirlpool claimed that the CTM had a reputation in the community and that as the kMix was of a similar shape to the CTM it took unfair advantage of, or was detrimental to, the distinctive character or repute of the CTM.

High Court Decision

The High Court rejected Whirlpool’s claims, finding that although there was a degree of similarity between the mixers, this was insufficient to confuse design-conscious consumers as to trade origin, or to damage the distinctive character or repute of Whirlpool’s mark.

To the average consumer, one of the mixers may bring the other to mind, hence the requirement for similarity in Article 9(1)(c) of the Regulation was fulfilled. However, the similarity did not cause confusion as to trade origin and hence did not constitute trade mark infringement. The judge noted that Article 7(1)(e) of the Regulation was relevant in assessing the issue of similarity. Article 7(1)(e) of the Regulation aims to prevent a manufacturer from monopolising the market for a particular kind of product by registering a trade mark consisting exclusively of the shape where the shape results from the nature of the goods themselves.

It is unlikely to be easy to demonstrate that unfair advantage has been taken of a trade mark's distinctive character or repute

Whirlpool appealed against the High Court decision concerning Article 9(1)(c) of the Regulation. It argued that the deputy judge had made the following errors of law in reaching his conclusion that the kMix did not take unfair advantage of the distinctive character or repute of the CTM, or cause detriment to that distinctive character or repute:

- The High Court judge had wrongly referred to Article 7(1)(e) of the CTM Regulation when making his assessment under Article 9(1)(c);
- The High Court judge had applied a narrower test of infringement because the CTM was a shape mark than he would have done were it a word or logo mark. The basis of the appeal was the trial judge's view *that "in the realm of product shapes it would be wrong to apply the concepts...as generally they would be applied as regards another kind of mark"*.

Court of Appeal's decision

The Court of Appeal dismissed Whirlpool's appeal and upheld the High Court's decision that there was no infringement under Article 9(1)(c) of the Regulation. The reasoning can be subdivided under the following headings.

Had the judge mistakenly referred to Article 7(1)(e)?

Article 7(1)(e) of the Regulation aims to prevent a manufacturer from monopolising a market for a product by relying upon a trade mark consisting of shape where the product has to have that shape because of its nature or function.

The High Court judge had not mistakenly applied Article (7)(1)(e). Rather, the judge pointed out that the rationale behind Article 7(1)(e) was relevant in deciding if there is sufficient similarity under Article 9(1)(c) as both the CTM and the kMix concern shapes. The Court of Appeal found that it was not a misdirection in itself to observe that the CTM and the kMix consisted of the shape of the product itself.

Did the judge apply a narrower test for infringement?

Article 9(1)(c) sets out the relevant test for infringement, namely that where unfair advantage is taken of, or detriment is caused to the distinctive character of a registered community trade mark, this will constitute infringement if the mark has a reputation in the community.

The High Court judge noted that the shape of the kMix and the shape represented by the CTM had enough in common for a link to be established between the two in the mind of the relevant average consumer. The relevant average consumer is someone willing to spend at least £300 on buying a kitchen mixer and is influenced by the design of the product in addition to its functional qualities. Despite the link between the kMix and the CTM, the judge found no confusion as to trade origin. Although the arrival of Kenwood's mixer on the market eroded Whirlpool's market share, the similarity between the bodywork of Kenwood's mixer and that represented by the CTM was not sufficient to affect the distinctiveness of the mark.

The Court of Appeal agreed with the High Court judge noting that in a sophisticated market such as this, a consumer would be aware of the arrival of a new product on the market. This is particularly true when, as in this case, the new product is the second of only two products available. In saying that the relevant concepts were not to be applied "more generally", he meant that they could not properly be applied so generally as to find the shape of Kenwood's mixer was so close to that of the mark as to offend against Article 9(1)(c). He was not saying that they were to be applied less generally in a case where the mark and the sign were both product shapes.

Unfair advantage of the distinctiveness or repute of the CTM

Whirlpool argued that Kenwood gained a competitive advantage in the form of increased sales of the kMix resulting from an association by customers of the kMix with the positive qualities of the CTM, hence demonstrating that Kenwood secured an unfair advantage from the distinctive character and repute of the CTM contrary to Article 9(1)(c) of the Regulation. Whirlpool sought to rely on the European Court of Justice's recent judgment in *L'Oreal SA v Bellure NV*.

The Court of Appeal noted that the facts in this case are a long way from *L'Oreal SA v Bellure NV* in which the alleged infringers had shown a clear intention to take advantage of the distinctive character and repute of trade marks.

Kenwood had its own established goodwill in kitchen appliances and did not need to "ride on Whirlpool's coat-tails". As a newcomer in a specialist market in which Whirlpool had a monopoly, and being the same basic shape as Whirlpool's mixer, Kenwood's mixer would remind an average, design-aware customer of Whirlpool's mixer. However, this was a very different phenomenon in different commercial circumstances from the situation in *L'Oreal*.

Commentary

Following the ECJ judgment in *L'Oreal SA v Bellure NV*, this case indicates that it is unlikely to be easy to demonstrate that unfair advantage has been taken of a trade mark's distinctive character or repute. Other than showing a clear intention to take advantage of an earlier mark's distinctive character or repute, it remains to be seen what other factors will be deemed to categorise an advantage as unfair. The case also appears to confirm that shape marks are difficult to enforce when the issue of infringement enters a territory arguably more appropriate to registered designs.

FURTHER INFORMATION

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¹ *L'Oreal SA v Bellure NV*, Case C-487/07, 18 June 2009

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