

English Court of Appeal's decision in *The London Taxi Corporation v Frazer-Nash* [2017] EWCA Civ 1729

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# An “iconic” design

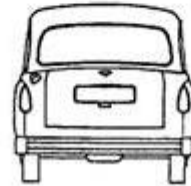
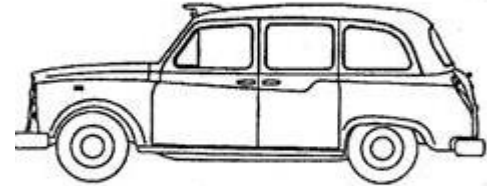


# EU Trade Mark 951871 (05/10/98)

The dispute:

Class 12: *"motor vehicles, accessories for motor vehicles; parts and fittings for the aforesaid"*

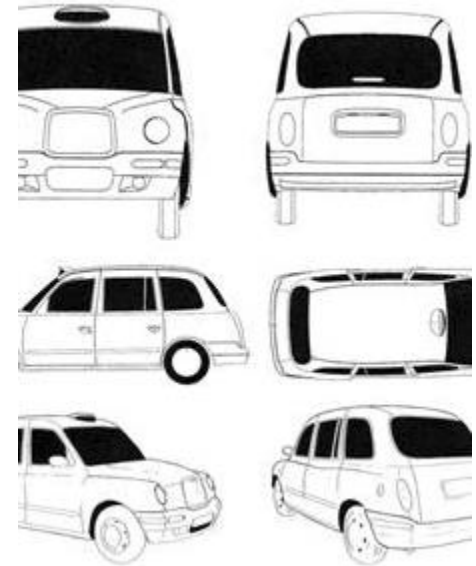
NB also Classes 6, 16, 18, 21 and 28



# UK Trade Mark 2440659 (01/12/06)

Class 12: *"cars; cars, all being taxis"*

NB Also a UK registered design (2069313) which was not relied upon in these proceedings.



# The Metrocab



The Defendant's Metrocab (left) – a comparison with the TX4, the then current model of traditional London Taxi cab, (right)

# Taxis – a history

1621 – first Hackney coach in London

1897 – first electric powered cab

1905 – first petrol powered cab

1907 – the great Renault takeover

1947-1980 – most taxis were black  
(cheaper!)

1970 – Metrocab trialled...



# The rights transitioned

**2001** Defendant acquired assets of Metrocab including IP rights (following administration). Production ceased in August 2006.

**2013** Claimant acquires IP rights in the TX range of vehicles (i.e. the traditional taxi cab) including the Trade Marks.

Metrocab press release describes their new cab:

*Instantly recognisable as an iconic London Hackney Cab*

December 2014 new Metrocabs are trialled...

## Average consumer

- Taxi drivers NOT taxi riders
- ***“Members of the public who hire taxis are consumers of taxi services, and not of taxis. They are not end users of the goods, they are users of the service provided by the consumer of the goods.”*** Arnold J

Taxi drivers are:  
*Knowledgeable & careful*  
*High level of attention*

Taxi riders have:  
*A fairly low level of*  
*attention.*



# On Appeal...Who is the end user?

BOSTONGURKA (ECLI:EU:C:2004:275) and KORNSPITZ  
(ECLI:EU:C:2014:130)

*"consumer" vs "end user".*

Pickled gherkins and oblong bread rolls can be more easily shared than a taxi

*"...average consumer includes any class of consumer to whom the guarantee of origin is directed and who would be likely to rely on it". Therefore "taxi hirers are not excluded in principle" Floyd LJ (obiter comments)*



# Inherent distinctiveness (Art. 7(1)(b) Regulation and Art. 3(1)(b) Directive)

*Freixenet SA* Joined Cases C-344/10 P and C-345/10 P

To be distinctive a mark must:

1. identify the goods as originating from a particular undertaking
2. distinguish those goods from other undertakings

**The relevant public's perception for 3D marks is not necessarily the same as for word or device marks**



# Inherent distinctiveness – hard cheese?

*Bongrain's TM application* [2004] EWCA Civ 1690

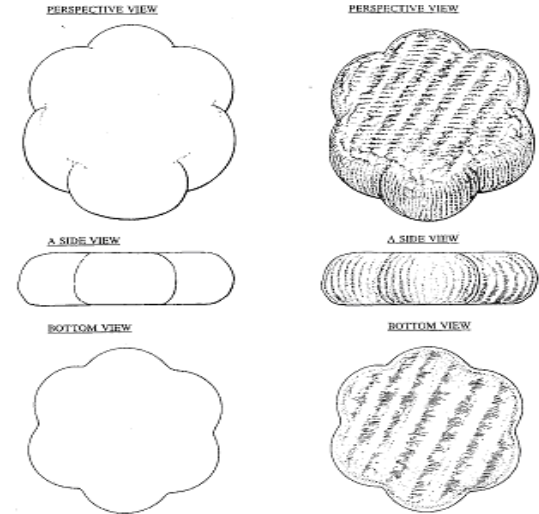
*"There are real differences between creating a fancy shape to sell as such and a fancy shape which truly in itself will denote trade origin if used."* Jacob LJ

= Arnold J in *London Taxi*

an unusual shape *"is a necessary, but not a sufficient, condition"*

BUT did this misunderstand CJEU law?

Arnold J (High Court) said a CJEU referral was considered not necessary but...



# Jaguar Land Rover to the rescue? (T-629/14)

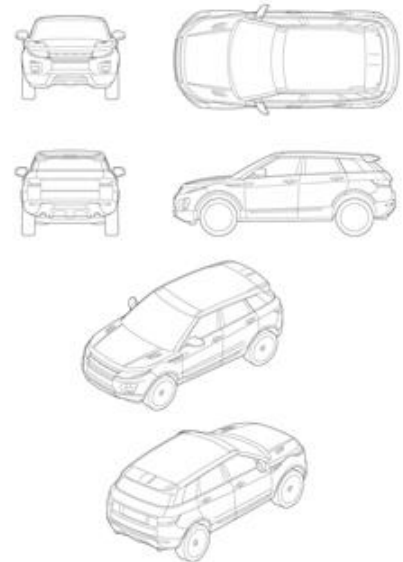
Could the mark be registered for *apparatus for locomotion by air or water*?

YES but not “*vehicles for locomotion by land*”

The sign (see right) departed significantly from the norms and customs of planes and boats and therefore was distinctive for those goods.

Does this mean that “*departs significantly from the norm or customs of the sector*” is sufficient for inherent distinctiveness?

MAYBE - It's not *acte clair* but it didn't matter...



# Norms and customs of the sector

## But what is the sector?

LTC said London taxi sector

Court of Appeal said car sector

As the sector is cars, the marks do not differ significantly from the norms and customs of the sector.



# Acquired distinctiveness

The black cab is an iconic vehicle but that was not enough to prove that the trade marks have:

*“come to identify the goods [i.e. cars and taxis] as originating from a particular undertaking and so to distinguish those goods from those of other undertakings”.*

The Court of Appeal noted that the marks have a secondary meaning as representing a licensed taxi.

**BUT** this does not mean that the relevant consumer (whether taxi drivers or riders) identifies the shape as originating from a particular undertaking.

# Substantial value

**The High Court** held that the marks had substantial value due to the shape's fame and iconic status.



**The Court of Appeal** did not consider the matter to be sufficiently clear and if the question of substantial value had proven essential to the appeal there would have been a CJEU reference.

The issue may well arise in the future.

## Can second hand goods = use?

LTC sold 264 second-hand vehicles - mostly in the UK.

314 were sold/given away for scrap.

**High Court** said the second hand use did not help to create or maintain a share of the market for vehicles bearing the mark  
THEREFORE second hand sales were not trade mark use.

**Court of Appeal** agreed but said sales of later models would have been sufficient to establish genuine use of the mark

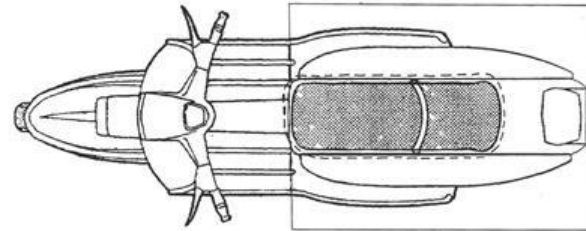
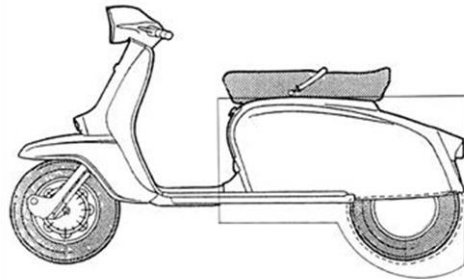


# Vehicles can still get IP protection

1. The Land Rover route
2. Or designs - if the rightsholder registers in time!

E.g. *Scomadi v RA Engineering* [2017] EWHC 2658 (IPEC)

Two registered Community designs held valid and infringed



Thanks for your time!

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