

Playground wars

Jonathan Silverman explains how adopting a different approach to registering a trade mark can pay dividends when trying to protect a product range



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While there is a move afoot to introduce an understanding of the value of intellectual property to children in the classroom, it may well be that the recent decision in cases T-395/14 and T-396/14 *Best-Lock Europe (Ltd) v OHIM-Lego Juris* will result in that learning process starting in nurseries.

In the case, the court upheld the registration of the shape of the Lego figure as a community trade mark (CTM). In itself this flags for lawyers the importance of not simply advising manufacturers and designers on the separate merits of copyright-registered designs and trade marks, but rather realising that one or more of those rights may have the potential to yield wider rights of protection than traditionally has been the case.

It would not have been surprising had Lego sought

protection as a community-registered design (CRD), yet it seems the lawyers may have been one step ahead in identifying that trade marks in many ways have now come to the forefront of the battle to protect not just the brand but the integrity of the underlying product.

Play value

For many years, Lego fought a long, hard, and ultimately unsuccessful battle in trying to protect the basic shape of a Lego brick.

But the company employs a bright research and development team and some years ago recognised that the play value of Lego could be enhanced by making it more interactive, by producing characters which could both clip onto Lego bricks and had separate play value if used alone. This proved a deciding factor in the recent judgment.

In 2000, Lego sought to register as a three-dimensional mark to protect the Lego characters. These cute characters had become a big seller and were consequently attracting imitators, one of whom was Best-Lock, who decided that the best way to gain market share was to invalidate the trade mark Lego had so strategically obtained and thereby destroy its monopoly.

This was the playground squabble to beat all others when it came before the General Court

of the European Union in June 2015, and Lego proved victorious in fending off the challenge. Consequently, it retained a valued CTM and its characters won the day.

Technical result

Yet for many years lawyers argued successfully that where a product has to be joined to another in order to function, the incumbent manufacturer cannot stop another from producing a product that could be joined to the existing product, even though this might necessitate incorporating a unique fitting (such as the lightning connector on the newer iPhones).

The line of cases goes back decades to *British Leyland Motor Corp v Armstrong Patents Company Ltd* [1986] 2 WLR 400, where a third party was allowed to produce an exhaust system for a British Leyland Mini that was fashioned to fit the car and replace the original (which rotted through horribly quickly).

It's worth briefly looking at the court's reasoning in the Lego case. It held:

- The featured graphic representations on the Lego characters, being the protrusions on their hands and the holes on their feet and backs of their legs, were not necessarily only there to enable them to fit into Lego bricks;
- The overall shape of the figures in question was not necessary to enable the figures

to be joined; and

- The figures represented characters that could be used by a child in an appropriate play context, which could not be described as a 'technical result'.

This takes us nicely to the Court of Appeal's decision in *Magmatic Ltd v PMS International* [2014] EWCA Civ 181, in which the manufacturer of Trunki ride-on children's suitcases failed to stop a competitor offering a similar but low-cost product to the marketplace.

In this case, even though PMS acknowledged its product had been 'inspired' directly by the Trunki product, the existence of a CRD held by Magmatic failed to save the day because the registration was a 3D-rendered view that failed to capture any substantive 2D surface decoration. Indeed, the attempt by Magmatic to make the CRD application as wide as possible, namely as a plain and unornamented design, may well have backfired.

Had Magmatic decorated its Trunki and applied not for a CRD but for a CTM, the company might well have been in a better position to see off the opposition. As it is, leave has been given to appeal to the Supreme Court, so all may not yet be lost. From the perspective of the practitioner, however, it shows the need to look very carefully at how to most effectively advise on product protection. **SJ**