

EIP



High Court confirms that it is not fine for Spicerhaart to continue using “FINE”

A recent decision of the High Court has brought to a conclusion a dispute between Fine & Country Limited (F&C) and Okotoks Limited (formerly Spicerhaart Limited and part of the Spicerhaart Group of companies), both of which are operators in the premium property market. The dispute related to the use of the trade mark FINE by the Spicerhaart Group (SG) alongside F&C's use and registration of the trademark FINE & COUNTRY.

F&C started their relevant property business in 2001 and has operated it under the trademark FINE & COUNTRY since then. Although the business is not an estate agency business, as such, it enables independent estate agents to operate under the umbrella mark FINE & COUNTRY, and avail of other benefits including the use of a Park Lane office for promotion and marketing purposes. The FINE & COUNTRY trademark is used extensively on advertisements, “for sale” signs, office fronts and on a website. FINE & COUNTRY was registered as a UK trademark in May 2002, and as a Community Trade Mark in January 2010.

SG operate a number of national estate agencies under various brands, including FINE, which was rebranded from “Finehaart” in 2009.

In 2010, F&C brought proceedings against SG seeking an injunction to prevent the use of the trademark FINE, alleging both passing-off and trademark infringement.

In defence, SG submitted that it would be inappropriate for the word “Fine” to be “monopolised”, since it was common in ordinary language, and used extensively in the estate agency market. They also sought to invalidate the F&C trademark registrations on

the basis that the mark FINE & COUNTRY was non-distinctive and, failing that, to revoke the FINE & COUNTRY trademark registrations on the basis of non-use and because they had become deceptive in relation to trade origin by virtue of the way in which they had been used under licence. Similarly, in relation to passing-off, SG argued that any goodwill generated in the FINE & COUNTRY mark did not belong to F&C but to their licensees. It was also asserted that there was no misrepresentation or damage to support a successful passing-off case.

Mr Justice Hildyard held that F&C had adequately demonstrated that they had goodwill in the mark FINE & COUNTRY, which they were entitled to protect irrespective of any other goodwill generated by their licensees. He also believed that there had been deception on the part of SG that would lead to damage to the F&C goodwill. Specifically, Hildyard, J drew attention to certain internal communications within SG that showed that they had decided to “live dangerously” by continuing to rebrand their business to FINE in spite of warnings that “a risk of confusion” with the mark FINE & COUNTRY existed – in doing so they had “not done enough to avoid deception”.

In respect of trademark infringement, Mr Justice Hildyard rejected the argument that the mark FINE & COUNTRY lacked distinctiveness, and consequently accepted the validity of the F&C registrations. He also held that the FINE & COUNTRY registrations had been used by or with the consent of F&C and that the use made of trademarks by licensees had not rendered them deceptive as to the origin of the services to which they related; in his view, F&C had exercised considerable control over the use of their marks, ensuring consistency and quality of service.

In conclusion, finding that SG had infringed the trademark registrations of F&C and also that a passing-off claim had been successfully established, Mr Justice Hildyard awarded injunctive relief, as well as an inquiry into damages or an account of profits and delivery up and/or destruction of offending materials.

This case raised some interesting issues surrounding licensing that may, in other circumstances, have been decided differently. However, the decision at least confirms that a licensor can develop its own goodwill alongside that of its licensees.

By Paula Flutter and Gareth Edwards