

**EIP**

# Not a “FUNTIME” in Court for toy manufacturer after trademark infringement claim in IPEC fails

This judgment concerns a claim for infringement of a UK and EU registered trademark brought in IPEC by Luen Fat Metal and Plastic Manufactory Co Ltd (the “**Claimant**”) against Funko UK, Ltd (the “**Defendant**”).

## Background

The Claimant is a manufacturer of toys and proprietor of UK registered trademark No 2132000, registered with effect from May 1997 for a series of word marks: FUNTIME, FUN TIME and FUN-TIME. The specification covers games, toys and playthings, and electronic games in Class 28. The Claimants also own a registered EU trademark No 000806281, which is just for the word FUNTIME, and is registered for the same specification of goods.

The Defendant takes intellectual property licences from rights owners, and makes and sells merchandise as spin offs from games and films. For example, it has a licence to produce Harry Potter merchandise and sells a range of “Pop! Vinyl” figures.

The alleged infringements arise out of a licence granted to Funko by Scottgames LLC, which owns the rights in the “Five Nights at Freddy’s” (“**FNAF**”) video game franchise. This claim relates to characters from the fifth game in the FNAF called “Funtime Freddy” and “Funtime Foxy” (the “**Names**”). There is a range of action figures, pop vinyl and plush toys which represent “Funtime Freddy” and “Funtime Foxy” that are sold in the UK. The Claimant complains that as they have the word “Funtime” on their packaging, these goods infringe its Marks.

# Proof of Use

The Defendant requested that the Claimant prove the extent of any use of the Marks, and submitted in its skeleton argument that use had only been proved in respect of "toys and playthings for babies and toddlers", and not, for example, games.

The Judge was content that there was clear use of the UK mark in the form "Fun Time" upon the packaging of the Claimant's goods. The Judge agreed that there was ample evidence of the importation, advertisement and sale of goods in the UK and Ireland, and the Defendant accepted that use had been proved in the UK, subject to the question of what was a fair specification.

The Judge found it necessary to identify and define the categories of goods realistically exemplified by the use shown. The Judge agreed that toys, games and playthings are terms which encompass a huge range of goods, some of which are aimed at adults instead of children and many of which would not be suitable for very young children.

The Judge decided that the Claimant did not prove use across the whole spectrum of its specification, but was satisfied that a fair way to describe the goods upon which use has been shown, is "toys, games and playthings for babies and pre-school children".

## Average consumer

The Claimant submitted that the average consumer for its goods is a "parent or relative buying toys for a child". The Defendant submitted that purchasers of its goods encompassed a wider category of persons, also including adults or teenagers buying for themselves.

The Judge agreed that the average consumer of the Claimant's goods is an average member of the public purchasing a toy for a baby or young child. The Judge ruled that similar persons may be purchasing the Defendant's goods, and so the range of consumers overlaps. Such consumers are likely to pay a medium level of attention to the purchase.

## Distinctiveness of the Marks

The Claimant submitted that the mark FUNTIME is highly distinctive. The Judge concluded that the inherent distinctiveness of the Marks is low but conceded that the Marks must have at least the minimal degree of distinctive character necessary to have

achieved registration.

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Even though the Claimant's goods had been advertised in trade shows, the Judge did not agree that such use would have affected the distinctiveness of the Marks to the average retail consumer. There was limited evidence of other marketing and despite the Claimant's success with its Farmyard Friends toy, which was ranked at 26 under Toys and Games in 2020, the Judge concluded that the Claimant's evidence did not prove that the Marks had acquired a significant level of enhanced distinctiveness.

# Infringement

## Section 10(1) of the Trade Marks Act 1994

To succeed on the claim of infringement under subsection 10(1), the Claimant had to prove that the Defendant had used a sign identical to its Marks. The Claimant submitted that the Defendant's consistent use of "Funtime" on their products was likely to result in the 'sign' being perceived by the average consumer as "Funtime".

The Judge did not accept that submission and considered that on the Defendant's products, the sign would be perceived as the **whole** of the Names e.g. "Funtime Freddie" or "Funtime Foxy" and so was not identical.

## Section 10(2) of the Trade Marks Act 1994

Referring to the five conditions set out in *Comic Enterprises v Twentieth Century Fox Film Corp* [2016] EWCA Civ 41 to be satisfied in order to find infringement under s 10(2), the Claimant needed to establish the following: (i) use of a sign which is identical or similar to the Marks; (iv) in relation to goods which are identical or similar to those for which the Marks are registered; and (v) the use of the sign is liable to affect the functions of the trade mark.

Regarding the similarity of the Marks, the Judge found there to be a medium level of visual and aural similarity. On point (iv), the Claimant submitted that the Defendant's goods were toys, and so were identical to its specification. However, the Judge, noting they are toys for older children, held that they are similar goods to toys etc for babies and pre-school children. Regarding the use of the sign affecting the functions of the trade mark, the Defendant accepted that where there is a likelihood of confusion that necessarily entails an effect on the origin function of the trademark.

The Judge then assessed the likelihood of confusion. The Claimant did not suggest that there was a likelihood of direct confusion. Its main complaint was that the average

consumer will associate the Mark with the Defendant's' goods and assume a licence had been granted for use of the Funtime name. The Judge however was not persuaded that there was an overall likelihood of confusion in this case.

Therefore, the infringement claim under subsection 10(2) also failed.

Section 10(3) of the Trade Marks Act 1994

To succeed on the claim under s10(3), the Claimants needed to show that the public would make a link between the Marks and the Names. However, as the Judge had already established there was no likelihood of confusion, she could also not see the public drawing a link between the two parties and therefore this failed.

For the reasons set out above, the Claimant did not succeed on their trademark infringement claim.

Judgment is [here](#).

Written by India Badini.