




Aldi loses appeal on lookalike liqueur

The Court of Appeal has dismissed Aldi's appeal against the IPEC's decision that its flavoured liqueur bottles infringed registered design right of Marks & Spencer. The decision highlights the utility of relying on registered design rights to combat lookalike products.

To prove infringement of a registered design, the right holder is required to demonstrate that the lookalike design does not produce a different overall impression on the informed user to the registered design. This can be contrasted with claims for trade mark infringement, which are often advanced against lookalike products. In trade mark infringement cases, it is typically necessary to demonstrate that consumers will be confused into believing that the lookalike product originates from the trade mark owner, or that there is a commercial relationship between the trade mark owner and lookalike seller. Supermarkets such as Aldi have shown themselves to be adept at staying on the right side of this confusion threshold with their lookalike products.

Background

M&S owns four registered designs for gin-based flavoured liqueurs sold in a festively decorated bottle containing edible gold flakes (which looked like snow when the bottle was shaken). At the base of the bottle is an LED which, when switched on, illuminates the contents of the bottle, including the gold flakes. M&S launched this range in Autumn 2020 and includes clementine flavour. The photographs depicted in the registered designs are shown below.

UK Design Number	Illustrations
6134278 ("UK 78")	
6134280 ("UK 80")	
6134282 ("UK 82")	
6134284 ("UK 84")	

In late 2021, Aldi launched a similar range available in clementine and blackberry flavours. Photographs of the Aldi products are shown below.



Summary of the IPEC decision

In the first instance decision, the IPEC held that M&S' registered designs were infringed by Aldi's gin liqueur products.

In assessing whether the designs of Aldi's products produce on the informed user a different overall impression to each of M&S' registered designs, the judge had adopted a four-stage test:

- Firstly, the judge had identified the relevant sector for the products as being spirits and liqueurs in the UK.
- Secondly, the judge had identified the informed user of the designs as a UK purchaser and consumer of spirits and liqueurs, who would exercise a relatively high degree of attention compared with the average consumer in trade mark law.
- Thirdly, the judge identified the designer of the registered designs' degree of freedom. He concluded that the designer had a considerable degree of design freedom. Aldi had advanced some arguments based upon features of the design it alleged were dictated by technical function, the relevance of branded wording that appeared on the Aldi products, and the design corpus but these were not accepted by the judge.
- Fourthly, the judge considered the similarities and the differences between the M&S registered designs and the Aldi products.

Identified similarities	Identified differences
Identical shapes of the bottles and stoppers	The winter scene on the M&S designs featuring a stag and doe
A winter scene over the entirety of the straight vertical portion of the side consisting of tree silhouettes	The “INFUSIONIST” branding on the front of the Aldi designs
A snow effect (in the case of two of the four designs)	The lack of a “front” in the M&S designs
An integrated light (in the case of two of the four designs)	The busier winter scene of the Aldi designs
	The “watch strap label” on the Aldi designs stopper
	The darker shade of the Aldi designs stopper

The judge then determined that the similarities would be noticed by the informed user as being common between the designs; each of these were held to be significant to the informed user and cumulatively they would be “striking”. This led to a finding that the designs did not create a different overall impression. The differences, on the other hand, were held to be of relatively minor detail and did not affect the lack of difference between the designs’ overall impression. Accordingly, the judge held the Aldi designs infringed M&S’s registered designs.

Some other interesting findings, in particular in light of the appeal, were: the relevant date for assessing the overall impression of a registered design is the priority date; any designs disclosed by the designer in the grace period will not count as a prior disclosure; and, only two of the four M&S designs relied on showed an integrated light feature.

The Court of Appeal decision

Aldi advanced seven different grounds of appeal.

Ground 6 (interpretation of the registered designs)

Giving the leading judgment in the CoA, Lord Justice Arnold first considered ground 6, which concerned the interpretation of M&S’ registered designs.

M&S’ registered designs depicted photographs of their product. One point at issue was whether the photographs showed an integrated light in the base of the bottle. Two of the four registered designs showed bottles against a dark background, which made the integrated light more obviously visible (UK 82 and UK 84). Aldi contended that the judge had (i) no basis for concluding that the photographs featured a dark background and (ii) failed to address their pleaded submission that these two registered designs showed a dark-coloured bottle and/or dark-coloured liquid. M&S contended that the judge was entitled to find that the two registered design had dark coloured backgrounds, but if the

Court was to reconsider that issue, then it should also reconsider the judge's finding that the other two registered designs without the dark background (UK 78 and UK 80) did not show an integrated light.

Arnold LJ noted that the judge had failed to address Aldi's submission in (ii) and gave no reasons for finding that two of the registered designs showed an integrated light whereas the other two did not. He also noted that each registered design had to be considered separately and interpreted independently, although it was permissible to consider together the multiple images included for each registration as they simply depicted the same product from different perspectives.

Arnold LJ concluded that the photographs in the registered designs did not show a dark coloured bottle (because clear glass was visible at the top of the bottle where the stopper had been inserted) or a dark coloured liquid (because no gap between the top of the liquid and the stopper was visible in the photographs and the printed scene on the reverse side of the bottle is as crisp as the scene on the obverse). He also found it to be tolerably clear that the two registered designs which did not feature the dark background did in fact show an integrated light and this view was reinforced by inspecting a sample of the M&S product made to the design, noting that it was permissible to use products to confirm conclusions already drawn (Case C-281/10 PepsiCo Inc v Grupo Promer Mon Graphic SA) .

Finally, Arnold LJ concluded that the appearance of the words "Light Up Gin Bottle" under the heading 'Indication of Product' in the registered design could be relied upon to resolve any ambiguity as to what is shown in the photograph and in that sense assist in the interpretation of the design.

Ground 1 (the effect of the grace period when assessing infringement)

Aldi contended that the judge was wrong to hold that disclosures by the designer of the registered design during the grace period (i.e. the 12-month period prior to registration during which the designer is entitled to test their design in the market without destroying its novelty required for registration) should be disregarded when assessing infringement, as opposed to validity. Arnold LJ disagreed. To do so would reduce the scope of protection afforded to the valid design to potentially nothing and that cannot have been intended by the law makers.

Ground 2 (which disclosures in the grace period can be disregarded)

Aldi contended that, even if such disclosures were to be disregarded, the judge was wrong to hold that any designs by the designer (disclosed within the grace period) should be disregarded. Arnold LJ concluded that disclosures of the same design or any design which does not produce a different overall impression to that of the registered design should be disregarded, but not disclosures of any other design by the designer within the grace period.

Ground 3 (the assessment of overall impression at the priority date: procedural unfairness)

Aldi contended that the judge was wrong to hold that the overall impression of the registered designs should be assessed at the priority date. Aldi contended that it was procedurally unfair as it was common ground between the parties that the date of the assessment was the filing date. However, Arnold LJ found that Aldi would only have been prejudiced if the finding had affected the evidence or arguments at trial and Aldi had not suggested that it had.

Ground 4 (the assessment of overall impression at the priority date: illogicality)

Aldi contended that this was wrong in law on the basis that it was illogical to assess infringement at a time when there could be no infringement. Arnold LJ did not agree. He found that there was nothing illogical in holding that the overall impression of a registered design must be assessed at a date earlier (i.e. the priority date) than the date from which it can be infringed (i.e. the filing date) and that a claim to priority is relevant to both validity and infringement because it affects the overall impression of the registered design.

Ground 5 (the design corpus)

Aldi contended that if it succeeded on grounds 1 or 2 or, alternatively, grounds 4 or 5, additional designs would form part of the design corpus necessitating a reconsideration of the overall impression created by the registered designs and this would in turn affect the infringement analysis. In Arnold LJ's view, even if Aldi had succeeded, it would make no material difference to the perception of the informed user that would cause him to change his view on infringement.

Ground 7 (error of law/principle)

Aldi contended that even if it failed on all other 6 grounds, the judge had in any event fallen into error in law or principle.

Firstly, the judge had failed to properly consider the impact of the absence of the snow effect and integrated light on the comparison with respect to the registered designs which did not include those features. As Arnold LJ had concluded that as he had already found that two of the registered design included an integrated light, that point fell away. For the snow effect, this would only assist Aldi in relation to two of the registered designs in which the snowflakes were not depicted suspended in the liqueur (UK 78 and UK 82) but, regardless, the correct approach would be to consider the design in the same state (i.e. having been shaken) and that it what the judge must have done even if he did not explicitly say so.

Secondly, the judge had given undue weight to the shapes of the bottles and stoppers, particularly given that the shape of the bottle was protected by a third party registered design and that the design corpus included bottles with similar stoppers. Arnold LJ found that the weight given to the shapes of the bottles and stoppers was a matter for the judge and the fact that the shape of the bottle was protected by a third party registered design was irrelevant (save that it formed part of the design corpus which the judge had taken into account).

In the final analysis, the judge made no errors of principle and was fully entitled to reach the conclusions that he did.