

# Guarding Your Brand: Leveraging IP to Combat Lookalike Products

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What is a lookalike and why are they an issue?

# What is a lookalike product and why are they an issue?

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- A product designed to closely resemble an established, and normally market-leading, product.
- Lookalikes often imitate well-known products/brands by adopting similar get-up, e.g.: colour schemes; imagery; packaging style, shape and size; typography and/or features etc.
- Lookalikes typically adopt word and logo elements that are different to those of the well-known brand and/or product to reduce the risk of trade mark infringement.
- The purpose is often to attract consumers who are looking for a similar experience at a more affordable price.
- Lookalike products often benefit from the reputation and goodwill enjoyed by the established product/brand.
- The link created with the established product/brand often influences consumer purchasing decisions and draws consumers to the cheaper alternative.

# What is a lookalike? Examples:



# Taking Action – Trade Marks

# Taking Action (Trade Marks)

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- Registered rights that confer statutory protection for different elements of a brand (e.g. words, logos and slogans, as well as ‘non-traditional’ aspects such as shapes, colours, sounds, motions, holograms and positional elements etc.).
- Three levels of protection/grounds relied on under the Trade Marks Act 1994 in infringement proceedings:
  - Double identity (s10(1))
  - Likelihood of Confusion (s10(2)); and
  - Unfair advantage/detriment to distinctive character and/or reputation (s10(3)).
- Civil Remedies can include:
  - Injunctions
  - Damages
  - Account of Profits

# Taking Action (Trade Marks): Likelihood of Confusion

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- Successful cause of action requires:
  - Identity or similarity between the marks (by reference to visual, phonetic and conceptual similarities);
  - Similarity or identity between the goods and/or services; and
  - A likelihood of consumer confusion (either 'direct' or 'indirect' confusion).
- Difficult to rely on this ground against lookalikes because:
  - Lookalikes do not typically copy word/logos (the elements usually protected by TMs). Lookalikes often mimic other visual cues (e.g. similar packaging, colour schemes, typography and descriptive elements) to call to mind the established product.
  - Consumers are accustomed to lookalikes and are therefore unlikely to be confused.
  - Courts have traditionally been of the view that consumers do not usually perceive appearance of product as communicating trade origin.

# Taking Action (Trade Marks): Likelihood of Confusion

## ***United Biscuits (UK) Ltd v Asda Stores Ltd [1997] RPC 513***

- United Biscuits sought damages and an injunction for trade mark infringement (relying on consumer confusion) and passing off.
- Use of “PUFFIN” did not infringe the trade mark registration for “PENGUIN” as clear visual, phonetic and conceptual differences. No real prospect of consumers being confused.
- Highlights two of the main challenges when looking to rely on consumer confusion to enforce trade mark registrations: 1) the word elements are often different; and 2) the perception of the relevant public.
- Note: It was found that use of “P...P...P...Pick up a Puffin” infringed the trade mark registration for “P..P..P..Pick up a PENGUIN” but no injunction granted as Asda had stopped using the slogan.



# Taking Action (Trade Marks): Unfair advantage/detriment to DC/Rep

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- Main conditions for a successful cause of action are:
  - The trade mark must have a reputation in the UK;
  - The trade mark and lookalike must at least be similar;
  - The lookalike must lead the average consumer to make a ‘link’ between the trade mark and lookalike; and
  - There must be one of three types of injury:
    - Unfair advantage to the distinctive character or reputation of the trade mark (‘free-riding’);
    - Detriment to the distinctive character of the trade mark (‘dilution’); or
    - Detriment to the reputation of the trade mark (‘tarnishment’).
- Infringement under this ground requires evidence of a change in the economic behaviour of consumers, or a serious likelihood that such a change will occur in the future.

## Taking Action (Trade Marks): Unfair advantage/detriment to DC/Rep

*William Grant & Sons Irish Brands Limited v Lidl Stiftung & Co KG And Ors.* [2021] CSOH 55



## Taking Action (Trade Marks): Unfair advantage/detriment to DC/Rep

*Thatchers Cider Company v Aldi Stores* [2024] EWHC 88 (IPEC)



# Taking Action (Trade Marks): Unfair advantage/detriment to DC/Rep

## *Thatchers Cider Company v Aldi Stores* [2024] EWHC 88 (IPEC)

### Recap:

- **No likelihood of confusion** due to low degree of similarity and the absence of any evidence of direct/indirect consumer confusion.
- **No unfair advantage.** Aldi had not significantly departed from house style and used lemons/lemon leaves to communicate lemon nature of product. Aldi did not develop product with intention to benefit from the reputation and goodwill of Thatchers (developed at ‘safe distance’), and packaging did not have objective effect of taking advantage.
- **No detriment to reputation.** Judge conducted blind taste test and thought they tasted similar. She was of the view that there was no detriment to reputation as consumers would be able to distinguish between the two and therefore any displeasure experienced from tasting Tarus would not affect Thatchers.
- **Thatchers appealed** to the Court of Appeal against the dismissal of its claims of unfair advantage and detriment.



# Taking Action (Trade Marks): Unfair advantage/detriment to DC/Rep

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## ***Thatchers Cider Company v Aldi Stores [2025] EWCA Civ 5***

- Court of Appeal partially overturned the decision and found that Aldi had infringed Thatchers' trade mark on the basis of unfair advantage because:
- **The Sign:** HC Judge interpreted the sign complained of as "...overall appearance of a single can of the Aldi product...". COA found sign was "...the graphics on the cans and on the cardboard 4-can pack".
- **Similarity:** COA found that HC's assessment of similarity was flawed. HC Judge found that the 2D nature of Thatchers' TM and the 3D nature of Aldi's sign was a relevant "point of difference". COA held that the judge was wrong to disregard how Thatchers' used the TM (i.e. with it printed on cans of cider). The manner in which a TM is used is relevant for assessing DC and reputation. COA found that the similarity should have been judged to be greater than it was.
- **Intention to take unfair advantage:** COA found that Aldi had intended the Taurus sign to remind consumers of the Thatchers' trade mark because of 1). The manifest departure from the house style; 2). the imitation of faint horizontal lines; and 3). documentary evidence from the design process showed that Aldi had used the Thatchers' product as a benchmark. No need to show an intention to deceive (LOC) but just an intention to take advantage.
- **Unfair Advantage:** COA found that there was a "transfer of the image of the mark" and Aldi were "riding on the coat-tails of the mark". Aldi intended to convey the message that the Aldi product was like the Thatchers' product, only cheaper. Aldi intended to take advantage of the reputation of the Thatchers' TM to sell more products. Aldi managed to achieve substantial sales in a short period of time "without spending a penny".
- **No detriment to reputation:** Consumers can distinguish between the products. In the absence of their being confusion, any perceived inferiority of the product or negative experiences would affect Aldi not Thatchers.

**Stay tuned for some practical considerations re what you should do as a brand owner.**

# Taking Action: Passing Off

# Passing off

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## *What is it?!*

- Common Law claim
- Covers unregistered rights

- Classic '**Trinity**' test:

*Goodwill:* The attractive force which brings in custom.

*Misrepresentation:* The defendant must have misrepresented their goods as originating from the claimant.

*Damage:* The claimant must show that the misrepresentation caused damage to their goodwill.

# Passing off

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Useful for protecting rights that are not capable of registration or are difficult to register as trade marks (e.g. colours, get-up and packaging).

Protects rights that have not been registered formally, but have been used in the market long enough to have acquired goodwill – generally a period of five or more years.

The tort of passing off entitles a business to prevent other traders from using its mark and claiming its goods or services have some association or connection with their business when this is not the case.

Passing off is a tort of strict liability: the intention of the trader liable for passing off is not relevant.

Passing off is an actionable tort, so the *general* rule is that you must bring claims in tort within six years from the date of the cause of action.

# Passing off

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***Reckitt & Colman Ltd v Borden Inc*** [1990] 1 All E.R. 873



# Passing off

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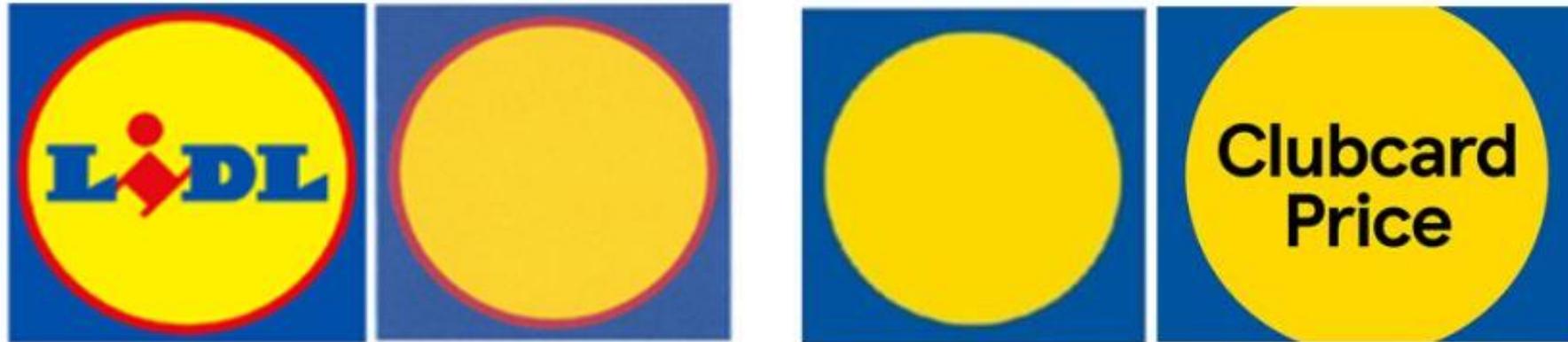
## ***Reckitt & Colman Ltd v Borden Inc* [1990] 1 All E.R. 873**

- First case to discuss in detail the tests for passing off
- Confirmed the ‘Trinity’ of Goodwill, Misrepresentation and Damage
- Worth bearing in mind – No Unfair Competition Law per se in the UK
  - passing off
  - defamation
  - breach of confidence

# Passing off

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***Lidl Great Britain Limited & Ors v Tesco Stores Limited & Ors [2024] EWCA Civ 262***



# Passing off

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## ***Lidl Great Britain Limited & Ors v Tesco Stores Limited & Ors [2024] EWCA Civ 262***

- No direct confusion asserted in passing off claim!
- Lidl claimed Tesco was misrepresenting their marks by insinuating a “price comparison”
- Passing off by ‘equivalence’

# Key takeaways – passing off

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## Key takeaways:

- Passing off is a good ground to rely upon in an enforcement strategy if no registered rights are available.
- Trade mark registrations are generally more robust to rely upon – these are a defined right that clearly sets out the scope of protection. Generally requires less evidence in proceedings.
- Evidence gathering – keep a record of sales/social media mentions – this can bolster goodwill and reputation claims.
- Can be easier to enforce than Copyright – substantial and deliberate copying must be shown – can prove difficult.

# Taking Action: Designs

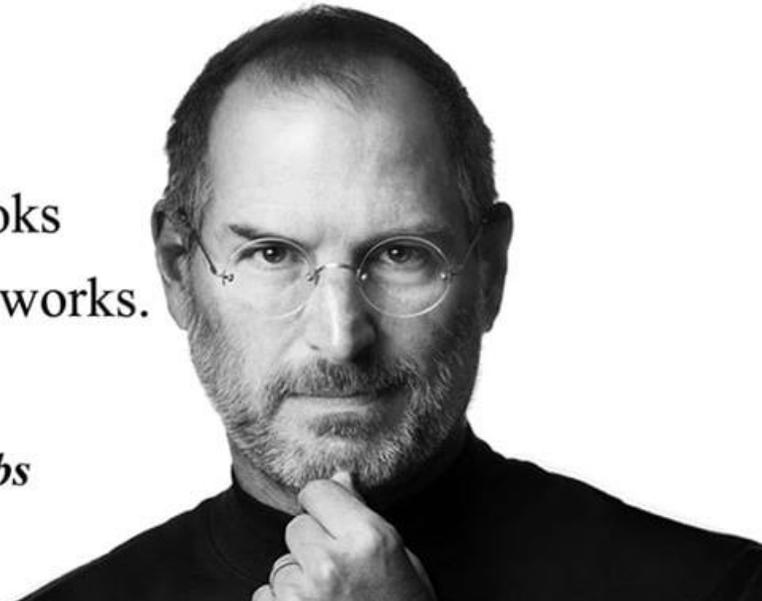
# What is a Design?

A Registered Design is an Intellectual Property right protecting the appearance, shape or decoration of a product - It does not protect the way in which the product works. A Design can be 2D or 3D and various views/sides of the Design can be protected.

Lines, shapes, packaging designs, configuration of parts, patterns, colours, textures, graphical user interfaces, digital media products such as computer game characters and computer icons, etc.

Design is not just what it looks  
and feels like. Design is how it works.

*Steve Jobs*



# UK Registered Design Rights

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- To be registrable, a design must be:
- **New** (not the same as any design which has already been made available to the public).
- Have '**individual character**' (a subjective test meaning that the design must produce a **different overall impression** on the '**informed user**' compared with existing designs).
- The appearance must not be dictated by technical function.
- 12 month grace period from first disclosure.
- Last for 25 years, provided it is renewed every five years.
- Can be a strong enforceable right against lookalikes.

# UK Unregistered Design Rights

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- Arise automatically.
- Protects the look of a product – same scope as registered designs.
- Last for 15 years from date first recorded in a design document, or 10 years from the point product is brought to market.
- The main difference in enforcement of an Unregistered Design Right is that you must show copying, conscious or unconscious.
- In theory can obtain trade mark rights through use, but can be difficult to enforce and takes time to accrue goodwill.

# M&S vs Aldi – Battle of the gins



# M&S vs Aldi – Battle of the gins

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The M&S product



The Aldi product



# M&S v Aldi – Battle of the gins

## *Court of Appeal (UK)*

**Scope of design** – permissible to look at products made to the design.

**Product indication** – can resolve ambiguities in identifying the nature of the product.

**Disclosures** – disclosures by the designer during the 12-month grace period are to be disregarded when assessing infringement as well as validity.

## **Aldi's appeal dismissed**

Key take away: Because M&S were relying on *registered* design rights, there was no requirement to show that Aldi had copied their designs, which would have been the case if M&S were seeking to rely on unregistered design rights or copyright.



# Practical Considerations and Key Takeaways

# What should you do as a brand owner?

## 1. Protect key elements of your product brand identity with trade mark registrations!

### a. Product Labels or Appearance of Product



- Ideally with and without primary brand identifiers but bear in mind potential registrability issues as label/package without primary word/logo elements may not be sufficiently distinctive without acquiring distinctive character through use.

# What should you do as a brand owner?

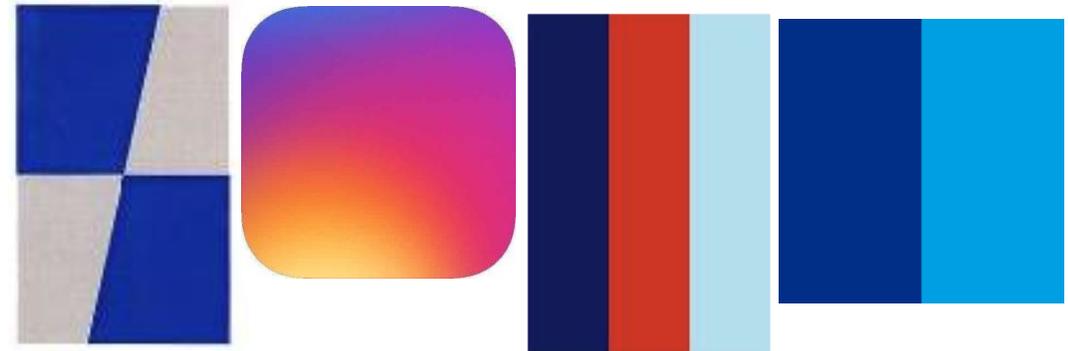
## b. Shape of bottle/product

- Difficult to register the shape of a bottle or packaging as they are generally considered non-distinctive but it can be done – adding colours, adding subtle distinctive elements or acquiring distinctiveness through use (provided that shape does not fall within one of three exclusions).



## c. Colour scheme?

- May want to consider registering colours per se if they are a key brand identifier that consumers associate with your product.
- Very difficult to register single colours. Better prospects of registering a mark comprising several colours but still may need to show acquired distinctiveness and will need a narrow specification.



# What should you do as a brand owner?

## 2. Product Design and Marketing – Inherent and Acquired Distinctiveness

- Consider distinctive character of the elements, their depiction and potential protection strategy during design of key products.
- Marketing campaigns and clever advertising that draws consumer attention to less distinctive elements of your product branding can help provide useful evidence of acquired distinctiveness (i.e. help showing that consumers can identify your product based on less distinctive elements).
- Use <sup>TM</sup> symbol next to elements with weak DC (if feasible).



## 3. Collect evidence from as soon as a product is launched

- Successful enforcement against lookalikes often requires reputation. Evidence of use can also be useful for showing acquired distinctiveness and proving genuine commercial use if your TM is challenged on the grounds of non-use once it has been registered for more than five years.
- Useful evidence can include annual sales figures/volumes, sample invoices, annual spend on marketing/promotion, examples of marketing/promotion, photos of products being offered for sale in shops/screenshots from online retail platforms, articles/media exposure, social media following figures, consumer comments showing confusion or an association, awards, reviews and any sponsorship/collaboration activities.
- Evidence should be dated and relate to activities in the UK.

# What should you do as a brand owner?

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## 4. Design Registrations

- Cost effective and quick (no substantive examination). Can be useful where it is not possible to register element as a trade mark because of distinctiveness issues or can be used in parallel with TMs to tackle lookalikes.
- Design must be novel and have individual character. Critical to file application within 12 months of disclosing the design to the public (e.g. product launch) or it could be invalidated.
- Narrower rights than a trade mark.
- Can last for max of 25 years (if renewed every 10 years for a fee), whereas TMs can potentially last forever if used and renewed every 10 years.

## 5. Consider PR Implications

- PR strategy should be factored into enforcement strategy to mitigate risk of negative PR (e.g. Colin the Caterpillar). BrewDog ALD IPA a good PR spin.

## 6. Copyright

- Consider whether copyright can be asserted against elements of lookalikes.

# Questions?

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