

World Trademark Review Daily

**'Likelihood of confusion' concept extended to cover 'post-sale confusion'
United Kingdom - McDermott Will & Emery UK LLP**

Confusion

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In *Datacard Corporation v Eagle Technologies Ltd* ([2001] EWHC 244 (Pat), February 14 2011), the High Court has held that use of the word 'datacard' on websites and on labels applied to packaging infringed Datacard Corporation's trademarks under Article 5(1)(b) of the [First Trademarks Directive](#) (89/104/EEC), now replaced by the [EU Trademarks Directive](#) (2008/95/EC). The court also extended the concept of 'likelihood of confusion' to cover 'post-sale confusion'.

Datacard markets desktop card printers and ribbons under various trademarks, including its house mark DATACARD, for which it owns trademark registrations in Classes 7 and 9 of the [Nice Classification](#). Datacard brought an action for trademark and patent infringement against [Eagle Technologies Ltd](#), a company that sells card printers and printer ribbons manufactured by a range of different manufacturers, including 'compatible' printer ribbons which will work in other manufacturers' printers. Datacard complained about Eagle's use of the trademark DATACARD on its websites and on labels applied to its ribbons marketed under the trademark PLUS RIBBON. Eagle denied infringing Datacard's trademarks and asserted, by way of defence, that it was necessary for it to use the DATACARD mark to indicate that its ribbons were compatible with Datacard's printers.

The court found that Datacard's claim under Article 5(1)(a) failed during all periods of use, as Eagle's goods were not identical to those covered by the DATACARD mark. The question of whether any particular goods fell within the specification had to be determined by reference to the registrar's practice at the date of registration. The relevant date was September 14 1989 and, at that time, Eagle's products were proper either to Class 16 (inking ribbons) or Class 2 (toners for photocopiers or ink cartridges), but not to Class 7 or 9, as the purpose was merely to be a carrier for inks. There was no dispute that the signs used were identical to the DATACARD marks and that most uses of the signs on the website were in relation to the goods.

Although the court did not have to consider the effect on the functions of the trademarks, it would have found that the uses were liable to affect their origin function, as the manner in which the signs were used did not enable average consumers, or enabled them only with great difficulty, to ascertain whether the products in question originated from Datacard or from a third party. However, the uses were not liable to affect the advertising function of the trademarks.

The court held that all of Eagle's uses complained of prior to November 26 2009 and in relation to the box labels used by Eagle from November 26 2006 to February 2010 infringed Article 5(1)(b). The court considered whether likelihood of confusion could cover confusion which did not arise at the point of sale, but only after the goods or services had been purchased. It concluded that case law supported that, under appropriate circumstances, post-sale confusion could sustain a finding of a likelihood of confusion.

With respect to Article 5(2), the court found that Datacard's claim would fail, as there was no evidence that Eagle was taking unfair advantage of, or that use of the signs by Eagle caused detriment to, the reputation of the DATACARD marks. It was not convinced that Datacard's arguments concerning the lesser quality of Eagle's marks were valid. It thought that the quality allegations were more relevant to Eagle's defence under Article 6(1) of the directive.

The court found that Eagle's defence failed, as its use of the signs was not in accordance with honest practices in industrial and commercial matters: the manner in which the signs were used gave the impression that there was or may be a commercial connection between the supplier of the Plus-Ribbon products (Eagle) and Datacard.

As a result of this ruling, businesses using third-party trademarks to promote their own goods and services should consider how their products will be used after sale, and ensure that consumers will not be misled as to the origin of goods or services so as to create post-sale confusion.

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