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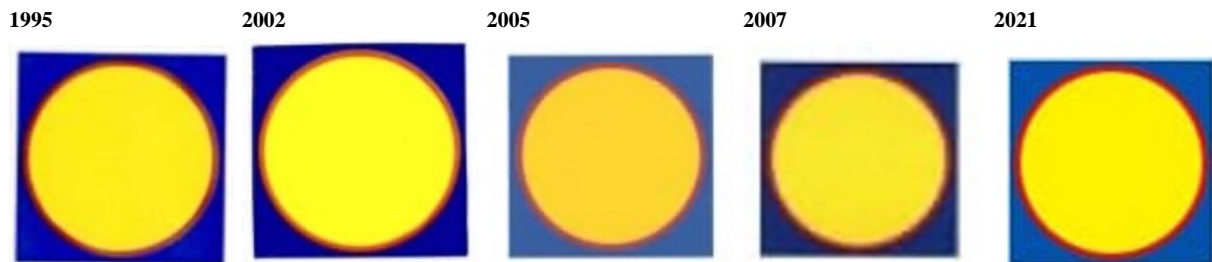
Lidl v Tesco – evergreening and non-use revocation

Julius Stobbs, Emma Dixon, Lucy Skelton (Stobbs IP) · Wednesday, April 17th, 2024

In the third (and final) of our blogs reporting on the UK Court of Appeal decision in *Lidl v Tesco*, we examine the findings in relation to non-use revocation.

At first instance, the judge found that certain trade mark registrations filed by Lidl in 1995, 2002, 2005 and 2007 for its ‘logo without text’ (the “**Wordless Mark**”) were all filed in bad faith – on the principle that Lidl was avoiding potential non-use revocation by way of ‘evergreening’. These logos had been filed at regular intervals with a duplicated specification of goods and services.

Lidl’s Trade Mark Registrations



However, Lidl’s 2021 registration was held to be in good faith on the basis that additional specification terms were added, and it was filed 14 years after Lidl’s previous application.

Lidl argued that its current trade mark strategy ensures that filings reflect Lidl’s actual use and that this strategy must have been the same 20 years ago (but without evidence to support this). Lidl appealed the High Court’s findings of bad faith.

Court of Appeal

Lord Justice Arnold dismissed all 12 grounds of Lidl’s appeal and upheld the trial judge’s findings of bad faith.

Lidl argued that in assessing the 1995 registration, the burden of proof had incorrectly shifted to Lidl to prove its applications were made in good faith. Lord Justice Arnold dismissed this and confirmed that while a person is presumed to have acted in good faith unless the contrary is proved, where the objective circumstances give rise to a prima facie case of bad faith, the evidential burden shifts to the applicant to explain its intentions at the time of making the application. Lidl had admitted that it had never used the Wordless Mark in the form registered and that its 1995 Registration was filed to obtain wider protection than its ‘mark with text’, and it could

therefore be inferred that Lidl had not intended to use the Wordless Mark and that the application was made solely for the purposes of using it as a legal weapon (and not to designate trade origin), and this was sufficient to shift the burden of proof to Lidl.

Lidl also raised several grounds of appeal relating to the consideration of evidence by the trial judge, including that she was wrong to say that her finding that the Wordless Mark had been used as a component of the Lidl ‘mark with text’ was not determinative of Lidl’s intentions at the time of applying for the 1995 Registration. The Court of Appeal dismissed this, noting that the judge’s finding was based on evidence at trial including key consumer evidence in a 2021 YouGov survey and that it did not follow that use of the Mark with Text would have been accepted as constituting use of the Wordless Mark at any date earlier than 2021, and nor did it follow that Lidl believed (or had a basis to believe) that to be the case at any earlier date.

Lidl also argued that the judge had posed an unrealistic evidential burden upon Lidl given the time elapsed between the 1995 Registration and the trial. However, Lord Justice Arnold dismissed this stating that while people and documents may no longer be available, the fact that Lidl were still relying on privilege between their trade mark attorneys to not disclose certain information suggested that documentation may still be available.

In respect of the 2002, 2005 and 2007 Registrations, Lidl argued that the judge erred by failing to separately consider the evidential position at each relevant application date. The Court of Appeal dismissed this due to the lack of evidence submitted by Lidl regarding its intentions of each filing.

Evidence is key

Contemporaneous evidence of intention as to why an application is being filed was the key piece of evidence missing in this case. We recommend that brand owners keep detailed evidence banks of use of their individual trade marks and, prior to taking enforcement action, conduct a review of the strength of their trade mark portfolio so as to identify any potential weaknesses that may be used against them.

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