

# Honest concurrent user

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H|C

# Legislative provisions

## UK

HCU is referred to in the context of the registration of a mark. See

Trade Marks Act 1938 – s.12(2) (now repealed)

Trade Marks Act 1994 – s.7 (now otiose)

No reference to HCU in the context of infringement

## EU

No reference to HCU in any EU legislation

# QUESTIONS ARISING

1. Is there a role for HCU in the context of an application to register a mark and is it compatible with EU law?
2. Is there a role for HCU as a defence to infringement?
3. Does the concept of HCU apply only to identical marks or can it apply where there are similar marks?
4. What actually is HCU?

# Budejovicky Budvar Narodni Podnik v Anheuser-Busch Inc (“Budweiser”)



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## The Budweiser Saga in the UK

1973 - Czech Bud on sale in UK

1974 – US Bud on sale in UK

1979 – US Bud applies to register mark – Czech Bud opposes

1984 – Passing off claim and counterclaim rejected as parties had made HCU

1989 – Czech Bud applies to register mark – US Bud opposes

2000 – Court of Appeal decides both are entitled to register under s.12(2) TMA 1938

2005 – US Bud applies to invalidate Czech Bud’s registration under the provisions of the (new) TMA 1994

2009 – Court of Appeal refers HCU issue to the CJEU - [2009] EWCA Civ 1022

2011 – CJEU ruling - Case No.C-482/09

# Budejovicky Budvar Narodni Podnik v Anheuser-Busch Inc (“Budweiser”)

## 2011 – CJEU ruling, Case C-482/09

Czech Bud’s mark would be invalid if its use was liable to have an adverse effect on the essential function of US Bud’s earlier trade mark.

In deciding whether there might be such an effect, the circumstances of the *Budweiser* case were “exceptional”:

- 30+ years use in UK
- Both had been found to be able to register the mark
- Both parties had used their marks in good faith from the start
- Customers well aware of the difference between the products (branding very different) and customers knew the beers were from different suppliers

## 2012 – Court of Appeal, [2012] EWCA Civ 880

Czech Bud’s use of “Budweiser” was not liable to have an adverse effect on the essential function of US Bud’s trade mark. Because of the HCU, that mark had never been a guarantee that beer sold under that mark came only from US Bud.

Hence both marks validly registered

# *Honest Concurrent Use*

Honest concurrent use (as explained in *Budweiser*) is relevant in:

- s.5(1) cases (registration where double identity)
- s.5(2) and 5(3) cases (registration where similar marks or similar goods/services)
- s.10 cases (infringement whether under s.10(1), 10(2) or 10(3)). See:
  - *IPC V Media 10* [2013] EWCA Civ 1439
  - *Victoria Plumb Ltd v Victorian Plumbing Ltd* [2016] EWHC 2911

# What will constitute honest concurrent use?

- Concept of HCU intended to cover situations where use of a mark:

*“had not originally been deceptive but a risk of deception had subsequently arisen as a result of events which did not involve any dishonesty or other wrongful conduct upon the proprietor of the mark.”*

Such situations may arise where:

- businesses had been trading in separate localities without confusion but where confusion had subsequently arisen as they expanded or as modern communications made them accessible; or
- goodwill attached to a business had been divided up – e.g. Dent v Turpin (1861) 2 J.&H. 139

See Budweiser [2009] EWCA Civ 1022 per Jacob LJ at [11]-[12] quoting from “GE” TM [1972] 1 WLR 729 per Lord Diplock at p.742

- HCU does not provide a defence where the defendant’s use did not pre-date the registration of the claimant’s mark – see Match v Muzmatch [2022] EWHC 941 (IPEC) at [140]-[142].
- No fixed period of use required – in APB Technology v Voyetra [2021] EWHC 3096 (Ch) at [47]-[53] it was held to be arguable that HCU of 7 years would suffice
- Use may cease to be HCU if a party takes steps that exacerbate the confusion – see Victoria Plumb at [112]-[117]

Thank you.