

The Trademark Reporter®



The Law Journal of the International Trademark Association

Annual Review of European Trademark Law 2024 in Review

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TABLE OF CONTENTS

ANNUAL REVIEW OF EUROPEAN TRADEMARK LAW 2024 in Review

I.	Introduction	395
	A. About this Review	395
	B. Legislative Change and Terminology	396
	C. Organization of Material in this Review	396
II.	Absolute Grounds for Refusal of Registration, and for Cancellation	397
	A. Introductory Comments	397
	B. Legal Texts	398
	C. Cases	402
	1. EU—GC—Is a blue and yellow oval shape distinctive?	402
	2. Benelux—Benelux Court of Justice (2nd chamber)—Was distinctiveness acquired through use for a position mark?	404
	3. Germany—Federal Patent Court—Can a historic photograph be distinctive?	405
	4. Denmark—The Danish Eastern High Court— Was the chemical compound “EtOH” descriptive? ..	406

5. Germany—Federal Supreme Court—Was the name of a well-known building distinctive?	408
6. Austria—Austrian Supreme Court—Can a small round white disc be protected as a shape mark for a glucose monitoring system?.....	411
7. Poland—District Administrative Court—What is the proper mode of assessment for marks alleged to be purely descriptive?	413
8. Austria—Higher Regional Court of Vienna—Does the name of a horse breed lack distinctiveness?	414
9. Spain—Appeal Court of Madrid—Was the shape of a biscuit sufficiently distinctive?	416
III. Conflict with Earlier Rights—Relative Grounds for Refusal of Registration	418
A. Introductory Comments.....	418
B. Legal Texts.....	420
C. Cases	425
1. EU—GC—Are trademarks coinciding in a single element confusingly similar if it is written backwards in the later mark?	425
2. EU—GC—Can strong reputation contribute to similarity between marks with an element of weak distinctive character?	427
3. EU—GC—Is the reputation of the contested mark relevant?	429
4. Germany—Court of Appeal Hamburg—Can a common descriptive element result in a likelihood of confusion?	430
5. Austria—Austrian Supreme Court—Were small differences sufficient to exclude the risk of confusion for a “weak” mark?	432
6. Germany—Federal Patent Court—Can use in a stylized form amount to genuine use of a trademark registered in plain text?.....	434

7.	Spain—Appeal Court of Madrid—Can a protected geographical indication be used as a part of a trademark?	436
8.	Germany—Federal Patent Court— Did anagrammatic word mirroring create sufficient similarity?	438
9.	Greece—Administrative Supreme Court—When does a mental link arise relating to a mark with a reputation?	439
IV.	Bad Faith	440
A.	Introductory Comments.....	440
B.	Legal Texts.....	441
C.	Cases	442
1.	Poland—Supreme Administrative Court—Was an application made in bad faith?	442
2.	Spain—Appeal Court of A Coruña—Was an application made in bad faith where the applied-for mark was the same name as a famous footballer?.....	443
3.	UK—Supreme Court—Can an unduly broad specification amount to bad faith?.....	445
4.	Greece—Athens Administrative Court of Appeals—Was a trademark filed by a company shareholder made in bad faith?	447
V.	Use of a Trademark	448
A.	Introductory Comments.....	448
B.	Legal Texts.....	450
C.	Cases	457
1.	EU—GC—Does affixing a trademark to goods within the EU for export purposes constitute genuine use within the EU?.....	457
2.	EU—GC—How should courts assess evidence of use, including the principle of partial use and the distinction between use for goods and services?	459

3. France—Supreme Court, Commercial Chamber—When does the use of a mark comprising a personal name by an assignor result in deceptiveness?	461
4. Portugal—Portuguese PTO (INPI)—What factors are relevant to assess the genuine use of a trademark?	464
5. UK—Supreme Court—Under what circumstances can use of a UK/EU trademark on an overseas website constitute “use in the course of trade” in the UK?	466
6. Norway—Oslo District Court—When may a particular shade of color acquire trademark protection through use?	468
VI. Trademark Infringement	472
A. Introductory Comments.....	472
B. Legal Texts.....	473
C. Cases	476
1. The Netherlands—District Court of The Hague—Can a sign that may not be infringing per se result in a risk of confusion if that sign too closely resembles a prior infringing sign?	476
2. UK—Court of Appeal—Did a perception of price match take unfair advantage of the reputation of a trademark?.....	478
VII. Limitation of Rights and Defenses.....	481
A. Introductory Comments.....	481
B. Legal Texts.....	482
C. Cases	485
1. EU—CJEU—Did Article 14(c) of the 2015 TM Directive expand the scope of the trademark referential use exception to include “general referential use” or was such use implicit in the (prior) 2008 TM Directive?.....	485

2. EU—CJEU—Do spare-part car parts designed to accommodate trademarks infringe such marks, where the affixing element itself is similar or identical to the original manufacturer’s trademark?	487
3. The Netherlands—District Court of The Hague—Can the further commercialization of customized exhausted goods amount to trademark infringement?	489
4. Belgium—Brussels Court of Appeal—What happens when a pseudonym and a trademark collide?	490
5. Denmark—The Danish Eastern High Court—Can artistic freedom of expression justify the use of a third-party trademark?	491
6. Belgium—Brussels Business Court—Did the refurbishment of goods in which the trademark rights were exhausted amount to an act of infringement?	494
7. UK—IPEC—Did the original brand owner have legitimate grounds to object to the further commercialization of refurbished goods?	495
8. Switzerland—Swiss Federal Supreme Court—Does customization of branded products infringe?	497
VIII. Practice and Procedure	499
A. Introductory Comments	499
B. Legal Texts	499
C. Cases	500
1. CJEU—Can a GC decision still be annulled by the Board of Appeal in EUTM opposition proceedings, where the right relied upon as basis of that opposition ceases to be protected?	500
2. EU—GC—Should registration of HALLOUMI as a protected designation of origin in the EU be maintained?	501

3. Spain—Appeal Court of Alicante—How should damages be calculated in trademark infringement actions?	504
4. Sweden—Swedish Patent and Market Court of Appeal—Is the protection of company names in Sweden compatible with EU law?	505
5. Italian Supreme Court—Joint ownership—Where a trademark is owned by two or more persons on a pro rata basis, shall the decision to grant an exclusive, royalty-free, perpetual license on said trademark be made by the majority of the owners or by all of them?	508
6. Spain—EU Trademark and Design Court of Spain—Can a pan EU injunction be limited in scope to only those territories where a likelihood of confusion may arise?	509
7. Türkiye—Ankara 3rd IP Court—Does TURKISHPATENT have the authority to partially reject trademark applications by limiting the list of goods and services, for example, by rejecting those specific to a particular geographical territory?	511
8. Switzerland—Swiss Federal Supreme Court—What constitutes an “agent trade-mark” under Swiss law?	513
IX. Glossary	516

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2024 IN REVIEW

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I. INTRODUCTION

A. About this Review

This twelfth *Annual Review of European Trademark Law* contains highlights of European trademark cases in 2024 in the European Union (“EU”) (at both the EU and national levels), the United Kingdom (“UK”), and other European jurisdictions. This Review therefore is both the twelfth edition of the EU Annual Review, and the fourth edition of the European Annual Review.*

Matters relating to the unitary right of the EU Trade Mark (“EUTM”) are governed by Regulation (EU) 2017/1001 of June 14, 2017—referred to in this Review as the “2017 EUTM Regulation.” Harmonized laws in respect of national trademarks within EU Member States became, as of January 15, 2019, determined by Directive (EU) 2015/2436 of December 16, 2015, referred to in this Review as the “2015 TM Directive.” An introduction to the role of the primary EU legislation (applicable at the time) is contained in the introduction to *Annual Review of EU Trademark Law: 2013 in Review*,¹ which also details the particular roles played by the EU General Court (“GC”) and the Court of Justice of the European Union (“CJEU”).

As previously, this European Review continues to look beyond the EU system to track comparable developments for the wider brand community. This Review continues to report on cases in the UK post-Brexit, as well as cases from Norway (members of the European Economic Area (“EEA”) but not the EU), Switzerland, and Türkiye, all of which, to varying degrees, contain a trademark system modelled on, or at least analogous to the EU system.

Once again, this 2024 Review covers the familiar issues of “absolute” trademark issues including validity, distinctiveness, descriptiveness, “relative” grounds including similarity and confusion and the continuing relevance of bad faith which remains a relevant topic in Europe. This Review also explores recurring topics such as trademark use, infringement, exhaustion and other defenses and limitations, and some notable cases illustrating changes or significant analysis of practice and procedure.

Some years tend to demonstrate less discernible overall patterns, with 2024 identifying a number of specific cases of worth. Particular highlights include *Inditex v. Buongiorno Myalert*, in which the CJEU explored the scope of the “referential use” exception

* Tom Scourfield, *Annual Review of European Trademark Law: 2024 in Review*, 115 Trademark Rep. 392 (2025). The principal author and contributor to this Review is grateful to a number of colleagues at CMS for their assistance, but in particular Omri Shirion, Oliver Roberts, and Nancy Lee in the UK, and Agata Stachowiak, Maksymilian Nasilowski, and Weronika Piwowarska in Warsaw.

¹ Guy Heath, *Annual Review of EU Trademark Law: 2013 in Review*, 104 Trademark Rep. 445 (2014).

(a reference to the proprietor as source) in relation to trademark infringement, finding that the right to identify the proprietor is broader than previously thought. National courts also considered the culmination of some long-running matters, in particular in the UK with the Supreme Court hearing two important matters dealing with matters of bad faith in *Skykick* and targeting consumers (*Lifestyle Equities*). Finally, a cluster of cases exhaustion of rights considered the entitlement of a third party to (further) commercialize goods lawfully placed on the market with the rights of a proprietor to limit such acts where it might in some way harm the trademark.

B. Legislative Change and Terminology

Although the “new” 2015 Directive is now in force, the 2008 Directive that it replaced was repealed with effect from only January 15, 2019. The “new” EUTM Regulation is referred to as “the 2017 EUTM Regulation,” whereas references to the “2009 EUTM Regulation” are references to the Regulation in force prior to the March 2016 amendments.

Each year, the number of rulings reported in this Review that are still based on or reference earlier iterations of the Regulations and Directives to those currently in force tends to decline, for obvious reasons. Cross-references to previous (or current) equivalent provisions are provided where appropriate but previous editions of this Review also included provisions of the 2008 TM Directive and/or the 2009 EUTM Regulation so may be cross-referred if required.

As in previous editions of this Review, each Part contains, in an introductory section, extracts of the most relevant provisions of the Regulation and Directive. Extracts given at the beginning of each part in this year’s Review are now taken from the 2017 EUTM Regulation and the 2015 TM Directive only. Non-EU territories typically identify the relevant legislative provisions in the case commentary where required but these are not set out separately.

C. Organization of Material in this Review

As usual, the 2024 case reviews are arranged by theme with CJEU decisions appearing at the beginning, followed by the most significant national decisions (according to the authors and contributors in that jurisdiction). Non-EU cases are set out after selected decisions from the national courts of EU Member States. Each theme is contextualized with introductory comments and recurring EU statutory provisions to provide the legal context of the commentary. Each case note is introduced by an indication of whether the ruling is that of the CJEU, GC, or national court, with

an indication of the status and seniority of the relevant court concerned.

II. ABSOLUTE GROUNDS FOR REFUSAL OF REGISTRATION, AND FOR CANCELLATION

A. Introductory Comments

Absolute grounds relate to the inherent characteristics of the trademark in question, such as its form (clarity, precision, and scope) and the extent to which it can perform what EU law refers to as “the essential function” of trademarks—to identify the exclusive origin of the goods or services for which registration is sought without the possibility of confusion. Grounds for refusal of registration on the basis of absolute grounds typically also form the basis for a later claim to invalidation, so cases in this section usually deal with the analysis of both pre- and post-registration issues. The law in other European states is typically closely modelled on the EU legislation, and many of the same issues will apply.

Absolute grounds are considered under both Article 4 and Article 7 of the 2017 EUTM Regulation, since the considerations of Article 4 of the 2017 EUTM Regulation are incorporated by Article 7(1)(a) of the 2017 EUTM Regulation. The absolute grounds for refusal or invalidity are all now solely contained in Article 4 of the 2015 TM Directive although Article 4(1)(a), by implication at least, incorporates Article 3 of that Directive.

The starting point for any consideration of registrability (or validity) is therefore whether the “sign” in question is something “of which a trademark may consist” within the bounds of EU law under Article 4 of the 2017 EUTM Regulation or Article 3 of the 2015 TM Directive. If it is not, a valid registration is impossible.

Absolute grounds are harmonized as between EUTMs and national trademarks in EU Member States. The absolute grounds for refusal relating to EUTMs are set out in Article 7(1) of the 2017 EUTM Regulation. The absolute grounds for refusal which must be applied by the national trademark authorities of EU Member States are set out in Article 4(1) of the 2015 TM Directive.

The first four absolute grounds for refusal of registration are, in general terms, (a) that the mark is not a sign capable of protection; (b) that the mark is not distinctive; (c) that the mark is descriptive; and (d) that the mark is generic. The last three of these grounds can, in principle, be overcome by evidence that the trademark has acquired distinctiveness through the use made of it prior to the relevant date. The first cannot.

Article 7(1) of the 2017 EUTM Regulation and Article 4(1) of the 2015 TM Directive go on to provide certain specific absolute grounds for refusal relating to shape marks, marks that would be contrary

to public policy, marks that would be deceptive, marks that raise issues under Article 6ter of the Paris Convention, and marks that contain certain geographical indications or designations of origin protected in the EU. Article 7(1) of the 2017 EUTM Regulation expressly provides for absolute grounds of refusal by reference to traditional terms for wine, traditional specialties guaranteed (“TSGs”), and plant variety rights. Similar provisions are contained in the 2015 TM Directive, where the absolute grounds for refusal are contained in Article 4(1)(i) to 4(1)(l) of the 2015 TM Directive.

Absolute grounds cases always offer a lens to consider the prevailing practice of registrability in Europe. An analysis of the most topical cases in 2024 identifies three of the most common themes.

The first relates to distinctive character—the ultimate ability of a mark to denote a single origin without confusion. In *Chiquita Brands v. EUIPO—Compagnie financière de participation*, considered the distinctive character of a simple blue oval, while the national courts of Germany considered whether a well-known historic photograph and the name of a well-known building could each be distinctive of particular goods, the Danish courts assessed the distinctive character of a chemical compound and the Austrian courts the name of a historic horse breed. Secondly, so-called “non-traditional” marks continue to provide distinctiveness challenges, with the Benelux courts considering a position mark on shoes, the Austrian courts a shape mark for glucose monitoring systems and the Spanish courts the shape of a popular biscuit.

B. Legal Texts

Part (b) of Article 4 of the 2017 EUTM Regulation was a new addition, replacing the requirement in Article 4 of the “old” EUTM Regulation that the sign should be “capable of being represented graphically.” Also new to Article 4 were the express references to colors and sounds, although this change was not intended to alter the substance of the law. The possibility of registering EUTMs without a graphical representation (e.g., by providing a sound file for a sound mark) first became a possibility on October 1, 2017 (similar modifications were made in the 2015 TM Directive, where the relevant provisions appear in Articles 3 and 4(1)(a)).

Article 4 of the 2017 EUTM Regulation

An EU trade mark may consist of any signs, in particular words, including personal names, or designs, letters, numerals, colours, the shape of goods or of the packaging of goods, or sounds, provided that such signs are capable of:

- (a) distinguishing the goods or services of one undertaking from those of other undertakings; and

- (b) being represented on the Register of European Union trade marks (“the Register”), in a manner which enables the competent authorities and the public to determine the clear and precise subject-matter of the protection afforded to its proprietor.

Article 7 of the 2017 EUTM Regulation

Absolute grounds for refusal

1. The following shall not be registered:
 - (a) signs which do not conform to the requirements of Article 4;
 - (b) trade marks which are devoid of any distinctive character;
 - (c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service, or other characteristics of the goods or service;
 - (d) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the bona fide and established practices of the trade;
 - (e) signs which consist exclusively of:
 - (i) the shape, or another characteristic, which results from the nature of the goods themselves;
 - (ii) the shape, or another characteristic, of goods which is necessary to obtain a technical result;
 - (iii) the shape, or another characteristic, which gives substantial value to the goods;
 - (f) trade marks which are contrary to public policy or to accepted principles of morality;
 - (g) trade marks which are of such a nature as to deceive the public, for instance as to the nature, quality or geographical origin of the goods or service;

(Note: paragraphs (h) to (m) omitted.)
2. Paragraph 1 shall apply notwithstanding that the grounds of non-registrability obtain in only part of the Union.
3. Paragraph 1(b), (c) and (d) shall not apply if the trade mark has become distinctive in relation to the goods or services for which registration is requested in consequence of the use which has been made of it.

Article 3 of the 2015 TM Directive

Signs of which a trademark may consist

A trade mark may consist of any signs, in particular words, including personal names, or designs, letters, numerals, colors, the shape of goods or of the packaging of goods, or sounds, provided that such signs are capable of:

- (a) distinguishing the goods or services of one undertaking from those of other undertakings; and
- (b) being represented on the register in a manner which enables the competent authorities and the public to determine the clear and precise subject matter of the protection afforded to its proprietor.

Article 4 of the 2015 TM Directive

Absolute grounds for refusal or invalidity

1. The following shall not be registered or, if registered, shall be liable to be declared invalid:
 - (a) signs which cannot constitute a trade mark;
 - (b) trade marks which are devoid of any distinctive character;
 - (c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, or the time of production of the goods or of rendering of the service, or other characteristics of the goods or services;
 - (d) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the bona fide and established practices of the trade;
 - (e) signs which consist exclusively of:
 - (i) the shape, or another characteristic, which results from the nature of the goods themselves;
 - (ii) the shape, or another characteristic, of goods which is necessary to obtain a technical result;
 - (iii) the shape, or another characteristic, which gives substantial value to the goods;
 - (f) trade marks which are contrary to public policy or to accepted principles of morality;
 - (g) trade marks which are of such a nature as to deceive the public, for instance, as to the nature, quality or geographical origin of the goods or service;

- (h) trade marks which have not been authorised by the competent authorities and are to be refused or invalidated pursuant to Article 6ter of the Paris Convention;
 - (i) trade marks which are excluded from registration pursuant to Union legislation or the national law of the Member State concerned, or to international agreements to which the Union or the Member State concerned is party, providing for protection of designations of origin and geographical indications;
 - (j) trade marks which are excluded from registration pursuant to Union legislation or international agreements to which the Union is party, providing for protection of traditional terms for wine;
 - (k) trade marks which are excluded from registration pursuant to Union legislation or international agreements to which the Union is party, providing for protection of traditional specialities guaranteed;
 - (l) trade marks which consist of, or reproduce in their essential elements, an earlier plant variety denomination registered in accordance with Union legislation or the national law of the Member State concerned, or international agreements to which the Union or the Member State concerned is party, providing protection for plant variety rights, and which are in respect of plant varieties of the same or closely related species.
2. A trade mark shall be liable to be declared invalid where the application for registration of the trade mark was made in bad faith by the applicant. Any Member State may also provide that such a trade mark is not to be registered.
3. Any Member State may provide that a trade mark is not to be registered or, if registered, is liable to be declared invalid where and to the extent that:
- (a) the use of that trade mark may be prohibited pursuant to provisions of law other than trade mark law of the Member State concerned or of the Union;
 - (b) trade marks which are devoid of any distinctive character;
 - (c) the trade mark includes a sign of high symbolic value, in particular a religious symbol;
 - (d) the trade mark includes badges, emblems and escutcheons other than those covered by Article 6ter of the Paris Convention and which are of public

interest, unless the consent of the competent authority to their registration has been given in conformity with the law of the Member State.

4. A trade mark shall not be refused registration in accordance with paragraph 1(b), (c) or (d) if, before the date of application for registration, following the use which has been made of it, it has acquired a distinctive character. A trade mark shall not be declared invalid for the same reasons if, before the date of application for a declaration of invalidity, following the use which has been made of it, it has acquired a distinctive character.
5. Any Member State may provide that paragraph 4 is also to apply where the distinctive character was acquired after the date of application for registration but before the date of registration.

C. Cases

1. EU—GC—Is a blue and yellow oval shape distinctive?

In *Chiquita Brands v. EUIPO—Compagnie financière de participation*,² the GC considered a 2008 EUTM registration held by the applicant, Chiquita Brands LLC, for the figurative mark below, covering, inter alia, fresh fruits in Class 31:



In 2020, the intervener, *Compagnie financière de participation*, filed an application for a declaration of invalidity of the registration, arguing that the mark is not capable of serving as a badge of commercial origin, as it is entirely devoid of any distinctive character. The Cancellation Division upheld the application for a declaration of invalidity in its entirety. The applicant, Chiquita Brands LLC, appealed the decision.

The First Board of Appeal dismissed the appeal in respect of *fresh fruits* in Class 31, finding that the contested mark was devoid of any distinctive character for those goods. The Board also found that the applicant failed to demonstrate that its mark had acquired

² Case T-426/23 (GC, November 13, 2024).

distinctive character through use in the EU territory. Regarding the remainder of the contested goods, the Board annulled the decision of the Cancellation Division.

The applicant, Chiquita Brands LLC, appealed the Board's decision to the GC, challenging the finding that the contested mark lacked inherent distinctiveness for *fresh fruits* in Class 31. The applicant argued that the Board had made errors in its assessment, particularly in concluding that the mark was devoid of distinctive character due to its shape and color scheme. Additionally, the applicant claimed that the Board wrongly dismissed the evidence it provided, which demonstrated that the mark had acquired distinctiveness across the EU. On appeal, the GC upheld the Board's decision.

Referring to *The Smiley Company v. OHIM*,³ the Court stressed that signs composed of a basic geometric figure, such as a circle or rectangle, are inherently incapable of conveying a memorable message to consumers and, therefore, cannot be regarded as a trademark unless they acquire distinctive character through use. It clarified that such shapes only fulfil an identifying function if they include unique elements that differentiate them and attract consumer attention.

Consequently, the Court found that the contested mark—composed of a simple geometric shape resembling a minor variation of an oval—lacked inherent distinctive character. The Court noted that in the banana industry, oval labels are commonly used and thus the contested mark would not attract attention or differentiate the goods. Additionally, it dismissed the applicant's arguments about the shape having a specific meaning, such as resembling Bézier curves or a racetrack, as there was insufficient evidence to support these claims.

Regarding the color scheme of the mark, the Court upheld the Board of Appeal's findings that the combination of blue and yellow, being primary colors, is a basic and simple element not capable of distinguishing the goods. The Court noted that these colors are frequently used in the fresh fruit sector and do not depart from industry norms, thus failing to create a distinct commercial impression. The Court further clarified that the applicant's reliance on a market survey conducted years after the mark's registration was irrelevant for assessing its inherent distinctiveness at the time of registration.

Finally, the Court agreed with the Board's conclusion that the applicant failed to provide sufficient evidence to demonstrate that the contested mark had acquired distinctive character throughout the entire EU territory. Most of the evidence was limited to just four Member States (Belgium, Germany, Italy, and Sweden), and the

³ Case T-139/08 (GC, September 29, 2009).

applicant did not explain why the market conditions in these countries should be considered representative of all Member States. Moreover, the Court noted that some of the evidence showed the mark alongside other elements, such as the term “Chiquita,” which made it difficult to establish that the mark alone indicated the commercial origin of the goods.

2. Benelux—Benelux Court of Justice (2nd chamber)—Was distinctiveness acquired through use for a position mark?

In May 2020, Airwair, the manufacturer of DR. MARTENS shoes, filed an application for the following position mark with the Benelux Office for Intellectual Property for “lace boots” in Class 25:



This position mark “consists of a combination of a black welt that runs along the perimeter of a boot’s outsole and a yellow stitch applied to the welt.” The elements represented in dotted lines (being the rest of the shoe) are not part of the trademark but serve to show the positioning of the trademark.

Van Haren Schoenen, a shoe retailer in the Benelux, requested the cancellation of this trademark, notably based on lack of distinctiveness. The Benelux Office rejected this request, considering that the trademark was distinctive, but only thanks to acquired distinctiveness through use. Van Haren Schoenen lodged an appeal against this administrative decision before the Benelux Court of Justice.

The Benelux Court⁴ first concurred with the Office’s opinion, noting that the trademark was inherently devoid of any distinctiveness. However, on the issue of distinctiveness acquired through use, the Court considered an argument put forward by the retailer, which argued that it is only when the DR. MARTENS

⁴ Court of Justice Benelux, 2nd Chamber, March 6, 2024, C-2022/15, ICIP Ing.-Cons., 2024, p. 128, Van Haren Schoenen B.V. v. Airwair International Limited.

yellow stitching is used *in combination with other design elements* (including the color of the rest of the boot) that they could have become recognizable to the public. Since nothing in the trademark registration indicated anything about the color of the boot, the Court considered all probable modes of use for which protection was sought. This yellow stitching having been applied *in most cases* on dark-colored DR. MARTENS boots, led to the conclusion that the combination on dark-colored boots had become capable through use to designate product origin.

However, whether this recognition also extended to using this trademark on light-colored boots remained questionable. The Court decided that it did not: due to significant visual differences, an average consumer confronted with a lace-up boot bearing this position mark on a light-colored boot would not associate it with any particular company.

Therefore, the Court concluded that the position mark had not acquired distinctiveness for light-colored boots and annulled the Benelux registration in its entirety due to lack of distinctive character.

3. Germany—Federal Patent Court—Can a historic photograph be distinctive?

The Federal Patent Court of Germany held⁵ that a historical photograph is not distinctive with regard to goods for which the public will perceive the photograph only as a decorative motive or an indication of content.

The applicant had filed a trademark application for the famous photograph “Sprung in die Freiheit” (“Leap to Freedom”).



⁵ Case No. 29 W (pat) 509/21 (German Federal Patent Court, March 18, 2024—Sprung in die Freiheit).

The photo was taken in Berlin on August 15, 1961 (two days after the erection of the Berlin Wall had begun) by the then 20-year-old photographer Peter Leibing and shows Conrad Schumann, a 19-year-old policeman from the People's Police of the German Democratic Republic ("GDR"), at the exact moment when he fled the GDR by jumping over barbed wire from East- to West-Berlin. The photo immediately went around the world and became one of the media icons of the Cold War. Since 2011, "Leap to Freedom" has been part of Germany's UNESCO World Documentary Heritage.

The applicant is the granddaughter of the photographer Peter Leibing and heir of the usage rights in the photograph. The trademark had been filed for "printed matter, photographs, stationery, office articles, bookbinder articles, educational material" in Class 16, "traveller luggage, bags" in Class 18, "glass ware, porcelain and earthen ware, devices and container for household and kitchen" in Class 21 and "clothing" in Class 25.

The German PTO rejected the application for lacking distinctiveness. Upon appeal, the Federal Patent Court upheld the decision. It found that with respect to the goods "printed matter, photographs, educational material" of Class 16 the public would perceive it as a descriptive indication that the photo is the topic of the goods; with respect to the other goods, it would perceive it as a decorative element. Even though the way in which a sign is perceived by the public may depend on the positioning of the sign, it would be sufficient for the registration of a sign as a trademark that there are relevant and likely possibilities of use that are perceived as an indication of origin. However, with regard to the "Leap to Freedom" photo, the Federal Patent Court acknowledged a position outside of and on the front side of the goods in question as the only relevant and practically significant way to use it. Such photos are usually used only in this way and tend not to be used in a less visible way such as a label inside a clothing item or the bottom of porcelain goods.

The Federal Patent Court held that the applicant's usage right in the photo was not inconsistent with this finding. Ownership of the copyright in the photo does not necessarily lead to its distinctiveness under trademark law. Instead, the trademark protection, if established, would exist alongside the copyright and be independent from the content and continuation of such further legal protection.

4. Denmark—The Danish Eastern High Court—Was the chemical compound "EtOH" descriptive?

On January 11, 2024, the Danish Eastern High Court ("EHC") rendered its decision in a preliminary injunction case brought by

EtOH Spirits ApS (“ES”) against Nordic Ethanol ApS (“NE”) who had used the trademark “EtOH.”⁶

ES was established in 2017 and is a Danish private limited company with activities within distillation, marketing and sale of alcohol. In 2021, ES sought to register an EUTM for the below figurative mark in Class 33 (comprising “alcoholic beverages, except beers”).



The EUTM No. 018527271 (figurative)

Following the application, the EUIPO communicated an intention to refuse ES’s application, citing both descriptiveness and a lack of distinctiveness. The EUIPO also commented that consumers would perceive the sign as merely providing information that the alcohol beverages contain ethanol. Following EUIPO’s notification, ES decided to limit the classification in Class 33 to “Whisky” only. EUIPO subsequently issued a registration certificate for the EU figurative trademark in June 2022 (EUTM No. 018527271) (“ES Trademark”).

NE is also a Danish private limited company whose main activities are the distillation, marketing and sale of alcohol. NE was founded in 2018, and the company has created a series of spirits called “Nordic EtOH.” The name was primarily used for gin and aquavit.

In October 2021, the owner of ES contacted NE about its marketing of spirits under the name “Nordic EtOH.” ES argued that such exploitation constituted an infringement of the ES Trademark. When NE denied infringement, ES decided to file a preliminary injunction request with the Danish Maritime and Commercial High Court (“MCC”) on October 3, 2022, claiming, among other things, that NE should be enjoined from using “EtOH” as a (word) trademark alone or as part of the trademark “Nordic EtOH” for Class 33 in its entirety.

The MCC initially assessed whether NE’s exploitation of the word mark “Nordic EtOH” infringed the ES Trademark. The MCC noted that the word element “EtOH” in the ES Trademark was descriptive for the goods it was registered for in Class 33 of the Nice Classification. The MCC stressed that an ordinary consumer would

⁶ Case No. BS-12828/2023-OLR.

perceive the ES Trademark as a reference to alcohol, since the trademark was used in connection with alcoholic products. In the assessment, emphasis was placed on EUIPO's notification indicating initial refusal of ES's application for registration of the ES Trademark. Against this background, the MCC concluded that the ES Trademark enjoyed only a narrow scope of protection, limited to the representation of the graphic design of the ES Trademark rather than the word "EtOH" itself.

Next, the MCC concluded that it was not established or rendered likely that there were grounds for an injunction under Article 9(2)(b) of the 2017 EUTM Regulation emphasized that (i) the parties did not market the same products (given the scope of the ES Trademark), and (ii) the actual figurative marks displayed on the products had significantly different visual expressions. Thus, the MCC found that there was no likelihood of confusion, even though both parties used the word "EtOH" to designate alcoholic products.

Finally, the MCC also assessed whether ES had acquired an unregistered trademark right through use to the word "EtOH" under Section 3(1)(3) of the Danish Trademark Act. Given the fact that "EtOH" is a chemical abbreviation for ethanol, which is commonly found in spirits made for human consumption, it was deemed descriptive for goods in Class 33. For this reason, the MCC found that the word lacked inherent distinctiveness and thus required extensive use in the market to demonstrate acquired distinctiveness. Based on the evidence submitted, this test was not met. The MCC therefore concluded that ES had not acquired an unregistered trademark right to the word "EtOH" through use that could be enforced against NE.

5. Germany—Federal Supreme Court—Was the name of a well-known building distinctive?

The Federal Supreme Court of Germany held⁷ that the name of a well-known building is not distinctive if, in relation to goods that may be souvenirs, the public considers it as mere designation of the touristic feature or a historical sight, rather than as an indication of origin.

The applicant filed a trademark application for the term "KÖLNER DOM," the Cologne Cathedral and one of Germany's most visited landmarks. The application was filed for various goods and services in Classes 14, 16, 25, and 35. The German PTO and the German Federal Patent Court held at first instance that the registration of KÖLNER DOM was precluded on the ground that it lacked distinctive character in respect of the goods and services in question in Classes 14, 16, 25, and 35.

⁷ Case No. I ZB 28/23 (German Federal Supreme Court, October 23, 2023—Kölner Dom).

The Federal Supreme Court confirmed this finding. The Federal Patent Court did not err in law in finding that some of the applied for goods (namely “jewellery; hat ornaments of precious metals; objets d’art of precious metals; cufflinks; tie pins; key rings (fancy goods and jewellery); shoe ornaments of precious metals”) can be modelled on church buildings in their external shape. Affixing the sign KÖLNER DOM on such goods would be perceived as descriptive of the goods and not an indication of their commercial origin.

It also affirmed the Federal Patent Court’s finding on the other goods in Classes 14, 16, and 25. The Federal Patent Court had held that the public would merely see KÖLNER DOM as a motif-like reference to the cathedral itself: first, because well-known buildings and tourist attractions are often used as a decoration or motif; and, second, because the goods in question were often provided with a decoration or motif. This is particularly relevant to goods that are regularly marketed as souvenirs. Such products are frequently labelled with images and/or the names of famous attractions and sold by various suppliers as souvenirs. The better known an attraction is, the greater the range of souvenir items becomes. Almost all the goods claimed in Classes 14, 16, and 25 are commonly used as souvenirs, which consumers could expect to see affixed with the name or image of Cologne Cathedral.

Referring to its *Neuschwanstein* decision,⁸ the Federal Supreme Court pointed out that the fact that the applied-for goods could be souvenirs does not mean that the trademark KÖLNER DOM is devoid of any distinctive character for the goods in question. Rather, the decisive factor was whether the public perceived the use of the sign for these goods merely as a reference to the cathedral building or as a means of distinguishing the products as coming from a specific origin. It could not have any distinctive character if the target public only associated KÖLNER DOM as connected with travel souvenirs and supplies due to the high profile of Cologne Cathedral and therefore did not perceive it as a product identifier. The Federal Patent Court had found this to be the case in respect of the applied-for goods in Classes 14, 16, and 25.

Furthermore, the Federal Patent Court was right to conclude that this finding did not conflict with the CJEU’s *Neuschwanstein* decision.⁹ The CJEU ruled that it was irrelevant for the assessment of the descriptive character of the term “Neuschwanstein” that the goods covered by such a sign were sold as souvenirs. The fact that a

⁸ Federal Supreme Court, Case No. I ZB 13/11, Dec. of March 8, 2012—*Neuschwanstein*; see also Martin Viefhues, Commentary: *United in Discord: Disregarding National Decisions in the EU*, 106 Trademark Rep. 997 (2016).

⁹ CJEU, Case No. C-488/16 P, Dec. of September 6, 2018—*Neuschwanstein*; see Tom Scourfield, *Annual Review of EU Trademark Law: 2018 in Review*, 109 Trademark Rep. 458 (2019).

product was intended to function as a souvenir was, according to the CJEU, not an objective characteristic of the products but depended on the free will of the buyer and was solely orientated toward the buyer's intentions. The memory invoked by the term "Neuschwanstein" could not reasonably indicate, in the eyes of the relevant public, a quality or an essential characteristic of the goods and services for which protection was sought.

However, according to the Federal Supreme Court, the CJEU did not deal in *Neuschwanstein* with lack of distinctive character according to Article 7(1)(b) of the 2017 EUTM Regulation. Instead, the CJEU focused on whether the attacks against the GC's decision contained errors of law. The *Neuschwanstein* judgment thus was held to have no direct relevance for the case in dispute. According to the case law of the CJEU and the Federal Supreme Court, the grounds for refusal under Section 8(2) Nos. 1 and 2 of the German Trademark Act (equivalent to Art. 4(1)(b) and (c) of the 2015 TM Directive), that is, lacking distinctiveness and descriptive character, must be examined independently and separately, even if their areas of application overlap. In the present case, it was not necessary to examine whether the sign KÖLNER DOM was descriptive of the goods in question. In the case in dispute, the Federal Supreme Court only had to examine whether the Federal Patent Court erred in law when assessing distinctive character. The Federal Supreme Court conceded that, while the CJEU in *Neuschwanstein* also dealt with a lack of distinctive character pursuant to Article 7(1)(b) of the EUTM Regulation, the GC had assumed that the contested trademark NEUSCHWANSTEIN had distinctive character for the goods and services in question. It constituted a fanciful name with no descriptive reference to these goods and services. The CJEU reproduced the judgment of the GC in detail. However, the CJEU did not subject this judgment of the GC to a legal review. In view of the grounds of appeal, the CJEU only had to examine whether the GC had given inadequate reasons for its decision. It answered this question in the negative in view of the reasoning of the GC that it reproduced.

The Federal Supreme Court conceded that there is no abstract product category of "souvenir articles" in the Nice Classification system of goods and services for trademark applications. However, the Federal Patent Court did not focus on an abstract category of "souvenir articles." Instead, it examined the individual goods applied-for to determine whether KÖLNER DOM could be perceived as an indication of origin for goods, or merely as travel souvenirs or supplies.

Finally, the Federal Supreme Court also dismissed the appeal insofar as it related to the retail and wholesale services claimed in Class 35. The Federal Patent Court assumed that the retail services covered a wide range of products from cosmetics, metal goods,

musical instruments, electrical appliances, stationery and household goods to food, beverages and smoking goods. In this context, the public would only perceive the sign KÖLNER DOM as a reference to the building and the location. The Federal Supreme Court confirmed also this assessment.

6. Austria—Austrian Supreme Court—Can a small round white disc be protected as a shape mark for a glucose monitoring system?

This is one of the rare Austrian cases concerning shape marks, being trademarks that consist of three-dimensional shapes and that can protect the appearance of a product. In this case,¹⁰ the Austrian Supreme Court (“OGH”) dealt with the question of likelihood of confusion between shape marks. The parties to the dispute each produce systems for continuous blood sugar monitoring for diabetics (goods in Class 10). They each contain a measuring device worn on the body (so-called “On-Body Unit,” or “OBU”), which connects to a display device (e.g., a reader or smartphone). The OBUs of the plaintiff and the defendant are of approximately the same size, with diameters of 35 mm and 32 mm, respectively, and thicknesses of 5 mm and 5.7 mm, respectively. The round design of the shape of the marks has no technical function and no commercial advantage. From around three meters’ distance, the OBUs cannot be distinguished with the naked eye:



Earlier shape mark of the plaintiff



More recent shape mark of the defendant

The court of first instance dismissed the legal action; in its view, the product sold by the defendant was not capable of being confused either with the plaintiff’s trademark or with its products; the surface design on the top and sides, the shape and placement of the contact point and the color were all clearly different. The court of

¹⁰ Austrian Supreme Court, October 22, 2024, 4Ob100/24w.

appeal, on the other hand, assumed that there was a risk of confusion with the plaintiff's shape trademark.

The defendant had argued that the plaintiff's shape mark was not registrable due to a lack of distinctive character according to Section 4, paragraph 1, subparagraph 3, of the Austrian Trademark Protection Act ("MSchG").¹¹

The Austrian Supreme Court first held that the intended use as a medical device to be worn on the body at all times requires a shape that is as small and as flat as possible, without corners, edges, or jagged edges. The OBU should restrict the wearer's freedom of movement as little as possible, offer sufficient adhesive surface for reliable attachment to the skin, not get caught in fabric when changing clothes, and not injure the wearer or other people in the event of physical contact with sharp edges or pointed points. The shape and color of the product was therefore not perceived by the relevant public as an indication of commercial origin. The shape chosen by the plaintiff was the simplest of all that meets the above requirements. A geometric figure as basic as a round disk cannot be monopolized as a shape mark. The color white is particularly common for medical devices and is generally associated with doctors, hospitals, and medical equipment. The relevant public therefore does not see this as an indication of a specific manufacturer of an OBU.

While the shape of the trademark did not fulfil any technical function, the outer shape of an OBU as a round disc is considered to be a particularly functional design.

It was doubtful whether the arrangement and shape of the surface openings was perceived by the relevant public as an indication of origin. However, it was not necessary to decide this because the shape mark was only a weak sign. With weak signs, even small differences are enough to negate the risk of confusion. Possibly non-functional elements are designed differently. The design of the cover surfaces had completely different elements. The design was also different when perceived from the side. The shades of white were also different. Therefore, in the OGH's view there was no likelihood of confusion.

The very similar size of the two OBUs was irrelevant because the trademark registration does not include any size specification. The lack of distinctiveness from three meters does not lead to the conclusion that there is a likelihood of confusion.

In summary, the OGH held that the distinctiveness of the plaintiff's shape mark was doubtful; however, a likelihood of confusion with the defendant's OBU can, in any case, be ruled out.

¹¹ The equivalent provision is Article 7(1)(b) of the 2017 EUTM Regulation.

7. Poland—District Administrative Court—What is the proper mode of assessment for marks alleged to be purely descriptive?

In *Aukcja Młodej Sztuki*,¹² the District Administrative Court considered an appeal from the decision of the Polish Patent Office (“PPO”) rejecting an invalidity application against a Polish national registration for a word mark AUKCJA MŁODEJ SZTUKI (*YOUNG ART AUCTION*) covering “organizing sales through auctions” in Class 35, owned by Desa Unicum S.A. and registered on November 12, 2009.

The invalidity applicant, A.G., Xanadu Gallery and Auction House, raised several grounds for invalidity, including the claim that the contested mark was descriptive, deceptive, lacked distinctiveness, had become customary in everyday language and trade practices, violated public policy or accepted principles of morality, infringed third-party rights, and was filed in bad faith.

The PPO rejected the invalidity application in its entirety. The PPO concluded that although the phrase “AUKCJA MŁODEJ SZTUKI” consists of Polish words with specific meanings, when considered as a whole, it can have multiple interpretations. The evidence submitted by the invalidity applicant did not show that, at the time of the filing, the contested trademark was purely descriptive, indicating auction services. The contested mark was found to be allusive and thus having at least the minimum degree of distinctiveness. Furthermore, the PPO stated that no evidence was presented to show that, at the time of the filing, the contested mark had become customary in everyday language and trade practices.

The PPO also dismissed all claims related to the infringement of earlier rights, as the invalidity applicant failed to provide sufficient evidence. Regarding the claim of bad faith, the PPO noted that the applicant asserted that the mark owner had applied for the contested mark only to block its competitors, which was deemed insufficient to establish bad faith.

The invalidity applicant appealed to the District Administrative Court, which overturned the contested decision. While the court agreed with the PPO that the invalidity applicant had failed to sufficiently substantiate several of its claims, including bad faith and violation of public policy or accepted principles of morality, the court found that the PPO had erred in determining that the contested registration was distinctive. Specifically, the court pointed out that the PPO had not thoroughly assessed whether the contested mark could perform its function as a trademark.

¹² Case VI SA/Wa 2946/23 (District Administrative Court, January 12, 2024).

The court highlighted that the PPO had failed to properly evaluate whether the mark was purely descriptive, indicating the nature of the service—namely, an art auction—and whether the phrase “młoda sztuka” (young art) referred to a distinct market segment. The court emphasized that descriptiveness should be assessed based on the mark as a whole, taking into account the full context in which it is used, rather than simply considering each individual word. It found that the PPO should have determined whether the entire mark could be perceived as merely descriptive of an auction focused on works by young artists.

The court also referred to the applicant’s arguments that AUKCJA MŁODEJ SZTUKI had been in use by other auction houses prior to the relevant filing date to describe sales of young artists’ works. However, the PPO had not considered the broader context in which “młoda sztuka” (young art) had become associated with the sale of art by younger artists. Although the PPO acknowledged that “aukcja” (auction) is a specific type of sale, it did not explore whether “młoda sztuka” had become a commonly used term in the art market to describe works of emerging artists.

The court emphasized that the PPO should have more carefully considered whether the contested mark AUKCJA MŁODEJ SZTUKI was being used in a manner that would make it descriptive and customary in the context of art auctions. Given the evidence provided by the invalidity applicant, including the use of the term in auction catalogues prior to the relevant date, the PPO should have reassessed whether the contested mark could be perceived as an informative and non-distinctive sign. The failure to thoroughly evaluate these aspects led the court to conclude that the PPO did not properly analyze the potential descriptiveness of the contested mark in light of current market practices in the art auction industry. In the light of the above, the contested decision was annulled and the case was sent back to the PPO for re-consideration.

8. Austria—Higher Regional Court of Vienna— Does the name of a horse breed lack distinctiveness?

The Lipizzaner horse is a representative of an old horse breed. For a long time, the Lipizzaner has been associated with the Spanish Riding School (*Spanische Hofreitschule*) in Vienna, where Lipizzaners are trained in the classical art of riding. The Spanish Riding School is the only institution in the world that has been in practice for more than 450 years and continues to cultivate classical equestrianism in the Renaissance tradition of the Haute École—which can also be found on UNESCO’s list of intangible cultural heritage of humanity.

The case¹³ related to an application for registration of the word trademark LIPIZZANER for the goods and services in Classes 3, 4, 8, 9, 14, 16, 18, 21, 24, 25, 28 to 34, 41, 43, and 44. The Austrian Patent Office (“APO”) had partially refused the registration for certain goods and services.

The Higher Regional Court of Vienna first examined whether the registered sign was descriptive pursuant to Section 4, paragraph 1, subparagraph 4 of the Austrian Trademark Protection Act (“MSchG”).¹⁴ A descriptive trademark is also not distinctive within the meaning of Section 4, paragraph 1, subparagraph 3 of the MSchG.¹⁵ The sign LIPIZZANER lacked distinctive character in relation to goods like animal care products, riding hats and helmets, footwear, in particular riding shoes, riding boots and rubber boots, simply because of its descriptive character. In common parlance, the word “Lipizzaner” is the name for a breed of horse. The relevant public would understand the term in connection with the goods in question as a descriptive reference to their nature as an object used for the care of horses or for riding horses in general and specifically for Lipizzaners.

If the word “Lipizzaner” were to be protected for figurines, works of art, printed books, toy figures, toy animals, etc., no one would be allowed to manufacture or market such items, which either depict or resemble a Lipizzaner without infringing on the applicant’s trademark. Since the word “Lipizzaner” would be descriptive in relation to such items (specifically if they resemble or are reminiscent of a horse), it was deemed not to be protectable for these goods. The same considerations apply to all goods that, due to their nature, convey content, be it texts, images, or films. The protection of these goods would mean that nobody could distribute goods in connection with Lipizzaners without infringing trademark rights.

However, the Vienna Higher Regional Court made it clear that “LIPIZZANER” is not consistently descriptive for all the goods and services applied for. Goods and services mentioned in the specification with no specific and obvious connection to horses or horse riding would be appropriate for trademark protection. Even if “merchandising items” were designed with a Lipizzaner, the sign LIPIZZANER would not describe the type of goods concerned. An umbrella or a Christmas tree bauble with a Lipizzaner depicted on it are still an umbrella and a Christmas tree bauble. Regarding the services in Class 43—providing food and drink for guests; operating restaurants, buffets and cafés—LIPIZZANER has no descriptive function.

¹³ Higher Regional Court Vienna, 01.02.2024, 33R112/23t.

¹⁴ The equivalent provision in Regulation (EU) 2017/1001 is Art. 7, No. 1, lit. c and d.

¹⁵ The equivalent provision in Regulation (EU) 2017/1001 is Art. 7, No. 1, lit b.

The Vienna Higher Regional Court also confirmed that the trademark LIPIZZANER is in principle suitable as an indication of commercial origin (apart from such goods and services where the sign lacks distinctive character as described above).

The sign was considered to be unusual for the goods and services claimed. The trademark would not immediately create an association with the type, quality or origin of the goods and services offered in the relevant public. Even if the term “Lipizzaner” may be viewed as a positive term, the sign could not be seen as a mere advertising of the goods and services behind it. In any event, the term “Lipizzaner” needed interpreting regarding the remaining goods and services and therefore gave the relevant public the opportunity to remember it as a distinctive mark for those goods and services.

The fact that the Lipizzaner horses have cultural significance did not change the fact that the term “Lipizzaner” is, with regard to the goods and services still to be assessed here, a fictitious word in the broader sense, because it has no connection with those goods and services.

The court also determined that there was no obstacle to registering a sign that corresponded to or was associated with an “Austrian cultural asset.” The fact that an applicant’s name and/or business activity are culturally well known does not, in principle, affect the registrability of a trademark based on them. There was therefore no legal basis for the general and comprehensive need to keep the name of a horse breed known in Austria free, as suggested by the APO. Since LIPIZZANER has no descriptive connection to a part of the goods and services applied for registration, there was no need to keep it free in this scope.

9. Spain—Appeal Court of Madrid—Was the shape of a biscuit sufficiently distinctive?

On July 30, 2024,¹⁶ the Civil Appeal Court of Madrid issued a decision finding against BIMBO S.A.B. DE C.V. (“the applicant” or “Bimbo”) in its appeal against the decision of the Board of Appeal of the Spanish PTO to refuse protection to the following shape mark (Spanish Trademark Application No. 4179750):

¹⁶ Judgment of the Section 32 of the Appeal Court of Madrid (Civil), Case 273/24, July 30, 2024.



On July 29, 2022, Bimbo sought to register the above shape mark to cover “biscuits” (Class 30). The Examination Division rejected the mark for lack of distinctiveness. Bimbo appealed before the Board of Appeals of the Spanish PTO, arguing that the applied-for three-dimensional trademark did not fall under the prohibition of Article 5.1 b) of the Spanish Trademark Law,¹⁷ as it had sufficient distinctiveness to constitute a trademark on its own. According to the applicant, the trademark consists of “a flattened round biscuit on the front of which 144 squares with their protuberances or reliefs are represented in parallel and equidistant lines, surrounded by a thicker border with 33 oval rings, creating a characteristic and distinctive shape as a whole.”

Despite the appellant’s allegations and the description contained in the application form, in its decision dated January 23, 2024, the Board of Appeals rejected the appeal and refused the application. According to the Board of Appeal, the shape of the biscuit was very common in biscuits. The fact that the edge of the biscuit had indentations that emphasized the outer circle was very common and traditional in biscuits. On the other hand, the fact that a grid with 144 spaces was formed on one of the sides is of such complexity in such a small space that it cannot be appreciated by consumers.

Bimbo appealed this decision before the Civil Appeal Court. In addition to inherent distinctiveness, the applicant argued that the trademark had been recognized as distinctive in other countries such as Mexico, Brazil, and Peru, where it was well-known and associated with the mark CANELITAS:

¹⁷ Art. 5.1 b) prohibits the registration of signs that are devoid of any distinctive character.



The Appeal Court rejected the appeal and confirmed the decision of the Spanish PTO. Applying the findings of the CJEU in *Mag Lite*,¹⁸ the court concluded that the biscuit shape lacked distinctiveness and did not significantly depart from common biscuit designs. The average consumer would not perceive the shape as a trademark identifying a specific business origin. The court added that the recognition in other countries was irrelevant to the decision, as each jurisdiction independently assesses distinctiveness.

III. CONFLICT WITH EARLIER RIGHTS—RELATIVE GROUNDS FOR REFUSAL OF REGISTRATION

A. Introductory Comments

This Part III relates to claims that a trademark should be refused registration (or for post-registration, invalidity) on the basis of its conflict with an “earlier right.” The earlier right is typically an earlier registered trademark but may also include challenges based on earlier unregistered rights.

In relation to conflict with earlier registered trademarks or trademark applications, there are three grounds for refusal (or post-registration invalidity under Article 60 of the 2017 EUTM Regulation):

- (1) where the mark applied for is identical to the earlier mark, and the goods/services for which the applicant seeks registration are identical to those for which the earlier mark is protected. Often known as “double-identity” cases, the relevant rules are contained in Article 8(1)(a) of the 2017 EUTM Regulation and Article 5(1)(a) of the 2015 TM Directive;

¹⁸ Case C-136/02, *Mag Lite v. OHIM* (October 7, 2004).

- (2) where the mark applied for is identical or similar to the earlier mark and the goods/services for which the applicant seeks registration are identical or similar to those for which the earlier mark is protected, resulting in a likelihood of confusion. This provision typically accounts for much of the case law. The relevant provisions are set out in Article 8(1)(b) of the 2017 EUTM Regulation and Article 5(1)(b) of the 2015 TM Directive; and
- (3) where the use of the mark applied for would offend one or more of the EU law principles of what are generally known as tarnishment, dilution, and unfair advantage (although not precisely the language used in the legislation)—see Article 8(5) of the 2017 EUTM Regulation and Article 5(3)(a) of the 2015 TM Directive.

The rules on tarnishment, dilution, and unfair advantage apply only in situations in which the earlier mark has a reputation in the EU, or in the relevant EU Member State (or national European territory). Claims of this type do not depend on any similarity of goods/services and may be brought irrespective of whether or not the contested application covers goods or services identical or similar to those for which the earlier mark is protected or in which it has acquired its reputation. Some similarity between the marks is still a requirement in order to create a link between the two in the mind of the relevant consumer, although not such that it would likely result in confusion. The basis for any such claim is that the use of the junior mark would take unfair advantage of, or be detrimental to, the distinctive character (dilution) or the reputation (tarnishment) of the senior mark.

The relevant rules relating to EUTMs are found in Article 8(5) of the 2017 EUTM Regulation and the corresponding rules relating to applications before the national trademark authorities of EU Member States are at Article 5(3)(a) of the 2015 TM Directive (see below).

There is a wide range of possibilities for challenges to trademark applications (or, by way of cancellation action, to registered marks) based on other types of earlier rights. These include claims based on unregistered trademarks, copyright, and protected geographical indications. Relevant provisions are found in Articles 8(4) and 8(6) of the 2017 EUTM Regulation and in Article 60 of the 2017 EUTM Regulation, and Articles 5(3)(b) and (c) and 5(4) of the 2015 TM Directive. The provision for the owner of a designation of origin or a geographical indication to prevent the registration of a subsequent trademark were new additions in the 2015 TM Directive.

Conflicts between marks always provides plenty of available case law for this section of the Review. In *Azalee Cosmetics v. EUIPO—L'Oréal (UK) Ltd.*, the GC considered whether two trademarks with a single common element might be confusingly

similar where that element appeared “backwards” (as did the German courts on a similar theme). In *Chiquita Brands v. EUIPO—Jara 2000 (CHIQUITA QUEEN)*, the GC confirmed that the reputation of an earlier mark could be taken into account when considering the distinctiveness of the common element of a later mark and in *BBF Company v. EUIPO—Monster Energy (INSOMNIA ENERGY)*, the GC confirmed that a strong reputation can bridge to deal with conflicts between marks of even low distinctive character in common elements. Common elements with a descriptive element were not sufficient in Germany however, where even a small amount of visual differentiation was enough to distinguish between two marks, as was also the case in Austria.

B. Legal Texts

Article 8 of the 2017 EUTM Regulation

1. Upon opposition by the proprietor of an earlier trade mark, the trade mark applied for shall not be registered:
 - (a) if it is identical with the earlier trade mark and the goods and services for which registration is applied for are identical with the goods or services for which the earlier trade mark is protected;
 - (b) if, because of its identity with, or similarity to, the earlier trade mark and the identity or similarity of the goods or services covered by the trade marks there exists a likelihood of confusion on the part of the public in the territory in which the earlier trade mark is protected; the likelihood of confusion includes the likelihood of association with the earlier trade mark.
2. For the purposes of paragraph 1, “earlier trade mark” means:
 - (a) trade marks of the following kinds with a date of application for registration which is earlier than the date of application for registration of the EU trade mark, taking account, where appropriate, of the priorities claimed in respect of those trade marks:
 - (i) EU trade marks;
 - (ii) trade marks registered in a Member State, or, in the case of Belgium, the Netherlands or Luxembourg, at the Benelux Office for Intellectual Property;
 - (iii) trade marks registered under international arrangements which have effect in a Member State;

- (iv) trade marks registered under international arrangements which have effect in the Union;
 - (a) applications for the trade marks referred to in point (a), subject to their registration;
 - (b) trade marks which, on the date of application for registration of the EU trade mark, or, where appropriate, of the priority claimed in respect of the application for registration of the EU trade mark, are well known in a Member State, in the sense in which the words “well known” are used in Article 6bis of the Paris Convention.
3. [Omitted]
4. Upon opposition by the proprietor of a non-registered trade mark or of another sign used in the course of trade of more than mere local significance, the trade mark applied for shall not be registered where and to the extent that, pursuant to the [EU] legislation or the law of the Member State governing that sign:
- (a) rights to that sign were acquired prior to the date of application for registration of the EU trade mark, or the date of the priority claimed for the application for registration of the EU trade mark;
 - (b) that sign confers on its proprietor the right to prohibit the use of a subsequent trade mark.
5. Upon opposition by the proprietor of an earlier trade mark within the meaning of paragraph 2, the trade mark applied for shall not be registered where it is identical with, or similar to an earlier trade mark, irrespective of whether the goods or services for which it is applied are identical with, similar to, or not similar to those for which the earlier trade mark is registered, where, in the case of an earlier EU trade mark, the trade mark has a reputation in [the Union] or, in the case of an earlier national trade mark, the trade mark has a reputation in the Member State concerned, and where the use without due cause of the trade mark applied for would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.
6. [Omitted]

Article 60 of the 2017 EUTM Regulation

1. An EU trade mark shall be declared invalid on application to the Office or on the basis of a counterclaim in infringement proceedings:

- (a) where there is an earlier trade mark as referred to in Article 8(2) and the conditions set out in paragraph 1 or paragraph 5 of that Article are fulfilled;
 - (b) [Omitted];
 - (c) where there is an earlier right as referred to in Article 8(4) and the conditions set out in that paragraph are fulfilled.
 - (d) [Omitted]
2. An EU trade mark shall also be declared invalid on application to the Office or on the basis of a counterclaim in infringement proceedings where the use of such trade mark may be prohibited pursuant to another earlier right under [EU] legislation or national law governing its protection, and in particular:
- (a) a right to a name;
 - (b) a right of personal portrayal;
 - (c) a copyright;
 - (d) an industrial property right.

(Note: Articles 60(3) to 60(5) have been omitted.)

Article 5 of the 2015 TM Directive

Relative grounds for refusal or invalidity

1. A trade mark shall not be registered or, if registered, shall be liable to be declared invalid where:
- (a) it is identical with an earlier trade mark, and the goods or services for which the trade mark is applied for or is registered are identical with the goods or services for which the earlier trade mark is protected;
 - (b) because of its identity with, or similarity to, the earlier trade mark and the identity or similarity of the goods or services covered by the trade marks, there exists a likelihood of confusion on the part of the public; the likelihood of confusion includes the likelihood of association with the earlier trade mark.
2. ‘Earlier trade marks’ within the meaning of paragraph 1 means:
- (a) trade marks of the following kinds with a date of application for registration which is earlier than the date of application for registration of the trade mark, taking account, where appropriate, of the priorities claimed in respect of those trade marks:

- (i) EU trade marks;
 - (ii) trade marks registered in the Member State concerned or, in the case of Belgium, Luxembourg or the Netherlands, at the Benelux Office for Intellectual Property;
 - (iii) trade marks registered under international arrangements which have effect in the Member State concerned;
 - (b) EU trade marks which validly claim seniority, in accordance with Regulation (EC) No 207/2009, of a trade mark referred to in points (a)(ii) and (iii), even when the latter trade mark has been surrendered or allowed to lapse;
 - (c) applications for the trade marks referred to in points (a) and (b), subject to their registration;
 - (d) trade marks which, on the date of application for registration of the trade mark, or, where appropriate, of the priority claimed in respect of the application for registration of the trade mark, are well known in the Member State concerned, in the sense in which the words 'well-known' are used in Article 6bis of the Paris Convention.
3. Furthermore, a trade mark shall not be registered or, if registered, shall be liable to be declared invalid where:
- (a) it is identical with, or similar to, an earlier trade mark irrespective of whether the goods or services for which it is applied or registered are identical with, similar to or not similar to those for which the earlier trade mark is registered, where the earlier trade mark has a reputation in the Member State in respect of which registration is applied for or in which the trade mark is registered or, in the case of an EU trade mark, has a reputation in the Union and the use of the later trade mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark;
 - (b) an agent or representative of the proprietor of the trade mark applies for registration thereof in his own name without the proprietor's authorization, unless the agent or representative justifies his action;
 - (c) and to the extent that, pursuant to Union legislation or the law of the Member State concerned providing for protection of designations of origin and geographical indications:

- (i) an application for a designation of origin or a geographical indication had already been submitted in accordance with Union legislation or the law of the Member State concerned prior to the date of application for registration of the trade mark or the date of the priority claimed for the application, subject to its subsequent registration;
 - (ii) that designation of origin or geographical indication confers on the person authorized under the relevant law to exercise the rights arising therefrom the right to prohibit the use of a subsequent trade mark.
- 4. Any Member State may provide that a trade mark is not to be registered or, if registered, is liable to be declared invalid where, and to the extent that:
 - (a) rights to a non-registered trade mark or to another sign used in the course of trade were acquired prior to the date of application for registration of the subsequent trade mark, or the date of the priority claimed for the application for registration of the subsequent trade mark, and that non-registered trade mark or other sign confers on its proprietor the right to prohibit the use of a subsequent trade mark;
 - (b) the use of the trade mark may be prohibited by virtue of an earlier right, other than the rights referred to in paragraph 2 and point (a) of this paragraph, and in particular:
 - (i) a right to a name;
 - (ii) a right of personal portrayal;
 - (iii) a copyright;
 - (iv) an industrial property right;
 - (c) the trade mark is liable to be confused with an earlier trade mark protected abroad, provided that, at the date of the application, the applicant was acting in bad faith.
- 5. The Member States shall ensure that in appropriate circumstances there is no obligation to refuse registration or to declare a trade mark invalid where the proprietor of the earlier trade mark or other earlier right consents to the registration of the later trade mark.
- 6. Any Member State may provide that, by way of derogation from paragraphs 1 to 5, the grounds for refusal of registration or invalidity in force in that

Member State prior to the date of the entry into force of the provisions necessary to comply with Directive 89/104/EEC are to apply to trade marks for which an application has been made prior to that date.

C. Cases

1. EU—GC—Are trademarks coinciding in a single element confusingly similar if it is written backwards in the later mark?

In *Azalee Cosmetics v. EUIPO—L'Oréal (UK) Ltd.*,¹⁹ the GC considered an appeal from the decision of the EUIPO First Board of Appeal that found a likelihood of confusion within the meaning of Article 8(1)(b) of the 2017 EUTM Regulation between an earlier word mark owned by the intervener, L'Oréal (UK) Limited, and a figurative trademark applied for by the applicant, Azalee Cosmetics.

The applicant, Azalee Cosmetics, filed an EUTM application for a figurative mark (depicted below), covering various goods and services in Classes 3, 21, 35, and 44, including cosmetics, cosmetic utensils, retail of cosmetics, and hygienic and beauty care services:



The intervener in the proceedings before the court, L'Oréal (UK) Limited, filed an opposition against the above application based on its EUTM registration for a word mark LIBRE, covering the goods in Class 3, including perfumes, cleaning and fragrance preparations, scented body lotions, and creams similar and identical to those covered by the contested application.

The Opposition Division partially upheld the opposition, a decision later upheld by the Board of Appeal, which confirmed that there was a likelihood of confusion within the meaning of Article 8(1)(b) of the 2017 EUTM Regulation for similar and identical goods and services.

On appeal, the applicant alleged an infringement of Article 8(1)(b) of the 2017 EUTM Regulation. First, the applicant argued that the level of attention of the relevant public is high, as consumers carefully consider the composition of the products they apply to their skin. The applicant also highlighted that the

¹⁹ Case T-765/22 (GC, February 21, 2024).

intervener's perfumery products are luxury goods. The court disagreed with the applicant. Referring to *Machková v. EUIPO—Aceites Almenara (ALMARA SOAP)*,²⁰ the court stressed that cosmetics and beauty products are everyday items aimed at the general public, which typically displays an average level of attention. Even if part of the public shows a higher level of attention, the group with the lowest level must be considered.

Second, the applicant challenged similarity between goods and services in comparison, arguing that many of them differ in their nature, purpose, or method of use, and are neither in competition nor complementary to each other. The applicant also argued that there is no similarity between goods and services, as services are intangible while goods are tangible. In support of this argument, the applicant also relied on the EUIPO Guidelines.

The court dismissed the applicant's arguments, confirming the Board's findings on the identity and similarity between the conflicting goods and services. In particular, the court emphasized that goods and services may be considered similar if they compete with each other, serve similar purposes, or are complementary. In this regard, the court found, for example, that cosmetics utensils in Class 21 are complementary to cosmetics in Class 3. The court also confirmed that retail services of specific goods are generally of a low level of similarity to such goods. Notably, recalling *Leno Marken*,²¹ the court emphasized that the EUIPO Guidelines are not binding legal acts for the purpose of interpreting provisions of EU law.

The applicant also challenged similarity between the conflicting marks. It argued that the presence of the element "libre" in both marks did not outweigh their significant differences, particularly in terms of length and presentation, with "libre" placed at the end of the applied-for mark and written backwards, making it difficult for the relevant public to read. The applicant also contested the Board's finding on phonetic similarity, claiming that the signs have different structures and rhythms, and that the reversed term "libre" would be difficult for the non-French-speaking public to pronounce. Additionally, the applicant argued that the Board incorrectly separated the meanings of "la crème" and "libre," relying on a survey of French-speaking consumers that showed that they perceived the two as an indivisible concept, reflecting a unique but meaningless idea of "free cream."

The court rejected the applicant's arguments on both grounds. It found a low degree of visual similarity between the marks, noting that the absence of a visually dominant element in Azalee's mark resulted in similarity due to the shared use of the term "libre." It upheld the Board's conclusion of medium phonetic similarity due to

²⁰ Case T-436/22 (GC, March 29, 2023).

²¹ Case C-149/11 (CJEU, December 19, 2012).

identical pronunciation of the word “libre.” On conceptual similarity, the court rejected the applicant’s argument on the public separating the terms, stating that “la crème libre” forms a conceptual unit evoking the idea of freedom, with “libre” retaining its meaning despite the expression being otherwise meaningless.

Ultimately, the court upheld the Board’s conclusion that the relevant public might attribute the same commercial origin to the goods and services covered by the marks in question. The market study submitted by the applicant, which indicated that only 20 percent of respondents made a mental association between the signs and 28 percent believed the marks originated from the same company, was insufficient to undermine this conclusion. The court emphasized that the proportion of participants who perceived the signs as belonging to the same undertakings was not negligible. In the light of the above, the court upheld the Board of Appeal’s decision.

2. EU—GC—Can strong reputation contribute to similarity between marks with an element of weak distinctive character?

In *BBF Company v. EUIPO—Monster Energy (INSOMNIA ENERGY)*,²² the GC considered an appeal from the decision of the EUIPO Fourth Board of Appeal that invalidated an EUTM registration for a figurative mark INSOMNIA ENERGY (depicted below) owned by the applicant, BBF Company EOOD, and covering, among others, various beverages and energy drinks in Class 32.



The intervener, Monster Energy Co., filed an application for a declaration of invalidity of the above mark based, inter alia, on its earlier EU figurative mark MONSTER ENERGY (depicted below) registered for, among others, “non-alcoholic beverages” in Class 32.

²² Case T-59/24 (GC, October 23, 2024).



The grounds relied on in support of the invalidity application were those set out in Article 60(1)(a) in conjunction with Article 8(1)(b) and Article 8(5) of the 2017 EUTM Regulation, that is likelihood of confusion and unfair advantage of and detriment to the earlier right's reputation and distinctive character.

The Cancellation Division dismissed the application for a declaration of invalidity in its entirety. It found, first, that there was no likelihood of confusion between the conflicting marks and, secondly, that, given the extremely low degree of similarity between the signs at issue, the relevant public would not establish a link between them, despite the identity of some of the goods and the solid degree of reputation of the earlier mark.

The first instance decision was later overturned by the EUIPO Board of Appeal. The Board first confirmed that the earlier mark had a strong reputation in the EU for non-alcoholic energy drinks. It stressed that the marks at issue shared the common word "energy," resulting in a certain degree of visual similarity. Despite low phonetic and conceptual similarities, the Board established a link between the marks. It stressed that the very strong reputation of the earlier mark was capable of counterbalancing the low degree of similarity between the signs. The Board ultimately found that the applicant had unfairly taken advantage of the earlier mark's reputation.

On appeal, the GC upheld the Board's decision. The court affirmed the Board's assessment of evidence, acknowledging the strong reputation and distinctiveness of the earlier mark in the non-alcoholic beverages sector, especially for energy drinks. This established reputation outweighed the relatively low degree of similarity between the two marks in question.

The court noted the existence of the common element "energy" in both marks. Although it was found to have a weak distinctive character for the relevant goods, the court stressed it will not go unnoticed on account of its size and color. The court found that the Board did not err in its assessment, concluding that despite the differences arising from the distinctive and dominant elements of the marks, the signs were visually, phonetically, and conceptually similar to a certain degree. This was due to the shared word element "energy," the use of the same colors (black, green, and white), the

highly similar structure of the marks, and the identical positioning of the word elements in both marks. As a consequence, the court concluded that the applicant has failed to demonstrate that the Board had made an error of assessment regarding the similarity of the signs at issue and the reputation of the earlier mark. As a result, the appeal was dismissed.

3. EU—GC—Is the reputation of the contested mark relevant?

In *Chiquita Brands v. EUIPO—Jara 2000 (CHIQUITA QUEEN)*,²³ the GC considered an appeal from the decision of the EUIPO Second Board of Appeal that found a likelihood of confusion within the meaning of Article 8(1)(b) of the 2017 EUTM Regulation between an earlier figurative trademark owned by the intervener, Jara 2000, SL, and a word mark CHIQUITA QUEEN applied for by the applicant, Chiquita Brands LLC, in relation to *fresh fruits* in Class 31.

The application for CHIQUITA QUEEN was opposed by the intervener on the basis of its earlier figurative mark containing the word “Queen” and other elements (depicted below), covering various goods and services in Classes 31, 35, and 39, including “fresh fruits.”



The Opposition Division upheld the opposition, a decision later confirmed by the Board of Appeal. The Board dismissed Chiquita’s appeal and found that there was a likelihood of confusion within the meaning of Article 8(1)(b) of the 2017 EUTM Regulation between the conflicting signs.

First, the Board noted that the relevant public was made up of the general public with an average degree of attention. Second, it found the conflicting goods identical. Third, it assessed the signs as having an average degree of visual, phonetic, and conceptual similarity. Lastly, after clarifying that the earlier mark possessed inherent distinctiveness for the goods in question, the Board concluded that there was a likelihood of confusion, including a likelihood of association, for the Spanish-speaking public in the EU.

Overturning the Board’s decision, the court concurred with the applicant that the Board had incorrectly assessed the distinctive and dominant elements of the signs at issue. In particular, the Board found the word “queen” to be the dominant and most

²³ Case T-79/23 (GC, May 24, 2024).

distinctive element in the conflicting marks. It also found that the terms “chiquita” and “red” were descriptive, as they referred to the size (“chiquita” denoting something tiny or small in Spanish) and the color of the fresh fruits in question, making them less distinctive than the element “queen.”

The court, in turn, found that while the term “chiquita” may allude to size, it still held strong distinctiveness for fresh fruits due to its well-established reputation in the EU. Importantly, the court rejected the EUIPO’s argument that the reputation of the applied-for mark, or its distinct elements, as irrelevant when assessing relative grounds for refusal. The court emphasized the need to distinguish between two factors: first, the distinctive character of the earlier mark as such, which is linked to the protection granted to it and should be considered in the overall assessment of the likelihood of confusion; and second, the distinctive character of an element in a composite mark, which impacts its ability to dominate the overall impression of the mark and which must be assessed during the comparison of the signs.

The court stressed that, in the present case, since the reputation of the CHIQUITA mark for fresh fruits in the EU is undisputed, this reputation can be considered at the stage of the assessment of the similarity of the signs, to evaluate the distinctive character of the element “chiquita” appearing in the sign CHIQUITA QUEEN. This is different from considering reputation of the applied-for sign as such when examining the distinctive character of the earlier mark as part of the overall assessment of the likelihood of confusion.

Finally, the court disagreed with the Board’s assessment of the term “queen,” which the Board had considered non-laudatory. The court held that, like the term “king,” “queen” has a laudatory character reducing its distinctiveness. Therefore, the court concluded that “Chiquita” is more distinctive than “queen,” and as such, the former should be regarded as the most distinctive element in the applied-for mark. Considering the above, the court found that the conflicting mark had only a low level of similarity. This was not sufficient to create a likelihood of confusion, even with identical goods and an average level of public attention. As a result, the GC annulled the contested decision.

4. Germany—Court of Appeal Hamburg—Can a common descriptive element result in a likelihood of confusion?

In its decision²⁴ of March 3, 2024, the Court of Appeal of Hamburg considered whether the almost identical sound of

²⁴ Case No. 5 W 30/23 (Court of Appeal of Hamburg, March 3, 2024—Deutsche Mauerwerkstroeknung).

conflicting signs can establish a likelihood of confusion in circumstances where the common element itself is descriptive.

In the underlying case, the plaintiff had contested the use of the figurative sign DEUTSCHE MAUERTROCKNUNG (translated as “German wall drying”) for “remediation of moisture damage to properties as well as building drying and insulation services and waterproofing work.” The sign is set out below.



The infringement action was based on the figurative trademark DEUTSCHE MAUERWERKSTROCKNUNG (“German masonry drying”) also registered for, inter alia, “waterproofing work on buildings.” The trademark is set out below:



The District Court of Hamburg rejected an application for a preliminary injunction. The word element “Deutsche Mauerwerkstrochnung” was purely descriptive, meaning that there was no similarity between the signs. The plaintiff lodged an immediate appeal.

The OLG Hamburg rejected the appeal. It found that the plaintiff’s trademark had average distinctiveness because the figurative elements of the mark would give the overall sign an average distinctiveness. However, it found only a very slight similarity between the signs. Although the public is usually guided primarily by the word element, a consumer would not disregard the differing figurative elements given the descriptive character of the contested sign DEUTSCHE MAUERTROCKNUNG. In cases in which a phonetic similarity would lead to the user of the contested sign being prohibited from using a purely descriptive designation, it was necessary to deviate from the rule that similarity in one area of perception was sufficient. Instead, an overall assessment of the three elements of perception: aural, visual, and conceptional

perception had to be made. Given that the figurative components were different from each other and there was also only a slight conceptual similarity, in the view of the court, this would not establish a likelihood of confusion.

5. Austria—Austrian Supreme Court—Were small differences sufficient to exclude the risk of confusion for a “weak” mark?

In this case,²⁵ the Austrian Supreme Court (“OGH”) had to deal with a dispute between the owners of potentially similar figurative trademarks. The plaintiff, a food discounter, is the owner of the earlier EUTM figurative trademark BELLA CASA with the addition “modernes wohnen” (“modern living”), registered, inter alia, for goods in Classes 20 (including decorative items [interior design]), 21 (numerous household goods), and 27 (carpets). The defendant is the proprietor of two later EUTM figurative trademarks BELLAHOME with the addition “Teppich, Dekoartikel, Haushaltswaren” (“carpets, decorative items, household goods”), which are not protected for goods in Classes 20, 21, and 27, but only for certain goods and services in Classes 35 and 39.



Earlier trademark of the plaintiff



More recent trademark of the defendant

The plaintiff sued for (among other things) an injunction against the use of the figurative trademarks BELLAHOME in the EU to identify goods and services, in particular carpets, decorative items, and household goods. The plaintiff argued that the defendant’s signs were confusingly similar to its figurative trademark. The defendant would thereby infringe the plaintiff’s trademark rights.

The court of first instance dismissed the claim on the grounds that there was no risk of confusion between the parties’ signs.

The appellate court overruled the first instance judgment to the extent that it rejected the injunction and referred the case back to the court of first instance. The appeal court agreed with the lower court that there was no likelihood of confusion between the figurative mark BELLA CASA and the denomination

²⁵ Austrian Supreme Court, August 27, 2024, 4Ob194/23t.

BELLAHOME. However, it did affirm the likelihood of confusion between the plaintiff's trademark and the defendant's trademarks.

The OGH first made clear that the defendant markets carpets, decorative items, and household goods under the figurative marks. Contrary to the defendant's view, such goods were essentially identical to the goods for which the plaintiff's trademark was protected: goods in Classes 20 (including decorative items [interior furnishings], not of textile material), 21 (including numerous household goods), and 27 (including carpets). The fact that the scope of protection of the defendant's figurative marks as registered trademarks covered different goods and services than those of the plaintiff's trademark was not relevant.

If the goods or services are identical, the likelihood of confusion is to be examined solely on the basis of the similarity of the signs. To do so, the signs must be assessed as a whole in terms of image, sound, and meaning, whereby, as a rule, a likelihood of confusion arising from one aspect would be sufficient.

In an overall assessment, the OGH found there would be no likelihood of confusion despite the identity of the goods (or at least a high degree of similarity of the goods). The Italian and Spanish term "bella" is very frequently used on the market to designate companies or their goods and services. The average informed, attentive, and circumspect consumer of the goods would immediately recognize the word element of the contested mark—"bella casa"—as an Italian or Spanish translation of "beautiful home." For the goods under review, the word component of the contested mark was therefore only a very weak sign, if distinctive at all. Even small differences in the other components would therefore be sufficient to exclude the risk of confusion.

In the OGH's view, the defendant's trademarks replace the Italian and Spanish "casa" with the English "home." The graphic design of the defendant's figurative trademarks stood out from that of the contested mark due to numerous elements that shape the overall impression, such as the font, the color scheme, and the additions. The fact that the terms "bella casa" and "bellahome" ("beautiful home") had the same meaning was less important in view of the very low distinctive character of the word component of the mark in question and the differences in image and sound, particularly because the public is aware of the popularity of using the term "bella" for companies or their goods and services. There was therefore no likelihood of confusion and thus no infringement of the plaintiff's trademark rights by the defendant.

6. Germany—Federal Patent Court—Can use in a stylized form amount to genuine use of a trademark registered in plain text?

The Federal Patent Court of Germany found²⁶ that a genuine use of a word mark registered in “standard” script may not be established if the trademark has been used only in a particular stylized form.


The case related to an opposition against the following trademark:




The specification covered “notebook computers, laptop computers, mice, mouse pads, laptop carrying cases, sleeves for laptops, notebook computer carrying cases, cases adapted for notebook computers.” The cited earlier mark was the trademark MONSTER, registered for beverages in Class 32. The earlier trademark related to the well-known brand of energy drinks.

The German Patent and Trade Mark Office upheld the opposition for “mouse pads, laptop carrying cases, sleeves for laptops, notebook computer carrying cases” due to the reputation of the trademark MONSTER’s being well-known for energy drinks.

The applicant appealed the decision and contested whether there was genuine use of the trademark. As part of this argument, the applicant pointed out that the documents submitted by the opponent had the following limitations:

1. It used only the lettering **MØNSTER** and **MØNSTER** in an unusual font;
2. It always used the mark with the distinctive claw logo  in a prominent position above the word element.
3. The letters were unusual and reminiscent of a runic script (particularly the “O”).

The applicant argued these differences influenced the distinctive character of the sign.

The opponent argued that modifications to the spelling of a word mark should be recognized only as disqualifying the use if these modifications result in obvious changes to the overall aural, visual, or conceptual impression of the mark. The opponent referred to a similar ruling from the Federal Patent Court,²⁷ which had ruled that a figurative letter “Q” within the trademark  remained recognizable despite the figurative differences and that the use of

²⁶ Case No. 30 W (pat) 78/21 (German Federal Patent Court, August 23, 2024).

²⁷ BPatG 26 W (pat) 13/19).

the word mark SPREEQUELL was therefore genuine use. The figurative “O” did not have any influence on the distinctive character of the opposing trademark MONSTER on that basis.

Further, the opponent argued that the addition of the claw logo was not detrimental to the distinctive character of the word mark. It argued the claw logo referred to the word mark MONSTER because it would be understood not only as an imprint of a claw but also as a graphic design of the letter “M.” Moreover, the figurative element had no phonetic effect. The public would perceive the combination of the logo and the word mark as multiple branding.

While the word mark MONSTER is represented uniformly in each case, the additional elements vary from product to product, which was evidence in favor of there being multiple branding, rather than a unitary trademark.

Against this, the Federal Patent Court found that all representations of the products submitted contained the figurative component claw logo, which suggested that the public perceived them together with the element **MØNSTER** as one unitary sign and not as multiple branding. Both the element **MØNSTER** and the claw logo were coordinated in terms of their style and gave the overall sign a special impression, especially in combination.

However, the court went on to state that the same result would be reached, anyway, if the claw logo were regarded as a secondary sign and only the element **MØNSTER** or **MONSTER** were considered when comparing the used form with the registered form because the typeface was not a common typeface. It would therefore have some influence on the distinctive character of the word mark. Rather, the sign used consisted of a distinctive, rune-like font that gives the shape used its own character. This applies in particular to the element “O.” This structure is not immediately recognizable as a letter but initially appears to the viewer as a fantasy symbol. After some, albeit rather brief, consideration, the public may realize that it is a fantasy letter, which allows the sign **MØNSTER** to be read as “MÜNSTER” or “MONSTER.” However, this was not deemed to be immediately recognizable.

In this respect, the present case is not comparable with the *SPREEQUELL* decision. The figurative elements of the font thus went beyond mere decoration and developed their own characterizing effects. This independent figurative character meant that the public would not perceive the opponent’s use as connected with the registered trademark MONSTER. As a result, the opposition was rejected.

7. Spain—Appeal Court of Madrid—Can a protected geographical indication be used as a part of a trademark?

The plaintiff, Consejo Regulador Tequila A.C., filed an opposition against Spanish Trade Name Application No. 441759 TEQUILA IN LOVE for restaurant services in Class 43. The plaintiff argued that the applied-for trademark was excluded from registration pursuant to Union legislation on protection of designations of origin under Article 5.1(h) of the Spanish Trademark Act.

The Spanish Patent and Trademark Office rejected both the initial opposition and subsequent appeal of CONSEJO REGULADOR TEQUILA A.C. The Office considered that trade name TEQUILA IN LOVE was compatible with the designation of origin TEQUILA, as the application had not been filed to cover spirits but restaurant services. In addition, the Spanish PTO pointed out that there were other trademark registrations in Class 43 containing the word “tequila” that had been granted: ES-3040252, TEQUILA & MANJAR, and ES-3041776, TEQUILA HOT GRAN CANARIAS.

In its judgment of October 24, 2024,²⁸ the appeal court annulled the decisions of the Spanish Patent and Trademark Office and refused the trademark.

The appeal court first noted that reference to other marks in which other signs containing the word “tequila” have been registered should not be decisive in the present case. Both the Spanish Patent and Trademark Office and the courts are not constrained by prior decisions that may reflect past practices, which themselves may have evolved in light of legislative, procedural, and doctrinal developments. While precedents may serve as illustrative, they were not binding.

Next, the court quotes Article 21.2 a) and b) of EU Regulation 2019/787²⁹: “Geographical indications protected under this Regulation shall be protected against: (a) any direct or indirect commercial use of a registered name in respect of products not covered by the registration where those products are comparable to the products registered under that name or where using the name exploits the reputation of the protected name, including where those products are used as an ingredient; (b) any misuse, imitation or

²⁸ Judgment 290/2024 of the Civil Appeal Court of Madrid (Section 32), Case 334/23, October 24, 2024.

²⁹ EU Regulation 2019/787 of April 17, 2019, on the definition, description, presentation, and labelling of spirit drinks, the use of the names of spirit drinks in the presentation and labelling of other foodstuffs, the protection of geographical indications for spirit drinks, the use of ethyl alcohol and distillates of agricultural origin in alcoholic beverages, and repealing Regulation (EC) No. 110/2008.

evocation, even if the true origin of the products or services is indicated or if the protected name is translated or accompanied by an expression such as ‘style’, ‘type’, ‘method’, ‘as produced in’, ‘imitation’, ‘flavour’, ‘like’ or similar, including when those products are used as an ingredient.”

Referring to the judgments of the CJEU in cases involving champagne (C-783/19³⁰) and Scotch whisky (C-44/17³¹), the court explained that the above prohibition did not require the product covered by the designation of origin to be identical or similar to the product or service bearing the contested sign. Instead, it was sufficient that the sign evoked the protected indication in a way that creates a meaningful association in the consumer’s mind. This association may arise from various factors, including the partial incorporation of the protected name, phonetic and visual similarities between the names, or their overall resemblance.

The court concluded that the use of the term “tequila” in the applied-for trade name TEQUILA IN LOVE could create a sufficiently close association in the mind of the average consumer with the protected designation of origin “TEQUILA.” This evocation was primarily triggered by the full incorporation of the protected indication into the applied-for sign. Furthermore, the court found that “TEQUILA” was the dominant element of the new trade name TEQUILA IN LOVE as it appeared at the beginning of the sign, making it the first element consumers notice. The court further noted it is significantly more distinctive than the rest of the phrase, “IN LOVE.”

A third relevant factor was that the applicant’s business activity (restaurant services) involved the sale of food and beverages, directly related to the product covered by the protected designation. By choosing a name that includes “TEQUILA,” the applicant was evoking an integral product to its business sector, thereby creating a market association between the trade name and the protected indication. Given these circumstances, the average consumer of these goods and services—the general adult public—would inevitably associate the trade name TEQUILA IN LOVE with the designation of origin TEQUILA when encountering the sign in the course of trade.

The court concluded that, if granted, the applicant would take unfair advantage of the reputation of the protected designation of origin, and this would be unacceptable, as the applicant had no business relationship with CONSEJO REGULADOR TEQUILA A.C., the entity responsible for managing and overseeing the protected designation. As such, the court refused the application for

³⁰ Judgment of September 9, 2021, CJEU, Case C-783/19, *Comité Interprofessionnel du Vin de Champagne v. GB*.

³¹ Judgment of June 7, 2018, CJEU, C-44/17 *Scotch Whisky Association*.

the trade name TEQUILA IN LOVE due to the absolute prohibition established in Article 5.1(h) of the Spanish Trademark Act.

**8. Germany—Federal Patent Court—
Did anagrammatic word mirroring create
sufficient similarity?**

The Federal Patent Court of Germany found³² that a similarity of signs due to anagrammatic word mirroring presupposes a spontaneous conceptual attribution of the opposing word signs.

The case related to an opposition against the figurative trademark ODAM CAFÉ RESTAURANT, set out below:



The opponent based its opposition on its earlier rights in the figurative trademark MADO GERCEK LEZZETLER, below:



The German Patent and Trade Mark Office rejected the opposition, considering the trademarks to be dissimilar. Upon appeal, the Federal Patent Court confirmed this decision. Both concluded there was an obvious difference in the first verbal element of each trademark.

Aurally, the words components “MA-DO” and “O-DAM” were held to differ in the rhythm of speech, in the emphasis, and in the vowel sequence. The fact that “MADO” and “ODAM” were anagrams was not significant. Although an anagrammatic rotation of sounds can lead to a similarity of signs, this would not apply if a spontaneous conceptual association is either not possible or leads to different results. The Federal Patent Court commented that “MADO” is the short form of the French first name “Madeline.” In contrast, “ODAM” means “room” or “space” in Turkish. The court

³² Case No. 25 W (pat) 586/22 (German Federal Patent Court, March 14, 2024).

held the majority of the relevant public would not assign these meanings to the two trademark elements in question. However, they would not perceive them as having the same overall conceptual meaning and would therefore not consider them to be similar despite the rotation of sounds.

The overall visual impression of the comparative marks was also assessed primarily through the two components “ODAM” and “MADO.” The dominant components “MADO” and “ODAM”—even if they appeared in a similar size and font—differed so clearly from each other due to the different sequences of letters that they could not lead to a likelihood of confusion. Although the verbal elements were identical when reversed, the public would not automatically perceive this. Even if the public recognized the two words “ODAM” and “MADO” as anagrams, they had no reason to rearrange the letters, particularly in the absence of a corresponding conceptual content. The applicant argued that the public would see this because mirrors are often installed in restaurants to visually enlarge the premises. This was not accepted by the court, as it was highly unlikely that the mirror image would be seen by the public to such an extent that it would alter their perception.

9. Greece—Administrative Supreme Court—When does a mental link arise relating to a mark with a reputation?

This case³³ related to an appeal to the Supreme Court flowing from a series of appeals of a trademark office ruling. The Greek Trademark Office ruling had dismissed an opposition by PEPSICO Inc. against an application for the mark PEPSIFALK for pharmaceutical products in Class 5, based on its well-known PEPSI trademarks.

The opponent had argued that the visual and phonetic similarities between PEPSI and PEPSIFALK created an association, thereby undermining the reputation of the PEPSI brand.

The word “PEPSI” is phonetically identical to the Greek word “ΠΕΨΗ” when written in Latin characters but was also capable of indicating that a pharmaceutical product is suitable for treating gastrointestinal disorders. The initial judgments of the trademark office, the First Instance Administrative Court, and the Administrative Court of Appeal had asserted that the applicant had not filed its trademark in bad faith due to the differences between the trademarks, including the conceptual difference of the Greek word “πέψη”/“pepsi” and the addition of the wording “falk,” which the applicant used in its products, and the distinct markets of the

³³ Administrative Supreme Court No. 641/2024.

products and the prior use of the word “pepsi” to designate other pharmaceutical products. The courts had also concluded that the applicant was not obtaining an unfair advantage from the reputation of the opponent’s trademarks and was not damaging its reputation given the very different goods at hand.

The Supreme Court found that the use of PEPSIFALK would not create a risk of association with the PEPSI trademarks of the opponent, taking into account the overall impression created by the two marks to the consumers. As the PEPSIFALK goods were pharmaceutical products for indigestion problems (the word πέψη, pronounced as “pepsi,” in Greek means “digestion”), they would not be linked in the mind of consumers with the PEPSI goods, which are soft and non-alcoholic drinks. The Court also considered the different outlets where the goods are sold, being pharmacies for the PEPSIFALK goods and the fact that they are sold by specialized professionals, namely pharmacists. Lastly, the Court took into account the increased level of attention that the average consumers show in case of pharmaceutical products. The Court found that given the mother tongue of the intended consumers, consumers would associate PEPSIFALK with the word πέψη/pepsi (digestion), a word that was descriptive of the intended purpose of the goods at hand and that therefore constituted a medical term.

As a result, after evaluating the trademarks as a whole, the Supreme Court found that the PEPSIFALK trademark application designating the above-mentioned products created a distinct identity, which differentiated it from the PEPSI products.

The Court correctly found that the dilution provisions of Greek trademark law require only a minimum degree of similarity between the trademarks as a condition for granting protection while the goods need not be similar. However, the degree of similarity must be such that taking into account all relevant circumstances, the relevant public makes an association with the prior famous trademark, even if this does not lead to actual confusion.

It was also relevant that heightened caution would be exercised by consumers when purchasing pharmaceuticals, such that overall the Court ruled that the average consumer would associate PEPSIFALK with the Greek meaning, aligning with the product’s intended purpose, rather than the famous beverage brand.

IV. BAD FAITH

A. Introductory Comments

The validity of an EUTM may be challenged on the basis that the application and/or resultant registration was made in bad faith. An invalidity action may be brought under Article 59(1)(b) of the 2017 EUTM Regulation.

The bad faith provisions in the 2015 TM Directive significantly adjusted the position from the 2008 TM Directive. Under the 2008 TM Directive, each EU Member State could choose to incorporate into its law either a broader bad faith provision under Article 3(2)(d), a narrower one under Article 4(4)(g), or *neither*.

The 2015 TM Directive expanded the mandatory grounds, providing that Member States must provide for bad faith as a mandatory (post-registration) *invalidity* ground going forward, as well as being a basis on which Member States may *optionally* provide that bad faith should be an opposition ground during the application phase. The relevant provisions of the 2015 TM Directive are Articles 4(2) and 5(4)(c).

The issue of bad faith remains high profile in European trademark law. Perhaps mostly notably in 2024, in *Skykick* the UK Supreme Court held that the inclusion of a broad term can amount to bad faith where there is no genuine intention to use the mark across the full spectrum of goods or services covered by the term. Whether an applicant had no intention to use the mark is a matter of fact, based on all the circumstances. Beyond this, national courts in Poland, Greece, and Spain considered whether a mark was filed for the purposes of blocking a competitor, of exploiting the fame of another party, or by a connected party in a shareholder, respectively.

B. Legal Texts

Article 59(1)(b) of the 2017 EUTM Regulation

1. An EU trade mark shall be declared invalid on application to the Office or on the basis of a counterclaim in infringement proceedings:
 . . .
 (b) where the applicant was acting in bad faith when he filed the application for the trade mark.

Article 4(2) of the 2015 TM Directive

2. A trade mark shall be liable to be declared invalid where the application for registration of the trade mark was made in bad faith by the applicant. Any Member State may also provide that such a trade mark is not to be registered.

Article 5(4)(c) of the 2015 TM Directive

4. Any Member State may provide that a trade mark is not to be registered or, if registered, is liable to be declared invalid where, and to the extent that:

...

- (c) the trade mark is liable to be confused with an earlier trade mark protected abroad, provided that, at the date of the application, the applicant was acting in bad faith.

C. Cases

1. Poland—Supreme Administrative Court—Was an application made in bad faith?

In *HERBAPECT*,³⁴ the Supreme Administrative Court considered an appeal of a judgment by the District Administrative Court upholding the Polish Patent Office’s (“PPO”) decision invalidating a Polish national trademark registration for HERBAPECT (word mark) covering “syrups for beverages and non-alcoholic beverages” in Class 32, owned by Excellence SA.

The application for invalidity was filed by Aflofarm Farmacja Polska Sp. z o.o. on the grounds of, *inter alia*, likelihood of confusion, unfair advantage, and detriment to the reputation of its Polish trademark registrations for a word mark HERBAPECT and figurative mark HERBAPECT NR 1 (depicted below) covering various goods and services in Classes 3, 5, and 44, including pharmaceuticals, as well as bad faith.



The PPO granted the application for invalidity for all goods covered by the contested registration on the grounds of bad faith, a decision later upheld by the District Administrative Court. The mark owner appealed the decision to the Supreme Administrative Court.

On appeal, the Supreme Administrative Court upheld the PPO’s judgment. The Court first explained that a key factor in determining bad faith is the presence of a dishonest intention, which reflects a breach of principles of fairness. This is evident when a trademark is filed for a purpose other than seeking legal protection, such as when it is used to eliminate a competitor with the intent of capturing its

³⁴ Case II GSK 1697/23 (Supreme Administrative Court, March 21, 2024).

clientele. The Court emphasized that if a trademark is registered with the aim of preventing a third party from using the mark, this could be considered bad faith, especially when, after obtaining legal protection, the applicant does not use the mark and the sole purpose of the registration is to block a competitor from using it.

The Court then found that the PPO thoroughly assessed all the evidence of bad faith gathered in the proceedings, including the testimony of the invalidity applicant's employee, along with emails related to negotiations between the parties regarding the trademark owner's attempt to sell the contested mark. Additionally, the Court considered the testimony of the trademark owner's employee, and the fact that the trademark owner was seeking to register another HERBAPECT application. The prior cooperation between the parties was also factored into the evaluation.

According to the Supreme Court, the PPO correctly concluded that the sole purpose behind the trademark owner seeking protection for the contested registration was to block the invalidity applicant and pressure the invalidity applicant into paying for the right to use the contested mark. The Court stressed that the trademark owner had no intention of using the mark in commerce. Instead, the trademark was registered with the intent of obtaining unfair benefits from the invalidity applicant, whose HERBAPECT brand had already become well-known. Therefore, the Supreme Court upheld the PPO's and District Administrative Court's finding that the registration of the contested mark by the trademark owner was made in bad faith.

2. Spain—Appeal Court of A Coruña—Was an application made in bad faith where the applied-for mark was the same name as a famous footballer?

This case refers to Brazilian professional footballer Vinícius José Paixão de Oliveira Júnior, commonly known as Vinícius or Vinicius Jr., born on July 12, 2000. Vinícius began his professional career with Flamengo, making his senior debut in 2017 at the age of 16. Shortly after his debut, he signed for Real Madrid in 2018.

On November 12, 2018, a Spanish individual filed Spanish Trademark Application No. 3743307 VINICIUS to cover clothing in Class 25. The Brazilian player filed an invalidity action before the Commercial Courts of A Coruña, domicile of the defendant. The grounds for invalidity were based on bad faith. The legal action was filed before the courts shortly before administrative invalidity proceedings at the Spanish PTO became mandatory (January 14, 2023).

The Commercial Court No. 1 of A Coruña³⁵ upheld the claim. Recalling previous case law in *Neymar*,³⁶ the court explained that bad faith arises where it is apparent from relevant and consistent indicia that the trademark's owner had filed the application not with the aim of engaging fairly in competition but with the intention to take advantage of the reputation of the football player.

The applicant appealed the decision before the Appeal Court of A Coruña. In his appeal, he argued that (i) the defendant has nothing to do with the world of football and is not even a fan or connoisseur of that sport, (ii) he chose the name because his mother is a professor of classical culture and the family name Vinicius originates from ancient Rome and there are notable figures in Classical Culture such as Publius Vinicius or Marcus Vinicius, (iii) the plaintiff was not famous when the application was filed as he was, at most, known only in Brazil from where he went on to play for Real Madrid's second team, in the second division. According to the defendant, the player's rise to fame occurred well after the application date.

The Appeal Court of A Coruña rejected the appeal.³⁷ Applying the findings of the CJEU in *Koton*,³⁸ and *Lindt*³⁹ and the *Neymar* judgment mentioned above, it concluded that the application had been filed in bad faith. According to the court, it was not credible that the applicant chose the name as a tribute to the teaching work of his mother. The appeal court also considered it decisive that, while it is undisputed that the fame in Europe of the footballer is currently much greater than in November 2018, the evidence provided with the complaint proved that the player had appeared on the front pages of sports press in Spain since at least 2017.

The appeal court also found placed weight on the fact that the registration was applied for in respect of goods in Class 25 whereas the applicant's business activities were in the hotel, restaurant and real estate sector. As such, there was no commercial logic that could explain the filing of an application in Class 25. Thus, the combined assessment of all the relevant factors existing at the time of filing the application for registration led the appeal court to the same conclusion as that reached by the first instance court, namely that the application had been filed in bad faith.

³⁵ Judgment of the Commercial Court No. 1 of A Coruña, of June 13, 2023, Case No. 96/2022.

³⁶ Judgment of the General Court of the European Union, May 14, 2019, Case No. T-795/17.

³⁷ Judgment of the Appeal Court of A Coruña (Section 4) of May 21, 2024, appeal 537/2023).

³⁸ *Koton Mağazacılık Tekstil Sanayi ve Ticaret v. EUIPO*, Case C-104/18 P (CJEU, September 12, 2019).

³⁹ *Chocoladefabriken Lindt & Sprüngli*, Case C-529/07 (CJEU, June 11, 2009).

3. UK—Supreme Court—Can an unduly broad specification amount to bad faith?

In *SkyKick UK Ltd. v. Sky Ltd.*,⁴⁰ the UK Supreme Court has provided significant insights into the concepts of trademark infringement and bad faith in the context of trademark applications. The decision provides crucial insights into the implications of broad trademark specifications and the impact of the UK's departure from the EU on trademark law.

Sky Ltd. (“Sky” and the “respondent”) claimed that SkyKick UK Ltd. (“SkyKick” or the “appellant”) had infringed several of its registered trademarks by offering email migration and cloud storage products under the mark “SkyKick” (“SKYKICK”). Sky also alleged that SkyKick had passed off its goods and services as being connected with Sky. The trial judge rejected the passing-off claim, and this was upheld by the Court of Appeal.⁴¹ However, the infringement claim proved more complex, involving multiple judgments and a reference to the CJEU.

The court of appeal's decision focused on the validity of Sky's trademarks and the alleged infringement by SkyKick. The court of appeal held that:

1. Sky's trademark applications were not made in bad faith. The broad specification of goods and services did not indicate bad faith, nor did the lack of intention to use the trademark for some goods and services.
2. Sky had legitimate reasons for seeking broad protection due to its extensive brand recognition and expansion. The applications were not solely for obtaining exclusive rights beyond the functions of a trademark.
3. SkyKick's cloud migration service did not infringe Sky's trademarks, as it did not constitute an “electronic mail service.” The term “electronic mail services” should be limited to its core meaning.
4. SkyKick's cloud backup service did infringe Sky's trademarks. The service involved “computer services for accessing and retrieving audio, visual, and/or audiovisual content and documents via a computer or computer network,” which matched the services covered by Sky's trademarks.

SkyKick appealed to the Supreme Court on the basis that the court of appeal should have declared the registrations invalid in respect of all relevant goods and services and dismissed Sky's claim for infringement entirely. As it transpired, the parties had settled the

⁴⁰ [2024] UKSC 36.

⁴¹ *Sky Ltd. v. SkyKick, UK Ltd.* [2021] EWCA Civ 1121.

underlying action in the period between the case being heard by the Supreme Court and judgment handed down, but the Supreme Court ultimately decided to issue the judgment in any event (having heard from all parties and the Comptroller General of Patents, as intervener).

The Supreme Court's ruling addressed several key issues, including the validity of Sky's trademarks, the assessment of bad faith, specifically if the applicant did not have a genuine intention to use the mark for some or all the goods or services listed, and the alleged infringement by SkyKick. It also examined the implications of the UK's withdrawal from the EU on the jurisdiction and enforcement of EUTMs.

The Supreme Court agreed with the court of appeal that SkyKick's cloud migration service did not infringe Sky's trademarks, emphasizing that the service was not an "electronic mail service" and therefore did not fall within the scope of Sky's trademarks.

However, the Court upheld the finding that SkyKick's cloud backup service did infringe Sky's trademarks. The service involved "computer services for accessing and retrieving audio, visual and/or audiovisual content and documents via a computer or computer network," which were identical to the services covered by Sky's trademarks.

On the issue of bad faith, the Supreme Court held that the inclusion of a broad term *can* amount to bad faith where there is no genuine intention to use the mark across the full spectrum of goods or services covered by the term. While an applicant is not required to have a commercial strategy to use a trademark for every conceivable type of goods or services listed in the specification, the deliberate inclusion of a broad term, such as "computer programs" and "computer services," could amount to bad faith if the applicant intended to offer only a small subset of the goods or services covered by the term. Whether an applicant had no intention to use the mark is a matter of fact, based on all the circumstances of the case.

The Supreme Court held that, if the proprietor is found to have acted in bad faith concerning one or more subsets of a broad term, it would be unjust for them to avoid the consequences of their bad faith merely because they used general terminology in their specification. The broad term could therefore be deemed to have been applied for in bad faith, even if the applicant could demonstrate use of a subset of the broad term.

Applying this principle to the facts, the Supreme Court held that:

1. The High Court had been entitled to find that Sky's trademark applications were made in bad faith to the extent that they included broad terms for goods and services for which Sky had no intention to use the marks.

2. The High Court had also been entitled to conclude on the facts that Sky had applied for and was prepared to take enforcement action for alleged infringement of the registrations of marks in respect of goods and services of such a range and breadth that it was implausible that Sky would ever provide them, or that Sky ever had any genuine intention (whether provisional or conditional) to provide them under the SKY marks.
3. The Court however emphasized that the intention to use the mark must be assessed objectively, considering all relevant circumstances. If an applicant seeks broad protection without a commercial rationale, it may indicate bad faith.

The Court also addressed the jurisdictional issues arising from the UK's departure from the EU, finding that:

- UK courts retain jurisdiction over EUTMs in proceedings that were pending before the end of the transition period (December 31, 2020). This includes the power to grant EU-wide injunctions and other reliefs.
- The Court also clarified that comparable trademarks (in the EU) created in the UK post-Brexit are treated as national marks and are enforceable under UK law.

4. Greece—Athens Administrative Court of Appeals— Was a trademark filed by a company shareholder made in bad faith?

This case before the Athens Administrative Court of Appeals⁴² concerned bad faith and risk of confusion related to an application for cancellation of a trademark. The case concerned a request for cancellation of the trademark TERMAL MED. SENSITIVE for cleaning preparations in Class 3.

The applicant for cancellation and the trademark proprietor of the contested trademark were both 50 percent shareholders in a limited liability company that owned the prior TERMAL CRÈME trademark for Class 3 goods since July 1994. The trademark was not filed in the company name but in the shareholder's name. The applicant for cancellation, in her capacity as a company shareholder, sought the cancellation of the contested mark, claiming that it caused consumer confusion with the earlier trademark owned by the company and constituted a bad-faith filing, as it aimed to unfairly compete with the company. She further argued that the contested mark exploited the reputation of the earlier trademark of the company.

⁴² Athens Administrative Court of Appeals No. 697/2024.

The cancellation action was filed by the applicant in her own name, not in the name of the common company, because the manager of the common company was the owner of the trademark subject to the action.

The Greek Trademark Office rejected the cancellation request, concluding that while there were visual and phonetic similarities between the trademarks, as they both contained the distinctive word element “termal,” the applicant of the later trademark was not found to have acted in bad faith. The Administrative Court of First Instance affirmed the trademark office’s decision, albeit on different grounds. It found the applicant lacked a direct and personal interest because the cancellation request was filed by the shareholder of the earlier trademark owner and not by the trademark owner itself (the company), and as such the shareholder suffered only indirect damages. This did not satisfy the legal interest requirement for a cancellation action.

This reasoning was further upheld by the court of appeal. It confirmed the requirement for direct, personal, and current legitimate interest as a condition for submitting a cancellation request. Contrary to cases concerning cancellation on absolute grounds, where the court confirmed no specific legal interest is required, in inter partes proceedings, the direct legal interest is still a requirement. In Greece, bad faith is both a relative and an absolute ground for refusal. The court reasoned that legitimate interest must arise directly from the legal relationship between the cancellation applicant and the contested trademark. It cannot be derivative or indirect, such as originating from the interests of a separate legal entity, even if the applicant has a stake in that entity. As the earlier trademark was owned by the company, not the appellant personally, the company, as the direct beneficiary of any favorable decision, was the only party entitled to file a cancellation action.

V. USE OF A TRADEMARK

A. Introductory Comments

The following Part V includes cases with a common theme where the central questions to be considered relate to “use of a trademark.” Questions of use of a trademark arise in a wide variety of ways in European trademark law, including *how* a mark is used (such as the manner, form, genuine nature and intention of use), *when* (duration of use) and *where* (territory of use) in relation to *what* goods and services (as against a mark’s specification), as well as *how* such use is perceived by the average consumer and the consequences arising from such perception.

Neither the 2015 TM Directive nor the 2017 EUTM Regulation require that a trademark should be in use *before* the mark may be

registered. There is also no requirement for an applicant to indicate the particular use it will, or intends to, make of the mark applied for, or even to know precisely what such use might be, since the applicant has a period of five years to commence the actual use, provided such use is consistent with the essential function of a trademark. Similarly, there is no formal requirement that the trademark owner should prove ongoing (or indeed any) use of the trademark upon the administrative act of renewal of the registration, or at any other periodic interval. Nevertheless, the EUTM regime operates on a “use it or lose it” principle. An EUTM becomes vulnerable to attack on ground of non-use once it has been registered for five years. A similar rule applies in relation to trademarks registered with national EUTM authorities. This concept of use also applies in other (non-EU) European territories.

As noted in Part II of this Review, trademarks that may initially lack distinctiveness, that are descriptive, or that might be considered generic can, in principle, be overcome by persuasive evidence that the trademark has acquired distinctiveness among the relevant class of consumers through the use made of it (Article 7(3) of the 2017 EUTM Regulation and Articles 4(4) and 4(5) of the 2015 TM Directive).

Aside from acquired distinctive character, the question of whether or not a mark is in use at any given time most commonly arises in two contexts. The first is where the registration of the mark is made the subject of a revocation attack on the specific grounds of non-use, which may happen on a stand-alone basis or as a counterclaim in infringement proceedings. The second is where the trademark in question is the basis of an “earlier right” used to challenge a third party’s trademark application or registration. In this situation, the third party may require, if the challenger’s mark is at least five years old, that “proof of use” be provided. To the extent that such proof is not then provided, the earlier right is disregarded for the purposes of the challenge. In all respects this is to ensure that only a valid (and used) prior right may be invoked against a third party.

The main provisions concerning the revocation of an EUTM on the ground of non-use are found in Articles 18 and 58(1) of the 2017 EUTM Regulation. The parallel provisions in relation to the trademark registrations on the registers of EU Member States are set out in Articles 16 and 19 of the 2015 TM Directive.

The main provisions relating to “proof of use” in connection with challenges to third-party marks are set out in Articles 47, 64(2), and 127(3) of the 2017 EUTM Regulation and Articles 17, 44, and 46 of the 2015 TM Directive.

The question as to *where* a mark might be used is always an important one, given the territorial nature of trademark registrations. The UK Supreme Court found that the sale of goods

from a .com website could amount to use in the course of trade in the UK where that site targeted UK consumers with the offer of sale in *Lifestyle Equities CV v. Amazon UK Services Ltd.* In *W.B. Studio v. EUIPO—E.Land Italy (BELFE)*, the GC confirmed that affixing a trademark to goods within the EU for export purposes constituted genuine use within the EU. Meanwhile, the GC took a critical look at the evidence of use filed by an otherwise well-known trademark in *Supernac's v. EUIPO—McDonald's International Property (BIG MAC)*. National courts in France considered the continued use a personal name in conflict with a trademark registration, the Portuguese courts looked again at the proper test for assessing genuine use, and the courts of Norway considered whether use of a particular share of blue amounted to an unlawful violation of good business practice under local law.

B. Legal Texts

Article 7 of the 2017 EUTM Regulation

Absolute grounds for refusal

1. The following shall not be registered:
 - (a) . . .
 - (b) trade marks which are devoid of any distinctive character;
 - (c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service, or other characteristics of the goods or service;
 - (d) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the bona fide and established practices of the trade;
 - (e) . . .
2. Paragraph 1 shall apply notwithstanding that the grounds of non-registrability obtain in only part of the Union.
3. Paragraph 1(b), (c) and (d) shall not apply if the trade mark has become distinctive in relation to the goods or services for which registration is requested in consequence of the use which has been made of it. (*emphasis added*)

Article 4 of the 2015 TM Directive

Absolute grounds for refusal or invalidity

1. The following shall not be registered:
 - (a) . . .
 - (b) trade marks which are devoid of any distinctive character;
 - (c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service, or other characteristics of the goods or service;
 - (d) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the bona fide and established practices of the trade;

. . .
2. . . .
3. . . .
4. A trade mark shall not be refused registration in accordance with paragraph 1(b), (c) or (d) if, before the date of application for registration, following the use which has been made of it, it has acquired a distinctive character. A trade mark shall not be declared invalid for the same reasons if, before the date of application for a declaration of invalidity, following the use which has been made of it, it has acquired a distinctive character. (emphasis added)
5. Any Member State may provide that paragraph 4 is also to apply where the distinctive character was acquired after the date of application for registration but before the date of registration.

Article 16 of the 2015 TM Directive

1. If, within a period of five years following the date of the completion of the registration procedure, the proprietor has not put the trade mark to genuine use in the Member State in connection with the goods or services in respect of which it is registered, or if such use has been suspended during a continuous five-year period, the trade mark shall be subject to the limits and sanctions provided for in Article 17, Article 19(1), Article 44(1) and

- (2), and Article 46(3) and (4), unless there are proper reasons for non-use.
2. Where a Member State provides for opposition proceedings following registration, the five-year period referred to in paragraph 1 shall be calculated from the date when the mark can no longer be opposed or, in the event that an opposition has been lodged, from the date when a decision terminating the opposition proceedings became final or the opposition was withdrawn.
 3. With regard to trade marks registered under international arrangements and having effect in the Member State, the five-year period referred to in paragraph 1 shall be calculated from the date when the mark can no longer be rejected or opposed. Where an opposition has been lodged or when an objection on absolute or relative grounds has been notified, the period shall be calculated from the date when a decision terminating the opposition proceedings or a ruling on absolute or relative grounds for refusal became final or the opposition was withdrawn.
 4. The date of commencement of the five-year period, as referred to in paragraphs 1 and 2, shall be entered in the register.
 5. The following shall also constitute use within the meaning of paragraph 1:
 - (a) use of the trade mark in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, regardless of whether or not the trade mark in the form as used is also registered in the name of the proprietor;
 - (b) affixing of the trade mark to goods or to the packaging thereof in the Member State concerned solely for export purposes.
 6. Use of the trade mark with the consent of the proprietor shall be deemed to constitute use by the proprietor.

Article 17 of the 2015 TM Directive

The proprietor of a trade mark shall be entitled to prohibit the use of a sign only to the extent that the proprietor's rights are not liable to be revoked pursuant to Article 19 at the time the infringement action is brought. If the defendant so requests, the proprietor of the trade mark shall furnish proof that, during the five-year period preceding the date of bringing the action, the trade mark has been put to genuine

use as provided in Article 16 in connection with the goods or services in respect of which it is registered and which are cited as justification for the action, or that there are proper reasons for non-use, provided that the registration procedure of the trade mark has at the date of bringing the action been completed for not less than five years.

Article 19 of the 2015 TM Directive

1. A trade mark shall be liable to revocation if, within a continuous five-year period, it has not been put to genuine use in the Member State in connection with the goods or services in respect of which it is registered, and there are no proper reasons for non-use.
2. No person may claim that the proprietor's rights in a trade mark should be revoked where, during the interval between expiry of the five-year period and filing of the application for revocation, genuine use of the trade mark has been started or resumed.
3. The commencement or resumption of use within the three-month period preceding the filing of the application for revocation which began at the earliest on expiry of the continuous five-year period of non-use shall be disregarded where preparations for the commencement or resumption occur only after the proprietor becomes aware that the application for revocation may be filed.

Article 44 of the 2015 TM Directive

1. In opposition proceedings pursuant to Article 43, where at the filing date or date of priority of the later trade mark, the five-year period within which the earlier trade mark must have been put to genuine use as provided for in Article 16 had expired, at the request of the applicant, the proprietor of the earlier trade mark who has given notice of opposition shall furnish proof that the earlier trade mark has been put to genuine use as provided for in Article 16 during the five-year period preceding the filing date or date of priority of the later trade mark, or that proper reasons for non-use existed. In the absence of proof to this effect, the opposition shall be rejected.
2. If the earlier trade mark has been used in relation to only part of the goods or services for which it is registered, it shall, for the purpose of the examination of the opposition as provided for in paragraph 1, be deemed to be registered in respect of that part of the goods or services only.

3. Paragraphs 1 and 2 of this Article shall also apply where the earlier trade mark is an EU trade mark. In such a case, the genuine use of the EU trade mark shall be determined in accordance with Article 15 of Regulation (EC) No 207/2009.

Article 46 of the 2015 TM Directive

1. In proceedings for a declaration of invalidity based on a registered trade mark with an earlier filing date or priority date, if the proprietor of the later trade mark so requests, the proprietor of the earlier trade mark shall furnish proof that, during the five-year period preceding the date of the application for a declaration of invalidity, the earlier trade mark has been put to genuine use, as provided for in Article 16, in connection with the goods or services in respect of which it is registered and which are cited as justification for the application, or that there are proper reasons for non-use, provided that the registration process of the earlier trade mark has at the date of the application for a declaration of invalidity been completed for not less than five years.
2. Where, at the filing date or date of priority of the later trade mark, the five-year period within which the earlier trade mark was to have been put to genuine use, as provided for in Article 16, had expired, the proprietor of the earlier trade mark shall, in addition to the proof required under paragraph 1 of this Article, furnish proof that the trade mark was put to genuine use during the five-year period preceding the filing date of priority, or that proper reasons for non-use existed.
3. In the absence of the proof referred to in paragraphs 1 and 2, an application for a declaration of invalidity on the basis of an earlier trade mark shall be rejected.
4. If the earlier trade mark has been used in accordance with Article 16 in relation to only part of the goods or services for which it is registered, it shall, for the purpose of the examination of the application for a declaration of invalidity, be deemed to be registered in respect of that part of the goods or services only.
5. Paragraphs 1 to 4 of this Article shall also apply where the earlier trade mark is an EU trade mark. In such a case, genuine use of the EU trade mark shall be determined in accordance with Article 15 of Regulation (EC) No 207/2009.

Article 18 of the 2017 EUTM Regulation

1. If within a period of five years following registration, the proprietor has not put the EU trade mark to genuine use in the [European Union] in connection with the goods or services in respect of which it is registered, or if such use has been suspended during an uninterrupted period of five years, the EU trade mark shall be subject to the sanctions provided for in this Regulation, unless there are proper reasons for non-use.

The following shall also constitute use within the meaning of the first sub-paragraph:

- (a) use of the EU trade mark in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, regardless of whether or not the trademark in the form as used is also registered in the name of the proprietor.
 - (b) affixing of the EU trade mark to goods or to the packaging thereof in the EU solely for export purposes.
2. Use of the EU trade mark with the consent of the proprietor shall be deemed to constitute use by the proprietor.

[Note: The wording “regardless of whether or not the trademark in the form as used is also registered in the name of the proprietor” is new and reflects case law under the old 2009 EUTM Regulation.]

Article 47 of the 2017 EUTM Regulation

1. If the applicant so requests, the proprietor of an earlier EU trade mark who has given notice of opposition shall furnish proof that, during the period of five years preceding the date of publication of the EU trade mark application, the earlier EU trade mark has been put to genuine use in the Union in connection with the goods or services in respect of which it is registered and which he cites as justification for his opposition, or that there are proper reasons for non-use, provided the earlier EU trade mark has at the date been registered for not less than five years. In the absence of proof to this effect, the opposition shall be rejected. If the earlier EU trade mark has been used in relation to part only of the goods or services for which it is registered it shall, for the purposes of the examination of the opposition, be deemed to be registered in respect only of that part of the goods or services.

2. Paragraph 2 shall apply to earlier national trademarks . . . by substituting use in the Member State in which the earlier national trademark is protected for use in the [Union].

Article 64(2) of the 2017 EUTM Regulation

1. . . .
2. If the proprietor of the EU trade mark so requests, the proprietor of an earlier EU trade mark, being a party to the invalidity proceedings, shall furnish proof that, during the period of five years preceding the date of the application for a declaration of invalidity, the earlier EU trade mark has been put to genuine use in the Union in connection with the goods or services in respect of which it is registered and which the proprietor of that earlier trade mark cites as justification for his application, or that there are proper reasons for non-use, provided that the earlier EU trade mark has at that date been registered for not less than five years. If, at the date on which the EU trade mark application was filed or at the priority date of the EU trade mark application, the earlier EU trade mark had been registered for not less than five years, the proprietor of the earlier EU trade mark shall furnish proof that, in addition, the conditions set out in Article 47(2) were satisfied at that date. In the absence of proof to this effect, the application for a declaration of invalidity shall be rejected. If the earlier EU trade mark has been used only in relation to part of the goods or services for which it is registered, it shall, for the purpose of the examination of the application for a declaration of invalidity, be deemed to be registered in respect of that part of the goods or services only.

Article 58 of the 2017 EUTM Regulation

1. The rights of the proprietor of the EU trade mark shall be declared to be revoked on application to the [EUIPO] or on the basis of a counterclaim in infringement proceedings:
 - (a) if, within a continuous period of five years, the trade mark has not been put to genuine use in the Union in connection with the goods or services in respect of which it is registered, and there are no proper reasons for non-use; however, no person may claim that the proprietor's rights in an EU trade mark should be revoked where, during the interval between expiry of the five-year period and filing of

the application or counterclaim, genuine use of the trade mark has been started or resumed; the commencement or resumption of use within a period of three months preceding the filing of the application or counterclaim which began at the earliest on expiry of the continuous period of five years of non-use shall, however, be disregarded where preparations for the commencement or resumption occur only after the proprietor becomes aware that the application or counterclaim may be filed.

Article 127(3) of the 2017 EUTM Regulation:

3. In the actions referred to in points (a) and (c) of Article 124, a plea relating to revocation of the EU trade mark submitted otherwise than by way of a counterclaim shall be admissible where the defendant claims that the EU trade mark could be revoked for lack of genuine use at the time the infringement action was brought.

C. Cases

1. EU—GC—Does affixing a trademark to goods within the EU for export purposes constitute genuine use within the EU?

In *W.B. Studio v. EUIPO—E.Land Italy (BELFE)*,⁴³ the GC considered an application for non-use revocation of an EUTM registration for a word mark BELFE in relation to goods in Class 25, covering various items of women’s clothing.

In 2018, the applicant, W.B. Studio Sas di Wivian Bodini & C., filed an application for revocation of the registration on the grounds of non-use pursuant to Article 58(1)(a) of the 2017 EUTM Regulation, in respect of all the goods for which that mark had been registered, on the ground that that mark had not been put to genuine use within a continuous period of five years. The Cancellation Division granted the application for revocation for all goods covered by the contested registration, save for “clothing for ladies including outer garments, woven and knitted; shirts, jackets (small), skirts, trousers, jackets, waterproof clothing, scarves; all the aforementioned for women” in Class 25.

In the contested decision, the Board upheld the Cancellation Division’s decision to the extent it found the contested mark had been genuinely used by the intervener, E.Land Italy Srl, in relation to the above-mentioned goods in Class 35. The Board found that

⁴³ Case T-50/23 (GC, July 17, 2024) (ECLI:EU:T:2024:480).

evidence submitted by the intervenor showed, as a whole, that the mark had been used on goods as an indication of their commercial origin and that the extent of that use was sufficient to conclude that there had been genuine use.

On appeal, the applicant contended that the Board of Appeal had incorrectly applied Article 58(1)(a) and Article 18 of the 2017 EUTM Regulation. The applicant challenged the finding of genuine use, arguing that the Board had failed to properly assess the time, place, nature, and extent of the use of the contested mark based on the documents submitted by the intervenor. In particular, the applicant argued that, while the intervenor was required to prove genuine use of the contested mark between 2013 and 2018, the majority of the evidence was undated. Moreover, the applicant claimed that most of the evidence submitted by the intervenor did not specify the place of use and that all the invoices submitted were issued to Chinese companies within the same commercial group, E-Land Group, thereby constituting purely internal use.

The GC upheld the Board of Appeal's decision.

Recalling *Meblo Trade v. EUIPO—Meblo Int*⁴⁴ and *Recaro v. OHIM—Certino Mode*,⁴⁵ the court stressed that it is not necessary for each item of evidence to give information about all four elements to which the proof of genuine use must relate, namely the place, time, nature, and extent of use. An accumulation of evidence may be sufficient to establish the necessary facts, even if each individual item, on its own, would be insufficient to prove the accuracy of those facts. As a result, the determination of whether a trademark has been put to genuine use requires an overall assessment that considers all relevant factors. The court stressed that evidence should not be analyzed in isolation, but rather in conjunction, to establish the most likely and coherent interpretation.

With respect to time of use, the court emphasized that undated items of evidence can contribute, alongside dated documents, toward substantiating the use of the contested mark. Therefore, the court deemed the undated photographs submitted by the intervenor relevant, as they displayed product codes that corresponded to those listed on invoices dated within the relevant period.

Regarding the place of use, the court first recalled that, according to Article 18(1)(b) of the 2017 EUTM Regulation, the affixing of the EUTM to goods or their packaging within the EU solely for export purposes also constitutes use in the EU. Proof that those goods were marketed in the country of destination is, therefore, not required. Consequently, the Board was correct to find that the affixing of the contested mark in Italy for export purposes was sufficient to establish genuine use in the EU, without the need

⁴⁴ Case T-263/18 (GC, March 5, 2019).

⁴⁵ Case T-524/12 (GC, November 21, 2013).

to demonstrate that the goods were resold to end consumers in China.

The applicant further argued that the use of the mark was purely internal, asserting that the relevant goods were sold to Chinese companies within the intervenor's own E-Land Group, sometimes via the intermediary of the Italian transport company Pellbass for the sole purpose of goods transit. The court, however, was not convinced that Pellbass was merely a transport company involved in the transit of goods to Chinese companies within the group. The court noted that Pellbass was clearly identified as the purchaser of the goods. Additionally, there was no evidence to support the conclusion that Pellbass belonged to the intervenor's group of undertakings. Consequently, the court rejected the argument that the invoices were issued between companies within the same corporate group and dismissed the applicant's arguments that the contested mark's use was purely internal. In the light of the above, the court concluded that the Board was correct in establishing genuine use of the contested mark and dismissed the appeal.

2. EU—GC—How should courts assess evidence of use, including the principle of partial use and the distinction between use for goods and services?

In *Suprmac's v. EUIPO—McDonald's International Property (BIG MAC)*,⁴⁶ the GC considered whether the evidence filed by the intervenor, McDonald's International Property Co. Ltd., sufficiently demonstrated genuine use of its EUTM registration for the word mark BIG MAC in Classes 29, 30, and 42.

In 2017, the applicant, Suprmac's (Holdings) Ltd., filed an application for revocation of the registration on the grounds of non-use pursuant to Article 51(1)(a) of the 2009 EUTM Regulation (now Article 58(1)(a) of the 2017 EUTM Regulation). The Cancellation Division granted the application for revocation for all goods and services covered by the contested registration. Specifically, the Cancellation Division found that the evidence provided by the intervenor did not prove the extent of use of the contested mark.

On appeal, the Board of Appeal partially overturned this decision, reversing the revocation for "foods prepared from meat and poultry products, meat sandwiches, chicken sandwiches" in Class 29, "edible sandwiches, meat sandwiches, chicken sandwiches" in Class 30, and "services rendered or associated with operating restaurants and other establishments or facilities engaged in providing food and drink prepared for consumption and for drive-through facilities; preparation of carry-out foods" in

⁴⁶ Case T-58/23 (GC, June 5, 2024).

Class 42 (classified according to the sixth edition of the Nice Classification). The Board dismissed McDonald's appeal for the remaining goods and services. The applicant, Supermac's, appealed the Board's decision with respect to all the goods and services in Classes 29, 30, and 42, save for "meat sandwiches" in Class 29.

On appeal, the GC partly annulled the Board of Appeal's decision. The court agreed with the applicant that there was no genuine use with respect to "chicken sandwiches" in Classes 29 and 30, "foods prepared from poultry products" in Class 29, and the services in Class 42.

First, the court addressed the applicant's arguments that "meat sandwiches" and "chicken sandwiches" were wrongly registered in Classes 29 and 30, because, according to the Nice Classification, any kind of edible sandwiches, including meat or chicken sandwiches, belonged to Class 30. The applicant argued that the registration of the contested mark with regard to those goods should therefore be revoked in respect of Class 29. The court stressed that the classification of goods and services under the Nice Agreement is carried out solely for administrative purposes. Therefore, the court confirmed that the mere fact that a contested mark has been registered in respect of goods which have been designated incorrectly as goods in a particular class cannot lead to the mark's revocation.

Second, with regards to "chicken sandwiches," the court evaluated the evidence of use submitted by McDonald's, consisting of printouts of advertising posters, screenshots of a television advertisement aired in France in 2016, and images from McDonald's France's Facebook account in 2016. The court noted that while the evidence indeed showed use of the mark for chicken sandwiches, it did not provide any indication of the extent of use of the mark. In particular, the evidence lacked information on the volume of sales, the duration of the mark's use, and the frequency of its application. As a result, the court concluded that this evidence alone was insufficient to demonstrate that the contested mark was commercially used in connection with "chicken sandwiches."

The court addressed the applicant's argument that the contested mark should not be maintained for the broader category of "meat and poultry products" based solely on its undisputed use for "meat sandwiches." Referring to *Mundipharma v. OHIM—Altana Pharma (RESPICUR)*,⁴⁷ the court recalled the well-established principle of partial use, which states that if a trademark is registered for a broad category of goods, and there are independent subcategories within it, proof of genuine use for part of those goods affords protection only for the specific subcategory used. However, if the trademark is registered for a category that is narrowly

⁴⁷ Case T-256/04 (GC, February 13, 2007).

defined, making subdivision impossible, proof of genuine use for those goods will apply to the entire category. The court concluded that “food prepared from meat products” constituted a sufficiently narrow and precise category, which could not be divided further. Therefore, McDonald’s genuine use of the contested mark for “meat sandwiches” also constituted genuine use for “foods prepared from meat products.”

Finally, the court disagreed with the Board’s finding that the BIG MAC mark had been used in relation to “services rendered or associated with operating restaurants and other establishments or facilities engaged in providing food and drink prepared for consumption and for drive-through facilities; preparation of carry-out foods” in Class 42. The court emphasized that the Board erred in basing its decision on the public’s association of the mark with the “meat sandwich” and the reputation of McDonald’s fast-food services. It clarified that the contested services in Class 42 target professionals, not end consumers, and that use of a trademark for goods cannot automatically extend to services. Additionally, the court ruled that the reputation of the MCDONALD’S trademark was irrelevant to the assessment of genuine use for BIG MAC. Since McDonald’s provided evidence of only BIG MAC’s use on products, the court concluded the Board of Appeal wrongly accepted its use for services in Class 42.

3. France—Supreme Court, Commercial Chamber— When does the use of a mark comprising a personal name by an assignor result in deceptiveness?

In 2011, the Moroccan/French fashion designer Jean-Charles de Castelbajac signed an art direction contract with the French company PMJC. Subsequently, in the context of a judicial liquidation, in 2012, PMJC acquired the JEAN-CHARLES DE CASTELBAJAC and JC DE CASTELBAJAC brands.

When the art direction contract between Jean-Charles de Castelbajac and PMJC ended in 2015, a significant conflict emerged between the parties, resulting in a number of litigation proceedings. In particular, PMJC sued Jean-Charles de Castelbajac for trademark infringement and unfair competition on the grounds that he was carrying on a competing activity under the name CASTELBAJAC.

As a counterclaim, Jean-Charles de Castelbajac requested, on the basis of Article L. 714-6⁴⁸ of the French Intellectual Property Code, the revocation for deceptiveness of PMJC’s French trademark registrations JC DE CASTELBAJAC and JEAN-CHARLES DE

⁴⁸ Article L. 714-6 of the French Intellectual Property Codes states that: “The owner of a trademark which has become: (. . .) b) likely to mislead, in particular as to the nature, quality or geographical origin of the product or service, shall forfeit his rights.”

CASTELBAJAC. He alleged that the way PMJC was using these trademarks would lead consumers to believe that the products sold under them had been designed under his artistic direction, which was not the case.

In a decision dated June 26, 2020, the Paris Court of First Instance dismissed both parties' requests. PMJC filed an appeal against this decision.

On October 12, 2022, the Paris Court of Appeal ordered the revocation of PMJC's French trademark registrations JC DE CASTELBAJAC and JEAN-CHARLES DE CASTELBAJAC for women's clothing and cosmetics. In its reasoning, the court of appeal first referenced the CJEU's decision in *EMANUEL*,⁴⁹ establishing the principle that:

The proprietor of a mark corresponding to the name of the designer and first manufacturer of goods bearing that mark may not, by reason of that particularity alone, be deprived of his rights on the ground that the said mark would mislead the public, within the meaning of Article 12(2)(b) of Directive 89/104.

The court of appeal considered, however, that this principle did not prevent the revocation of a trademark registration in circumstances where its owner was using it in a misleading way. Here, there were several factors relating to the use of the trademarks by PMJC (such as the use of the disputed trademarks with drawings falsely attributed to Jean-Charles de Castelbajac or reproduced without his authorization, or the reproduction of the universe of Jean-Charles de Castelbajac or of his handwriting to promote products etc.) that would lead consumers to believe that the goods sold under such trademarks were created under Jean-Charles de Castelbajac's direction.

PMJC filed an appeal before the Supreme Court arguing that:

- The warranty against dispossession pursuant to Article 1628⁵⁰ of the French Civil Code prohibits the party having assigned a trademark registration from seeking its revocation on the ground of its deceptive character; and
- Assuming there is an intent by the trademark owner to make others believe that the creator, whose name constitutes the trademark, is still involved in the creation of products bearing said trademark, this would, in accordance with the CJEU's decision in *EMANUEL* quoted above, constitute an outcome that could be deemed fraudulent but could not be

⁴⁹ Elizabeth Florence Emanuel/Continental Shelf, Case C-259/04 (ECJ, March 30, 2006).

⁵⁰ Article 1628 of the French Civil Code states that: "In contracts of sale, the seller is bound to guarantee that the buyer will not be disturbed in the enjoyment of the property sold, and that it is free from any defects that would make it unfit for its intended use."

analyzed as deceptive pursuant to Article L. 714-6(b) of the French Intellectual Property Code.

In its judgment dated February 28, 2024, the Supreme Court first confirmed the principle that the assignor of rights to a trademark is bound by Article 1628 of the French Civil Code and, as a result, is not entitled to bring an action for revocation of those rights on the grounds of the deceptiveness of the assigned trademark, which would amount to the dispossession of the assignee.

It clarified, however, that the warranty in favor of the assignee ceased when the dispossession was due to its own fault. The Supreme Court reiterated that a trademark must not be used in a manner likely to deceive the public or create a serious risk of deception.⁵¹

Consequently, the Supreme Court concluded that the assignor may bring an action for revocation on the grounds of deceptiveness of the assigned trademark if wrongful acts are committed by the assignee and occurred after the assignment.

The Supreme Court thus introduced a new exception to the general rule, which prevents the assignor, due to the warranty against dispossession, from bringing an action for revocation on the grounds of deceptiveness.


With respect to the question of whether the use of the trademark after the assignment, under conditions likely to effectively make the public believe that the creator is still involved in the creation of the products when this is no longer the case, could result in revocation for deceptiveness, the Supreme Court decided to refer the following preliminary question to the CJEU:

Should Articles 12(2)(b) of Directive 2008/95/EC of October 22, 2008, aimed at harmonizing the laws of Member States on trademarks, and 20(b) of Directive (EU) 2015/2436 of December 16, 2015, aimed at harmonizing the laws of Member States on trademarks, be interpreted as meaning that they oppose the revocation of a trademark consisting of the family name of a creator, on the grounds of its use after the assignment under conditions likely to effectively make the public believe that the creator is still involved in the creation of the branded products when this is no longer the case?

The CJEU's response, which is pending, may finally bring an end to the CASTELBAJAC saga.

⁵¹ Consorzio per la tutela del formaggio Gorgonzola, Case C-87/97, paragraph 41 (ECJ, March 4, 1999).

4. Portugal—Portuguese PTO (INPI)—What factors are relevant to assess the genuine use of a trademark?

A Portuguese company (the “applicant”) filed an application for registration of the trademark  as a Portuguese trademark in respect of services in Classes 36 and 41.

The application was opposed by a Barbados company (the “opponent”), as owner of the EUTM registration MEMORIES in Classes 35, 39, 41, 43, 44, and 45.


The opponent argued that the application was an imitation of its prior trademark, since both trademarks were composed of an identical verbal element: MEMORIES.

In its reply, the applicant argued that the trademarks in conflict did not cover related services, insofar as the opponent’s trademark aims to provide travel and tourism consumers with luxury accommodation in resorts spread across the American continent, while the applicant’s trademark aims to identify local accommodation for surfers, young people and groups who are traveling in Portugal and want a familiar place to stay. The applicant also claimed that the trademarks were distinguishable from a nominative and phonetic point of view, with only similarity in the word “MEMORIES,” with its trademark having other nominative elements that give it a superior distinctive character. Finally, the applicant requested the opponent to present evidence of the genuine use of its trademark.

In response, the opponent submitted several documents, with the purpose of proving the serious use of its trademark MEMORIES.

The applicant, through a supplementary statement, claimed that the evidence presented was not suitable to prove the use of the opponent’s trademark, given the fact that none of the evidence presented the trademark as it was registered, noting that the word “MEMORIES” was used in conjunction with other denominations, which raised the question whether the MEMORIES trademark was actually being used seriously.

In accordance with Article 227 of the Portuguese Industrial Property Code, in cases where the opponent, after being notified to do so, does not prove that his trademark was subject to genuine use or that there was a fair reason for the lack of such use, the opposition is considered to be without merit.

On November 13, 2024, the Portuguese PTO, the Instituto Nacional da Propriedade Industrial (the “INPI”) issued its decision, granting the opposition, finding in favor of the opponent, and refusing the trademark application for .

In summary, the INPI understood that the opponent gathered evidence that attests the use of its trademark, in an effective, continuous, stable and sufficient way to maintain and create market

share, specifically, through proof of payment to travel agencies for advertising, references to the group's hotels in advertising agency brochures and also customer comments in relation to their stay in one of the group's hotels (on the Tripadvisor platform).

The INPI also understood that, although the opponent's trademark does not appear, in the aforementioned documents, as it is registered (in the documents presented, it appears accompanied by other elements), such evidence must be accepted, as this circumstance does not alter the public's perception of the sign in the registered version, with the element that characterizes it having been used and proven (the "MEMORIES" element).

Regarding the fact that the evidence presented was reduced with regard to the national territory, the INPI argued that it is not necessary for an EUTM to be used in a large geographical area for its use to be considered proven, since this will depend on the characteristics of the products or services in question, in the corresponding market and, in more general terms, on all the facts and circumstances relevant to determining whether the commercial exploitation of the trademark serves to create or preserve market shares of the products or services for which it was registered.

Furthermore, the INPI held that the possibility that the opponent's trademark had been used only in the territory of a single Member State should not be ruled out, since the GC has held on numerous occasions that the use of an EUTM in a single Member State (e.g., Germany, Spain), or even in a single city within a Member State of the EU, is sufficient to satisfy the territorial scope criterion.

Consequently, the evidence regarding the use of the opponent's trademark was considered relevant and appropriate, and the trademark MEMORIES was considered suitable for determining the existence or not of imitation.

The INPI ended up understanding that the legal concept of imitation was observed and, following the same line of reasoning, that unfair competition would be possible, regardless of the applicant's intention, since, with the parties competing for the same clientele, the possibility of the applicant achieving an illegitimate benefit would be real, resulting from the fact that consumers could purchase their services by confusing them or associating them with the services marked by the opponent's trademark.

The applicant did not appeal the INPI's decision to the Intellectual Property Court.

**5. UK—Supreme Court—Under what circumstances
can use of a UK/EU trademark on an overseas
website constitute “use in the course of trade” in the
UK?**

In *Lifestyle Equities CV v. Amazon UK Services Ltd*,⁵² the Supreme Court found that Amazon’s U.S. website targeted consumers in the UK and EU, and that the sales of U.S.-branded goods to UK consumers constituted trademark infringement.

Lifestyle Equities CV and Lifestyle Equities BV (together “Lifestyle” and the “claimant/respondent”) owned and licensed a group of trademarks relating to their BEVERLY HILLS POLO CLUB brand, which were registered in the UK and the EU. These marks were registered for various consumer goods, including clothing. An entirely separate third party owned trademarks for identical signs and identical in the United States, which covered identical goods. Lifestyle had no commercial ties to the U.S. third party. Identical goods bearing identical logos were therefore sold by two separate entities on the UK and U.S. markets.

Amazon Inc. (“Amazon” or the “defendant/appellant”) marketed and sold goods on its U.S.-based website, Amazon.com, and other regional websites including Amazon.co.uk. Amazon customers could buy genuine products licensed by Lifestyle on Amazon.co.uk. However, Amazon customers could also order goods directly from the U.S. third party on Amazon.com, which would then be shipped to the UK.

Lifestyle brought a claim for trademark infringement against Amazon under Section 10(1) of the Trademarks Act 1994 and Article 9(2)(a) of the 2017 EUTM Regulation, as the goods imported from the United States were not licensed by Lifestyle and contained identical signs for identical goods. The case at first instance turned on whether the marketing and sale of the goods sold on Amazon.com constituted “targeting” of UK customers and therefore “use in the course of trade” in the UK.

The trial judge at first instance ruled against Lifestyle, finding that the use on the Amazon.com website did not target UK customers.

Lifestyle appealed to the court of appeal, on the basis that the judge at first instance had failed to apply the law on targeting correctly. In his decision, Arnold LJ,⁵³ viewed the case law on targeting, and held that:

1. Determining whether a website targets customers in a specific geographic market is an objective assessment.

⁵² [2024] UKSC 8.

⁵³ *Lifestyle Equities CV and another v. Amazon UK Services Ltd. and others*, [2022] EWCA Civ 552.

2. The website operator's subjective intention regarding its target audience is only of evidential relevance. Targeting does not require deliberate aim; the focus is on whether the sign is used in the relevant territory, without needing the operator's subjective intent.
3. Targeting assessment involves evaluating the customer journey at each step. In this case, customers were informed at various stages (search results, product details, order review) that products would ship to the UK, and prices were shown in GBP.
4. Contrary to the High Court's findings, there was no evidence that customers were aware of differences in shipping/import costs between amazon.com and amazon.co.uk.
5. Even if amazon.com was primarily directed at U.S. customers, it was not restricted to them. UK users could easily miss the statement about shopping at amazon.co.uk for fast local delivery.
6. The general targeting of a website does not exclude the possibility of specific uses of signs targeting the UK/EU. Actual sales to customers in these territories constituted use of the signs, even if prior offers for sale did not.

The court concluded that each product listing should be assessed in its context. Applying this analysis, the court found that each advertisement and product listing amounted to targeting in the UK and therefore concluded Amazon had infringed on Lifestyle's trademarks.

Amazon appealed to the Supreme Court, which considered that the court of appeal erred regarding the analysis of targeting. It dismissed the approach of examining individual example pages in isolation, advocating instead for a holistic assessment of the website and the overall customer experience. The Court also cautioned against assuming the average consumer possesses certain knowledge, such as being aware of better prices on the local version of the website or the relatively low number of sales to the UK through the foreign website. The critical factor is not the subjective intention of the website operator but whether the average user perceives that the goods or services on the site are being offered to them.

The Supreme Court then examined whether the amazon.com website targeted consumers in the UK and the EU. The Court emphasized that the assessment of targeting should be objective, considering whether a significant proportion of average consumers would think that the website was targeted at them. The subjective intention of the website operator could be relevant, but only to the extent that it assisted with that objective assessment. The Court noted several factors which indicated targeting:

1. The “Deliver to United Kingdom” message on the landing page and subsequent pages.
2. The pop-up box informing UK consumers that they would be shown items available for delivery to the UK.
3. The pointers to the UK targeting on the “Review your order” page.
4. The ability to view prices in local currency (GBP) and the provision of UK-specific delivery times and prices.

The Court concluded that these factors, viewed collectively, demonstrated that the amazon.com website was targeting consumers in the UK and EU.

While there were factors suggesting an opposite conclusion (such as the default display of prices in U.S. dollars and potentially lower delivery times and charges for UK consumers on Amazon’s UK site), these factors did not significantly alter the Court’s conclusion. The more favourable terms on the UK site were irrelevant for goods sold exclusively on the U.S. site, and Amazon had undertaken not to sell the disputed goods on the UK site. The fact that the defendant’s UK sales of U.S.-branded goods were minimal compared to its U.S. sales was also irrelevant. The average consumer would not be aware of this, and the relative success of sales is not a reliable indicator of targeting. Accordingly, although reaching the conclusion by a different route, the Supreme Court found the sales on the amazon.com website had infringed upon Lifestyle’s trademarks.

6. Norway—Oslo District Court—When may a particular shade of color acquire trademark protection through use?

On June 7th, 2024, the Oslo District Court decided in a high-profile trademark case between Norway’s two major chocolate manufacturers, regarding the use of a specific color of blue on the packaging of chocolate bars.⁵⁴ Following Norway’s implementation of the 2015 TM Directive in 2023, the Norwegian Trademark Act now explicitly recognizes that colors may constitute trademarks.⁵⁵ However, the Norwegian Supreme Court has been reluctant to award trademark protection to color marks based on claims of reputation gained through use.⁵⁶ The recent decision from Oslo District Court marks the first time a court has awarded such protection to a color mark.

⁵⁴ Case TOSL-2023-186489 (Oslo District Court, June 7, 2024).

⁵⁵ Chapter 1, Article 2 (1) of the Norwegian Trademark Act (2010-03-26-8), as amended effective on March 1, 2023.

⁵⁶ Case HR-2017-2356-A (Norwegian Supreme Court, December 11, 2017).

In the Oslo District Court case, the court assessed whether the plaintiff Orkla Confectionery & Snacks Norge AS (“Orkla”) had acquired trademark protection for the color PANTONE 2144 C through use for porous milk chocolate, and whether the defendant Mondelez Norge AS (“Mondelez”)’s use of the color PANTONE 2145 C for the same goods constituted an infringement of Orkla’s rights in the earlier mark.

Orkla is a merger of several companies that have sold candy, biscuits, and snacks in the Nordic and Baltic countries for more than a century. One of these companies, the Nidar chocolate factory, was founded in 1912, and in 1936 Nidar introduced a porous milk chocolate in Norway under the name of “Stratos.” Since 1975, STRATOS has been branded as “the blue milk chocolate” through a packaging in a light shade of blue along with a blue cow. STRATOS has been the undisputed market leader for porous milk chocolate in Norway for decades, and since 1985 the STRATOS packaging has continuously featured the same shade of blue, PANTONE 2144 C:



The Freia chocolate factory was founded in 1889 and has been a dominant chocolate factory in Norway ever since, with many well-known chocolates. Freia has also marketed its own porous milk chocolate products on several occasions, though none have obtained the success of STRATOS. In 1992/1993, Freia was acquired by the American food group Kraft Foods, which later merged out of the Philip Morris group and changed its name to Mondelez International. The defendant Mondelez distributes to Norway on behalf of its affiliated companies in Europe. In September 2023, Mondelez launched the porous milk chocolate “FREIA BOBLE” featuring packaging partially covered by a blue color in the shade PANTONE 2145 C, especially prominent on parts of the front and edges of the packaging:



Orkla sued Mondelez in December 2023, claiming trademark infringement.

Oslo District Court began its assessment of the claim by first assessing whether the color PANTONE 2144 C had attained trademark protection through use: whether it had become “well known” in Norway as a proprietor’s particular mark for porous milk chocolate.

First, the court held that a color may constitute a trademark, and that although colors rarely have sufficient inherent distinctiveness, it may be possible to both register and to acquire trademark protection through use of a color, as the threshold for obtaining distinctiveness through use is high.

The court considered the evidence presented for how the PANTONE 2144 C had been used in the marketing of STRATOS throughout the years. The court found that significant resources had been spent in the marketing of STRATOS, and that PANTONE 2144 C had been used consistently in that marketing. Through market surveys, Orkla successfully documented that 71 percent of respondents associated PANTONE 2144 C with STRATOS/Nidar/Orkla. On this basis, the court found that more than a significant part of the relevant public in Norway associated PANTONE 2144 C as someone’s particular mark for porous milk chocolate, prior to the launch of FREIA BOBLE.

The court emphasized, among other factors, that the blue color used was not descriptive either of the chocolate nor of the porous nature of that chocolate. The court further found that the public interest in preventing undue restrictions of the availability for colors to all operators (the “*Freihaltebedürfnis*”)⁵⁷ was reduced considering Orkla’s significant dominant market position with respect to the goods, and by the fact that conferring trademark protection would not constitute an independent restriction of market access for current or future suppliers of porous chocolate to have to refrain from using PANTONE 2144 C, as such restriction already follows from the so-called *duty of variation* imposed by the Norwegian Marketing Control Act.

⁵⁷ As highlighted in Case C-104/01 (*Libertel*) (CJEU, May 6, 2003) (see para. 55).

The court referred to the judgment in Case C-104/01 (*Libertel*),⁵⁸ where the CJEU maintained the possibility that a color could achieve sufficient distinctiveness as a trademark, also without prior use, in “exceptional circumstances, and particularly where the number of goods or services for which the mark is claimed is very restricted and the relevant market is very specific.” The Oslo District Court noted that the product category in the case was indeed very limited, although the relevant market was practically the entire national population.

The court found that STRATOS’s dominant market share over time, along with the absence of other suppliers of porous milk chocolate with other packaging colors, increased the distinctiveness for PANTONE 2144 C for porous milk chocolate to some degree. At the same time, the court pointed out that the dominant market share also increased the risk that the relevant public did not actually associate PANTONE 2144 C with STRATOS or Orkla as the commercial origin of porous milk chocolate, but with the product category of porous milk chocolate in general. However, the court did not find that such degeneration of the color had occurred.

On this background, the court concluded that PANTONE 2144 C had become sufficiently well known as a proprietor’s particular mark for porous milk chocolate in more than a significant part of the relevant public, and that Orkla thus had acquired trademark protection for PANTONE 2144 C through use.

The court further found that Mondelez’s marketing and sale of FREIA BOBLE with a packaging including the color PANTONE 2145 C constituted an infringement of Orkla’s exclusive rights in the earlier color mark. The court noted a full similarity of goods between STRATOS and FREIA BOBLE, and that porous milk chocolate was solely sold by the plaintiff and the defendant in Norway. The court found that the color difference between the two shades of blue used on the packages was undoubtedly so insignificant that it would regularly be overlooked by the average consumer in the shopping situation. Therefore, the FREIA BOBLE packaging was considered to be a direct infringement of Orkla’s established exclusive rights. The court declined to assess in detail how much of the Freia BOBLE packaging was covered by the infringing color but rather pointed out that chocolate bars are often presented in the store in a way that the front and edges of the packaging will be most visible to the customer.

The court further found that the usage of PANTONE 2145 C on the product packaging was contradictory to good business practice under the Norwegian Marketing Control Act.⁵⁹ The court found that Mondelez had failed to comply with the *duty of variation*, in that the

⁵⁸ Case C-104/01 (*Libertel*) (CJEU, May 6, 2003) (see para. 66).

⁵⁹ Chapter 6, Article 25 of the Norwegian Marketing Control Act (2009-01-09-2).

packaging of FREIA BOBLE did not maintain the necessary distance to the original product STRATOS. The court emphasized that the defendant had been free to choose any color other than the “Stratos blue.” The court did not find the defendant’s argument that the color choice was based on an intention to give the consumer associations to air bubbles credible, as this was not substantiated by evidence and because it would, in the court’s opinion, have been more prudent to choose light blue or white to create such association.

As a result of both the trademark infringement and the violation of the Marketing Control Act, the court decided to prohibit further sale and marketing of FREIA BOBLE with the disputed packaging and ordered Mondelez to recall the products that had already been distributed. In addition, Mondelez was ordered to pay a compensation to Orkla based on the profit achieved and double reasonable license fee, of NOK 20 million.

VI. TRADEMARK INFRINGEMENT

A. Introductory Comments

This Part VI considers cases on infringement of the exclusive rights conferred on trademark proprietors by the EUTM Regulation and the TM Directive (and equivalent rights for non-EU territories).

The exclusive use rights of a trademark proprietor relating to EUTMs are found in Article 9 of the 2017 EUTM Regulation. The parallel rights conferred by a trademark in relation to the national trademark authorities of EU Member States are set out in Article 10 of the 2015 TM Directive. As always, readers should note in particular that the rights of a trademark proprietor to sue for infringement of EUTM or national marks in the EU are broadly harmonized, whereas the rights, remedies and entitlement of a successful litigant are only *partially* harmonized by the IP Enforcement Directive (Directive 2004/48/EC), leaving considerable scope for divergence, forum shopping or even inconsistent results across the EU.

This year, only two cases are featured in this section. In *L’Oréal v. Ninôme*, the District Court of The Hague considered the risk of infringement of a “new” sign if it closely resembles a previously infringing sign. In the UK, the Court of Appeal of England and Wales upheld a finding of infringement based upon a perception of price matching, which was deemed to take unfair advantage of the reputation of a trademark.

*B. Legal Texts***Article 9 of the 2017 EUTM Regulation**

1. The registration of an EU trade mark shall confer on the proprietor exclusive rights therein.
2. Without prejudice to the rights of proprietors acquired before the filing date or the priority date of the EU trade mark, the proprietor of that EU trade mark shall be entitled to prevent all third parties not having his consent from using in the course of trade, in relation to goods or services, any sign where:
 - (a) the sign is identical with the EU trade mark and is used in relation to goods or services which are identical with those for which the EU trade mark is registered;
 - (b) the sign is identical with, or similar to, the EU trade mark and is used in relation to goods or services which are identical with, or similar to the goods or services for which the EU trade mark is registered, if there exists a likelihood of confusion on the part of the public; the likelihood of confusion includes the likelihood of association between the sign and the trade mark;
 - (c) the sign is identical with, or similar to, the EU trade mark irrespective of whether it is used in relation to goods or services which are identical with, similar to, or not similar to those for which the EU trade mark is registered, where the latter has a reputation in the Union and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the EU trade mark.
3. The following, inter alia, may be prohibited under paragraph 2:
 - (a) affixing the sign to the goods or to the packaging thereof;
 - (b) offering the goods, putting them on the market or stocking them for these purposes under that sign, or offering or supplying services thereunder;
 - (c) importing or exporting the goods under that sign;
 - (d) using the sign as a trade or company name or part of a trade or company name;
 - (e) using the sign on business papers and in advertising;

- (f) using the sign in comparative advertising in a manner that is contrary to Directive 2006/114/EC.
- 4. Without prejudice to the rights of proprietors acquired before the filing date or the priority date of the EU trade mark, the proprietor of that EU trade mark shall also be entitled to prevent all third parties from bringing goods, in the course of trade, into the Union without being released for free circulation there, where such goods, including packaging, come from third countries and bear without authorization a trade mark which is identical with the EU trade mark registered in respect of such goods, or which cannot be distinguished in its essential aspects from that trade mark.

The entitlement of the proprietor of an EU trade mark pursuant to the first sub-paragraph shall lapse if, during the proceedings to determine whether the EU trade mark has been infringed, initiated in accordance with EU Regulation No 608/2013, evidence is provided by the declarant or the holder of the goods that the proprietor of the EU trade mark is not entitled to prohibit the placing of the goods on the market in the country of final destination.

Article 125(2) of the 2017 EUTM Regulation

- 2. If the defendant is neither domiciled nor has an establishment in any of the Member States, such proceedings shall be brought in the courts of the Member State in which the plaintiff is domiciled or, if he is not domiciled in any of the Member States, in which he has an establishment.

Article 10 of the 2015 TM Directive

- 1. The registration of a trade mark shall confer on the proprietor exclusive rights therein.
- 2. Without prejudice to the rights of proprietors acquired before the filing date or the priority date of the registered trade mark, the proprietor of that registered trade mark shall be entitled to prevent all third parties not having his consent from using in the course of trade, in relation to goods or services, any sign where:
 - (a) the sign is identical with the trademark and is used in relation to goods or services which are identical with those for which the trade mark is registered;
 - (b) the sign is identical with, or similar to, the trade mark and is used in relation to goods or services which are identical with, or similar to, the goods or

services for which the trademark is registered, if there exists a likelihood of confusion on the part of the public; the likelihood of confusion includes the likelihood of association between the sign and the trade mark;

- (c) the sign is identical with, or similar to, the trade mark irrespective of whether it is used in relation to goods or services which are identical with, similar to, or not similar to, those for which the trade mark is registered, where the latter has a reputation in the Member State and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark.
3. The following, in particular, may be prohibited under paragraph 2:
- (a) affixing the sign to the goods or to the packaging thereof;
 - (b) offering the goods or putting them on the market, or stocking them for those purposes, under the sign, or offering or supplying services thereunder;
 - (c) importing or exporting the goods under the sign;
 - (d) using the sign as a trade or company name or part of a trade or company name;
 - (e) using the sign on business papers and in advertising;
 - (f) using the sign in comparative advertising in a manner that is contrary to Directive 2006/114/EC.
4. Without prejudice to the rights of proprietors acquired before the filing date or the priority date of the registered trade mark, the proprietor of that registered trade mark shall also be entitled to prevent all third parties from bringing goods, in the course of trade, into the Member State where the trade mark is registered, without being released for free circulation there, where such goods, including the packaging thereof, come from third countries and bear without authorization a trade mark which is identical with the trade mark registered in respect of such goods, or which cannot be distinguished in its essential aspects from that trade mark.

The entitlement of the trade mark proprietor pursuant to the first subparagraph shall lapse if, during the proceedings to determine whether the registered trade mark has been infringed, initiated in accordance with Regulation (EU) No 608/2013, evidence is provided by the declarant or the holder of the goods that the proprietor of the registered trade mark

is not entitled to prohibit the placing of the goods on the market in the country of final destination.

- 5. Where, under the law of a Member State, the use of a sign under the conditions referred to in paragraph 2 (b) or (c) could not be prohibited before the date of entry into force of the provisions necessary to comply with Directive 89/104/EEC in the Member State concerned, the rights conferred by the trade mark may not be relied on to prevent the continued use of the sign.
- 6. Paragraphs 1, 2, 3 and 5 shall not affect provisions in any Member State relating to the protection against the use of a sign other than use for the purposes of distinguishing goods or services, where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark.

C. Cases

1. The Netherlands—District Court of The Hague—
Can a sign that may not be infringing per se result in
a risk of confusion if that sign too closely resembles a
prior infringing sign?

In *L’Oréal v. Ninôme*,⁶⁰ the District Court of The Hague upheld the so-called doctrine of “aftereffect” as previously established by the Dutch Supreme Court.⁶¹ This doctrine holds that even if a new sign is not infringing *per se*, there can still be a risk of confusion if it closely resembles a previously infringing sign. This doctrine is rarely accepted in the Benelux.

LANCÔME	NINÔME	
Proprietor’s trademark	Initial litigious sign	Proposed sign after rebranding

The case revolves around the trademark infringement on L’Oréal’s well-known LANCÔME trademark for beauty luxury products. The infringement involved Ninôme’s use of the sign NINÔME for a collagen-based beauty formula. Before the oral hearing, Ninôme proposed rebranding from NINÔME (with an accent circumflex) to NINOME (without the accent circumflex).

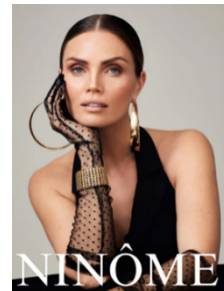
⁶⁰ L’Oréal v. Ninôme (District Court of The Hague, November 25, 2024) (ECLI:NL:RBDHA:2024:19460).

⁶¹ Dreentegel (Dutch Supreme Court, November 30, 2001) (ECLI:NL:HR:2001:AD3936).

The district court ruled that both signs, NINÔME and NINOME, infringed L'Oréal's trademark rights by causing confusion among the relevant public. The court noted that due to the similar endings—ÔME/-OME and their use for identical goods, there was a risk of confusion. This risk was further amplified by the high degree of distinctiveness associated with the LANCÔME trademark. Additionally, Ninôme's advertising style, which prominently featured a model's portrait with large lettering similar to LANCÔME's marketing approach, could further enhance consumer confusion.



Proprietor's examples of marketing



**Defendant's
example of
marketing**

Finally, in assessing the likelihood of confusion between the trademark and the newly proposed sign NINOME, the court considered it important that Ninôme initially had put its product on the market under the confusingly similar sign NINÔME. The court applied the doctrine of “aftereffect” as established by the Dutch Supreme Court in its *Dreentegel* judgment,⁶² which considers that the circumstance that the infringer had previously infringed with a similar sign must be taken into account and that this may have increased the likelihood of confusion with respect to the new sign.

In the present case, the court held that the likelihood of confusion caused by the sign NINÔME will continue with the new sign NINOME due to several factors. Firstly, the differences are minimal as only the accent circumflex on the “O” was removed. Secondly, significant publicity had been given to the product launch under NINÔME. Third, both NINÔME and NINOME were already used in combination, for example as domain name and social media handles. As a result, it will not always be clear to consumers with an imperfect recollection whether there is an accent circumflex on the “O” in NINÔME; thus, omitting this mark in a new sign may go

⁶² *Dreentegel* (Dutch Supreme Court, November 30, 2001) (ECLI:NL:HR:2001:AD3936).

unnoticed or be insufficiently noticeable. Consequently, the infringement for both signs was established by the court.

2. UK—Court of Appeal—Did a perception of price match take unfair advantage of the reputation of a trademark?

In *Lidl Great Britain Ltd. & Anor v. Tesco Stores Ltd. & Anor*,⁶³ the Court of Appeal of England and Wales upheld the decision by the High Court.

In September 2020, Tesco introduced its Clubcard prices using a logo comprising of a yellow square and blue background (“the Clubcard Signs”). Lidl claimed that Tesco’s use of the Clubcard Signs had infringed its trademarks. The action was based on several of Lidl’s trademark registrations in respect of two trademarks. The first is its most well-known, consisting of the word “LIDL” with a yellow circle edged in red on a blue background (“the Mark with Text”). The second trademark was for the same mark but without the inclusion of the writing (“the Wordless Mark”).



The Wordless Mark



The Mark with Text



Example of the Marks as used by Lidl

Tesco denied infringement and counterclaimed that the registration of the Wordless Mark was invalid on the grounds of bad faith, on the basis that it had never actually been intended for use.

In April 2023, the High Court ruled in favor of Lidl on most counts, including that the use of the Clubcard Signs took unfair advantage of Lidl’s marks pursuant to Section 10(3) of the Trade Mark Act 1994. The Court found that Lidl had a substantial reputation, particularly as a provider of value for money. The Court agreed that the Clubcard Signs were misleading to customers, as they would leave the average consumer to believe Tesco’s prices were being price matched to Lidl’s. In arriving at this conclusion, the High Court considered an array of evidence, including witness evidence by two members of the public stating they were confused by the Clubcard Signs, messages from 141 consumers prepared by Lidl (the “Lidl Vox Populi”), and survey evidence predating the use of the Clubcard Signs commissioned by Tesco. The Court also found

⁶³ *Lidl Great Britain Ltd. & Anor v. Tesco Stores Ltd. & Anor* (Rev1), [2024] EWCA 262.

that the Wordless Mark was applied for in bad faith and declared it invalid. One key reason for this finding was that Lidl had failed to adduce evidence on the commercial rationale for the trademark filing to counteract the court's presumption of bad faith.

Both parties appealed to the court of appeal. Tesco argued that the judge was wrong to find that the average consumer would interpret the Clubcard Signs as indicating a Lidl price match. The price matching allegation spanned both the trademark infringement case and that under the UK doctrine of passing off. The two cases were accepted by both parties as being intrinsically linked, as Lidl accepted that it would be near impossible to win on trademark infringement but not on passing off.

Tesco raised the following four criticisms:

- First, the judge should have reached her conclusion based solely on her own common sense and experience and should not have given any weight to the evidence relied on by Lidl. Alternatively, the judge should have formed a provisional view based on her own common sense and only valued the evidence to see whether it confirmed or contradicted that point of view.
- Second, the judge should have dismissed the witness evidence and Lidl Vox Populi on the basis they could not be representative of the average consumer's response.
- Third, the judge should not have taken into account the survey evidence without deciding whether it was statistically significant.
- Fourth, the judge was wrong to conclude that Lidl's evidence supported a finding of deception, which spoke to whether there was a misrepresentation.⁶⁴

The first three criticisms were dismissed in short order. As Tesco had not objected to the admissibility of Lidl's evidence at first instance, it would have been wrong for the judge to have ignored this evidence. The judge had clearly weighed the totality of the evidence as one part of her assessment, as she was entitled to do. She was not required to form a provisional view. To illustrate this point, it would have been reasonable to provisionally consider that the price matching allegation was unlikely but nonetheless borne out on the evidence, so the outcome would not have been altered.

As to the fourth criticism, the court assessed the key evidence in detail:

1. Witness evidence.
2. Lidl Vox Populi.
3. Survey evidence.

⁶⁴ Misrepresentation is a key element of the UK tort of passing off.

The first two types of evidence were deemed to be admissible (and indeed typical of the kind of evidence used in passing off cases). As to the survey evidence, the court at first instance had correctly found that this was of qualitative, rather than quantitative significance, and was not treated as determinative of the issue. The judge had therefore weighed the totality of this evidence to gauge the perceptions of ordinary consumers, which was appropriate. Taken together, it was reasonable for the judge to reach the conclusion that use of the Clubcard Signs constituted a misrepresentation of a price match.

The decision on misrepresentation flowed onto the issue of trademark infringement. Tesco's appeal that there was no unfair advantage or detriment was contingent on its claim that there had been no change in the economic behavior of consumers. As the price matching element had been found, it followed that consumer behavior would be affected. This was sufficient for a finding of unfair advantage. As to detriment, the court of appeal held that the judge's conclusion was not dependent on the price matching claim. The judge at first instance's conclusion on detriment to the distinctive character of the Mark with Text—which found that use of the Clubcard Signs in Tesco's price promotion had slowed the switching from Tesco to Lidl and that Lidl had engaged in corrective advertising to correct the public's perception on price matching—was rationally supportable. Tesco's appeals against the finding of passing off and trademark infringement were therefore dismissed.

The court of appeal also upheld the High Court's finding in relation to the validity of the Wordless Mark. While Lidl raised twelve grounds for this appeal, the crux of its argument was that the burden of proof had been shifted to Lidl to prove the good faith in making the applications for the Wordless Mark.⁶⁵ The court of appeal refused this argument. There were objective circumstances which gave rise to a *prima facie* assumption of bad faith, namely that there had been no use of the Wordless Mark despite the earliest registration being filed in 1995 and multiple subsequent registrations being filed despite this lack of use. In such circumstances, it was appropriate for the evidential burden of proof to shift to the applicant. The court of appeal did not accept Lidl's contention that it was not reasonable to produce such evidence given the lengthy time since these applications (the Wordless Mark had first been applied for nearly thirty years prior to the action). It held that applicants are best placed to provide this evidence, and their inability to do so could not reverse the court's presumption of bad faith. As Lidl had been unable to produce sufficient evidence to

⁶⁵ There is some added complexity to this issue, as the decision shifting the burden of proof was based on a preliminary judgment earlier in the proceedings specifically on the issue of bad faith. For present purposes, it is sufficient to know that the burden was shifted.

displace the presumption of bad faith, the first instance decision was upheld.

VII. LIMITATION OF RIGHTS AND DEFENSES

A. Introductory Comments

EU trademark law contains a variety of specific defenses and other limitations on the exclusive rights conferred upon trademark proprietors.

A trademark proprietor in Europe may find the route to enforcement is ultimately barred by statutory acquiescence under Article 9(1) and (2) of the 2015 TM Directive and Article 138(2) of the 2017 EUTM Regulation. These provide that the proprietor of an earlier trademark who has *knowingly* acquiesced to the use of a later trademark for five consecutive years may not apply for invalidity or opposition proceedings against that mark.

Article 14 of the 2017 EUTM Regulation (together with Article 14 of the 2015 TM Directive) sets out various restrictions and limitations to ensure certain “descriptive” uses of a mark or term may not amount to an infringement, or where use of a mark or term is necessary to indicate spare parts, compatibility, or intended use of a product or service, all of which might otherwise have the effect of limiting fair competition and improperly expanding the scope of protection of a trademark proprietor’s rights. Such defenses are not absolute but apply only where such use is in accordance with “honest practices” in the relevant context.

Proprietors of national marks in EU Member States may also face a limitation on their ability to prevent the use of a third-party earlier right that applies in a particular locality (Article 14(3) of the 2015 TM Directive).

Other common instances of limitation arise from the ability (or otherwise) of trademark proprietors to object to further commercialization of their goods once lawfully placed on the market, more commonly known as “exhaustion,” set out in Article 15 of the 2017 EUTM Regulation and Article 15 of the 2015 TM Directive. Again, the ability of a trademark proprietor to interfere with “downstream” use of the relevant mark may have an impact on fair competition and the proper functioning of the market.

Cases in this Part VII remain characteristic in considering the balance the law must strike between fair competition and the rights of a trademark proprietor in a particular circumstance.

In *Inditex v. Buongiorno Myalert*, the CJEU considered the scope of the “referential use” exception (a reference to the proprietor as source) in relation to trademark infringement, finding that this concept was extended by the 2015 TM Directive to include “general use” that is referential in nature. The CJEU also considered the

interaction between spare parts and the original manufacturer's mark in *Audi AG v. GQ*.

The familiar question of exhaustion of rights remains topical, which considers the entitlement of a third party to (further) commercialize goods lawfully placed on the market with the rights of a proprietor to limit such acts where it might in some way harm the trademark. Cases this year consider customized LEGO bricks (the Netherlands) AGA cookers (UK), refurbished luxury sofas (Belgium), and watches (Switzerland). Finally, court in Belgium considered the prior use of a pseudonym as a limitation on trademark rights and the courts of Denmark questions of artistic freedom of expression.

In 2023, the Court of Appeal of Düsseldorf, Germany, confirmed that damage to the aura of luxury of a brand can be a legitimate reason to complain of the manner and presentation of goods and is not limited to brands that are of themselves “luxury” in nature. The High Court of Geneva, Switzerland, similarly considered whether customization of second hand/exhausted products might also result in infringement.

The second group of cases relates to the effect of concurrent use of a later mark and the extent to which the proprietor of an earlier mark may ultimately find statutory acquiescence has removed its right to object. The French Supreme Court confirmed that statutory acquiescence runs from the date of *registration* of the earlier mark *not* its publication, even though knowledge of the mark may of course arise from that process. More fundamentally, the UK Court of Appeal exercised its power to depart from existing CJEU case law under the European Union (Withdrawal) Act 2018 finding that the five-year period for assessing statutory acquiescence commences on the date the trademark proprietor obtains knowledge of *use* of an infringing mark (rather than its registration), noting that the rationale for statutory acquiescence is to act as a defense against an earlier rights holder who is insufficiently vigilant to stop the use of a later trademark and consequently, there should also be an incentive for trademark proprietors to monitor the trademark register. The net effect of years of concurrent use was also considered by the UK Court of Appeal in considering whether honest concurrent use was a standalone defense, or merely a factor in assessing infringement.

B. Legal Texts

Article 14 of the 2017 EUTM Regulation

1. An EU trade mark shall not entitle the proprietor to prohibit a third party from using, in the course of trade:
 - (a) the name or address of the third party, where that third party is a natural person;

- (b) signs or indications which are not distinctive or which concern the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of the service, or other characteristics of the goods or services;
 - (c) the trade mark for the purpose of identifying or referring to goods or services as those of the proprietor of that trade mark, in particular, where the use of that trade mark is necessary to indicate the intended purpose of a product or service, in particular as accessories or spare parts.
2. Paragraph 1 shall only apply where the use made by the third party is in accordance with honest practices in industrial or commercial matters.

Article 15 of the 2017 EUTM Regulation

1. An EU trade mark shall not entitle the proprietor to prohibit its use in relation to goods which have been put on the market in the Union under that trade mark by the proprietor or with his consent.
2. Paragraph 1 shall not apply where there exist legitimate reasons for the proprietor to oppose further commercialisation of the goods, especially where the condition of the goods is changed or impaired after they have been put on the market.

Article 138 of the 2017 EUTM Regulation

Prior rights applicable to particular localities

1. The proprietor of an earlier right which only applies to a particular locality may oppose the use of the EU trade mark in the territory where his right is protected in so far as the law of the Member State concerned so permits.
2. Paragraph 1 shall cease to apply if the proprietor of the earlier right has acquiesced in the use of the EU trade mark in the territory where his right is protected for a period of five successive years, being aware of such use, unless the EU trade mark was applied for in bad faith.
3. The proprietor of the EU trade mark shall not be entitled to oppose use of the right referred to in paragraph 1 even though that right may no longer be invoked against the EU trade mark.

Article 9 of the 2015 TM Directive

Preclusion of a declaration of invalidity due to acquiescence

1. Where, in a Member State, the proprietor of an earlier trade mark as referred to in Article 5(2) or Article 5(3)(a) has acquiesced, for a period of five successive years, in the use of a later trade mark registered in that Member State while being aware of such use, that proprietor shall no longer be entitled on the basis of the earlier trade mark to apply for a declaration that the later trade mark is invalid in respect of the goods or services for which the later trade mark has been used, unless registration of the later trade mark was applied for in bad faith.
2. Member States may provide that paragraph 1 of this Article is to apply to the proprietor of any other earlier right referred to in Article 5(4)(a) or (b)
3. In the cases referred to in paragraphs 1 and 2, the proprietor of a later registered trade mark shall not be entitled to oppose the use of the earlier right, even though that right may no longer be invoked against the later trade mark.

Article 14 of the 2015 TM Directive

Limitation of the effects of a trade mark

1. A trade mark shall not entitle the proprietor to prohibit a third party from using, in the course of trade:
 - (a) the name or address of the third party, where that third party is a natural person;
 - (b) signs or indications which are not distinctive or which concern the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of the service, or other characteristics of goods or services;
 - (c) the trade mark for the purpose of identifying or referring to goods or services as those of the proprietor of that trade mark, in particular, where the use of the trade mark is necessary to indicate the intended purpose of a product or service, in particular as accessories or spare parts.
2. Paragraph 1 shall only apply where the use made by the third party is in accordance with honest practices in industrial or commercial matters.

3. A trade mark shall not entitle the proprietor to prohibit a third party from using, in the course of trade, an earlier right which only applies in a particular locality, if that right is recognised by the law of the Member State in question and the use of that right is within the limits of the territory in which it is recognized.

Article 15 of the 2015 TM Directive

Exclusion of rights conferred by a trade mark

1. A trade mark shall not entitle the proprietor to prohibit its use in relation to goods which have been put on the market in the Union under that trade mark by the proprietor or with the proprietor's consent.
2. Paragraph 1 shall not apply where there exist legitimate reasons for the proprietor to oppose further commercialisation of the goods, especially where the condition of the goods is changed or impaired after they have been put on the market.

C. Cases

1. EU—CJEU—Did Article 14(c) of the 2015 TM Directive expand the scope of the trademark referential use exception to include “general referential use” or was such use implicit in the (prior) 2008 TM Directive?

In *Inditex v. Buongiorno Myalert*,⁶⁶ the CJEU ruled that the scope of the referential use exception in relation to trademark infringement was extended by the 2015 TM Directive to include “general use” that is referential in nature. Prior to the introduction of the 2015 TM Directive, the referential use exception only applied to situations where it was necessary to use a trademark to indicate the intended purpose of a product or service.

In 2010, Buongiorno Maylert SA (“Buongiorno”), an Italian information service provider, launched an advertising campaign for its mobile networking service. Subscribers to the service were entered into a prize draw, which included a €1,000 “ZARA gift card” from the popular fashion retailer. When clicking on a banner to access the prize draw, subscribers were shown a ZARA trademark within a rectangle, resembling a physical ZARA gift card.

The owner of the Spanish ZARA, Industria de Diseño Textil SA (“Inditex”), sued Buongiorno for trademark infringement, claiming

⁶⁶ Industria de Diseño Textil SA (Inditex) v. Buongiorno Myalert SA, Case C-361/22 (EU:C:2024:17).

that its actions created a likelihood of confusion with its national ZARA trademarks and intended to take advantage of and cause detriment to the trademarks' reputation. In support of its complaint, Inditex relied on the Spanish Ley 17/2001 de Marcas, which transposed the 2008 TM Directive. Buongiorno denied infringement on the grounds of referential use, on the basis that the use was merely a reference to the prizes on offer to subscribers. Buongiorno relied on Article 37(1) of the Ley 17/2001, which transposed Article 6(1)(c) of the 2008 TM Directive only, as the 2015 TM Directive was not in force at the time of the allegations. The claim was dismissed by the first instance court, on the basis that the use did not fall within the narrow referential use exception, which required the use to be "necessary to indicate the intended purpose of a product or service, in particular as accessories or spare parts."

Inditex appealed to the Spanish Supreme Court, which referred the case to the CJEU for a preliminary ruling. The key issue concerned the scope of the referential use defense in relation to the differences between Article 6(1)(c) of the 2008 TM Directive (which was in force at the time of the facts) and Article 14 of the 2015 TM Directive. The question before the CJEU was therefore whether the 2008 TM Directive should be read as implicitly including general referential use, as described in the 2015 TM Directive, or whether the scope of the referential use exception had been purposefully expanded by the 2015 TM Directive. The CJEU concluded that Article 6(1)(c) of the 2008 TM Directive had a narrower scope than Article 14(1)(c) of the 2015 TM Directive and that the 2015 TM Directive had purposefully expanded the referential use defense to include a "general referential use" exception.

The CJEU considered the wording, context, objectives, purpose, and legislative history of the EU law provisions. The Court held that the wording of the two Directives illustrated that Article 14(1)(c) of the 2015 TM Directive had incorporated Article 6(1) of the 2008 TM Directive and widened its scope. This analysis was found to align with the objective of Article 6(1)(c) of the 2008 TM Directive, which was to allow providers of goods or services that are supplementary to those of another trademark mark proprietor to use that mark to provide better information to consumers.⁶⁷ In relation to the legislative history, the court referenced the 2013 Proposal for the 2015 TM Directive,⁶⁸ which confirmed that the purpose of Article 14(1)(c) of the 2015 TM Directive was to expand the parameters of the referential use exception, not merely to clarify it. Therefore, taking these points together, the CJEU held that the 2015 TM Directive had purposefully expanded the scope of the referential use defense.

⁶⁷ Gillette Company and Gillette Group Finland, Case C-228/03 (EU:C:2005:177).

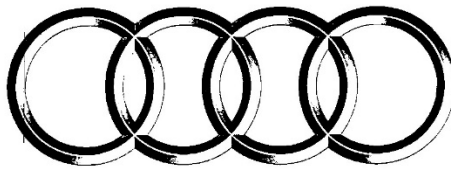
⁶⁸ COM (2013) 162.

The CJEU's decision indicates that the referential use defense should be interpreted more broadly, despite the use of the phrase "in particular" within the 2015 TM Directive. Thus, the current test is whether the trademark mark has been used "for the purpose of identifying or referring to goods or services as those of the proprietor of the trademark," as long as that use is "in accordance with honest practices." Moving forward, claimants should consider the extent to which the use they are objecting to corresponds with "honest practices."

2. EU—CJEU—Do spare-part car parts designed to accommodate trademarks infringe such marks, where the affixing element itself is similar or identical to the original manufacturer's trademark?

In *Audi AG v. GQ*,⁶⁹ the CJEU ruled that selling spare parts for motor vehicles that have been customized so that a particular third-party trademark can be attached to it could potentially infringe that mark where the portion of the part for attaching the trademark itself is identical or similar to the trademark. It was also determined that the "referential use exception" under Article 14(1)(c) of the 2017 EUTM Regulation was not a valid defense where the defendant's intention was to replicate another motor vehicle's car part as closely as possible.

Audi owns EUTMs for the four interlinked rings logo ("the Audi EUTM") for goods in Class 12, namely "land, air and water vehicles, parts and constituent parts of such articles included in this class, including engines":



The defendant ("GQ") was an individual who sold aftermarket parts for AUDI vehicles. This included radiator grilles, which were customised and designed for AUDI models from the 1980s and 1990s, to distributors through an online website. The grilles contained an element in the shape of the AUDI logo, designed for customers to attach genuine AUDI rings onto it. In 2020, Audi sued GQ for trademark infringement before the Regional Court of Warsaw, claiming that GQ's radiator grilles featured a sign identical with, or similar to, the Audi EUTM and therefore

⁶⁹ Audi AG v. GQ, Case C-334/22 (ECLI:EU:C:2024:76).

constituted trademark infringement. Audi sought an injunction to prevent GQ from importing, selling, and advertising its radiator grilles. GQ defended the claim, in part based on a widely accepted industry practice for vehicle manufacturers to allow non-original radiator grilles to incorporate an element where brand emblems can be attached.

The Warsaw court referred the case to the CJEU, seeking guidance as to whether GQ's conduct would amount to trademark infringement. Specifically, the national court requested direction on whether it was necessary to consider an equivalent "repair clause" that already exists in design law (under Article 110 Community Design Regulation No. 6/2002) in respect of spare parts. This clause states that a Community design right will not prevent a third party from using a protected design which forms a component part of a complex product, where it is used to repair the product to restore its original appearance. If the "repair clause" was to remain absent under trademark law, the Warsaw court asked whether selling the grilles constituted "use in the course of trade" within Article 9(2) of the 2017 EUTM Regulation. The Warsaw court also sought guidance as to whether the "referential use" exception under Article 14(1)(c) of the 2017 EUTM Regulation would apply to the use of the AUDI rings trademark on the radiator grilles.

The referring court had confirmed the area element used for affixing the AUDI rings trademark was itself identical or similar to Audi's EUTM. The CJEU held this to be a deliberate commercial choice, in order to make the grille as similar as possible to the original AUDI grilles. Given the affixing element was identical or similar to the AUDI rings trademark, it followed that the shape of the affixing element was capable of being a "sign." Further, as the use was designed to obtain an economic advantage and was not in a private capacity, the requirement for "use in the course of trade" was also satisfied.

The fact that the sign was affixed to a spare part was not capable of altering this finding, regardless of the exception under Article 110 Community Design Regulation No. 6/2002. The CJEU asserted that the "referential use" defense under Article 14(1)(c) of the 2017 EUTM Regulation already achieves the objective of preserving undistorted competition, which is also the rationale for the "repair clause" under design law. Furthermore, the CJEU ruled that the "referential use" defense did not apply in this instance. It was determined that the shape of the AUDI emblem was a commercial choice made by GQ, to market a radiator grille that closely resembled the original AUDI-branded grille. This was in contrast to situations where the trademark is only used to indicate that the spare parts are intended to be compatible with a specific motor vehicle brand but fell short of attaching the trademark to those spare parts.

The CJEU's decision appears to contradict the Advocate General's previous conclusions, which suggested that GQ's conduct would not amount to "use of a sign in the course of trade."⁷⁰ As the "repair clause" in design law has no equivalent in trademark legislation, it is unlikely that the "referential use" defense would offer protection where third-party suppliers use identical or similar signs on spare parts to replicate originals, even if this is solely to replicate the appearance of the original part.

3. The Netherlands—District Court of The Hague— Can the further commercialization of customized exhausted goods amount to trademark infringement?

In *The LEGO Group v. HA Bricks*,⁷¹ the District Court of The Hague delivered an interesting decision concerning customization. The court ruled that the LEGO Group has legitimate reasons to oppose further commercialization of exhausted goods where the condition of the goods is changed or impaired after they have been put on the market.



The LEGO Group initiated a trademark infringement action against HA Bricks, which designs and commercializes customized train-building sets, as well as individual parts for such sets, using *original* LEGO bricks and LEGO minifigures. The defendant's products include at least one LEGO brick or LEGO minifigure that, after being put on the market in the EEA by or with the consent of the LEGO Group, has been modified by fitting a metal ball bearing into the brick or printing on the respective original element.



⁷⁰ Cases C-148/21 and C-184/21.

⁷¹ District Court of The Hague, May 28, 2024 (ECLI:NL:RBDHA:2024:7992), IER 2024/36, ICIP Ing.-Cons., 2024, p. 406. *The LEGO Group v. HA Bricks*, 2024, p. 406.

The central issue for the court was whether HA Bricks could successfully rely on the principle of trademark rights exhaustion under Article 15(1) of the 2017 EUTM Regulation, or whether the LEGO Group could invoke the exception under Article 15(2) of that Regulation due to legitimate reasons for opposing further commercialization of the goods. The court found that such legitimate reasons existed for the LEGO Group. Specifically, it held that the modifications were permanently connected to the LEGO elements, resulting in a change in their condition as referred to in Article 15(2) EUTM Regulation without the LEGO Group's permission.

A key part of the debate was whether a successful reliance on Article 15(2) of the 2017 EUTM Regulation also requires harm to one of the trademark functions, in addition to a change in condition. Although the court intentionally did not answer this fundamental question, it considered that this requirement, insofar it would exist, was met in this case. First, it found that the modifications—that were not deemed to be changes of only minor significance—detract from the quality guarantee function of the LEGO trademarks because the LEGO Group cannot control how these changes are made by third parties. Consequently, the LEGO Group cannot guarantee their quality, while consumers might associate these altered elements that still bear the LEGO trademarks with the LEGO Group (also post-sale). Some modifications were even proven to have impaired the quality. Second, printing on LEGO bricks may affect the origin function of the LEGO trademarks, especially if it involves names, logos, or trademarks used by unaffiliated third parties. This could lead consumers to mistakenly believe there is an economic link between the LEGO Group and those third parties.

Disclaimers (whether in the footer or product description on the website, or on the instruction manual or packaging of the product) were deemed insufficient to prevent post-sale confusion.

4. Belgium—Brussels Court of Appeal—What happens when a pseudonym and a trademark collide?

In 2016, a Belgian fashion designer created a colorful clothing collection under the name “Odile Jacobs.” It is a combination of her first name and her husband's surname. She used that name for promoting her activities. In 2018, the designer and her husband incorporated the Belgium-based company Odile Jacobs to continue the business. Both the designer and her husband were the directors of that company.

The company registered the ODILE JACOBS EUTM in 2019 for clothing in Class 25 and related services in Class 35. In 2021, the couple split up and the fashion designer ceased to be a director of the company. Her ex-husband remained a director of the company.

In 2022, the Odile Jacobs company offered clothing under the ODILE JACOBS mark for sale on its website. The designer opposed the use of that name.

The court noted that the fashion designer had been operating under the name “Odile Jacobs” since 2016, which was before the incorporation of the company Odile Jacobs and before the registration of the ODILE JACOBS EUTM (held by the company). Consequently, the fashion designer held a prior right to the pseudonym “Odile Jacobs.” The court ruled that the mere fact that this name was a combination of her own first name and her then-husband’s surname did not change anything. Indeed, while generally ex-spouses lose the right to use each other’s names after divorce, an exception applies if one ex-spouse has acquired an intellectual property right over the other ex-spouse’s name by using it as a pseudonym during their marriage with their spouse’s consent at that time, which was applicable in this case.

The right to a pseudonym, treated by analogy with the right to a name by the court, could therefore constitute a prior right allowing for cessation of trademark use under Article 137 in conjunction with Article 60(2) of the 2017 EUTM Regulation. The court ruled in favor of the fashion designer and granted a pan-European injunction against the use of the “Odile Jacobs” mark by the company.

5. Denmark—The Danish Eastern High Court—Can artistic freedom of expression justify the use of a third-party trademark?

On September 23, 2024, the Danish Eastern High Court (“EHC”) rendered its decision in the *Irmapien* (English: “Irmagirl”) case.⁷²

Coop Danmark A/S (“Coop”) filed on June 21, 2023, an action for a preliminary injunction with the Maritime and Commercial Court (“MCC”) against Artpusher Gallery ApS (“AP”) and the principal shareholder of AP (the “owner”).

Coop is a Danish public limited company that owns and operates a large number of supermarket chains in Denmark. Until January 31, 2023, Coop also operated a chain under the name “IRMA.”⁷³

Coop is the proprietor of Danish trademark registration no. VR 1949 00635 IRMA (word) and Danish trademark registration no. VR 2002 00847 COOP (word). Moreover, Coop is the proprietor of the following Danish trademark registrations comprising figurative marks as shown below (all trademarks of Coop collectively referred to as the “Coop Trademarks”):

⁷² Case No. BS-162/2024-OLR.

⁷³ The chain has been very popular in Denmark with roots going back to 1886. The closing down resulted in protests and demonstrations.



Figurative trademark (VR 2011 0022) “Irmapijen”



Figurative trademark (VR 2010 01401)

AP is a Danish private limited company founded in 2018, operating an art gallery located in Copenhagen that mainly deals with the sale of art made by the owner.

The owner exploited the Coop Trademarks comprising “Irmapijen” and the words “Irma” and “Coop” by displaying them in his artwork as well as on various merchandise such as coffee mugs and posters.

In 2022, AP and the owner first started using “Irmapijen” in connection with the Danish music festival Roskilde Festival, where the owner created different versions of “Irmapijen,” e.g., by reproducing “Irmapijen” with a beer and cigarette in her hands. The different versions were printed on t-shirts, mugs, hats, and posters, among other things, which were sold at the festival and on AP’s website.

After Coop’s announcement that the IRMA chain of supermarkets would cease operations on January 31, 2023, the owner created several additional artworks using “Irmapijen” as a motive, including one displaying a statement “Fuck Coop” (see below):



Example of a version of “Irmapijen”

On June 21, 2023, Coop filed a preliminary injunctive request against AP and the owner's marketing and sale of the works and merchandise exploiting the Coop Trademarks, citing, *inter alia*, Section 4(2)(3) of the Danish Trademark Act.⁷⁴ AP and the owner relied on the right to artistic freedom of expression based on, *inter alia*, the European Convention on Human Rights Article 10.

On December 5, 2023, the MCC granted a prohibition and injunction against AP and the owner for the use of the trademarks. AP and the owner appealed the decision to the EHC.

It was undisputed before the EHC that the Coop Trademarks were reputed in Denmark, *cf.* Section 4(2)(3) of the Danish Trademark Act.⁷⁵ However, the scope of protection afforded to Coop's reputed trademarks *vis-à-vis* AP and the owner were disputed. The EHC initially noted that the provision must be interpreted in accordance with the case law of the CJEU, including the Trademark Directive.⁷⁶ Recital 27 of the Directive emphasizes that artistic expressions must be in accordance with *fair trade practices* while the Directive must be applied so as to *safeguard fundamental rights*, including the right to freedom of expression.

The EHC then considered the evidence presented containing the infringements of AP alleged by Coop. It was the MCC's assessment that there was a likelihood of confusion, and that AP had carried out extensive marketing with "Irmapien" as the main motif, and with reproduction of the word marks IRMA and COOP. All together this had a *significant commercial purpose*.

Next, the EHC considered the artistic freedom of AP (and the owner). The court noted that several of the versions of "Irmapien" made by AP contained political statements and expressions, such as "Stop climate change now," which were of social importance as they were topics in the public debate. Despite this, the EHC made it clear that artistic freedom of expression does not provide an unlimited right for AP and the owner to use the Coop Trademarks. Referring to the CJEU case *Constantin Film Produktion v. EUIPO*,⁷⁷ the court subsequently weighed the protection of trademarks against artistic freedom of expression.

Moreover, the EHC found that the extensive exploitation of the Coop Trademarks relating to "Irmapien" and the word mark IRMA, including the fact that the owner publicly had stated that he had "adopted Irmapien," was likely to give the impression that AP had acquired the trademarks. Furthermore, the intensive use entailed a significant risk of dissolution of the identity of the

⁷⁴ Equivalent to Art. 10(1)(c) of the 2015 TM Directive.

⁷⁵ *Id.*

⁷⁶ Directive (EU) 2015/2436 of the European Parliament and of the Council.

⁷⁷ Case C-240/18, *Constantin Film Produktion v. EUIPO*.

trademarks, which diminished their indication of origin.⁷⁸ The EHC noted that this created a substantial risk of jeopardizing the function of the trademark.⁷⁹ On this basis, the EHC found that the artistic freedom of expression could not justify the use of the trademarks and therefore constituted an infringement of Section 4(2)(3) of the Danish Trademark Act.⁸⁰

Interestingly, the EHC reached the opposite result in terms of the Coop Trademarks relating to the word mark COOP. The EHC emphasized that the use had been significantly limited and was found to be within the framework of what Coop should tolerate in respect to the owner's artistic freedom of expression. Hence, the use of the word mark COOP by AP and the owner did not amount to an unfair advantage or be detrimental to Coop pursuant to Section 4(2)(3) of the Danish Trademark Act.⁸¹ The court noted that the potential for damage to the COOP brand as a result of the exploitation by AP and the owner could not lead to a different result. Based on the above, the EHC granted a preliminary injunction against the use of AP of the figurative marks of "Irmapien" and the word mark IRMA.

6. Belgium—Brussels Business Court—Did the refurbishment of goods in which the trademark rights were exhausted amount to an act of infringement?

The French company Roset, which markets design furniture, holds various registrations in the EU and the Benelux, including the word marks LIGNE ROSET and TOGO, as well as the following three-dimensional mark:



⁷⁸ See *cf.* para. 39 and 40 of Case C-487/07, L'Oréal and Others.

⁷⁹ See *cf.* Case C-102/07, Adidas and adidas Benelux.

⁸⁰ Equivalent to Art. 10(1)(c) of the 2015 TM Directive.

⁸¹ *Id.*

The company Asar acquired original used furniture of the LIGNE ROSET or TOGO trademarks and altered their condition without the authorization or oversight of Roset by changing the foam and replacing the covering fabric, and then resold the refurbished goods under the LIGNE ROSET or TOGO marks.

Roset opposed these practices and initiated proceedings before the Brussels Business Court.⁸² It argued that this constituted a use contrary to Article 9(2)(a) of the 2017 EUTM Regulation and its Benelux equivalent (use of identical signs for identical products). The court followed this argument, noting that Asar reproduced Roset's trademarks in its advertising and reattached the original LIGNE ROSET label on the altered sofas.

In defense, Asar alleged the exhaustion of Roset's trademark rights. However, the Brussels court rejected that defense in finding that, in the present case, Roset had legitimate reasons to oppose further commercialization of the goods, particularly when their condition has been changed or impaired after they have been put on the market. The court found it established that Asar significantly modified and altered the condition of the sofas it purchased and resold, ruling out any minor intervention. Furthermore, the court rejected Asar's claim that Roset had not proven that Asar's refurbishment did not meet Roset's quality standards: it suffices that the alteration was done without the trademark owner's consent. As a result, Asar's activities undermined Roset's trademarks' function of indicating origin and their underlying guarantee of quality. These activities created confusion among consumers regarding the commercial origin of products marketed by Asar by leading them to believe there was an economic link with or endorsement from Roset. The Brussels Court ruled in favor of Roset and granted a pan-European injunction.

7. UK—IPEC—Did the original brand owner have legitimate grounds to object to the further commercialization of refurbished goods?

In *AGA Rangemaster Group v. UK Innovations Group*,⁸³ the UK Intellectual Property Enterprise Court ("IPEC") ruled that a company selling refurbished and "retrofitted" AGA cookers had infringed AGA's registered trademarks. AGA also attempted to claim copyright infringement of one of its design drawings of an AGA control panel, and that Mr. McGinley (the inventor of the defendant's "eControl System" and director of its operations) was liable as a joint tortfeasor.

⁸² Pres. French-speaking Brussels Business Court, July 12, 2024, ICIP Ing.-Cons., 2024, p. 647-663.

⁸³ [2024] EWHC 1727 (IPEC).

AGA manufactures and sells the widely known AGA range cookers, versions of which have been sold in the UK since 1929. The first defendant (“UK Innovations”) refurbishes AGA cookers and retrofits them with its “eControl System,” which allows the AGA cookers to be converted from running on fossil fuels to running on electricity. The retrofitted eControl cookers (the “eControl Cookers”) retained the AGA badges and externally looked the same as their AGA equivalent, apart from the temperature gauge being replaced by an “eControl System” badge.



AGA owns a number of UK registered trademarks, including the word “AGA,” the AGA logo, and images of an AGA cooker in both two dimensions and three dimensions. It was mutually agreed that the sale of the refurbished eControl Cookers by UK Innovations under the AGA marks fell within trademark infringement under Section 10(1), (2), and (3) of the Trade Marks Act 1994 (“TMA”).

UK Innovations claimed, however, that AGA’s rights in the AGA trademarks had been exhausted and that they were therefore entitled to rely on the defense as contained in Section 12 of the TMA. AGA objected to the defense under Section 12(2) of the TMA, which states that a trademark proprietor may oppose resale of goods under its mark if it has a “legitimate reason” to do so. IPEC ruled that AGA did have legitimate reasons to oppose UK Innovations’ resale because of the way in which the eControl Cookers had been marketed and sold. While the refurbishment and conversion work to the cookers was not itself sufficient to give AGA legitimate reasons under Section 12(2), UK Innovations were marketing the eControl Cookers in such a way that customers would have had the mistaken impression that there was a commercial connection between AGA and UK Innovations. For instance, statements on UK Innovations’ website to “Buy an eControl Aga,” “Controllable Aga Cookers,” and options to purchase an eControl Cooker in numerous possible “Aga Colours,” were taken on the whole as likely to give

customers the mistaken impression that they were being offered an AGA-endorsed product.

The judgment referenced extensive case law from the CJEU stating that resellers seeking to rely on the exhaustion defense must actively take steps to dispel any impression of a commercial connection between the trademark proprietor and the reseller. UK Innovations' website and its pre-delivery invoices had the opposite effect.

Finally, AGA argued that the director of UK Innovations, Mr. McGinley, was liable for the infringements personally as a joint tortfeasor because he ran the day-to-day operations of UK Innovations and had control of its actions.

For Mr. McGinley to have been liable for the trademark infringement as an accessory, he must have had the "requisite knowledge." This knowledge amounts to knowledge of the "essential facts that made that act unlawful." IPEC was unable to find on the evidence that Mr. McGinley had the requisite knowledge that UK Innovations' activities were liable to affect the function of the AGA marks, or that they might give rise to a likelihood of confusion. Therefore, he did not have the necessary knowledge that the activities would be unlawful and could not be held liable as a joint tortfeasor.

8. Switzerland—Swiss Federal Supreme Court—Does customization of branded products infringe?

In the *Rolex* case,⁸⁴ the Swiss Federal Supreme Court ("FSC") was required to determine whether the business activities of a company specializing in the customization of ROLEX watches without the brand owner's consent constituted an infringement of trademark rights under the Swiss Trademark Protection Act ("TmPA") and a violation of the Swiss Unfair Competition Act ("UCA"). The first instance decision was reported in last year's Review.

The dispute concerned Rolex, the globally renowned luxury watchmaker, and the defendant, a Geneva-based company specializing in the customization of luxury watches, including those manufactured by Rolex. This customization mainly consisted of replacing certain parts, modifying technical features, and similar alterations. Rolex explicitly opposed this practice and stated that it did not consent to any modifications to its watches or the use of its trademark. Nevertheless, the defendant continued its operations, offering customized Rolex watches through its website. The company emphasized its independence from Rolex, providing

⁸⁴ 4A_171/2023 of January 19, 2024.

customized watches with a private warranty, while voiding the original Rolex guarantee.

Initially, in December 2022, Rolex brought an action before the High Court of the Canton of Geneva, seeking to prohibit the defendant from advertising, offering, or selling its counterfeit products. The claim was based on allegations that the defendant's business activities infringed Rolex's trademark rights and unlawfully exploited its worldwide reputation. In February 2023, the High Court of Geneva had ruled in favor of Rolex, issuing an injunction prohibiting the defendant from using ROLEX trademarks, combining them with other logos or names, and offering modification services for ROLEX watches.

The defendant subsequently appealed to the FSC, arguing that the lower court's decision should be overturned or remanded for further review. The FSC found in favor of the defendant.

The FSC had never previously addressed the question of whether the personalization of a branded product—carried out at the request of its owner, in exchange for payment, and without the brand owner's consent—is permissible under the provisions of the TmPA and the UCA. In its legal analysis, the Court drew a distinction between two business models involving the personalization of branded watches.

The first scenario considered by the FSC involves a company providing customization services for branded watches solely at the request of the owner. This practice is generally lawful, provided the service provider acts solely at the owner's request and the customized watch is returned to its rightful owner without being (re)marketed. The second scenario concerns the marketing of modified watches that still bear the original brand name. Without authorization from the trademark owner, this activity typically constitutes a violation of the TmPA.

In the present case, the defendant customized watches only upon the watch owner's request, thereby potentially removing and reapplying the brand's markings alongside its own insignia. These modifications were carried out internally and the watches were returned to the owners for personal use, without being remarketed. The Court, in its judgment, held that this practice respects the trademark owner's exclusive rights, even when involving high-profile trademarks, as the private use of customized items is legally permissible under Swiss trademark law.

Furthermore, the Court found that the defendant's activities did not constitute unfair competition, as they had no impact on the market, which would be a necessary criterion for such a finding. The original watches are legally owned by the clients and customized strictly for personal use. The fact that Rolex's trademark, as rightly noted by the cantonal court, is widely recognized as a trademark with a high reputation under Article 15 of the TmPA does not alter

this assessment. The limitations imposed by trademark law on private use apply equally to trademarks of high reputation. Consequently, other than had been held by the lower instance, the FSC determined that the defendant's current business model complies with Swiss trademark law and the rules governing unfair competition.

The case also raised the question of whether the manner in which the defendant offered its services or advertised its activities violated the provisions of the TmPA or the UCA, in particular by falsely creating the appearance of co-branding. On this point, however, the FSC concluded that the facts of the case had not been sufficiently established and therefore referred the case back to the lower court for reconsideration.

VIII. PRACTICE AND PROCEDURE

A. Introductory Comments

This final Part VIII contains cases that are of more general interest to brand owners and trademark practitioners, containing important points of principle or updates on trademark practice and procedure affecting EUTMs or national trademarks in the EU or other European countries.

In *EU IPO v. Indo European Foods*, questions of Brexit remain relevant as the CJEU confirmed that the Board of Appeal was entitled to annul a decision by the GC, even where it related to a right that had ceased to be protected by EU law (here the UK's doctrine of passing off). The GC also gave interesting (and rare) guidance on the issue of protected designations of origin ("PDOs").

In national decisions, the Spanish courts gave guidance upon damages entitlement and crucially limited a pan-EU injunction to territories where confusion was likely to arise. The Swedish courts considered the compatibility of protection of company names with EU law, while the Italian Supreme Court gave much needed guidance on questions of co-ownership. Elsewhere, the IP Court of Türkiye questioned whether TURKISHPATENT has the ability to limit a list of goods and services by rejecting those specific to a particular locality. Finally, the Swiss courts provided guidance on the curious concept of "agency" trademarks.

B. Legal Texts

None applicable in this Review.

C. Cases

1. CJEU—Can a GC decision still be annulled by the Board of Appeal in EUTM opposition proceedings, where the right relied upon as basis of that opposition ceases to be protected?

In *EUIPO v. Indo European Foods*,⁸⁵ the CJEU confirmed that the Board of Appeal could annul a decision by the GC, even if it related to a right that had ceased to be protected by EU law, such as the UK's doctrine of passing off.

The case concerned an opposition raised by Indo European Foods to a figurative EUTM, on the basis of an earlier UK unregistered right in the word “BASMATI” under the UK doctrine of passing off:



On June 14, 2017, Mr. Chakari filed an EUTM application for the figurative mark shown above, seeking protection for goods made from rice in Classes 30 and 31. On October 13, 2017, Indo European Foods submitted a notice of opposition based on its earlier unregistered rights in the word “BASMATI,” invoking Article 8(4) of the 2017 EUTM Regulation. Indo European Foods claimed that it had the right to prevent the use of the mark based on its unregistered rights in the word “BASMATI” under the UK doctrine relying on passing off.

On April 5, 2019, the Opposition Division rejected the opposition in its entirety, stating that the evidence provided by Indo European Foods was insufficient to demonstrate under Article 8(4), that the earlier mark had been used in a way that had more than mere local significance before the relevant date and in the relevant territory.

Indo European Foods appealed the decision to the EUIPO's Fourth Board of Appeal on May 16, 2019. The Board of Appeal dismissed the appeal, ruling that Indo European Foods had not proven that the name “Basmati” could prevent the use of the contested mark in the UK based on passing off.

⁸⁵ Case C-801/21 P (CJEU, June 20, 2024).

Indo European Foods subsequently filed an application at the GC for the annulment and alteration of the Board of Appeal's decision. During these proceedings, the EUIPO raised the point that the proceedings no longer had a purpose following Brexit, as the earlier UK right was no longer a valid ground of opposition in the EU. Upon the expiry of the Brexit transition period on December 31, 2020, the EUIPO argued that both the opposition proceedings and the action before the GC were now devoid of purpose, and that Indo European Foods no longer had a legal interest in bringing the proceedings before the GC.

The GC, however, ruled that, despite the Brexit transition period ending, the subject matter of the dispute was the decision of the Board of Appeal. Indo European Foods' interest in the proceedings persisted because the action was based on that decision, not on the UK unregistered rights in "Basmati" that were central to the opposition before the EUIPO. Since the Board of Appeal's decision had been made before the transition period ended, Indo European Foods retained an interest in the case until the GC proceedings were concluded.

The EUIPO appealed the GC's ruling to the CJEU. The CJEU dismissed the appeal, citing previous case law. It confirmed that unless the Board of Appeal's decision had been formally withdrawn, the dispute retained its purpose. Since the decision had not been withdrawn, the GC was correct in finding that the case still had a valid objective. The Court also noted that it could be inferred from the GC's reasoning that, irrespective of the EUIPO's arguments, the GC duly verified whether Indo European Foods did actually have an interest in bringing the proceedings.

The CJEU explained that the GC could raise, of its own motion, the issue of a party's lack of interest at any stage in the proceedings. For Indo European Foods to have sufficient legal interest, the case must be capable, if successful, of procuring an advantage. The Court concluded that the GC was justified in finding that the dispute still had purpose, because overturning the Board of Appeal's decision could allow Indo European Foods to secure the protection of its earlier mark, which would be advantageous.

2. EU—GC—Should registration of HALLOUMI as a protected designation of origin in the EU be maintained?

In *Papouis Dairies and Others v. Commission*,⁸⁶ the GC considered an action brought by a number of Cypriot dairy companies seeking the annulment of the Commission's Implementing Regulation (EU) 2021/591, registering the name

⁸⁶ Case T-361/21 (GC, February 21, 2024).

“Χαλλούμι” (Halloumi)/“Hellim” as a protected designation of origin (“PDO”). In the proceedings before the GC, the Commission was supported by the Republic of Cyprus.

Halloumi, a traditional Cypriot cheese, is made from sheep’s or goat’s milk, or a blend of both, with or without cow’s milk, and is renowned for its distinctive ability to resist melting at high temperatures. The application to register the name as a PDO was submitted by several Cypriot companies and organizations in 2012, based on the Cypriot production standard CYS 94 of 1985, which outlines the required milk composition for Halloumi. Specifically, the application sought to have the standard interpreted as mandating that Halloumi producers use more than 50 percent sheep’s or goat’s milk, meaning that the proportion of cow’s milk must not exceed that of sheep’s and/or goat’s milk.

The application for registration was published in the Official Journal of the European Union in 2015, and the European Commission received several oppositions. The Republic of Cyprus held consultations with the opponents, but the consultations did not result in any agreement. On April 12, 2021, the Commission adopted the contested regulation. After the adoption, on June 14, 2021, the Administrative Court in Cyprus overturned certain acts adopted by the Cypriot authorities as part of the national procedure preceding the lodging of the application for registration with the Commission.

In the action brought before the GC, the applicants argued that the European Commission had failed to provide a sufficient statement of reasons for the contested regulation, thus infringing Article 296 of the Treaty on the Functioning of the European Union⁸⁷ (“TFEU”). In its judgment, however, the GC stressed that the contested regulation clearly outlined the procedural stages following the PDO registration application, addressed opposition arguments, considered the situation in Cyprus, and referenced relevant EU law provisions, providing sufficient reasons why the name met PDO requirements and should be registered. The GC concluded that the regulation complied with the requirements of Article 296 TFEU, enabling the applicants to understand the Commission’s reasoning and facilitating judicial review.

The applicants also claimed irregularities in both the national and EU-level opposition procedures. They claimed that the national opposition procedure did not provide a reasonable period for objections and that the consultations were not properly conducted. The GC, however, held that it lacked jurisdiction to rule on the lawfulness of measures taken by national authorities and that the Commission was not required to verify the lawfulness of the

⁸⁷ Case C-202/1.

national opposition procedure. Additionally, the GC found no irregularities in the EU-level procedure.

The applicants further argued that the length of the registration procedure was excessive, violating the principle of sound administration. While the GC recognized the principle of acting within a reasonable time, it determined that the applicants failed to show how the duration of the procedure impacted the content of the contested regulation. As a result, the GC concluded that any potential delay did not warrant the annulment of the regulation.

In their main claim, the applicants argued that the Commission had not sufficiently examined the application for registration, particularly regarding the interpretation of the CYS 94 production standard and the link between the product's characteristics and its geographical origin. However, the GC found that the Commission's examination was thorough and that the application met the requirements of Regulation No. 1151/2012. The GC also rejected the applicants' arguments concerning the market analysis and the fact that the vast majority of products previously produced and marketed did not meet the requirements of the specification for Halloumi. The GC stated that the situation of the undertakings marketing Halloumi, which relates to the conditions and circumstances under which companies produce and sell Halloumi, did not justify a different conclusion. The GC's position is based on the fact that it is not for the Commission to review the method of production of the product referred to in the specification of the designation in question, since that is the result of a decision taken at national level by the Member State, which retains a predominant role in this registration procedure.

Finally, the applicants argued that the Commission should have awaited the outcome of national judicial proceedings, which resulted in the above-mentioned Cypriot Administrative Court's judgment of June 14, 2021. However, the GC ruled that neither Regulation No. 1151/2012 nor the principle of sound administration required the Commission to suspend the registration procedure pending the outcome of national judicial proceedings. The GC further held that the subsequent annulment of the national measures did not automatically invalidate the Commission's regulation. In conclusion, the GC dismissed the action in its entirety, upholding the registration of "Χαλλούμι" (Halloumi) / "Hellim" as a PDO.

3. Spain—Appeal Court of Alicante—How should damages be calculated in trademark infringement actions?

In *Harmont & Blaine S.p.A. v. Contorno Textil S.L.*,⁸⁸ the Appeal Court of Alicante considered a trademark infringement action filed by the former against the latter for the use of a similar logo on clothing:



Plaintiff



GILBERT TECKEL

Defendant

The EUTM Court No. 1⁸⁹ originally upheld the complaint of Harmont & Blaine and ordered the defendant to cease his infringement and pay damages in an amount equivalent to the profits made by the defendant with the infringing mark.

The defendant appealed the decision before the Appeal Court of Alicante, solely in respect of the payment of damages. The defendant admitted that his activity constituted trademark infringement but considered that no damages were due because (i) the plaintiff had not sent a cease-and-desist letter prior to filing the complaint and (ii) the plaintiff had not established an entitlement to damages as it had not proved loss of sales.

The court rejects both grounds of appeal and confirmed the order to pay damages.

Regarding the first ground of appeal, the court confirmed that when the defendant is the one that affixes the sign to the goods and puts them on the EU market, it is directly liable for damages regardless of whether a cease-and-desist letter is sent prior to bringing the case to court.

On the second ground of appeal, the appeal court referred to a judgment of the Supreme Court⁹⁰ and concludes that when the criteria chosen to calculate the damages is the unfair profits made by the infringer, this does not require proof of actual financial loss suffered by the trademark owner. Instead, it is a restitutionary measure to prevent the infringer from retaining illicit profits.

⁸⁸ Judgment 503/24 of the EUTM Tribunal (Appeal Court of Alicante, Section 8) of October 14, 2024 (Appeal 85/2024).

⁸⁹ Judgment of January 24, 2024, EUTM Court No. 1 of Alicante, Proceedings No. 180/19.

⁹⁰ Judgment 504/2019 of the Supreme Court of Spain, Case PASAPALABRA, Cassation Appeal 3888/16, September 30, 2019.

4. Sweden—Swedish Patent and Market Court of Appeal—Is the protection of company names in Sweden compatible with EU law?

In Sweden, company names are granted similar protection to trademarks. According to Chapter 1, Section 8, of the Swedish Trademark Act (2010:1877) the holder of a company name or other business mark has the exclusive right to use the sign as a trademark. Furthermore, Chapter 1, Section 10, of the Trademark Act states that the exclusive right to a trademark under Chapter 1, Section 8, means that no party other than the holder, without its permission, may use a sign for goods or services in commercial activities if the sign is identical or similar to the trademark and is used for goods or services of the same or a similar type, where there is a risk of confusion, including the risk that use of the sign leads to the perception that there is a connection between the party using the sign and the holder of the trademark.

This means that the use of a trademark that is confusingly similar to a third party's company name may constitute an infringement of the exclusive trademark right to the company name. Similarly, according to Chapter 1, Section 3, of the Swedish Company Names Act (2018:1653), the holder of a trademark has the exclusive right to use the sign as a business mark. These corresponding provisions, wherein a trademark is granted the same protection as a company name and *vice versa*, is referred to as “cross-protection” (in Swedish: “det korsvisa skyddet”).

The Swedish Trademark Act implements the 2015 TM Directive. However, there is no provision in the Trademark Directive equivalent to the cross-protection found in Chapter 1, Section 8, of the Swedish Trademark Act. Article 5.4(a) of the 2015 TM Directive states that Member States may provide that a business mark (referred to in the Directive as “another sign used in the course of trade”) can constitute grounds for refusing the registration of a younger trademark if the sign confers on its proprietor the right to prohibit the use of a subsequent trademark. However, the 2015 TM Directive does not specify under what circumstances the proprietor of a company name may prevent the use of a sign as a trademark.

The question of whether the Swedish legislation on cross-protection between company names and trademarks is compatible with EU law has now been referred to the CJEU in a request for a preliminary ruling in the currently suspended case PMT 708-23 between Doggy AB (Doggy) and Purefun Group AB (Purefun).

By way of background, in November 2021, Doggy filed an action in the Swedish Patent and Market Court against Purefun. In the case, Doggy claimed that the Court should prohibit Purefun from using the trademark DOGGIE in commercial activities in relation to animal foodstuffs and other products and accessories for animals

and, in addition, order Purefun to pay compensation of SEK 150.000 plus interest.

Doggy holds trademark registrations for DOGGY for animal foodstuffs in Class 31 in Sweden and, in addition, is proprietor of the company name Doggy AB. The registered business object (in Swedish: “verksamhetsändamål,” determining the scope of protection of the company name) of Doggy AB includes the manufacture and sale of animal foodstuff. Purefun operates under the domain name doggie.se and markets and sells various products and accessories for dogs, including animal foodstuffs. The business is conducted under the sign DOGGIE.

In the case, Doggy claimed that Purefun’s use of DOGGIE infringed Doggy’s trademarks and company name. The Patent and Market Court found that the use of DOGGIE constituted infringement of Doggy’s trademark and company name and ordered Purefun to pay compensation of SEK 150.000 plus interest, in accordance with Doggy’s claim.

Purefun appealed to the Patent and Market Court of Appeal. During the proceedings, questions arose about the interpretation of EU law, in particular about the Swedish cross-protection between company names and trademarks. The proceedings were stayed on May 20, 2024, for a request for a preliminary ruling to the CJEU regarding the interpretation of Articles 1 and 5.4 in the Trademark Directive.

The Patent and Market Court of Appeal referred the following questions to the CJEU:

1. In the light of the Treaty on the Functioning of the European Union and the fundamental principle of the free movement of goods and services under EU law, is it compatible with the provisions of the Trademark Directive, in particular Articles 1 and 5.4, to have a system under national law whereby *an earlier right in a company name may constitute a basis for prohibiting the use of a subsequent trade sign in the entire field of activity in respect of which the company name is registered and without any requirement that the company name must have been used to distinguish goods or services?*
2. If the answer to Question 1 is in the negative, is it compatible with the Trademark Directive and EU law in general for a company name, which is used per se as a sign to distinguish certain kinds of goods or services in the field of activity in respect of which the company name is registered, to constitute *grounds for prohibiting the use of a subsequent trade sign in connection with kinds of goods or services other than those in respect of which the company name is used as a sign?*

In its request for a preliminary ruling, the Patent and Market Court of Appeal pointed out that the registration of a company name in Sweden *automatically* grants the holder protection as if it were a registered trademark. In the Company Names Act, there is no requirement for a business owner to have used the company name as a trademark for the company name to be protected as a trademark. Even if a company name has not been used as a trademark, the holder of the company name may prevent others from using confusingly similar trademarks.

The exclusive right to a company name as a trademark is, however, limited to the business for which the company name is registered. A company name is registered with a specific business object. The business must be described clearly and specifically enough to be easily understood by anyone seeking information about the company. The Patent and Market Court of Appeal makes the example that it is not sufficient to state that the company will engage in trade; the types of goods the company will trade in must also be specified. However, there are no other requirements for the formulation of the business object—there is no classification system or requirement for clarity and precision of goods and services similar to the requirements for the registration of trademarks. This will often result in broad business objects, which often ends with the words “and related activities.”

When comparing a trademark with a company name, the similarity of goods and services is assessed based on whether the trademark pertains to goods or services related to the business object of the company name. Since there is no requirement for the company name to be used as a trademark, the wording of the Swedish provision in Chapter 1, Section 8, of the Trademark Act could provide broader trademark protection of a company name than a registered trademark.

Since there is no classification system or requirements for clarity and precision for a business object, when comparing a business object with the use of a trademark, it may be difficult to determine which types of goods or services should be compared in the similarity assessment. In practice, the assessment must be made by evaluating the goods or services in relation to the industry in which the company name is used. This could result in broader trademark protection through the registration of a company name than through the registration of a trademark.

The Patent and Market Court of Appeal also pointed out that the Swedish regulation could potentially make it possible to circumvent the requirement to clearly and precisely specify the goods or services for which trademark protection is sought. Granting trademark protection on different conditions from those provided for in the Trademark Directive could prevent foreign business operators from selling goods or services in Sweden, if it

infringes on someone else's company name, even though this is potentially not a trademark right supported by EU law. The Patent and Market Court of Appeal has pointed out that this could affect the free movement of goods and services within the EU. The guidance from the CJEU will be keenly awaited.

5. Italian Supreme Court—Joint ownership—Where a trademark is owned by two or more persons on a pro rata basis, shall the decision to grant an exclusive, royalty-free, perpetual license on said trademark be made by the majority of the owners or by all of them?

The decision of the Italian Supreme Court of April 19, 2024, in *Acanfora Giovanni v. Legea S.r.l., Acanfora Antonio and others*,⁹¹ takes a stand on one of the most controversial issues in Italian trademark law: how should the case in which the ownership of a trademark is held by more than one person be regulated?

In Italy this issue is addressed under Article 6 of the Italian Industrial Property Code (IPC), entitled “joint ownership,” whereby “if an industrial property right is owned by more than one person, the related rights are regulated *mutatis mutandis* by the provisions of the Civil Code related to joint ownership, unless agreed otherwise.”

The relevant provisions of the Italian Civil Code (CC) are the following: Article 1102, paragraph 1, CC whereby “each co-owner may use the asset jointly owned, provided that he/she does not alter its destination and does not prevent the other co-owners from making use of the same according to their rights as well”; Article 1108, paragraph 1, whereby “all innovations intended to improve the asset or to make its enjoyment more comfortable or profitable may be made by a resolution passed by a majority of the co-owners representing at least two-thirds of the total value of the common asset, provided that they do not impair the enjoyment of any of the co-owners . . .”; Article 1108, paragraph 3, CC, whereby “it is required the consent of all the co-owners for acts of disposal or the establishment of property interests over the common fund and for leases lasting for more than nine years.”

In its previous interlocutory decision of October 29, 2021, in the same case, the Italian Supreme Court referred the issue to the CJEU with a request for a preliminary ruling under Article 267 of the Treaty on the Functioning of the European Union (TFEU). The question referred was the following: “Are the EU rules [provided for in Article 10 of Directive 2015/2436 and Articles 9 and 25 of Regulation 2017/1001], in so far as they provide for the exclusive

⁹¹ *Acanfora Giovanni v. Legea S.r.l., Acanfora Antonio and others*, Case No. 10637 (Italian Supreme Court, April 19, 2024).

rights of the proprietor of an EU trade mark and, at the same time, for the possibility of such a mark being owned by several individuals in shares, to be interpreted as meaning that the assignment to a third party of the exclusive right to use a shared trade mark, free of charge and for an indefinite period, can be decided upon by a majority of the joint proprietors, or as meaning that it requires their unanimous consent instead?”

However, the CJEU did not give any guidance, since it just concluded that “First Council Directive 89/104 and Regulation No 40/94 must be interpreted as meaning that the question of whether the grant or the termination of a license to use a national trade mark or an EU trade mark held in joint proprietorship requires a unanimous decision by the joint proprietors or a decision by a majority of them comes within the scope of the applicable national law.” Therefore, the issue was referred back to the Italian Supreme Court, which had to apply the “national law.”

The Supreme Court found that “the grant of exclusive licenses to third parties is an act of disposal of the trade mark, since, by altering the destination of the asset and preventing the other co-owners from making use of it, it undermines the exclusivity of the right which is typical of industrial property rights,” and that “if disposed by majority, the grant of exclusive licenses on the trademark is detrimental to the exclusive rights of the dissenting co-owners.”

Therefore, the Supreme Court—by construing the grant of an exclusive license as a prejudicial act or act of disposal within the scope of Article 1108, paragraphs 1 and 3, CC—concluded that the grant of such a license requires unanimous consent.

6. Spain—EU Trademark and Design Court of Spain—Can a pan EU injunction be limited in scope to only those territories where a likelihood of confusion may arise?

The dispute between Consorfrut S.L. (plaintiff) and Vercom SAT (defendant) started in 2015, when Consorfrut filed an opposition against Spanish Trademark Application No. 3552296 “BOLLO PRIVILEGE” on the basis of its earlier EUTM-010685105 PRIVILEGE, both trademarks covering fruits and vegetables in Class 31. The opposition was rejected as the Spanish PTO concluded that there was no likelihood of confusion between the trademarks.


Once the decision of the Spanish PTO became final, Vercom filed EUTM Application No. 015940158 “BOLLO PRIVILEGE” fig. Consorfrut also opposed the EU application, and the opposition was upheld by the EUIPO Opposition Division.⁹² Vercom appealed the

⁹² Decision of Feb. 9, 2018, Opposition No. B2828880.


decision, and the EUIPO Board of Appeal rejected the appeal and confirmed the decision of the opposition decision.⁹³ The refusal decision became final.


On September 11, 2020, Consorfrut brought a legal action against Vercom before the EUTM Courts of Spain. Consorfrut claimed (i) that the defendants infringed its EUTM No. 10685105 (PRIVILEGE) by using trademark BOLLO PRIVILEGE, (ii) compensation for damages, and (iii) the invalidity of the Spanish trademark BOLLO PRIVILEGE that had been granted by the Spanish PTO.

In their reply, Vercom argued that the BOLLO PRIVILEGE mark had been in use since 2009 and was protected by a prior Registered Community Design No. 001941758-0004. They counterclaimed requesting the invalidity of Consorfrut’s EUTM PRIVILEGE, on the basis of lack of distinctiveness and also argued that it was anticipated by an earlier registered design. To deny likelihood of confusion, Vercom argued that trademark BOLLO is a leading brand in the fruit and vegetable sector, so it enjoyed a reputation not only in Spain but internationally.



PRIVILEGE





RCD- 001941758- 0004 Filed: Feb. 3, 2011 Vercom SAT	EUTM- 010685105 Filed. Feb. 29, 2012 Consorfrut S.L.	Spanish TM- 3552296 Filed: March 11, 2015 Vercom SAT	EUTM- 015940158 Filed: Oct. 18, 2015 Vercom SAT
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In its judgment of September 19, 2024,⁹⁴ the court ruled that PRIVILEGE had sufficient distinctiveness in the fruit and vegetable sector. It stated, in the same line as the EUIPO Opposition and

⁹³ EUIPO BoA Decision of November 21, 2018, Case R-618/2018-5.
⁹⁴ Judgment of the EU Trademark Court No. 1 of Alicante, Case 89/20, September 19, 2024.

Board of Appeal, that “PRIVILEGE” is not a term commonly used to describe fruit or vegetables, and that its meaning has a more abstract connotation. Therefore, it concluded that it was, at the most, merely allusive in those linguistic regions of the EU in which a meaning will be recognized. The court also found that by trying to register the trademark BOLLO PRIVILEGE, the defendant was admitting the distinctiveness of the mark. Therefore, the invalidity action based on lack of distinctiveness was rejected.

The invalidity action based on the prior registered design was also rejected. According to the court, the design had been filed to cover “Ornamentation for Packages,” offered a different overall impression to the word mark PRIVILEGE, and no use had been proved prior to the filing date of trademark PRIVILEGE.

It is judgment, the court carefully distinguished between the likelihood of confusion in Spain, where the BOLLO trademark was recognized as well known, and in the rest of the EU, where it lacked such recognition. As a result, the court rejected the invalidity action against the Spanish trademark, concluding that no confusion would arise in Spain due to the established reputation of BOLLO. However, for the rest of the EU, where the BOLLO mark did not enjoy the same level of recognition, the court upheld the infringement claim, determining that the use of BOLLO PRIVILEGE infringed the prior trademark PRIVILEGE and ordered discontinuation of use in all the EU Member States except Spain and a compensation for damages for the net profits made by Vercom in countries other than Spain. This ruling sets a significant precedent by emphasizing the possibility that in pan-European injunctions based on EUTM registrations, infringement may exist in some parts of the EU but not in others.

**7. Türkiye—Ankara 3rd IP Court—Does
TURKISHPATENT have the authority to partially
reject trademark applications by limiting the list of
goods and services, for example, by rejecting those
specific to a particular geographical territory?**

In Türkiye, the Ankara 3rd IP Court recently rendered a decision stating that the Turkish Patent and Trademark Office (“TPTO”) is not authorized to restrict the scope of trademark applications to a particular geographical territory during the opposition process, as such a restriction would alter the scope of the trademark. In the decision, it was explained that the TPTO’s authority is limited to registering or partially rejecting trademark applications based on the goods and services included in the application, without modifying or removing specific goods or services that do not appear in their original form.

The applicant had filed a trademark application bearing the word “SWISS” in Class 30 covering, inter alia, “Chocolate-based beverages. Confectionery, chocolates, biscuits, crackers, wafers” that Switzerland is famous for. An association protecting goods from Swiss origin (“the opponent”) filed an opposition against the trademark application based on Article 5/1(f) of 6769-numbered IP Law, which regulates the non-registrability of deceptive trademarks. The TPTO accepted the opponent’s arguments, concluding that if the application were to be registered to cover products from non-Swiss origin, it would mislead the public regarding the origin and quality of the goods. As a result, the TPTO partially rejected the trademark application for “Chocolate-based beverages. Confectionery, chocolates, biscuits, crackers, wafers **that are not of Swiss origin.**” The applicant filed an appeal against the TPTO’s decision before the Re-examination and Evaluation Board (“REEB”), and the REEB reaffirmed the TPTO’s decision.

The applicant appealed to the IP court, seeking the annulment of the REEB’s decision. An expert opinion confirmed that Switzerland is famous mainly for its chocolate industry and thus, a trademark application bearing the word “Swiss” for “Chocolate-based beverages. Confectionery, chocolates, biscuits, crackers, wafers” would be misleading when these products were not of Swiss origin. Despite the expert report agreeing with the misleading nature of the word “Swiss” for the goods subject to the TPTO’s decision, the IP court accepted the applicant’s appeal and annulled the TPTO REEB’s decision.

In the reasoning of the decision, it was explained that trademark applications can be registered and invalidated by the TPTO in terms of the goods and services included in the application, without modifying or removing specific goods or services that do not appear in their original form, and as the wording of goods list of the trademark application did not include “Chocolate-based beverages **that are not of Swiss origin.** Confectionery, chocolates, biscuits, crackers, wafers **that are not of Swiss origin,**” the REEB could not reject these goods. That is to say, “Chocolate-based beverages. Confectionery, chocolates, biscuits, crackers, wafers” could be accepted/rejected only in full, without any separation, *although this wording itself, in our view, includes goods both from Switzerland and goods that are not from Switzerland.* Therefore, the court found that partial refusal of a trademarks by limiting or amending the list of goods and services—specifically by rejecting goods to a particular geographical territory that do not appear separately appear in their original form—would be inappropriate, as it exceeds the duties of the Institution.

8. Switzerland—Swiss Federal Supreme Court—What constitutes an “agent trade-mark” under Swiss law?

In the “Glubschis” case,⁹⁵ the Swiss Federal Supreme Court (“FSC”) dealt with the interpretation of Article 4 of the Swiss Trademark Protection Act (“TmPA”), specifically addressing whether trademarks registered by affiliated entities or representatives of an authorized partner can fall under the concept of “agent trademarks,” which, according to the law, are trademarks registered in the name of agents, representatives, or other persons authorized to use them without the consent of their holder, and therefore do not enjoy any protection.

The dispute involves Ty Inc., a U.S.-based manufacturer of plush toys recognized for their oversized heads and eyes, and Carletto AG, a Swiss corporation managing intellectual property within the “Carletto Group.” Ty Inc. had entered into a distributorship agreement with Carletto GmbH in 2010, another entity within the Carletto Group, granting it exclusive rights to distribute Ty Inc.’s toys in Germany, Austria, and Switzerland (the DACH region). This agreement ended in 2019, and a new distributor took over. During the period of the agreement, Carletto AG registered the trademarks GLUBSCHI and GLUBSCHIS, which had been used by Ty Inc. for marketing its products in the region for several years, albeit the sign was not appearing directly on the toys themselves.

After termination of the agreement, Carletto AG announced plans to launch a plush toy line under the GLUBSCHI and GLUBSCHIS trademarks in collaboration with Nici GmbH, a German entity also connected to the Carletto Group. Ty Inc. registered its own GLUBSCHIS trademark in Switzerland in 2019 and requested that Carletto AG cease using the disputed marks and transfer its ownership. When Carletto AG and Nici GmbH refused, Ty Inc. initiated legal proceedings at the Aargau Commercial Court, alleging that Carletto AG’s trademarks were unauthorized agent trademarks registered in bad faith during the distributorship agreement.

The Aargau Commercial Court partially sided with Ty Inc., declaring the GLUBSCHI trademark invalid for some goods but allowing its continued use for toys, games, and plush toys. However, the court rejected Ty Inc.’s claim that the trademarks constituted agent trademarks (Article 4 TmPA), reasoning that Carletto AG had no direct contractual relationship with Ty Inc., as the distributorship agreement had been signed with Carletto GmbH.

The first instance judgment of the Aargau Commercial Court was appealed to the Federal Supreme Court (“FSC”) by both the claimant and the defendants. On appeal, the FSC focused on the

⁹⁵ BGE 150 III 83.

interpretation of Article 4 of then TmPA, which is designed to protect trademark owners, not having a registered trademark in the territory, but having used the sign domestically or abroad, from unauthorized registration by agents or representatives during a business relationship. This protection is based on the assumption that the authorized user is subject to a duty of loyalty to the owner due to the cooperation, which prevents appropriation of the trademark. The FSC clarified that while Article 4 of the TmPA requires a contractual relationship, it should not be narrowly interpreted. Trademarks registered by affiliates, employees, or proxies acting on behalf of an authorized partner such as an agent or representative can also fall within the provision's scope insofar as such registrations were made in connection with the use of the trademark within the scope of the authorization.

The FSC determined that Carletto AG, as part of the same corporate group as Carletto GmbH, registered the trademarks while closely connected to Carletto GmbH's distributorship activities. The use of the GLUBSCHI and GLUBSCHIS marks occurred as part of the agreement with Ty Inc. (wherein a license was granted), and the trademarks' registration by Carletto AG was directly related to the partnership's scope. Consequently, the FSC found that the first instance court erred in dismissing Ty Inc.'s claim on the grounds that Carletto AG lacked a direct contractual relationship with Ty Inc.

The defendants further challenged the first instance court's ruling, which held that the combination of the defendants' plush toy designs with the term "Glubschi" created a distinctive appearance, as is required for the existence of a comparative imitation under the Swiss Unfair Competition Act (Art. 3(1)(d) UCA). The first instance court, in this context, noted differences in the designs of the plush toys and determined that while some toys bore significant similarity to the claimant's designs, they were not outright copies. The court then also acknowledged that "googly-eyed" plush toys and "hangtags" were common in the market and lacked originality. Nevertheless, it concluded that the combination of these elements with the term "Glubschi" exhibited a degree of distinctiveness and the designs in question posed a risk of confusion under the UCA.

The FSC reached a different conclusion, finding that neither the designs nor the term "Glubschi" functioned as a unique indicator of origin that could potentially cause confusion under the UCA. Consumers interpreted "Glubschi" generically as describing an object with googly eyes, rather than associating it with a specific manufacturer ("Glubschi" is derived from "Glubschaugen," which means "googly eyes" in German).

The FSC therefore ruled that the elements used were common in the market and lacked the distinctive character necessary to potentially give rise to a likelihood of confusion.

Based on this result, the FSC overturned the decision of the first instance court and remanded the case to the first instance court for further assessment of the claimant's other claims, including the question of trademark invalidity under the TmPA.

IX. GLOSSARY

CJEU:	The Court of Justice of the European Union, which refers to itself simply as “the Court of Justice” and is also often referred to as the “ECJ” or “European Court of Justice.”
COA:	Court of Appeal.
EEA:	European Economic Area.
EUIPO:	The European Union Intellectual Property Office, being the office that handles EUTM applications, oppositions, and cancellation actions. It was previously called (in its English language version) the “Office for Harmonization in the Internal Market” or “OHIM.” (The name was changed with effect from March 23, 2016.)
EUTM or EU trademark:	A registered trademark obtained by means of the EU’s centralized procedure (i.e., by application to the EUIPO), which provides rights throughout the entire area of the European Union. (Note that the name was changed from “Community Trademark” (“CTM”) to “EU Trademark” (“EUTM”) with effect from March 23, 2016.)
EU General Court (GC):	The EU court with jurisdiction to hear appeals from the Boards of Appeal of EUIPO.
Member State:	A country that forms part of the European Union from time to time.
sign:	As used (but not defined) in the EUTM Regulation and the TM Directive, “sign” is used to refer to the subject matter of which a trademark may consist and is also used (in the context of trademark infringement) to refer to the offending word, device, or other symbol that the defendant is using; often used in practice when the word “mark” could be used.
Union:	The European Union.

2008 TM Directive:	Directive 2008/95/EC of October 22, 2008, which provides for the harmonization of the laws of the EU Member States in relation to trademarks; it codified the earlier Council Directive 89/104/EEC of December 21, 1988. This has now been amended and recast as the 2015 TM Directive, which repealed the 2008 TM Directive as of January 15, 2019.
2015 TM Directive:	Directive (EU) 2015/2436 of December 16, 2015, which provides for the harmonization of the laws of the EU Member States in relation to trademarks, and takes over from the 2008 TM Directive.
2009 EUTM Regulation:	Council Regulation (EC) No. 207/2009 of February 26, 2009, which provides for EUTMs; it codified the earlier Council Regulation (EC) No. 40/94 of December 20, 1993. This was amended by Regulation (EU) 2015/2424 of the European Parliament and of the Council (December 15, 2015) with the amendments taking effect on March 23, 2016. (However, references to the EUTM Regulation in this Review are still generally to the 2009 version of the Regulation unless stated otherwise).
2017 EUTM Regulation:	Council Regulation (EU) No. 2017/1001, which provides for EUTMs. It is a codified form which reflects the amendments made by Regulation (EC) 2015/2424 to the 2009 EUTM Regulation.

Note: European trademark laws and lawyers use the term “trade mark” rather than “trademark.” However, references in this issue have been changed to “trademark” where appropriate to conform to the norms of *The Trademark Reporter*. Statutory references or direct quotes remain in the EU form.

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