

# The Trademark Reporter®



The Law Journal of the International Trademark Association

## Annual Review of European Trademark Law

### 2023 in Review

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## I. INTRODUCTION

### A. About this Review

This eleventh *Annual Review of European Trademark Law* contains highlights of European trademark cases rendered by courts in 2023 in the European Union (“EU”) (at both the EU and national levels), the United Kingdom, and other European jurisdictions. This Review therefore is both the eleventh edition of the EU Annual Review, and the third 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 (“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*,<sup>1</sup> 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 United Kingdom (“UK”) post-Brexit, as well as cases from Norway (members of the European Economic Area (“EEA”), but not of 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 2023 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 hot topic in Europe. This Review also explores recurring topics such as trademark use, infringement, parallel trade, and other defenses and limitations, and some notable cases illustrating changes or significant analysis of practice and procedure.

Three notable “patterns” of cases are worth calling out in this Introduction for cases reported in 2023.

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\* Tom Scourfield, *Annual Review of European Trademark Law: 2023 in Review*, 114 TMR 395 (2024). 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 United Kingdom and Julia Padlewska in Warsaw.

<sup>1</sup> Guy Heath, *Annual Review of EU Trademark Law: 2013 in Review*, 104 TMR 445 (2014).

The first relates to a cluster of cases around jurisdiction and the competency of the various national courts, designated EUTM courts, and the EU Intellectual Property Office (“EUIPO”) in dealing with trademark matters. In *Lännen MCE Oy v. Berky GmbH and Senwatec GmbH & Co. KG* (Case C-104/22), the CJEU confirmed that, where a party in one Member State advertises online under an EUTM on a top-level domain of another Member State, the courts of the latter are competent to adjudicate infringement proceedings under the 2017 EUTM Regulation even where the defendant company did not offer *any* products or services in the latter market, since the mere fact that the company’s website was accessible and there was “active conduct” in paying for a top-level search engine specifically targeted the local public. In *Beverage City Polska Sp. and FE v. Advance Magazine Publishers Inc.* (CJEU, Case C-832/21), the CJEU held that defendants domiciled in two different Member States may still be sued in the courts of only one when accused of infringing a materially identical trademark and where they are “connected” by an exclusive distribution agreement. In *LM v. KP* (CJEU, Case C-654/21), the CJEU held that the EUTM Regulation, read in conjunction with Article 128(1), meant that a counterclaim for a declaration of invalidity of an EUTM may relate to *all* the rights derived from the registration of the mark, such that an invalidity challenge may relate to the *entirety* of an EUTM. In other words, the subject matter of a counterclaim is not restricted by the scope of the dispute as defined by the primary action for infringement. Finally, in *Crafts Group*, the UK Intellectual Property Enterprise Court (“IPEC”) considered whether UK courts remain competent EUTM courts for actions “related” to those brought before the end of the Brexit transition period, and the Polish Supreme Administrative Court in *Biscotti* considered whether a trademark opposition can be upheld on the basis of an EUTM already held to be invalid.

The second group of cases, also highly topical in 2023, relates to the continuing question as to when a host, intermediary, or marketplace might be held liable for acts of infringement of third parties that make use of their services. The District Court of the Hague considered the circumstances as to when a “regular” (non-hybrid) platform might be liable in *Fruugo*, while the Supreme Court of Belgium considered those of a “hybrid” (being one in which both first party retail and third-party offerings are hosted) in a national case related to the CJEU decision in *Louboutin v. Amazon Europe Core Sarl and others*.<sup>2</sup> In *Swatch v. Samsung* (also reported at first instance in the previous volume of this Review) the UK Court of Appeal considered the potential liability arising from content

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<sup>2</sup> Tom Scourfield, *Annual Review of European Trademark Law: 2023 in Review*, 113 TMR 492 (2023).

review prior to the offer for sale (this time for an app store), and the familiar conundrum as to whether prior content review might place a party on notice and thus remove it from the “hosting defense” offered under Article 14(1) of the Ecommerce Directive (or local equivalents).

Finally, in the third “cluster” of cases, a theme emerges as to consequences of long running tolerance of concurrent (potentially) infringing use, which might result in acquiescence, or at the very least the reluctance of a court to find a likelihood of confusion when none has emerged to date. In an interesting post-Brexit “divergence” in *Industrial Cleaning Equipment v. Intelligent Cleaning Equipment Holdings Co. Ltd. & Anor*, 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). The judgment emphasized 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. Similarly, in *FREE*, the French Supreme Court confirmed that statutory acquiescence runs from the date of registration of the earlier mark, *not* from the date of its publication, even though knowledge of the mark may, of course, arise from that process. The net effect of years of concurrent use was also considered by the UK Court of Appeal in *Muzmatch* considering whether honest concurrent use was a stand-alone defense or merely a factor in assessing infringement.

### ***B. Legislative Change and Terminology***

Although the “new” 2015 Directive is now in force, the 2008 Directive that it replaced was repealed with effect only from January 15, 2019. The “new” EU Trademark 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 that 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 and 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 2023 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, EU General Court (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 much 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 EU trademarks and national trademarks in EU Member States. The absolute grounds for refusal relating to EU trademarks are set out in Article 7(1) of the 2017 EUTM Regulation. The absolute grounds for refusal that 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 2023 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 *Quantic Dream v. EUIPO (Quentia Q)* the General Court of the CJEU considered the generally low distinctive character of single letter marks, while the Supreme Court of Austria considered the distinctive character of an “undefined” position mark and the Federal Administrative Court of Switzerland analyzed an application for registration of “thematic” goods. The second theme is the familiar issue of registrability and validity of shape marks. The Italian Supreme Court dissected the famous VESPA scooter shape and, in doing so, brought Italian national practice in line with the reasoning of the CJEU in a case considering shapes that give substantial value to goods. The Higher Regional Court of Vienna considered the scope of protection of a three-dimensional mark for a bottle containing “healing waters,” the Brussels Business Court in Belgium considered the validity of a mark for a famous shoe sole, the Spanish Supreme Court considered the validity of a mark for a “naked” cider bottle. Finally, the IP Court of Türkiye considered that the addition of a small textual element in a mark for the shape



of a whiskey glass was sufficient to denote distinctive character. The third and final theme relates to the public policy considerations of leaving descriptive indications free to be used by others, rather than monopolized in a trademark registration. The General Court considered whether a mark indicating a type of cheese might be registrable as an EU collective mark, similarly the Greek courts considered whether a type of traditional cheese might be registrable to a single trader, even if no longer commonly used. Finally, the Borgarting Court of Appeals in Norway and the Danish Maritime and Commercial High Court determined whether a mark consisting of descriptive English words might be precluded from registration.

### ***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—How distinctive are single-letter marks?

In *Quantic Dream v. EUIPO—Quentia (Q)*,<sup>3</sup> the General Court considered an appeal from the decision of the EUIPO Fourth 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, Quentia GmbH, and a figurative trademark applied for by the applicant, Quantic Dream.

The applicant, Quantic Dream, filed an EUTM application for a figurative mark (depicted below), covering various goods and services in, inter alia, Classes 9, 35, and 42, including computer software and wholesale and retail of software as well as software design and development:



The intervener in the proceedings before the Court, Quentia GmbH, filed an opposition against the above application based on its EU trademark registration for a figurative mark “Q” (depicted below), covering goods and services in, inter alia, Classes 9, 35, and 42, including computer software and related services, similar and identical to those covered by the application:



The Opposition Division rejected the opposition, a decision later overturned by the Board of Appeal, which upheld the opposition brought by the intervener and found, in essence, that there was a likelihood of confusion within the meaning of Article 8(1)(b) of the 2017 EUTM Regulation.

On appeal, the Court overturned the Board’s decision. First, the Court agreed with the applicant’s argument that the Board incorrectly assessed the dominant and distinctive elements of the signs in question. In the contested decision, the Board found that the letter “Q” was the dominant element of the applied-for mark, determining the overall impression conveyed by the application.

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<sup>3</sup> Case T-458/21 (GC, October 25, 2023).

Regarding the earlier mark, the Board pointed out that the letter “Q” was the distinctive element of that mark. When comparing the signs at issue visually, the Board used the expression “dominant element” with regard to both signs.

The Court disagreed with the Board’s findings, pointing out that both signs at issue consisted of a single element, making it impossible to identify a dominant element. The same applies to the notion of a distinctive element, which can be ascertained only where the mark is a composite mark. The Court concluded that the Board made an error of assessment by referring to the letter “Q” as the dominant or distinctive element of the conflicting marks.

Moving on to the assessment of similarity of marks, the Court found that the Board gave an excessive weight to the marks’ verbal similarity resulting from the common letter “Q.” Despite both signs comprising a single letter “Q,” their graphic stylization is very different. Whereas the earlier mark is depicted in a standard red font, the applied-for mark features a highly stylized square shape, divided into two parts by an oblique white line, and was presented in blue and black. The Court emphasized that these differences in stylization were clearly visible.

Recalling previous case law, notably the Cases T-391/06 *Arcandor v. OHIM—dm drogerie markt (S-HE)*<sup>4</sup> and T-198/21 *Ancor Group v. EUIPO—Cody’s Drinks International (CODE-X)*,<sup>5</sup> the Court stressed that in a very short signs, especially those consisting of a single letter, differences are more evident and perceptible. As a result, unlike the Board of Appeal, which found the marks to be visually similar to an average degree, the Court determined the visual similarity to be low.

At the same time, the Court agreed with the Board’s assessment that the conflicting signs were phonetically identical, at least with regard to the part of the relevant public perceiving them as representations of the letter “Q.” Interestingly, the Court also agreed with the Board that neither of the signs had a meaning for the relevant public. Therefore, it was not possible to carry out a conceptual comparison between them.

Finally, the Court agreed with the applicant that the Board incorrectly assessed the distinctiveness of the earlier mark. In the contested decision, the Board pointed out that the letter “Q” was not descriptive or non-distinctive with respect to the goods or services concerned, and found the earlier mark to enjoy a normal level of distinctiveness.

While the Court confirmed, one letter is, in itself, capable of conferring distinctive character on a trademark, it also stressed that single-letter signs must be stylized or accompanied by other

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<sup>4</sup> Case T-391/06 (GC, September 23, 2009).

<sup>5</sup> Case T-198/21 (GC, February 23, 2022).

relatively elaborate figurative elements in order to enjoy a normal degree of distinctive character. In the present case, the earlier mark is represented in a standard red font and in red, resulting in minimal stylization. Consequently, the inherent distinctiveness of the earlier mark must be considered weak, even though the letter “Q” has no meaning with regard to the goods and services covered by that mark. The Court concluded that the above errors necessarily undermined the Board of Appeal’s reasoning relating to the assessment of the likelihood of confusion. As a result, the General Court annulled the contested decision.

## **2. EU—GC—Can a mark indicating a particular type of cheese be protected as an EU collective mark designating geographical origin of goods?**

In *Emmentaler Switzerland v. EUIPO (EMMENTALER)*,<sup>6</sup> the General Court considered the 2017 EU designation of IR No. 1378524 for the word mark EMMENTALER, owned by the applicant, Emmentaler Switzerland, and covering the following goods in Class 29: “Cheeses with the protected designation of origin ‘emmentaler.’”

By decision of September 9, 2019, the EUIPO examiner rejected the application for registration on the basis of Article 7(1)(b) and (c) in conjunction with Article 7(2) of the 2017 EUTM Regulation, stating that the sign was descriptive and devoid of distinctive character, as it designates a type of cheese. The EUIPO Second Board of Appeal upheld the examiner’s decision based on Article 7(1)(c) of 2017 EUTM Regulation, finding that the mark applied for was descriptive because, according to the findings of the Board, the sign EMMENTALER would be immediately understood by the relevant public, in several languages of the European Union, as designating a type of hard cheese containing holes.

On appeal, the applicant claimed the Board of Appeal infringed Article 7(1)(b) of the EUTM Regulation, since the contested decision was based exclusively on Article 7(1)(c). The applicant further claimed that the Board of Appeal incorrectly assessed evidence submitted in the proceedings and thus wrongly applied Article 7(1)(c) of the 2017 EUTM Regulation by concluding that the applied-for mark was descriptive of the goods at issue. Finally, the applicant argued that the name “Emmentaler” on its own should enjoy protection as a collective mark under Article 74(2) of the EUTM Regulation, since it refers to the geographical origin of the goods in question.

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<sup>6</sup> Case T-2/21 (GC, May 24, 2023).

The General Court upheld the Board's decision. Recalling previous case law (including *Henkel v. OHIM*<sup>7</sup> and *Novartis v. EUIPO—SK Chemicals*<sup>8</sup>) the General Court rejected the applicant's first argument, finding that the grounds of non-distinctiveness and descriptiveness were independent of each other and require separate examination. It was therefore sufficient that *one* of the absolute grounds for refusal listed in that provision applied for the sign not to be registerable as an EU trademark. As such, the Board was entitled to confine itself to examining whether the mark applied for was descriptive within the meaning of Article 7(1)(c) of the 2017 EUTM Regulation, without ruling on the application of other absolute grounds for refusal, such as non-distinctiveness.

The Court then addressed the alleged infringement of Article 7(1)(c) of the 2017 EUTM Regulation and analyzed the series of factors taken into account by the Board of Appeal, which mostly concerned the German-speaking part of the relevant public. Given that, in order for the registration of a sign to be refused, it was sufficient that the sign have a descriptive character in only *part* of the European Union, which may be a single Member State, the General Court found that the Board of Appeal was entitled to conclude that the mark applied for was descriptive, without it being necessary to examine the elements that did not concern the perception of the relevant German public. The Court recalled The *Duden* dictionary definition used by the Board of Appeal, which defined "EMMENTALER" as "full-fat Swiss cheese with cherry-sized holes and a taste of walnut kernels; emmental cheese." The Court also took into account factors such as the production of "emmentaler" cheese in Germany, the German Cheese Regulation, which stated that "Emmentaler" was a standard type of cheese and even the EU's position in the negotiations of the 2011 Agreement between the EU and Switzerland on the protection of designations of origin and geographical indications for agricultural products and foodstuffs, where the EU opposed the inclusion of the designation "Emmentaler" due to its descriptiveness. In light of the above, the Court concluded that the Board correctly found the applied-for mark to be descriptive.

Finally, the Court considered whether the applied-for mark could be protected as a collective mark under Article 74(2) of the 2017 EUTM Regulation. By way of derogation from Article 7(1)(c) of the 2017 EUTM Regulation, Article 74(2) provides that descriptive signs that may serve to designate the geographical origin of goods may still be registrable as EU collective marks. The Court stressed that such statutory derogation must be interpreted strictly and that its scope cannot cover signs that will be regarded as an indication of

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<sup>7</sup> Cases C-456/01 P and C-457/01 P (CJEU, April 29, 2004).

<sup>8</sup> Case T-44/16 (GC, January 31, 2018).



the kind, quality, quantity, intended purpose, value, time of production, or other characteristic of the goods. In turn, the derogation can apply only to signs that will be regarded as an indication of the geographical origin of those goods. In the present case, the Court found that the sign applied-for was understood by the relevant public as a type of cheese but would not be perceived as an indication of the geographical origin of that cheese. Therefore, the protection as an EU collective mark was also denied.

The applicant appealed the General Court decision to the Court of Justice, but the appeal was rejected, as it did not involve a sufficiently important issue with respect to the unity, consistency, or development of EU law.

### 3. Austria—Austrian Supreme Court—Does an “undefined” color combination mark lack distinctiveness?

This case<sup>9</sup> related to an application for registration of the following sign as an “other” trademark<sup>10</sup> (also applied for as a position mark, a color mark, and a shape mark) for goods and services in Classes 1, 4, 35, 37, 43, and 44. The trademark consisted of a combination of the colors blue, green and white to identify petrol stations:



At first instance, the Austrian Patent Office ruled that the sign was unregistrable, as it was devoid of any distinctive character for the goods and services applied for. One of the reasons given was that the relevant public could not distinguish petrol station companies and the goods and services they offer *solely* on the basis of the color stripes or color design on buildings and petrol pumps, especially if these were perceived from a distance or at high speed.

<sup>9</sup> Austrian Supreme Court, September 12, 2023, 4 Ob 16/23s.

<sup>10</sup> “Other” marks are marks that are not covered by Article 3(3) of the Implementing Regulation (“EUTMIR”). See EUIPO Trade Mark Guidelines 9.3.11 “Other Marks.”

The Court of Appeal confirmed the decision of the Austrian Patent Office and ruled that the sign applied for had no inherent distinctive character. On further appeal, the Austrian Supreme Court agreed with the judgment of the lower courts, considering the sign as a combination of several elements, namely the special arrangement of the combination of blue, green, and white on the buildings depicted. It must therefore be considered in an overall assessment of distinctiveness, taking into account all the elements to consider, whether the color combination arranged in this way on the building elements enabled the average consumer to distinguish the goods and services marketed by the trademark applicant from those of other undertakings without any likelihood of confusion.

In the opinion of the Austrian Supreme Court, the depicted shape of the petrol station roof including pillars was a typical design for a petrol station or its basic elements, which in itself would not be an indication of origin for the goods and services marketed. The positioning of the colored stripes was not suitable to serve as an indication of origin for the goods and services applied for, irrespective of whether they were provided outdoors under the roof of the petrol station or inside the building. This was not affected by the fact that the number of petrol station companies operating on the market may be relatively small.

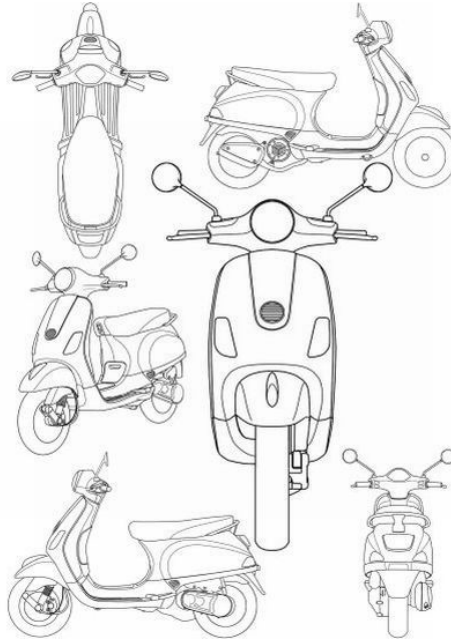
According to the Austrian Supreme Court, a design of the sign elements that went beyond what was “commonly” used (in a comparable form) would be required to establish distinctiveness in the present case. This was not the case, as the colors, positioning, and depicted shape of the petrol station roof were not inherently distinctive.

#### **4. Italy—Italian Supreme Court—How should the registrability exclusion for shapes that give substantial value apply to products of industrial design?**

In this case,<sup>11</sup> the Italian Supreme Court considered a trademark application consisting of the shape of Piaggio’s VESPA scooter (shown below), bringing Italian case law for shapes conferring “substantial value” to the goods back in line with CJEU case law. When applying the absolute bar to registrability under Article 3(3)(c) of the 2017 EUTM Regulation and Article 4.1(e)(iii) of the 2015 TM Directive, it is not necessary for the shape to be the *sole* or *main* reason for the purchase of the product.

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<sup>11</sup> Piaggio & C S.p.A. v. Zhejiang Zhongneng Industry Group Co. Ltd., Taizhou Zhongneng Import and Export Co. Ltd., No. 33100, November 28, 2023.



Over the past years, many commentators have considered that some court decisions, particularly those issued by the Court of Turin, have adopted a position that is inconsistent with the CJEU's guidelines on the application of the absolute bar to the registration as a trademark of three-dimensional shapes giving "substantial value" to the goods. These cases reasoned that whenever the shape of a product is just one of the reasons determining the consumer's decision to purchase that product (but not the only one), Article 4.1(e)(iii) of the 2015 TM Directive would not apply. The Court of Turin first took this approach in the 2008 *Smart Car* decision.<sup>12</sup>

The Court of Turin followed the same line of reasoning at first instance in the present case, ruling that the VESPA shape did not confer "substantial value" on the basis that "the incentive to buy the scooter which has the shape of the mark in question does not depend solely on the specific aesthetic characteristics of the model but, to a much greater extent, on the technical and economic characteristics which are more important to the consumer who intends to buy an expensive and durable product."

The Court of Turin further ruled that the absolute bar at issue would not necessarily apply to the shape of a product of an industrial design that had "artistic value" and, as such, qualified for copyright protection under Italian law. Italian copyright law sets a high threshold for the protection of industrial design works requiring that, in addition to having creative character like any

<sup>12</sup> Case No. 29292/2007, published in *Il Diritto Industriale*, 2008, 6, p. 540 (Court of Turin, March 20, 2008).

other works entitled to copyright protection, they must also have “artistic value,” in practice reserved almost exclusively to the highest-end industrial designs. Considering the above, the Court of Turin concluded that the shape of the VESPA scooter was entitled to both trademark and copyright protection.

The Court of Appeal of Turin upheld the first instance decision, which was subsequently appealed before the Italian Supreme Court, *inter alia*, on the ground that the decision infringed on the principles set forth by the CJEU on the interpretation of “substantial value.”

In its decision of November 28, 2023, the Italian Supreme Court cited EU precedents (including *Bang & Olufsen*,<sup>13</sup> *Hauck*,<sup>14</sup> and *Gòmbòc*<sup>15</sup>) that established that the “substantial value” exclusion applied to any “shape which gives the product a commercial value, an additional attractive factor that is, in any event, capable of influencing ‘to a large extent’ . . . the consumer’s choice, but not necessarily and only to a predominant extent”; and that “the fact that the characteristic in question is very important does not mean that it must be the ‘sole or predominant reason’, in comparison with the others, capable of influencing the consumer’s choice of that product.”

Consequently, the Supreme Court set aside the Court of Appeal’s decision, ruling that it had erred in its application of Article 4.1(e)(iii) of the 2015 TM Directive by finding that “the shape of the vehicle inevitably remains ‘linked to the main utilitarian function of the product in which it is incorporated,’” and that “the scooter is chosen by the consumer ‘primarily for its well-known qualities in terms of performance, safety, reliability, but also for its aesthetic qualities.’” Considering the relationship between the protection of shapes under trademark law and copyright law, the Supreme Court emphasized that a finding that an industrial design product had “artistic value” under Italian copyright law would usually mean that the relevant shape would give the product “substantial value” within the meaning of Article 4.1(e)(iii) of the 2015 TM Directive. The Supreme Court criticized the Court of Appeal decision for not explaining the reasons why the shape of the VESPA scooter, on the one hand, would meet the artistic value threshold to get access to copyright protection under Italian law but, on the other hand, would not be suitable to give to the product that “substantial value,” defined as “that appeal or significant attractive character which, according to the EU case law, must instead be considered as an objective factor.”

The Supreme Court did not rule on the compatibility of the requirement of artistic value with the EU regulations, in particular

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<sup>13</sup> Case T-508/08, *Bang & Olufsen*, EU:T:2011:575 (GC, October 6, 2011).

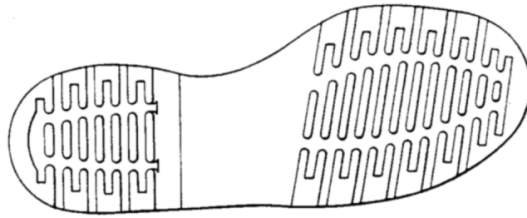
<sup>14</sup> September 18, 2014, Case C-205/13, *Hauck*, EU:C:2014:2233.

<sup>15</sup> Case C-237/19, *Gòmbòc*, EU:C:2020:296 (CJEU, April 23, 2020).

in light of *Cofemel*,<sup>16</sup> which is currently a topic of significant debate in Italy.

### **5. Belgium—Brussels Business Court—Does a mark registered for a shoe sole lack distinctive character?**

In this case,<sup>17</sup> Airwair International Ltd. brought an action for trademark infringement against a Brussels-based retailer before the Brussels Business Court, in relation to their famous DR. MARTENS shoes.<sup>18</sup> Airwair relied on the following sole pattern (among others), which was registered in 1996 as a Benelux three-dimensional trademark:



The defendant brought a counterclaim challenging the validity of this Benelux registration on the basis that it lacked distinctive character.

In its decision, the Brussels Business Court considered that the lack of distinctive character must be assessed as of the date of filing of the mark, in this case as of 1996. However, the Court found that the pattern looked commonplace, such that it could not determine which aspects of the sole pattern could enable the average consumers in Benelux to distinguish the origin of shoes on the basis of the pattern alone. The pattern did not depart from the norm or customs of usual soles. As a consequence, the Court declared the counterclaim founded and annulled the Benelux registration due to lack of distinctive character.

### **6. Austria—Higher Regional Court Vienna—What is the scope of protection of an International three-dimensional trademark in Austria?**

This case<sup>19</sup> provided a rare opportunity to consider the protection of three-dimensional trademarks in Austria. The subject

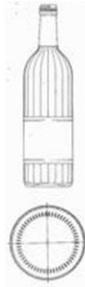
<sup>16</sup> Case C-683/17, EU:C:2019:721 (CJEU, September 12, 2019).

<sup>17</sup> Pres. Dutch-speaking Brussels Business Court, December 22, 2022, ICIP Ing.—Cons., 2023, p. 321, appeal pending.

<sup>18</sup> Pres. Dutch-speaking Brussels Business Court, December 22, 2022, ICIP Ing.—Cons., 2023, p. 321, appeal pending.

<sup>19</sup> Higher Regional Court Vienna, January 12, 2023, 33 R 83/22a.

matter was an appeal by an applicant against a decision by the Austrian Patent Office regarding the extension of the protection of the international three-dimensional trademark IR 1482773 (see figure below) to Austria.



The Austrian Patent Office refused protection in Austria for goods in Class 5 (namely, “Healing waters for medical purposes”) and for goods in Classes 21 and 32, as the sign was not distinctive for these goods. The applicant appealed against this decision.

The Higher Regional Court Vienna emphasized that international trademarks claiming protection in Austria must be examined for legality in accordance with the Austrian Trademark Protection Act (“MSchG”). Pursuant to Section 4, paragraph 1, no. 3 of the MSchG, signs that are devoid of any distinctive character are excluded from registration.

Three-dimensional signs are subject to the special ground for refusal under Section 4, paragraph 1, no. 6 of the MSchG (equivalent to Article 4(1)(e) of the 2015 TM Directive), under which signs are excluded from registration if they consist exclusively of a shape that is due to the nature of the goods themselves, that is necessary to produce a technical result, or that gives substantial value to the goods. This provision cannot be overcome by acquired distinctiveness. To be protectable, the three-dimensional sign must also fulfill the other registration requirements and therefore must be distinctive.

When assessing the distinctive character of a shape mark, the Court held that the average consumer will not normally infer the origin of these goods from the shape of the goods or from the shape of their packaging if graphic or word elements are missing. A mere deviation from the norm and industry practice is not sufficient: the deviation must be significant.

Against this background, the sign applied for was not considered distinctive by the Higher Regional Court Vienna, as the relevant public would not perceive it as an indication of commercial origin. Furthermore, the shape of the goods applied for did not deviate significantly from the usual product shapes used in the mineral water/medicinal water or non-alcoholic beverage sector. The recess

in the lower third of the bottle, together with the fluting/grooves, did not lend the shape mark any distinctive character either. The applicant's appeal was therefore rejected.

### 7. Spain—Supreme Court—Is the shape of a “naked” cider bottle distinctive?

In *Asociación de Sidra Asturiana (ASSA) v. Martin*, the Supreme Court<sup>20</sup> confirmed the distinctiveness of a three-dimensional mark consisting exclusively of the shape of a naked bottle, even where such shape contains technical elements.

The Asturian cider bottle, known as the “iron mould bottle” (*botella molde hierro*), was designed in 1880 for bottling natural cider produced in Asturias and has been used for that sole purpose ever since and, until a few years ago, without any label. More than a century later, when the bottle had acquired distinctiveness as a symbol of Asturian natural cider, the Asturian Cider Association (“ASSA”), which groups together the main producers, registered it with the Spanish Patent and Trademark Office (“OEPM”) as a three-dimensional mark.



Years later, ASSA became aware that a producer in another region of Spain, Sidra S, was marketing the natural cider it produced using a bottle like the registered bottle and filed a trademark infringement action.

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<sup>20</sup> Judgment No. 1190/2023 of the Supreme Court of Spain of July 19, 2023 (Cassation Appeal No. 6251/2019).



Sidra S counterclaimed, seeking to invalidate the trademark on the grounds of (i) lack of distinctiveness; and (ii) the bottle not having met the necessary requirements to be a trademark, as it consisted exclusively of technical elements intended to promote the preservation and pouring of cider.

The Commercial Court No. 1 of Santander<sup>21</sup> and later the Provincial Court of Cantabria<sup>22</sup> accepted part of the arguments put forward by Sidra S and declared the trademark of the bottle invalid for lack of distinctiveness and because it consisted of the shape of a product necessary to obtain a technical result.<sup>23</sup>

The rulings of the two courts were overturned by the Spanish Supreme Court on July 19, 2023, which, in line with the CJEU's position, established the criteria to be followed in assessing the application of Article 5.1 (b) and (c) of the Spanish Trademark Act.

Regarding the prohibition to register shapes of products necessary to obtain a technical result, the Supreme Court recalled the doctrine contained in the judgments of the CJEU in *Yoshida*<sup>24</sup> and *Gomboc*<sup>25</sup> and stated that this prohibition refers to signs consisting *exclusively* of the shape of goods necessary to obtain a technical result, that is, those that merely incorporate a technical solution, whose registration as a trademark would give its owner a monopoly over it and would hinder its use by third-party competitors.

The Supreme Court considered that, to judge whether this prohibition applies to a three-dimensional mark, it is necessary to identify the essential characteristics of the sign and to verify whether all of them correspond exclusively and necessarily to the technical function of the product.

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<sup>21</sup> Judgment of September 5, 2018.

<sup>22</sup> Judgment of the Appeal Court of Cantabria (Section 4) of September 27, 2019.

<sup>23</sup> Equivalent to Article 4(1)(b) and 4(1)(e)(ii) of the 2015 TM Directive.

<sup>24</sup> *Yoshida Metal Industry*, Case C-421/15 (May 11, 2017).

<sup>25</sup> *Gomboc*, Case C-237/10 (April 23, 2020).



The Supreme Court concluded that while the “iron mould bottle” had certain characteristics that fulfilled a technical function (i.e., facilitating pouring), the technical function was not the *main* reason for the shape. The Supreme Court agreed with ASSA that it was the appearance of the shape that represented the traditional bottle of Asturian natural cider and informed the consumer of the origin of the product, insofar as it originated from Asturian cider makers.

Neither the consumer nor the entrepreneur looked for this bottle because of the technical function of its characteristics but because its appearance and uniqueness allowed it to be associated with Asturian natural cider.

Regarding distinctiveness, the Supreme Court held that a “naked” bottle may have little or very little distinctiveness in itself, but this did not necessarily mean that it was outside the scope of protection of trademark law, since it could acquire distinctiveness through use.

For a shape mark to have distinctive character, it must differ significantly from the norm or customs of the trade, without the difference needing to be substantial. What is important is that the average consumer of the product distinguishes it from those marketed by other undertakings, without analysis and without paying particular attention. That is to say, the “iron mould bottle” is identified by the average consumer with natural cider that comes from Asturian cider makers, associated with ASSA or authorized by it.

Applying these criteria, the Supreme Court held that the “iron mould bottle” did not fall under any of these prohibitions and, consequently, its registration as a trademark was valid.

The use by Sidra S of a packaging that was substantially identical to the bottle registered as a three-dimensional trademark by ASSA implied that it had infringed the trademark. The Court therefore ordered it to cease infringing, to withdraw from the market the bottles marketed with the “iron mould bottle,” to compensate ASSA for damages caused, and to publish a summary of the judgment in a national newspaper and on its website and social media.

### **8. Belgium—Brussels Business Court—What is the scope of protection of a combination mark when the sole elements that the allegedly infringing sign has in common are descriptive?**

A Luxembourg-based independent investment broker was the owner of a slightly stylized figurative trademark for “WH selfinvest” for various financial services in Class 36. It started infringement proceedings before the Brussels Business Court against the Belgian branch of ING Bank. As part of its various services, the bank had

launched in 2022 a new app and website enabling its customers to make direct investments themselves. These new financial services were branded as “ING Self Invest.”

The Brussels Business Court assessed the existence of likelihood of confusion.<sup>26</sup> When comparing the earlier “WH selfinvest” trademark and the later “ING Self Invest” sign, it found partial visual and aural identity. However, although these elements were identical, the Court found that average Benelux consumers had a sufficient understanding of basic English vocabulary so that they perceived these elements as being descriptive for financial and investment services. The Brussels Business Court referred to the CJEU’s guidance<sup>27</sup> that when the elements of similarity between two signs resulted from sharing a component having a weak distinctive character, the impact of these elements of similarity on the global assessment of the likelihood of confusion was also weak. The Court also found that the relevant public of investment services would have a high degree of attention. In these circumstances, the Court concluded that the relevant public would not believe that the “ING Self Invest” services came from the same undertaking as those branded under the “WH selfinvest” mark, nor that those undertakings were economically linked. As a consequence, the Court ruled that there was no likelihood of confusion.

### **9. Denmark—The Danish Maritime and Commercial High Court—Is a registered mark descriptive of its fundamental purpose?**

This case involved Flyhjælp ApS (“FH”)<sup>28</sup> and an action for trademark infringement against Travelrefund ApS (“TR”), the beneficial owner of TR (the “owner”), and the registrant of TR’s domain name, Hornskov Vindberg A/S (“HV”) (collectively the “defendants”) in connection with their use of the sign “Flyhjælp” (Flighthelp), for which FH held earlier trademark registrations.

FH is a Danish private limited company. It incorporated on June 4, 2015, following a period of prior use of the sign and company name “Flyhjælp”/“Flyhjælp ApS” during 2014. FH assists private individuals in obtaining compensation from airlines in connection with flight delays, rebooking, and cancellations.

On December 9, 2016, FH applied for the word mark FLYHJÆLP (in English, “FLIGHTHELP”) in Class 45 with the Danish Patent and Trademark Office (the “DKPTO”), covering “legal assistance regarding air passengers’ rights under EC

<sup>26</sup> Pres. Dutch-speaking Brussels Business Court, July 17, 2023, ICIP Ing.—Cons., 2023, p. 593, appeal pending.

<sup>27</sup> L’Oréal/EUIPO, Joined Cases C-519/17 P and C-522/17 P to C-525/17 P, para. 73 (CJEU, May 30, 2028).

<sup>28</sup> Case No. BS-5887/2022-SHR.

Regulation 261/2004 and the Montreal Convention when the passenger's flight is delayed, canceled, or overbooked." Following extensive correspondence with the DKPTO, the trademark FLYHJÆLP was registered on May 15, 2019, based on evidence that the trademark had acquired distinctiveness through use.

TR is a competitor of FH operating the website [www.flypenge.dk](http://www.flypenge.dk). Like FH, the company assists individuals in seeking compensation from airlines. The company's website included a header that comprised the word "flyhjælp" ("flight help"), which was also present on several other sub-sites.

On December 9, 2021, FH instigated legal proceedings before the Danish Maritime and Commercial High Court ("MCC") requesting the Court to (i) prevent the defendants from exploiting the term "FLYHJÆLP" in Denmark for marketing and offering legal assistance related to flight passengers' rights, (ii) find the owner personally liable for the alleged infringements and covering associated legal costs, and (iii) order the disclosure of the extent of its advertising comprising use of the term "FLYHJÆLP."

FH relied on (a) the registered trademark rights to FLYHJÆLP as well as (b) trademark rights acquired through use as of 2014, and (c) the Danish Marketing Practices Act, Section 22, which affords protection against unlawful use of business identifiers.

The defendants counterclaimed for invalidity of FH's registered trademark, alleging the mark lacked distinctive character pursuant to Section 3(1)(3) of the Danish Trademark Act,<sup>29</sup> as well as being registered in contravention with the absolute grounds for refusal in Section 13(1) of the Danish Trademark Act.<sup>30</sup> The defendants further argued that since the mark was generic for the services offered, it could not be offered protection as a trademark nor pursuant to the Danish Marketing Practices Act, Section 22, as a business identifier.

Before the MCC, FH argued that the DKPTO had *initially erred* in their assessment of the distinctive character of the mark by finding that the mark lacked inherent distinctiveness on the basis of an abstract, blurred, and arbitrary descriptive function of the combined words and how they might be perceived. FH also argued that the mark was inherently distinctive for the services for which it was applied. FH further claimed that FLYHJÆLP had acquired distinctiveness and a reputation based on its marketing efforts, thus providing protection against the defendants' parasitic use, as well as having protection based on rights acquired through use dating back to 2014.

The MCC found that the relevant consumer would not consider the mark descriptive, as its wording did not describe the related

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<sup>29</sup> Equivalent to Article 3.1(b) of the 2015 TM Directive.

<sup>30</sup> Equivalent to Article 3.1(c) of the 2015 TM Directive.

services, namely, obtaining financial compensation from airlines. The MCC also held that the mark had inherent distinctiveness and found there were no absolute grounds for refusal of registration at the time of the trademark application. The MCC, however, did not find that FH had acquired distinctiveness through use. Consequently, the counterclaim for cancellation due to invalidity was refused.

Furthermore, the MCC held that the presented evidence did not support the claim that the mark had a reputation in Denmark. The MCC went on to conclude that the word “flyhjælp” was not a generic term for the services rendered by the defendants. The defendants had therefore exploited an identical mark for identical services. The MCC thus found the use to constitute an infringement of FH’s rights in the trademark FLYHJÆLP pursuant to Section 4(2)(1)<sup>31</sup> of the Danish Trademark Act as well as Section 22 of the Marketing Practices Act.

The MCC granted the injunction against TR. The MCC further held that the injunction should also comprise HV, as the registrant of the domain name “flypenge.dk.” The injunction could not, however, be enforced against the owner personally. Finally, the Court rejected the request for information on the basis it was overly broad and insufficiently clear.

### **10. Norway—Borgarting Court of Appeals—Was a mark consisting of English words descriptive of the type of goods to which it was applied in Norway?**

In January 2023, the Borgarting Court of Appeal considered<sup>32</sup> an appeal against decision of the Norwegian Board of Appeal for Industrial Property Rights to refuse to register the trademark ZEROVISION.

The plaintiff, Verisure Sàrl (“Verisure”) is an international security company based in Switzerland, which sells alarm systems across sixteen countries. In Norway, its subsidiary, Verisure AS, is the leading alarm company, serving over 240,000 customers. One of Verisure’s products is a smoke cannon that fogs the room when triggered, marketed with the wording “Dense smoke makes it impossible for the thief to steal anything.” Similar products are offered by other unconnected alarm suppliers.

Verisure sought registration of the word mark ZEROVISION in Norway in April 2018, based on a Spanish registration from 2017, for goods and services in Classes 7, 9, and 45. However, the application was only partially approved. This led to a further application for the goods (“machines that generate artificial smoke”

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<sup>31</sup> Equivalent to Article 10(2)(1) of the 2015 TM Directive.

<sup>32</sup> LB-2022-137934 (Borgarting Court of Appeals, January 9, 2023).

in Class 7, and “security alarm systems, except for vehicles” in Class 9).

Both the Norwegian Industrial Property Office (“NIPO”) and the Norwegian Board of Appeal for Industrial Property Rights rejected this application on the grounds that the mark was descriptive and lacked distinctiveness. The Oslo District Court upheld this decision, prompting Verisure to appeal to the Borgarting Court of Appeal. Verisure argued that the word mark was not descriptive, but merely suggestive, if anything, and contended that arriving at the *allegedly* descriptive meaning required a thought process. They also highlighted the fact that other suppliers used different names for similar products, asserting that there was no need to hold the name “ZEROVISION” free from descriptive use by others.

The Borgarting Court of Appeal upheld the previous instances and ruled against the registration of the word mark ZEROVISION for “machines that generate artificial smoke” and “security alarm systems, except for vehicles.”

In reaching this conclusion, the Court first assessed whether the mark was descriptive for the goods applied for. Translating the words “zero” and “vision” into Norwegian, the Court held that when combined, they would be understood as “zero visibility.” Given the familiarity of these English words to the average Norwegian consumer, they would easily interpret the mark in relation to smoke canons and alarm systems as signifying “zero visibility.” Consequently, each word element held a clear meaning, and their combination was neither unusual nor unexpected.

Verisure argued that the combination of words would evoke associations with the English expression “vision zero,” equivalent to a Norwegian phrase meaning “zero tolerance,” alluding to “zero tolerance for break-ins.” However, the Court disagreed, finding no evidence that the mark would be interpreted in this manner rather than the more obvious descriptive meaning.

Regarding the assessment of the mark against the relevant products, the Court found the mark to be descriptive for “machines generating artificial smoke,” as the relevant public would perceive the mark as an indication of the product’s properties. The central quality and purpose of the product was that it smokes the room completely so that visibility would be lost, and this would also be the perception of the relevant public. Similarly, the Court deemed the mark descriptive for “security alarm systems” due to the prevalence of this type of alarm system with a smoke function.

Verisure held that the District Court had not paid sufficient attention to the sign’s registration as a trademark by EUIPO and in several EU countries. The Court acknowledged the significance of EU law in interpreting Norwegian trademark law but emphasized that EUIPO’s practices and decisions from other countries’ authorities, although relevant, were not binding.

Ultimately, the Court of Appeal concluded that, as the mark was descriptive, the mark lacked sufficient distinctiveness and could not perform the essential function to identify the commercial origin of the goods in question.

### **11. Greece—Athens First Instance Administrative Court—Is a mark consisting of a traditional cheese registrable by a single producer?**

The Athens First Instance Administrative Court considered<sup>33</sup> an appeal relating to the registrability of the word “Kaskavali” (a type of cheese), which is not widely known in Greece. Kaskavali cheese is an old traditional cheese originating from mainland Greece, but generally produced on the Greek islands of Lemnos and Samothraki in modern times.

The word mark KASKAVALI had been registered for goods in Class 29, including dairy products, in the name of an individual resident of Lemnos and a retailer of confectionary and dairy products. A third party, also trading in dairy products in Lemnos used the term “KASKAVALI OF LEMNOS,” such use arising on or around the same time as the KASKAVALI mark had been registered. The third party filed a cancellation action against the KASKAVALI mark before the Greek Trademark Office (“TMO”). The TMO concluded that the KASKAVALI mark consisted solely of a term that is used in trade for denoting a kind of good that is included in the list of goods and services for which the mark was registered and ordered cancellation of the mark.

The trademark owner appealed the decision before the Athens First Instance Administrative Court, which rejected the appeal and affirmed the TMO’s decision. The Court, applying CJEU case law (including the principles outlined in *Windsurfing Chiemsee*<sup>34</sup>), reiterated that the basic function of trademarks is to distinguish the goods of one undertaking to those of another and to protect consumers from a risk of confusion. To that end, marks that consist exclusively of words or other signs that are used in everyday language by the relevant consumers to denote a kind of good or its characteristics are excluded from registration. Such marks are registrable only if they are combined with other elements.

In the case at hand, it was found that the mark consisted solely of a word that is devoid of any distinctive character and is used in trade to describe the kind of goods distinguished by the trademark, namely, the Kasakavli cheese. The term was found to be descriptive, general, and unable to distinguish the goods of the trademark owner

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<sup>33</sup> Ruling No. 809/2023.

<sup>34</sup> *Windsurfing Chiemsee Produktions- und Vertriebs GmbH (WSC) and Boots- und Segelzubehör Walter Huber (Case C-108/97), Franz Attenberger (Case C-109/97).*

to those of other undertakings. The trademark owner argued that the mark had a reputation that was strictly linked to his own undertaking; however, the Court dismissed the allegation as unsubstantiated.

**12. Türkiye—IP Court—Is the shape of a whiskey glass distinctive to register as a three-dimensional trademark when combined with verbal elements (however small)?**

In Türkiye, the registrability criteria for three-dimensional (“3D”) trademarks consisting of the shape of the product itself are interpreted narrowly. To be considered to have distinctive character, a 3D shape must be significantly different from the standard shapes associated for the goods in question, such that it is unusual and thus capable of distinguishing it from other goods in the relevant sector.

The plaintiff’s application to register the 3D glass shape (pictured below) as a trademark in respect of “glass, whiskey glass” products was initially rejected by the Turkish Patent and Trademark Office (“TPTO”) as non-distinctive and descriptive. The plaintiff appealed, arguing the mark was both inherently distinctive and had acquired distinctiveness through use. However, the Re-examination and Evaluation Board (“REEB”) reaffirmed the first instance decision.



The plaintiff appealed to the IP court, seeking the annulment of the REEB decision. While expert evidence was deployed in the appeal, it did not support the plaintiff’s position on distinctiveness. Nevertheless, the court found the trademark was registrable. The court’s decision highlighted the phrase “THE G...N GLASS” inscribed at the bottom of the glass, which, although very small and faint, was acknowledged to be the general practice for glasses, and consumers were found to be accustomed to this. Moreover, the glass shape itself was also found to be distinctive, as it was sufficiently

different from other glass shapes to which the relevant public is accustomed.

In the reasoning of the decision, it was stated that whether the issue falls within the scope of IP Law of Articles 5/1-b and 5/1-c of 6769-numbered IP Law, the *ex officio* refusal grounds of descriptiveness and non-distinctiveness is an issue that must be evaluated by taking into consideration the relationship between the goods within the scope of the application and the sign. This is because to make an assessment on the issue as to whether the sign for which registration is requested has a source-indicating function or whether it expresses a feature of the relevant goods or services, the goods/services within the scope of the application must be taken into account. The image of the shaped trademark application indicated that the mouth part narrowed upwards, widened toward the bottom at a special angle and became convex, had a bottom that expanded downward and had the inscription “THE G...N GLASS,” indicating that it was sold by the plaintiff, and that it had gained distinctiveness against other whiskey glasses, taking into account all of these features. The additional verbal feature, even if very small, seemed to be of particular importance in the court’s assessment.

### **13. Switzerland—The Federal Administrative Court— Is a mark precluded from registration if consisting solely of thematic goods?**

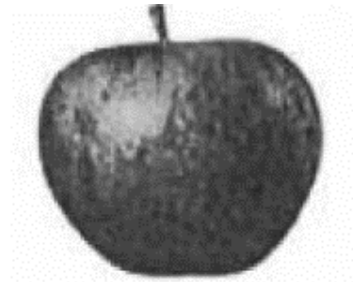
In *Apple Inc. v. IPI*,<sup>35</sup> the Federal Administrative Court (“FAC”) dealt with the Swiss part of an internationally registered figurative mark and examined whether the Swiss Federal Institute of Intellectual Property (“IPI”) lawfully qualified the trademark in question as belonging to the public domain and thus not protectable under the Swiss Trade Mark Protection Act (“TmPA”) in respect of content-related goods in Class 9. The decision triggered a review of practice of the IPI with respect to the registrability of “goods with a thematic content.”

Apple Inc. is the owner of the following international registration with basic registration in the United States:

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<sup>35</sup> *Apple Inc. v. Swiss Federal Institute of Intellectual Property (IPI)* (Federal Administrative Court, July 26, 2023) (B-4493/2022).





The IPI had initially rejected the application for the territory of Switzerland in its entirety, reasoning that the sign or the natural representation of an apple represented the thematic content of the claimed goods. Following a reassessment, it confirmed its decision in part for certain goods in Class 9, namely, sound recordings devoted to entertainment, documentaries, interviews, audio and video film sequences for television and other broadcasting media, and DVDs or CD-ROMs.

The IPI reasoned that customers would not see an indication of commercial origin in the sign in question, but rather a directly descriptive, figurative reference to the subject of the sound recordings, radio programs, or documentaries for which the trademark claimed protection. It further held that only if the claimed goods were clearly thematically defined in the register, thus excluding the subject “apple,” the disputed sign would no longer be directly descriptive. The appellant argued in the trademark proceedings that the reputation of the word mark APPLE was such that an association would be made between the word mark and the mark applied for. However, the IPI held that the reputation of the word mark would not lead to images of natural apples being seen as references to the appellant’s company. Accordingly, the IPI concluded that the sign belonged to the public domain and was therefore ineligible for trademark protection.

Upon appeal from Apple Inc., the Federal Administrative Court (“FAC”) examined whether the sign in question lacked distinctive character and whether the IPI was therefore justified in partially denying trademark protection in accordance with Article 5 paragraph 1 of the Protocol Relating to the Madrid Agreement in conjunction with Article 6<sup>quinquies</sup> B(B)(2) of the Paris Convention and Article 2 lit. a of the TmPA.

The FAC found that, in the absence of a claim of acquired distinctiveness or well-known status, the assessment of distinctiveness is based solely on the trademark application, and not the intended or actual use of the trademark. The FAC qualified sound, video, and film recordings and corresponding data carriers as so-called content-related goods, whose economic value lies primarily in their intangible content and not in their physical form.

In this context, it held that the assessment of the distinctiveness of a sign claiming content-related goods must take into account not an abstract but an actual market interest of co-providers.

With respect to the availability requirement, the FAC found that the disputed sign was not a typical content of sound, video, and film recordings or of the content of corresponding data carriers. In the absence of evidence of widespread use of the goods in question exclusively or significantly for Apple content, the FAC saw no reason to assume a current market interest or a requirement of availability.

The FAC further referred to previous case law, according to which trademarks lack distinctiveness for goods such as magazines, data carriers, and other media, if they are recognizably limited to direct references to the subject matter dealt with therein. A sufficient product proximity between the sign and the content of the goods would be necessary for the sign to lack distinctiveness. The Court concluded that a consumer would not—without further consideration or intermediate mental steps—immediately recognize the image of the apple as the content of the goods. A mere allusion that an apple could be the content of the claimed goods was, however, not sufficient. It therefore denied sufficient product proximity and found the trademark to have sufficient distinctive character.

Consequently, the FAC found that the sign was not descriptive for the claimed goods and that there was no requirement of availability and thus granted the trademark protection for all the goods claimed in Class 9. Following this decision, the IPI decided to reconsider its practice regarding the registrability of goods with a thematic content, which was found to be stricter than the practice of the EUIPO.

### **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;

- (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 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 EU trademarks 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.

As in any other year, conflicts between marks provide plenty of available case law for this section of the Review, finding the balance between the rights of the earlier user and the later mark. As always, this Review has selected more notable or interesting cases rather than seeking to capture all such decisions. Some common themes emerged. Several cases considered whether and to what extent particular famous marks could “bridge” the distance between dissimilar goods/services to prevent registration based upon dilution, tarnishment, or unfair advantage, as considered by the General Court with regard to the ROLEX mark (*Rolex v. EUIPO—PWT*) and the BIMBO mark (*Bimbo v. EUIPO Bottari Europe*), and as considered by the Higher Regional Court in Austria, in determining whether a commonality in the type of consumer, or a certain complementarity might also bridge the gap between dissimilar goods (Federal Patent Court of Germany).

Following the theme of distinctive character from Chapter II, many courts in 2023 also considered the scope of protection for marks consisting of elements, whereby assessment of distinctive character might either increase or reduce the risk of conflict with later marks, including semantic elements (*Ioulia and Irene Tseti Pharmaceutical Laboratories v. EUIPO*) anthropomorphic elements (*Zitro International v. EUIPO*), decorative elements (*Pierre Balmain v. EUIPO*), descriptive (UTOPIA) elements, or geographical elements (MADRID).

## ***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;
  - (b) applications for the trade marks referred to in point (a), subject to their registration;
  - (c) 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 6<sup>bis</sup> of the Paris Convention.
3. . . .
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. . . .

### **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) . . . ;
  - (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) . . .
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—Is an established reputation (alone) enough to prevail in the opposition proceedings?**

In *Rolex v. EUIPO—PWT (Device of a crown)*,<sup>36</sup> the General Court considered an appeal from the decision of the EUIPO Fourth Board of Appeal rejecting the opposition against an EU designation of IR for a figurative mark representing a crown (depicted below) and covering, among others, “clothing, footwear, headgear” in Class 25.



The applicant, Rolex SA, filed a notice of opposition to registration of the mark based on its EU trademark registration for figurative marks comprising crown elements (depicted below)

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<sup>36</sup> Case T-726/21 (GC, January 18, 2023).

covering, inter alia, “watches” in Class 14. The grounds relied on in support of the opposition were those set out in Article 8(1)(b) and Article 8(5) of the 2017 EUTM Regulation, that there was a likelihood of confusion and unfair advantage of and detriment to the earlier rights’ reputation and distinctive character.



The Opposition Division upheld the opposition on the grounds of Article 8(5) of the 2017 EUTM Regulation, a decision that was later overturned by the EUIPO Board of Appeal. To the extent that the opposition was based on likelihood of confusion, the Board of Appeal found that the *watches* in Class 14 were dissimilar to “clothing, footwear and headgear” in Class 25. Therefore, there could be no likelihood of confusion between the conflicting marks.

Insofar as the opposition was based on Article 8(5) of the 2017 EUTM Regulation, the Board found that, while the reputation of the earlier purely figurative mark was not established, the earlier composite mark had a reputation in respect of wristwatches. Nevertheless, the Board stated that the latter mark and the applied-for mark were, at most, visually similar to a very low degree. Furthermore, the Board found that a phonetic comparison was not possible between those marks and that the conceptual similarity resulting from the common presence of a crown had a very limited impact. As a consequence, the Board concluded that the relevant public would not make a link between those marks, with the result that no risk of injury to the reputation of the earlier composite mark was established. The Board of Appeal pointed out that the applicant had not stated the reasons why any of the injuries set out in Article 8(5) could have occurred.

Rolex SA appealed the Board’s decision to the General Court. The applicant criticized the Board for finding there were no similarities between “watches” in Class 14 and “clothing, footwear and headgear” in Class 25 and, as a result, holding that there was no likelihood of confusion between the marks. Moreover, the applicant argued that the Board incorrectly assessed the similarities of the signs and failed to recognize that use of the

application would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier composite mark.

On appeal, the General Court upheld the Board's decision. To the extent that the opposition was based on likelihood of confusion, the Court stressed that it was undisputed by the parties that the goods in comparison differ in their nature and intended purpose. The Court also pointed out that "watches" in Class 14 and "clothing, footwear and headgear" in Class 25 are not in competition with each other, even if they could belong to a proximate market sector. The Court also dismissed the applicant's arguments on the goods' "aesthetic complementarity," noting that it is irrelevant for establishing similarity within the meaning of Article 8(1)(b) of the 2017 EUTM Regulation.

Insofar as the opposition was based on Article 8(5) of the 2017 EUTM Regulation, the Court initially recalled the conditions that must be satisfied for this ground of opposition to successfully apply. In line with one of those conditions, the proprietor of the earlier mark must adduce proof either that the use of the mark applied for would take unfair advantage of the distinctive character or the repute of the earlier mark or that it would be detrimental to that distinctive character or that repute.

While the applicant might have proven that one of its earlier marks is reputed, this factor alone was insufficient to prevail in the opposition. Recalling *Intel Corporation*,<sup>37</sup> the Court emphasized that reputation is just one of interdependent conditions taken into account in Article 8(5). Reputation alone, however high, was not sufficient for the claim to succeed without proof of the injury, which must be of a serious risk that either unfair advantage or detriment will occur in the future. Here, the applicant had failed to identify the injury that might be caused to its earlier reputed mark, to its detriment, by the use of the mark applied for. In turn, the applicant confined itself to recalling the Board's recognition of the reputation of the earlier composite mark for wristwatches and submitting a general consideration relating to the size of the investment necessary for the acquisition of a reputation. As a result, the appeal was dismissed.

## **2. EU—GC—Is “a very strong reputation” and a high degree of marks’ similarity enough to prevail against the most remote goods and services?**

In *Bimbo v. EUIPO—Bottari Europe (BimboBIKE)*,<sup>38</sup> the General Court considered an appeal from the decision of the EUIPO First Board of Appeal rejecting the opposition against an EU

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<sup>37</sup> Case C-252/07 (CJEU, November 27, 2008).

<sup>38</sup> Case T-509/22 (GC, May 24, 2023).

trademark application for a figurative mark BIMBO BIKE (depicted below), covering various goods and services in Classes 3, 8, 9, 11, 12, 28, and 35, including goods and services relating to bicycles and bicycle accessories.



The applicant, Bimbo SA, filed a notice of opposition against the above mark based on its Spanish trademark registration for BIMBO covering goods in Classes 5, 29, and 30 including “bread, cookies, cakes, pastry and confectionery.” The grounds relied on in support of the opposition were those set out in 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 mark’s reputation and distinctive character. Reputation was claimed in respect of the goods in Class 30.

The Opposition Division partially upheld the opposition on the grounds of Article 8(5) of the 2017 EUTM Regulation and dismissed the application in respect of “detergents, soap and grease-removing preparations” in Class 3, “drinking bottles, drinking bottles for sports” in Class 21 and “scooters, tricycles for infants, scooters for kids and gloves for games” in Class 28. The application was allowed to proceed for most of the applied-for goods and services in Classes 3, 8, 9, 11, 12, 28, and 35. The applicant appealed the decision insofar as the opposition had been rejected for all the remaining goods and services.

The decision was upheld by the Board of Appeal. The Board confirmed that the earlier mark enjoyed a very strong reputation in Spain for bread. It also confirmed the findings of the Opposition Division that visually the signs were highly similar and displayed at least a high degree of phonetic similarity. The Board found the earlier mark to have a normal degree of distinctiveness.

Despite that, the Board ruled out that use of the mark applied for may take unfair advantage of the distinctiveness of the earlier mark or of its repute. The Board found that it was unlikely that the earlier mark, which had a reputation for certain qualities of bread or foodstuffs in general, transferred the image of those qualities onto the contested goods and services, which were related to cycling. The Board found the contested goods and services were too distinct from bread for the consumers to establish a mental link between the conflicting signs.

The applicant appealed the Board's decision to the General Court. The applicant criticized the Board for ignoring the "great similarity" of the signs and the likelihood of association linked to it. Furthermore, the applicant argued that the Board failed to properly consider the "extremely high reputation" of the earlier mark and the risk of detriment caused to that reputation.

On appeal, the General Court upheld the Board's decision. The Court first noted that that it was generally undisputed that the conflicting marks were similar and that the earlier mark enjoyed strong reputation for bread. Addressing the applicant's claims, the Court admitted (citing *Tosca de FEDEOLIVA*<sup>39</sup>) that it was possible, particularly in the case of oppositions based on a mark with an exceptionally high reputation, that the probability of a future, non-hypothetical risk of detriment to the earlier mark was so obvious that the opponent did not need to put forward and prove any other fact to that end. Nonetheless, the Court found that the evidence submitted by the applicant did not establish that the strong reputation of the earlier mark was comparable to that of a mark that has an exceptionally high reputation within the meaning of the above-mentioned *Tosca de FEDEOLIVA* case.

As a result, the Court found that the applicant was obliged to demonstrate risk of injury. This, in turn, could not be established due to the conflicting goods and services being too remote. The Court agreed with the Board that bread, an everyday shopping item, came within a category of goods other than bicycles and related goods and services, which could not be regarded as everyday shopping items. The Court also noted that the applicant failed to demonstrate that producers of bread diversified into the field of cycling. As a result, no link could be established between the goods and services at issue, resulting in no risk of injury to the earlier registration. The applicant appealed the General Court decision to the Court of Justice. However, the appeal was not considered to raise a sufficiently important issue with respect to unity or the consistency or development of EU law and was not allowed to proceed.

### **3. EU—GC—How can anthropomorphic presentation and personality impact the similarity of two figurative marks?**

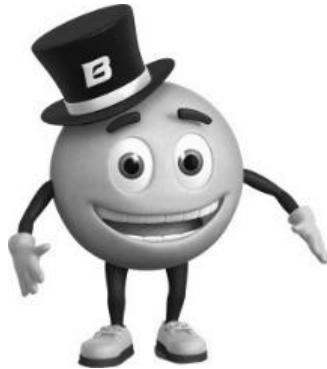
In *Zitro International v. EUIPO—e-gaming*,<sup>40</sup> the GC considered an appeal from the decision of the EUIPO Fourth Board of Appeal rejecting the opposition against a 2018 EU trademark application for a figurative mark representing a smiley face wearing a top hat (depicted below), filed by e-gaming s.r.o., and covering goods and

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<sup>39</sup> Case T-63/07 (GC, March 17, 2010).

<sup>40</sup> Case T-491/22 (GC, April 19, 2023).

services in Classes 9, 38, and 41, including software for betting, gaming, and gambling and related services.



The applicant's predecessor in law filed a notice of opposition to registration of the applied-for mark in respect of all the goods and services based on its EU trademark registration, among others, for a figurative mark representing a fantasy figure covering Classes 9, 28, and 35, which also included gaming and gambling-related goods and services. The opposition was based on the grounds of likelihood of confusion.



On October 8, 2021, the Opposition Division rejected the opposition in its entirety, a decision later upheld by the Fourth Board of Appeal. In its decision, the Board of Appeal stressed that the signs at issue were dissimilar visually, that they were phonetically dissimilar (or that the comparison was neutral phonetically), and that they did not convey a clear meaning. As a result, the signs were found to be dissimilar overall. The opponent appealed to the General Court.

On appeal, the GC found that visually, the signs share certain features, that is, a central element that includes, inter alia, an open smiling mouth showing teeth, large eyes, a top hat, two arms

wearing gloves and two legs wearing shoes. In addition, they are represented in the same colors—white, gray, and black.

However, the Court noted that the shared features are represented differently in each of the signs. The Court conducted a detailed analysis of the conflicting marks and found that the central element of the sign applied-for was an anthropomorphic sphere, while that of the earlier mark was an ovoid. Moreover, while the applied-for sign contained two wide-open eyes and eyebrows, the earlier sign has a single eye and does not have visible eyebrows. Further, whereas the hat in the sign applied for was of average size, tipped to the left and contains an uppercase “B,” the hat in the earlier sign was large, tipped to the right, contains an “S” or dollar sign and some banknotes. Finally, the Court stressed that differences could also be established in the position of the arms and proportion of the legs in relation to the central element of each of the signs at issue.

Therefore, the General Court found that the overall impression produced by the signs at issue was so different that the relevant public would not establish a link between those signs on the ground that they share certain features and the same colors. They were two fantasy figures stylized differently, that were, on the one hand, a happy figure in the shape of a ball with wide-open eyes, straight arms, and short legs and, on the other hand, a figure in the shape of a one-eyed, slightly deformed face with one bent arm and another arm resting on a cane, and legs of the same length as the central element.

As for the aural comparison of marks, the Court first noted that a phonetic comparison was irrelevant in the examination of the similarity of a purely figurative mark with another mark, as a figurative mark without word elements cannot, by definition, be pronounced. In the case at hand, the Court found that no specific word could be attributed to the signs, as they represented abstract fantasy figures. The only elements that may be pronounced are the letter “B” written on the hat in the applied-for sign and the letter “S” or the dollar sign on the hat present in the earlier sign. As a consequence, the signs would be either phonetically different (for the part of the relevant public that would pronounce the elements referred to above) or no phonetic comparison could be carried out for the part of that public that would not pronounce any of those elements.

Regarding conceptual similarity, since different abstract fantasy figures did not convey any clear meaning, a conceptual comparison was not possible. Recalling previous case law, *inter alia*, in Case T-559/19 (*Representation of a tree*),<sup>41</sup> the Court stressed that the mere fact that there was a generic phrase “fantasy figure” that

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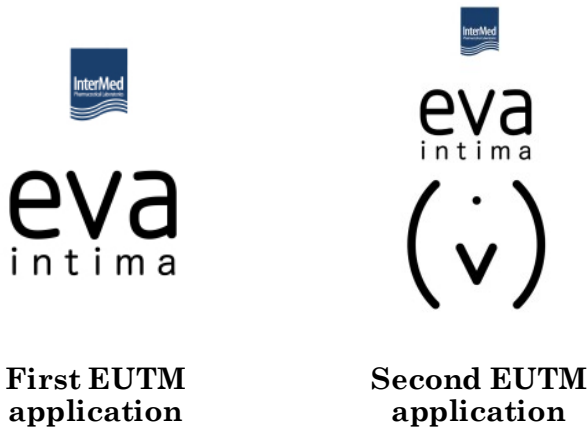
<sup>41</sup> Case T-559/19 (GC, January 30, 2020).

served to describe the semantic content of the signs was not sufficient to establish conceptual similarity.

Taking into account all the foregoing considerations relating to the comparison of the signs, the General Court upheld the Board of Appeal’s assessment that the signs at issue were different overall.

**4. EU—GC—Does a personal name convey a semantic concept that is able to neutralize visual and aural similarity between marks?**

In joined cases *Ioulia and Irene Tseti Pharmaceutical Laboratories v. EUIPO—Arbora & Ausonia (Eva Intima)*,<sup>42</sup> the General Court considered appeals from decisions of the EUIPO First Board of Appeal partly upholding oppositions against two EU trademark applications for figurative marks Eva Intima (depicted below), covering various goods and services in Classes 3, 5, 10, and 35, including toiletries and feminine hygiene products.



The applicant, Ioulia and Irene Tseti Pharmaceutical Laboratories SA, opposed the above applications based on several earlier marks, including the EU and Spanish registrations for word mark EVAX, both covering sanitary and hygiene articles in Class 5. Both oppositions were based on likelihood of confusion grounds.

Although the Board partially overturned the first instance findings with respect to similarity of the conflicting goods, both the Opposition Division and the Board of Appeal found the conflicting marks to be sufficiently similar to result in likelihood of confusion. The applications were refused for “toiletries, body cleaning preparations, cleaning preparations” in Class 3 and “hygienic preparations and articles, sanitary preparations for medical

<sup>42</sup> Cases T-197/22 and T-198/22 (GC, June 21, 2023).



purposes, feminine hygiene products, absorbent articles for personal hygiene, medicated and sanitising soaps and detergents” in Class 5.

The applicant appealed the Board’s decisions to the General Court, alleging infringement of Article 8(1)(b) of the 2017 EUTM Regulation. The applicant criticized the Board for disregarding the conceptual meaning of the marks applied for. The applicant also claimed that the global assessment of the likelihood of confusion was vitiated by errors.

On appeal, the Court first confirmed the Board of Appeal’s assessment of the relevant public and similarity of the conflicting goods. As for the comparison of signs, the Court agreed with the Board that the dominant element of the first application are the words “eva intima.” However, the Court disagreed with the Board’s findings that “the stylised depiction of a female belly” present in the second EUTM application could not be regarded as dominant, because it would be perceived as descriptive by the relevant public. Recalling *Inex v. OHIM—Wiseman*,<sup>43</sup> the Court emphasized that weak distinctive character of an element does not necessarily imply that this element cannot be dominant. In turn, it may be deemed dominant if it leaves an impression on consumers and is likely to be remembered by them. This could be due to factors such as its size or positioning within the mark.

The Court then moved on to visual and aural assessment of the conflicting signs, finding them to be visually similar to an average (first application) and low degree (second application), and aurally similar to an average degree. As for conceptual comparison of marks, the Court agreed with the Board of Appeal that the earlier marks consist of an entirely fanciful term, “EVAX.”

Regarding the word “eva” of the applied-for signs, the Board had held the view that, in principle, first names are devoid of semantic content and do not convey any concept, with the result that the conceptual comparison in the present case remained neutral. The General Court, however, diverged from the Board’s position. It highlighted that unlike trademarks incorporating both a first name and a family name, those composed *solely* of a first name do convey a concept. Consequently, the marks were determined to be conceptually dissimilar.

The Court proceeded to address the applicant’s arguments based on so-called neutralization theory, famously established in the *Picaro/Picasso* case.<sup>44</sup> In essence, the applicant contended that not only were the signs in question conceptually different, but this difference was significant to counterbalance any similarities in other aspects of the signs. In other words, the applicant argued that the conceptual difference between the elements “EVAX” and “EVA”

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<sup>43</sup> Case T-153/03 (GC, June 13, 2006).

<sup>44</sup> Case C-361/04 P (CJEU, January 12, 2006).

was so significant that it could counterbalance the visual and aural similarities between the marks. The Court dismissed the applicant's claims. First, it pointed out that such neutralization can occur only where at least one of the signs has, from the perspective of the relevant public, such a clear and specific meaning that it can be grasped immediately by that public. The Court then determined that the relevant public did not understand the word "eva" in a clear and uniform manner. While one part of the public understood it as a common female first name just like any other female first name, another part of the public understood it as alluding to the biblical first woman on Earth. As a result, the conceptual difference between the signs was not sufficiently strong for the signs to produce a different overall impression.

In the light of the foregoing, the Court found that a likelihood of confusion existed between the prior marks and the first EUTM application, but only for identical goods. At the same time, the Court reversed the Board's decision on the second EUTM application, asserting that its similarity to the earlier marks was not significant enough to cause confusion. Consequently, the applicant's appeal was partially upheld.

### 5. EU—GC—How distinctive are marks composed entirely of decorative elements?

In *Pierre Balmain v. EUIPO—Story Time (Lion's head representation)*,<sup>45</sup> the General Court considered an appeal from the decision of the EUIPO Fourth 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 Story Time sp. z o.o. and a figurative trademark applied for by Pierre Balmain.

The applicant, Pierre Balmain, filed an EUTM application for a figurative mark representing a lion's head encircled by a chain (depicted below), covering various goods in, inter alia, Classes 14 and 25, including various pieces of jewelry and clothing:



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<sup>45</sup> Case T-564/22 (GC, December 20, 2023).

Story Time sp. z o.o. filed an opposition against the above application based on its Polish trademark registration for a figurative mark representing a lion's head in a circle (depicted below), covering various goods in Classes 14 and 25, which were similar and identical to those covered by the applied-for sign:



The Opposition Division upheld the opposition in respect of all the contested goods in Classes 14 and 25, a decision later confirmed by the Board of Appeal. The Board dismissed Balmain'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.

Overtaking the Board's decision, the Court agreed with the applicant that the Board incorrectly found the lion's head to be the dominant and most distinctive element in the conflicting marks. Referring to its previous judgment in Case T-331/1946, which involved the same application by Balmain, the Court stated that a representation of a lion's head is a banal and commonplace decorative motif for clothing and accessories. The Court stressed that in the fashion industry, it is customary to utilize representations of lions, lions' heads, or other wild, strong, and exotic animals in the commercial presentation or ornamentation of goods, particularly those in Classes 14 and 25.

The Court then asserted that, in fact, all of the graphic elements in the marks at issue (such as the black circle, dotted line, and the chain or rope motif) are inherently banal. They have a low degree of inherent distinctiveness, and none of them could be considered "more distinctive" than the others. Consequently, the Court concluded that the Board made an error in determining that the earlier mark had a "normal" or "average" level of inherent distinctiveness, when, in fact, it should be considered low.

Furthermore, the Court found that the Board attached too much importance to the marks' conceptual identity resulting from the shared concept of a lion's head. Once more, the Court flagged that this concept is commonly and routinely utilized in the commercial presentation or ornamentation of goods within the fashion sector. The Court concluded that the above errors necessarily undermined

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<sup>46</sup> Case T-331/19 (GC, February 5, 2020).

the Board of Appeal's reasoning relating to the assessment of the likelihood of confusion. As a result, the General Court annulled the contested decision.

Interestingly, in the proceedings before the Court, the EUIPO submitted an alternative claim, seeking that the Board's decision be annulled should the Court find that the earlier mark has a low degree of inherent distinctiveness. The Court found the EUIPO's claim admissible, emphasizing that while the EUIPO had no capacity to bring an action against a decision of a Board of Appeal, it was not obliged to systematically defend every contested decision or automatically claim that every action challenging such a decision should be dismissed. There is nothing to prevent the EUIPO from endorsing a head of claim of the applicant. On the other hand, the Court clarified that the EUIPO could not seek an order annulling or altering the decision of the Board on a point not raised in the application or put forward pleas in law not raised in the application.

**6. Spain—Supreme Court—Can a well-known prior mark in a geographical location predate the registration of a later mark for similar goods and services in the same location?**

The *Real Madrid* case<sup>47</sup> refers to an appeal filed by Real Madrid Club de Fútbol before the Supreme Court of Spain against the decision of the High Court of Justice of Madrid that had upheld the appeal filed by Club Deportivo Elemental Madrid Club Fútbol Femenino and granted the following mark in respect of the activities of a football club (Class 41):



The Board of Appeals of the Spanish Patent and Trademark Office had rejected the application on November 16, 2020, considering that it was confusingly similar to the trademarks MCF REAL MADRID and RMCF depicted below.

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<sup>47</sup> Real Madrid v. Club Deportivo Elemental Madrid Club Fútbol Femenino, Judgment 1398/2023 Supreme Court (Contentious-Administrative Chamber, November 7, 2023).



**Realmadrid**  
C L U B D E F U T B O L

The Spanish PTO had also held that the new application could be detrimental to the distinctive character of the opposing marks and could take unfair advantage of their reputation.

The decision of the Spanish PTO was appealed to the High Court of Justice of Madrid. In its decision of July 31, 2022,<sup>48</sup> the High Court of Justice considered that the terms “MADRID,” “CLUB,” and “FUTBOL” were non-proprietary. Therefore, the different visual impression of the applied-for mark, added to the fact that it did not contain the word element “REAL,” prevented any likelihood of confusion arising from these similarities.

Real Madrid appealed the decision before the Supreme Court. In its appeal, it mainly argued that the High Court of Justice had incorrectly assessed the reputation of the earlier trademark and had wrongly concluded that the applied-for mark would not take unfair advantage of the earlier trademark REAL MADRID CLUB DE FUTBOL, registered and used for exactly the same services. It also referred to the CJEU in *Intel*,<sup>49</sup> which held that in order to declare two trademarks incompatible based on taking of unfair advantage, likelihood of confusion is unnecessary; what is required is similarity of the marks that would establish a link between them in the mind of the average consumer.

The applicant, Club Deportivo Elemental Madrid Club Fútbol Femenino, replied that the appealed decision was lawful, as it had correctly regarded the marks as dissimilar, thus preventing infringement under likelihood of confusion and dilution. Its argument was that for reputation grounds of infringement to apply, the marks must be similar and as the marks shared only generic and descriptive elements and their important differences should be considered, the marks were insufficiently similar.

The Supreme Court of Spain<sup>50</sup> upheld the appeal of Real Madrid and overturned the decision. According to the Supreme Court, the opposing marks have a common and characteristic element, the word “Madrid” and the word and/or graphic reference to being a “Football Club” is a distinctive element of the same to identify a category of sporting activities related to the sport of football in which the opposing marks enjoy a reputation. By including these

<sup>48</sup> Madrid CFF v. Spanish PTO and Real Madrid Club de Fútbol, Judgment 342/2022 (High Court of Justice of Madrid, May 31, 2022) (Appeal 30/2021).

<sup>49</sup> Case C-252/07 (CJEU, November 27, 2008).

<sup>50</sup> Real Madrid v. Club Deportivo Elemental Madrid Club Fútbol Femenino, Judgment 1398/2023 (Supreme Court (Contentious-Administrative Chamber), November 7, 2023).

words, the Court held, the applied-for mark evoked the pre-existing marks and might have established the requisite link described above between it and the earlier well-known marks.

The Supreme Court concluded that the word “Real” in the earlier marks was not a differentiating element that precluded all risk of association or link with the marks with reputation. The fact that the applied-for mark was intended to cover the services of a female football club could lead consumers to erroneously believe that it was Real Madrid’s women’s football team, in particular due to the presence of the letters “CF,” the words “Madrid and Futbol Club,” and a coat of arms.

### **7. Germany—Federal Patent Court—Are goods similar where they have a close complementary relationship?**

In this case,<sup>51</sup> the Federal Patent Court held that similarity of goods may arise due to close complementary relationship.

The applicant filed a trademark, *inter alia*, for “technical oils; technical greases; lubricants; luminous materials; diesel fuel; petrol; alcohol [fuel]” for the following sign:



The opponent filed an opposition based on the word mark HOT registered for “chemical additives for heating oils.”

The German PTO upheld the opposition, finding there to be a likelihood of confusion between the trademarks. The examiners found there was at least a moderate degree of similarity between the contested goods and the opponent’s goods. The opponent’s goods (“[c]hemical additives for heating oils”) and the contested goods (“technical oils; technical greases; lubricants; fuels [including motor fuels] and illuminants; heating oil; diesel fuel; petrol; fossil and synthetic fuels; alcohol [fuel]”) have a complementary relationship, because the additives are added to these goods and can substantially determine or improve their properties. In addition, it would be reasonable for the public to assume that a trademark proprietor in the fuel trade would also be involved in the manufacture, distribution, and licensing of functionally related products such as “chemical additives, technical oils; technical greases; lubricants.”

Upon appeal, the Federal Patent Court confirmed the decision with regard to some goods but annulled it with regard to others. The Federal Patent Court held that it could only partially accept the


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<sup>51</sup> Case No. 29 W (pat) 525/20 (Federal Patent Court, August 17, 2023).

examiner’s opinion that there was at least a medium degree of similarity between the goods of the opposing trademark and the goods and services of the contested trademark. In particular, the Court did not agree with the argument that “chemical additives for heating oils” are in a close complementary relationship with the contested goods because the additives were added to these goods and could substantially determine or improve their properties. This was because “additives for heating oil” are added only to heating oil, but not to the other products mentioned above. For these, there are separate, specially adapted additives. Therefore, a close complementary relationship would only be possible for heating oils and generic terms to which heating oils are subject.

**8. Austria—Higher Regional Court Vienna—Can a commonality in the type of consumer bridge the gap between dissimilar goods?**

This case<sup>52</sup> related to the plaintiff’s appeal against a decision of the Austrian Patent Office in connection with an opposition against the trademark application “PUMA Multipower” based on the earlier trademark PUMA.

<b>Earlier trademark:</b>	<b>Opposed trademark:</b>
 <p>Class 18: inter alia, leather and imitations of leather and goods made of leather and imitations of leather, namely briefcases, briefcases;</p> <p>Class 25: Clothing, footwear, headgear</p> <p>Class 28: including games, toys, gym and sports equipment</p>	<p><b>PUMA Multipower</b></p> <p>Class 7: inter alia, machines for material processing and production or for moving goods; machine tools; power tools; engines and motors, except for aircraft and land vehicles;</p> <p>Class 12: Land vehicles; apparatus for land or water transport; land vehicles and means of land transport; parts and accessories for land vehicles</p>

The Patent Office had ruled that, despite the complete adoption of the earlier trademark into the opposed trademark, there was no conceptual link between the signs because the respective goods were

<sup>52</sup> Case 33 R 80/22k (Higher Regional Court Vienna, March 22, 2023).

different and served completely different purposes. Furthermore, the relevant public would not overlap. Although the earlier trademark was well known, it could not be assumed that the opposed trademark exploited the reputation of the earlier trademark due to the significant difference in goods and sectors. The plaintiff's opposition was therefore rejected.


On appeal, the Higher Regional Court of Vienna first dealt with the reputation of the earlier trademark. Based on the very high degree of recognition among the public, the established market share in Austria and in the European Union and expenditure on advertising (including sponsorship of famous personalities in sport and fashion), the earlier trademark could be considered very well known in the European Union.

The Higher Regional Court of Vienna further held that the sports goods covered by the earlier trademark were aimed at end consumers, who might also buy goods in Classes 7 and 12 for which the opposed trademark applied. Conversely, there would also be purchasers of sporting goods among the consumers of the goods sold under the opposed trademark. Therefore, contrary to the opinion of the Austrian Patent Office, the target groups of the two trademarks overlapped, at least partially.


The distinctive element of the earlier trademark PUMA was wholly incorporated in the opposed trademark. On this basis, taking into account the overlapping public, the Court held the public would also associate the opposed trademark with the earlier trademark, despite the goods not being similar.

Protection under Section 10(2) of the Austrian Trademark Protection Act applies if the use of the earlier sign is unfair and there is no justifiable reason. The defendant had completely adopted the well-known earlier trademark into its trademark, which the Court found to be unfair due to the obvious possibility of exploitation of attention in the case of well-known trademarks. The Higher Regional Court of Vienna therefore upheld the plaintiff's appeal and cancelled the registration of the opposed trademark.


**9. Portugal—Portuguese PTO (INPI)—Should a registered trademark comprising the designation of a literary genre grant exclusive rights to the respective owner?**

A Portuguese publishing group filed an application for registration of the trademark  as a Portuguese trademark in respect of “books; publications; newspapers; periodicals; magazines; printed products in class 16 and education; training; entertainment; cultural activities; workshops for educational purposes; organization and holding seminars and workshops [training]” in Class 41.



The application was opposed by an Italian company, as owner of the EU trademark registration  UTOPIA, in Classes 9, 16, 35, 36, 41, and 42. The opponent argued that the application was similar to its prior mark, on the basis that both trademarks were composed of an identical verbal element “UTOPIA.”

In its response, the applicant argued that, within the scope of the goods and services covered by Classes 16 and 41, the word “UTOPIA” ought to be understood as a generic element. It argued that the word “UTOPIA” was usually used to describe an imaginary society that would possess highly desirable or almost perfect qualities for its citizens and was therefore a literary genre. The applicant argued that the opponent could not claim to be the exclusive owner of a word or term that corresponds to a literary genre, especially when it does so in relation to goods and services included in Classes 16 and 41.

On March 21, 2023, the Portuguese Patent and Trademark Office, the Instituto Nacional da Propriedade Industrial (the “INPI”), issued its decision, rejecting the opposition, finding in favor of the applicant, and granting the trademark application for  UTOPIA. In summary, the INPI understood that the term “UTOPIA,” accompanied by other elements, had already been registered successfully by other trademark proprietors. Furthermore, and more relevantly, the INPI stated that it tends to agree with the arguments presented in the applicant’s response, when considering that, in the context of the goods and services to which the marks is dedicated, the ordinary term “UTOPIA” can be considered as a literary genre and, for that reason, not exclusive to any economic agent. The opponent did not appeal the INPI’s decision to the Intellectual Property Court.

## IV. BAD FAITH

### A. *Introductory Comments*

The validity of an EU trademark 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).

Perhaps due to these legislative changes, or merely due to evolving case law, the issue of bad faith remains high profile in European trademark law, albeit the sheer number of cases appears to have reduced somewhat in 2023. The question as to whether re-filing a mark in order to avoid the consequences of proof of use and potential revocation remains controversial, with the German Federal Patent Court in *Handte* considering whether “a repeat” trademark application would result in bad faith in considering the overlapping but ultimately separate scope of protection of a national trademark and an EUTM. Similarly in the UK, the High Court in *Lidl v. Tesco* held that marks amounting to periodic refilings to evade revocation were registered as a “legal weapon” and were invalid as “evergreen” filings made in bad faith. In a different context of bad faith, the Commercial Court of Valencia considered whether a registration filed for a particular color was made in bad faith, solely in order to disrupt a competitor.

### ***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. Spain—Commercial Court of Valencia—Was a registration filed for a particular color made in bad faith to disrupt a competitor?**

This case<sup>53</sup> is the first installment of a conflict between Televes and Tecatel, two manufacturers of television aerials. Televes is a leading company in the field of terrestrial television and radio aerials. In Spain, it reached a market share of 60 percent at the end of the 1990s and maintains a leading position today. Televes uses the color orange to identify its aerials.



After two unsuccessful attempts to register the color orange (Pantone 137C ■) for its products and services at the EUIPO, in November 2020 Televes managed to obtain a Spanish registration on the basis of acquired distinctiveness in Class 9 covering “terrestrial radio and television antennas.”

On May 27, 2022, Televes filed a complaint for trademark infringement against Tecatel, which was manufacturing, offering, marketing, and advertising radio and television terrestrial antennas with the color orange, as reproduced below:

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<sup>53</sup> *Televés, S.A.U. v. Tecatel, S.L.*, Case 313/2022 (Commercial Court No. 3 of Valencia, February 27, 2023).



Tecatel argued that (i) the color orange was not used on their products as an indication of the business origin of the goods but just for decorative purposes, (ii) that they had used the color orange in the composition of some of their products since 2009, (iii) that not only the EUIPO but also the Portuguese Trademark Office had rejected the applications for color marks filed by Televes, and (iv) that the Spanish trademark of TELEVES was not well known but had been granted due to acquired distinctiveness, which were distinct concepts.

Tecatel also counterclaimed seeking the invalidity of the Spanish color mark of TELEVES for lack of distinctiveness and for having been filed in bad faith, claiming the only purpose of the registration was to obstruct the activities of a competitor that had been using the same color on its products for more than a decade.

Televes replied to the counterclaim, arguing that the Spanish color mark had not been filed in bad faith, but was simply an additional attempt to obtain exclusive rights based on acquired distinctiveness and following the failed attempts at the EUIPO. It also argued that the Spanish PTO decision examined all the evidence filed by the applicant and had concluded that there was a clear and obvious link between the color orange, television aerials, and Televes, due to the wide and continuous use of the color for thirty years in connection with such goods/services.

In its decision of February 27, 2023, the Court first examined the counterclaim for invalidity. It re-examined the evidence that Televes had filed at the Spanish PTO and reached the same conclusion: the color mark had acquired distinctiveness in Spain for terrestrial radio and television aerials and consumers identified it with a specific business origin, namely Televes. When reaching this conclusion, the Court referred to the judgments of the CJEU in *Libertel*,<sup>54</sup> *Philips*,<sup>55</sup> *Mag Instrument Inc.*,<sup>56</sup> and *Heidelberg*

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<sup>54</sup> Case C-104/01.

<sup>55</sup> Case C-26/17 (P), Case C-299/99.

<sup>56</sup> Case C-136/02.

*Bauchemie*<sup>57</sup> and stated that, even if it was exceptional, it was possible for a color mark to acquire distinctiveness even with concurrent use, as was the case here. Televes had widely used the color trademark as an identifier of its products for over thirty years so that the target public of the mark unambiguously distinguished Televes' terrestrial television and radio aerials by the use of that color.

As for bad faith, the Court rejected the claim for bad faith, as it considered that Televes had started using the color orange extensively long before Tecatel started its use in 2009. Further, the use of Tecatel had never been peaceful coexistence, as Televes had sent various cease and desist letters over the years and had filed a complaint once these exclusive rights had been recognized by the Spanish PTO. Finally, rather than considering it to be evidence of bad faith, the Court regarded the different attempts made by Televes to obtain protection for the color mark as evidence that the color trademark had not been filed in bad faith.

Consequently, the Court ordered Tecatel to cease in the use of the use of orange on its aerials, to withdraw from the market all orange aerials, and to compensate Televes for an amount of damages equivalent to 1 percent of the turnover made by Tecatel with the infringing aerials and to publish the judgment in two specialized magazines. The judgment has been appealed.

## **2. Germany—German Federal Patent Court—Was “a repeat” trademark application made in bad faith?**

In this case,<sup>58</sup> the German Federal Patent Court clarified when a re-filing of a trademark was legitimate, and where such re-filing might be merely an attempt to circumvent a use requirement and hence made in bad faith.

The defendant was the owner of a German national trademark and an EUTM for the mark HANDTE. The applicant filed a request for invalidation of the German trademark for bad faith, arguing that the trademark was a mere repeat application for the EU trademark, which was made solely for the purpose of adding it to pending court proceedings in order to circumvent the negative consequences of the use requirement regarding the EUTM.

A dispute had already been pending between the parties before the Mannheim Regional Court and the Federal Patent Court prior to the filing of the contested trademark. In 2018, the defendant had filed an action against the applicant for alleged trademark infringement. This was initially based on three German word and figurative marks (HANDTE Umwelttechnik) and an EU word mark

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<sup>57</sup> Case C-49/02.

<sup>58</sup> Case No. 29 W (pat) 66/20, published in 2023.

(HANDTE). After the applicant had replied to the trademark infringement action and contested the use of the allegedly infringed trademarks, the defendant introduced into the court proceedings the newly filed German word mark HANDTE only to subsequently make it the main subject of the dispute.

In its decision of August 31, 2020, the German PTO rejected the applicant's action for revocation of the German word mark HANDTE, since neither a lack of intent to use nor additional unfairness could be established. Although the EUTM and the German trademark at issue had an identical list of goods and services, the territorial scope of protection of the two trademarks was different. Since there was no explicit obligation to use the EUTM for the national territory now claimed, the new application did not constitute a circumvention of this obligation. The PTO further argued that accompanying national trademark applications are often part of brand protection strategies and are generally justified for the effective enforcement of rights if, as here, there is a general intention to use the corresponding sign.

The applicant appealed the decision, and further argued that the defendant had already known at the time of filing the application that it would not be in a position in the aforementioned court proceedings to prove the use of the trademarks initially asserted there. It therefore had to file a new trademark that was not subject to the use requirement in order not to lose the infringement proceedings. Since then, the other trademarks had only been the subject of auxiliary applications. The applicant further argued that the EUTM and the German trademark were for an identical mark with an identical list of goods and services. The trademark application was not therefore made to acquire any additional protection.

The German Federal Patent Court rejected the appeal. Although the EUTM and the German national trademark were for an identical mark with an identical specification, the territorial scope of protection of the two marks was different. The defendant did not lack an intention to use the mark, in the context of which bad faith could arise. Even then, a lack of intent to use would not *automatically* justify the assumption of bad faith. Bad faith required additional unfairness features to be present at the time of application, which make the specific application appear to be in bad faith.

The Federal Patent Court acknowledged that under Article 139(2)(a) of the 2017 EU Trademark Regulation, an EU trademark that had been revoked for non-use could not in principle be converted into a national trademark, which might raise legitimate concern about a national repeat application. However, where an EUTM is filed to duplicate the effect of a national trademark in that territory, this would not be deemed a "repeat" trademark because of

the extended territorial scope of protection of the EUTM trademark, which could (but does not have to be) used in that territory, as well as, of course, in other Member States.

The Federal Patent Court further pointed out that an EUTM converted into a national trademark was not automatically equivalent to a national registration, as the national trademark application is examined for absolute and relative grounds for refusal, whereas the converted trademark pursuant to the German Trademark Act would not have undergone such an examination. In addition, the converted national trademark would have the seniority of the EUTM, whereas a new application for a national registration would not benefit from an earlier priority date. In the view of the Court, the purpose of Article 139 (2a) of the 2017 EUTM Regulation could not be applied to new registrations. In fact, although the grace period for use of the EUTM might effectively be extended at national level, this was simply a consequence of the complementary national and EUTM trademark systems.

The Federal Patent Court did not find there had been an attempt to circumvent use requirements with the German application, as the subsequent application was filed only four months after the grace period for use of the EU trademark had expired. Irrespective of whether a “blocking period” was applied after the grace period for use had expired, third parties could have acquired rights in the interim, as the period extended over several months. Further, there was a presumption that the applicant for a national trademark has a general intention to use it, although such presumption can be rebutted by the overall behavior of the applicant in exceptional cases in which serious planning for its own or third-party use of the trademark can be ruled out from the outset.

In the present case, the fact that the EU trademark HANDTE had already been used to preserve rights, particularly in Germany, before the national trademark was applied for, was evidence against there being no intention to use the national trademark. In this regard, the Court referred to findings of the Cancellation Division of the EUIPO responsible for the revocation application against the EU trademark, which the EUIPO largely confirmed.

### **3. UK—High Court—Did periodic refiling of the mark amount to bad faith?**

In *Lidl v. Tesco*,<sup>59</sup> the High Court of England & Wales considered a dispute between two rival UK supermarkets, finding in favor of Lidl’s claim against Tesco for trademark infringement. Tesco had

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<sup>59</sup> *Lidl Great Britain Ltd. and another v. Tesco Stores Ltd. and another*, [2023] EWHC 873 (Ch) (April 19, 2023). Note that there were two claimants and two defendants in this case; but this had no impact on the judgment.

limited success in its counterclaim against Lidl, and the High Court found that Lidl's Wordless Mark was registered in bad faith.

Lidl brought a claim against Tesco for trademark infringement of its two registered trademarks pictured below (the "Wordless Mark" and the "Mark with Text," collectively the "Marks"). The Wordless Mark was a graphical device comprising a blue square containing a yellow circle, surrounded by a thin red circle. The Mark with Text was identical to the Wordless Mark, with "LiDL" contained inside the yellow circle. Lidl's claim related to the use by Tesco of a sign that also consisted of a blue square containing a yellow circle ("the Sign").



**The Wordless  
Mark**



**The Mark with  
Text**



**Example of the  
Marks as used by  
Lidl**



**The Sign  
(Tesco)**



**Example of the  
Sign being used by  
Tesco, with  
overlaid text**

Lidl had been using the Mark with Text throughout its stores and advertising. In its counterclaim, Tesco asserted that the Wordless Mark had never been used by Lidl and should be invalidated because it was registered in bad faith. Tesco began to use the Sign from September 2020 to promote its Clubcard, being its loyalty scheme. The Sign has since been widely used throughout Tesco's stores and advertising material ("the Uses"). The Sign often appeared with a price figure and was often overlaid by text such as "Clubcard Prices" to indicate a lower price associated with a Clubcard promotion (together, "the CCP Signs").



In alleging trademark infringement, Lidl relied solely on Section 10(3) of the Trade Marks Act 1994, claiming that the Sign used by Tesco was similar to both the Mark with Text and the Wordless Mark, both of which had reputations for signifying “value for money” for its UK customers. Lidl claimed that the use of the Sign for Clubcard promotions was visually similar to the Wordless Mark and the Mark with Text. Consequently, Lidl claimed that Tesco had sought to “ride on the coat tails” of Lidl’s reputation for good value by creating a link to Lidl’s brand when they saw the CCP Signs.

The High Court held that, while there were “obvious differences” between the CCP Signs and the Marks (such as the thin red circle and the presence of the Lidl logo in the Mark with Text), an average consumer with imperfect recollection would regard the CCP Signs and the Mark with Text as similar. Tesco unsuccessfully submitted that the words “Clubcard” and “Lidl” were too well known to allow for any finding of similarity between the marks. The Court held there was strong evidence of similarity between the Sign and the Lidl Marks, including survey evidence (in which consumers consistently made a connection to Lidl upon seeing the CCP Signs), witness evidence, and Twitter posts from members of the public, and even Tesco’s own internal communications.

The Court held that the average consumer would make a link between the CCP Signs and the Mark with Text, and that there was confusion in relation to origin and price comparison. The creation of the link was “substantially enhanced by reason of the reputation in, and distinctiveness of, the Mark with Text and the fact that the Uses by Tesco involve identical goods and services.” The judge again referred to the Lidl survey evidence and a report commissioned by Tesco, demonstrating the importance of survey evidence when assessing consumer confusion.

Tesco had objected to Lidl’s request to rely on survey evidence on the grounds of its reliability, value, and lack of advance permission from the Court. Tesco also submitted that Lidl’s method of conducting the survey did not comply with the Whitford Guidelines as summarized in *Interflora v. Marks & Spencer*,<sup>60</sup> and that it was “artificial” to show the Wordless Mark to survey participants where this mark was not used. Lidl argued that showing the Wordless Mark with the absence of “Lidl” text would be pivotal in testing its distinctiveness. The judge found she was unable to determine the issue of distinctiveness without considering the survey evidence. She also cautioned that Lidl using survey evidence without prior approval was not blanket approval for cases going forward, each of which would be decided on their facts.

The judge held that Lidl had established detriment to the distinctive character of its Mark because Tesco had, through its use,

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<sup>60</sup> *Interflora v. Marks & Spencer*, [2012] EWCA Civ 1501.

“flooded the market with advertisements using the CCP Signs.” Although it was difficult for Lidl to demonstrate a change in consumers’ economic behavior, the judge found that the need to run corrective advertising was sufficient in proving detriment. Despite finding no direct intention on the part of Tesco “to ride on the coat tails” of Lidl’s reputation, “the CCP Signs were plainly intended . . . to convey value” and therefore took unfair advantage of Lidl’s reputation for good value. It was also found that use of the CCP Signs was without due cause, and therefore Tesco had infringed Lidl’s Mark with Text under Section 10(3) of the Trade Marks Act 1994.

Tesco was partly successful in its counterclaim against Lidl, where Lidl failed to rebut the presumption that the Wordless Mark was registered as a legal weapon, and that subsequent registrations of the mark constituted “evergreening.” It was held that these trademarks were registered in bad faith and were therefore invalidated. Despite the Wordless Mark not being in use, consumers were still able to make a link between the Sign and the Wordless Mark indicating that it still had acquired some distinctiveness.

The counterclaim provided guidance on what kind of re-filings can amount to bad faith. Tesco had argued that the periodic re-filings were to evade revocations on “non-use” grounds. Lidl was found to be seeking wider protection by registering a component of the Mark with Text. This case acts as a warning for brand owners trying to expand their rights by periodically re-registering a mark, as this may constitute a “bad faith” filing and lead to revocation.

The High Court ordered Tesco to remove the advertising. Tesco continues to use the CCP Signs in its Clubcard branding and has asked the Court to pause any requirements to change its logo until an appeal is heard. This high-profile trademark case demonstrates the role of trademarks as indicators of *value*, as well as origin.

## 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 EU trademark regime operates on a “use it or lose it” principle. An EU trademark becomes vulnerable to attack on grounds of non-use once it has been registered for five years. A similar rule applies in relation to trademarks registered with national EU trademark 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 context 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 EU trademark on grounds 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. In *Lännen MCE Oy v. Berky GmbH and Senwatec*

*GmbH & Co. KG* (Case C-104/22), the CJEU confirmed that, where a party in one Member State advertises online under an EUTM on a top-level domain of another Member State, the courts of the latter are competent to adjudicate infringement proceedings under the 2017 EUTM Regulation even where the defendant company did not offer *any* products or services in the latter market, since the mere fact that the company’s website was accessible and there was “active conduct” in paying for a top-level search engine specifically targeted the local public.

In 2023, decisions of national courts also considered a variety of “use” questions. The French Supreme Court analyzed whether the use of a third-party trademark as a search engine keyword and in the source code of a website was the kind of trademark use that might result in a likelihood of confusion. The Dutch Supreme Court (Hoge Raad) held that when a third party has “due cause” in using a trademark other than for the purposes of distinguishing goods or services, compliance with “honest practices” does not need to be assessed subsequently, since the legislative effect of such provisions is to limit the rights of the proprietor, not extend them. The German courts considered two complex cases relating to “models and miniatures” (reminiscent of the CJEU’s decision in *Adam Opel*<sup>61</sup>) and whether the use of a third-party trademark in models and replicas amounted to infringing use. In other questions of use, the Supreme Administrative Court of Poland considered the proper date for effective revocation for non-use, the Danish Supreme Court analyzed the scope of use-based trademark rights and associated reputation, and in a similar vein the UK Court of Appeal determined whether long-standing concurrent use would be indicative of a lack of confusion in the marketplace.

## ***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

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<sup>61</sup> *Adam Opel AG v. Autec AG*, Case C-48/05 (CJEU, January 25, 2007).

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. 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. . . .
2. . . .
3. 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.
4. 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**

1. . . .
2. . . .
3. In the actions referred to in points (a) and (c) of Article 124,<sup>62</sup> 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

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<sup>62</sup> Namely, infringement actions and actions for compensation in respect of post-publication, pre-registration acts.

trade mark could be revoked for lack of genuine use at the time the infringement action was brought.

### *C. Cases*

#### **1. CJEU—Does the court of a Member State have infringement jurisdiction when a company based abroad advertises its goods on a website with that Member State’s national top-level domain but does not actually sell its goods in that Member State?**

In *Lännen MCE Oy v. Berky GmbH and Senwatec GmbH & Co. KG*,<sup>63</sup> the CJEU confirmed that, where a party in one Member State (here, Germany) advertises online under an EUTM on a top-level domain of another Member State (here, Finland), the courts of the latter are competent to adjudicate infringement proceedings under the 2017 EUTM Regulation. This was the case even where the company did not offer any products or services in the latter market. Although the mere fact that the company’s website was accessible from Finland would not result in targeting of Finnish consumers, the respondent’s “active conduct” in paying for a top-level search engine in Finland specifically targeted the Finnish public. In contrast, the organic referencing of an EUTM on a website not targeted at Finnish consumers would not establish jurisdiction under Article 125(5) of the 2017 EUTM Regulation.

The complainant, Lannen MCE Oy (“Lannen”), was a Finnish manufacturer of amphibious dredgers, which it sold under the EUTM WATERMASTER (the “Mark”). Berky GmbH and a member of its group (together, “Berky”), both being German companies, used the Mark in Google Adwords advertisements on google.fi. Using the Mark as a search term on the search engine returned results for Berky’s advertisements, which were separated from other search results and labeled “Ad.” Berky also used the Mark as a keyword in a meta tag on the photo-sharing website flickr.com. This produced a link to a page showing Berky’s products as well as its name. The link on flickr.com was an organic result, rather than an advertising link. At no point did Berky, in fact, sell its goods in Finland—its own website having indicated that Berky was not active in Finland.

Lannen brought an infringement action against Berky in Finland. It alleged that both Berky’s use of paid referencing on a search engine with a top-level Finnish domain name and use of the Mark as a meta tag on flickr.com amounted to infringement of its EUTM. The complainant argued that the respondents carried out marketing activities on the Internet that were directed at the territory of Finland and were visible to Finnish consumers. The

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<sup>63</sup> Case C-104/22 (CJEU, April 27, 2023).

complainant asserted that the respondent's products were sold throughout the world, with the advertisements being in English and offered to an international public.

The respondents also challenged the jurisdiction of the Finnish court as the infringement was not committed in Finland. They maintained that they did not offer their products for sale in Finland and that neither the search result nor meta tag would establish that they had a presence there. They also referred to a map on Berky's website showing the countries in which it offered its products (and which did not include Finland).

The referring Finnish Court sought a preliminary ruling on the following questions (summarized for ease):

- (1) On jurisdiction, whether:
  - a. Berky's advertising was directed at consumers in Finland;
  - b. The Finnish Court could hear an action of infringement where the advertising was published electronically but neither specified, nor excluded, Finland as a jurisdiction in which the goods could be supplied; and
  - c. In answering the preceding questions, could the Finnish Court take into account the nature of the advertised goods and the fact that there was a global market for them goods (i.e. the market included the entire EU, and therefore Finland).
- (2) Whether advertisements would be directed at the public in Finland where they appeared on a search engine website under the national top-level domain of Finland.
- (3) If the first two questions were answered yes, what other factors should be taken into account in determining whether the advertisements were directed at consumers in Finland.

In its judgment, the CJEU clarified that jurisdiction under Article 125(5) of the 2017 EUTM Regulation to hear infringement proceedings must be in relation to infringing acts committed or threatened within a single Member State. The courts of that Member State, under Article 126(1), have jurisdiction *only* with respect to acts committed or threatened in that Member State.

To answer the referred questions, the CJEU held it should be considered whether the alleged infringing acts constituted a *sufficient connecting factor* between Berky and Finland. In doing so, it stated that this related to "active conduct" of the alleged infringer, to be differentiated from organic results. For example, the mere fact that a website was accessible from Finland could not itself sustain a finding that consumers in Finland were targeted.

The CJEU stated that the map on Berky's website (showing it did not operate in Finland) could not itself establish a connecting

factor with Finland. Instead, it considered various indicia that its activities were directed toward consumers in Finland. These could include, for example, the use of languages, currencies, telephone codes, and top-level domain names of a country other than that in which Berky was established (Germany). The provision of advertisements and offers for sale on Google.fi was therefore a relevant aspect in assessing whether consumers in Finland were specifically targeted.

Regarding the Google.fi advertising, the CJEU concluded there was a connecting factor. Berky paid the operator of a Finnish top-level domain to advertise its goods, which constituted active conduct targeting consumers in Finland. The reason for this conduct was for links to its goods to be displayed to a specific target public (that of Finland). As a result, the CJEU found that the Finnish Court did have sufficient jurisdiction under Article 125(5) of the 2017 EUTM Regulation to hear the EUTM infringement action.

The CJEU differentiated referencing on flickr.com from paid advertising and did not consider this to be active conduct directed at consumers in Finland. The Court considered the use of the Mark on flickr.com to be a case of natural referencing, as it was not intended specifically for the Finnish public. Moreover, the use of the meta tag was intended only to enable search engines better to identify images contained on that website and increase its accessibility. Consequently, the CJEU found that the Finnish Court did not have jurisdiction to rule on this point as there was not a sufficient connecting factor to Finland. The Finnish courts will determine the case on infringement by advertising on Google.fi, applying the CJEU's guidance.

## **2. France—French Supreme Court—Did the use of a third-party trademark as a search engine keyword and in the source code of its website result in a likelihood of confusion?**

Aquarelle, a company specialized in the sale of flowers, plants, and floral decorations, held an EUTM for the mark AQUARELLE for goods and services in Classes 31, 35, 41, and 42, as well as a French national trademark registration AQUARELLE for goods and services in Classes 35, 38, and 42. Aquarelle granted Aquarelle.com a non-exclusive license to use these trademarks on its website.

A competitor, Société Commerciale et Touristique (SCT), also involved in the sale of flowers, reserved the keyword AQUARELLE for search engine referencing of its website. SCT otherwise chose a generic domain name and exclusively generic terms for the advertisement displayed in response to searches for the

AQUARELLE trademark by Internet users. Additionally, SCT used the AQUARELLE sign in the source code of its website.

Aquarelle and Aquarelle.com filed an action against SCT alleging that such use constituted trademark infringement, unfair competition and parasitism. In the action, they argued that:

(i) SCT's use of the AQUARELLE sign as a keyword for referencing its website, along with the selection of generic terms for its domain name and advertisement, created a likelihood of confusion regarding the commercial origin of the products and services offered; and

(ii) SCT's use of the AQUARELLE sign in the source code of its website, causing it to appear in the list of natural search engine results when users search for the AQUARELLE trademark, also created a likelihood of confusion concerning the commercial origin of the goods and services offered.

The Paris Judicial Tribunal dismissed Aquarelle's claim for trademark infringement but recognized its claim for unfair and parasitic competition.<sup>64</sup> Aquarelle and Aquarelle.com therefore appealed against the judgment insofar as it dismissed AQUARELLE's claim for trademark infringement. The Court of Appeal partially dismissed the requests filed by both Aquarelle and Aquarelle.com.<sup>65</sup> They consequently filed a further appeal before the French Supreme Court (the "*Cour de cassation*" or "Court of Cassation").

On October 18, 2023, the Court of Cassation dismissed the appeal.<sup>66</sup> The Court first referred to the CJEU ruling of March 23, 2010 (Google France and Google, Case C-236/08<sup>67</sup>), holding that "[t]he owner of a trademark is entitled to prohibit an advertiser from using a keyword identical to the said trademark, selected by the advertiser without the owner's consent as part of an Internet referencing service, to advertise goods or services identical to those for which the trademark is registered. This is the case where such advertising does not enable, or enables only with difficulty, the average Internet user to ascertain whether the goods or services referred to in the advertisement originate from the trademark proprietor or a company economically linked to it, or from a third party." In its ruling, the CJEU emphasized that the likelihood of confusion must be assessed on a case-by-case basis by the national court.

Applying these criteria to the present case, the Court of Cassation concluded that there was *no* likelihood of confusion resulting from the use of the AQUARELLE sign as a keyword for

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<sup>64</sup> Paris Judicial Tribunal, October 12, 2017, No. 2016/04316.

<sup>65</sup> Court of Appeal, March 3, 2020, No. 18/09051.

<sup>66</sup> Cour de Cassation, October 18, 2023, No. 20-20.055.

<sup>67</sup> Joined Cases C-236/08 to C-238/0 (CJEU, March 23, 2010) (ECLI:EU:C:2010:159).

referencing purposes because the AQUARELLE sign was not *used* in the advertisement, in the link, or in the URL address. Further, the fact that the advertisement used terms commonly used to describe the business of delivering flowers ordered online and that the advertisement specifically referenced the SCT website were also relevant factors in finding there was no likelihood of confusion.

With respect to the use of the mark in SCT's source code, the Court confirmed that, even if not visible to the public, this *may* be prohibited by the trademark owner if, as a result of such use, the search results offer an alternative to the trademark owner's goods and services, *and* the average Internet user would not be able to discern, or would discern with difficulty, whether or not the products/services come from the trademark owner or a third party. In this case, however, the Court of Cassation confirmed that since the average Internet user *was* informed about the site's origin, there was no likelihood of confusion regarding the origin of the products and services.

### **3. The Netherlands—Dutch Supreme Court—Can trademark use with “due cause” amount to infringement when “honest practices” are violated?**

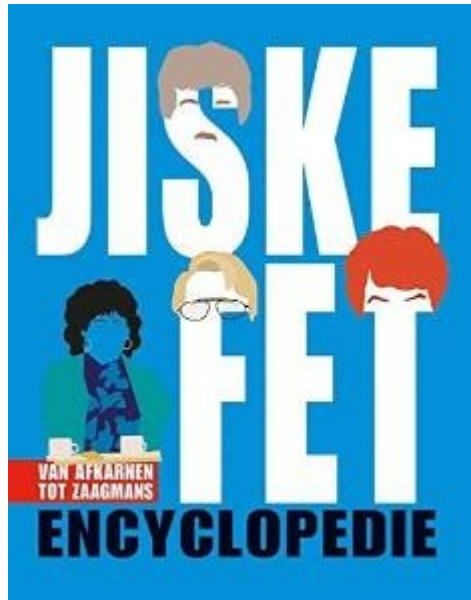
In *Jiskefet/Noblesse*,<sup>68</sup> the Dutch Supreme Court (*Hoge Raad*) held that when a third party has “due cause” in using a trademark other than for the purposes of distinguishing goods or services, compliance with “honest practice” does not need to be assessed. The rights of the trademark proprietor *cannot* be extended by the proprietor to argue that infringement arises due to non-compliance with “honest practice” when the alleged infringer has already established “due cause.”

Jiskefet, founded by two creators of the well-known Dutch satirical television show named *Jiskefe* and the owner of the Benelux trademark JISKEFET, brought a trademark infringement action against the publisher Noblesse. Noblesse had published a book, in translation entitled *Jiskefet Encyclopaedi*, on the history of Jiskefet, with the sign JISKEFET prominently displayed on the cover.

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<sup>68</sup> Dutch Supreme Court, October 27, 2023, ECLI:NL:HR:2023:1484, *Jiskefet/Noblesse*.





The court of first instance had initially found trademark infringement, but that decision was subsequently overturned by the Court of Appeal in Amsterdam.<sup>69</sup> The Court of Appeal ruled that the title of a book was part of the goods themselves and described the subject matter, so did not serve as an indicator of origin. As a result, no infringement could be established on the basis of subsections (a), (b), or (c) of Article 2.20(2) of the Benelux Convention on Intellectual Property (which implements Article 10(2) of the 2015 TM Directive). Benelux trademark law also provided for infringement (under Article 2.20(2)(d), implemented using the legislative freedom afforded by Article 10(6) of the 2015 TM Directive) for the use of a sign for purposes other than those of distinguishing goods or services if that use would, without due cause, take unfair advantage or would be detrimental to the distinctive character or the reputation of the trademark. The Court of Appeal did not find infringement under (d), largely because the defendant successfully argued there was “due cause” to use JISKEFET: the obvious title of the book, and the defendant’s use, did not take advantage of the reputation of the trademark.

Before the Supreme Court, Jiskefet argued that Noblesse was using JISKEFET to designate characteristics of its book and that this situation was subject to the limitation provision of Article 2.23(1)(b) of the Benelux Convention on Intellectual Property (see Article 14(1)(b) of the 2015 TM Directive), even when “due cause” in

<sup>69</sup> Amsterdam Court of Appeal, June 28, 2022, ECLI:NL:GHAMS:2022:1851, Noblesse/Jiskefet. For commentary on this case, see Tom Scourfield, *Annual Review of European Trademark Law: 2022 in Review*, 113 TMR 531-532 (2023).

the sense of Article 2.20(2)(d) was established. This limitation provision relates to the use of the trademark to designate a characteristic of the goods or services, provided that such use is in accordance with honest practices (which, according to Jiskefet, was not the case).

The Supreme Court rejected this argument. It ruled that the assessment of infringement should be separated from the subsequent examination of the limitation of the effects of a trademark (by testing its compliance with “honest practices in industrial and commercial matters”). A trademark proprietor cannot have its claim granted on the basis of a limitation provision if no trademark infringement has been found, since Article 2.23 *limits*, rather than *extends*, the rights of the trademark proprietor. The Supreme Court also held that Jiskefet could not challenge the Court of Appeal’s finding on unfair advantage because Jiskefet had not challenged the Court’s finding of due cause. As a result, the Court of Appeal’s decision was upheld.

#### **4. Germany—German Supreme Court and Hamburg Court of Appeal—Does use of a trademark on toy models amount to infringement?**

In two decisions,<sup>70</sup> the German Federal Supreme Court and Hamburg Court of Appeal decided whether use of a trademark on a toy model constituted trademark infringement.

In the DACHSER case, the Federal Supreme Court<sup>71</sup> considered the use of a well-known trademark on a truck and warehouse model produced without the consent of the manufacturer of the trucks and warehouses.

The plaintiff, a logistics company, was the owner of the following German word/device marks registered for goods and services in the logistics and transport sector and used on trucks and warehouses, among others.

**DACHSER**

**DACHSER**  
Food Logistics

The plaintiff used its trademarks on trucks and warehouses, among other things. The defendant was a company specializing in model making and model plants; it sold particular models of landscapes,

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<sup>70</sup> Cases I ZR 86/22 and 33 O 68/20.

<sup>71</sup> Case I ZR 86/22, decision of January 12, 2023.

buildings, and vehicles, including the truck and warehouse models shown below:



It was accepted that a likelihood of confusion would not occur as the goods and services in the logistics and transport sector were considered wholly dissimilar to the manufacture and sale of model cars. However, the plaintiff claimed that his trademarks were well known in Germany, and that use of the sign “DACHSER” on the defendant’s models to be infringing his rights in the well-known trademarks. The plaintiff sought, among other remedies, injunctive relief.

The Cologne Regional Court upheld the action based on the first trademark shown above (top left) in its decision of July 27, 2021, finding that the trademark DACHSER had acquired a reputation within the meaning of Section 14 (2) No. 3 of the Trademark Act (equivalent to Article 5(2) of the 2008 TM Directive).

It was held that the requisite link between the well-known mark and contested mark had been established. Such a link would always be established if the contested mark recalls the well-known trademark in the minds of the relevant public. The defendant had used the sign on a model lorry or a model warehouse, based on the plaintiff’s lorry and warehouse. The relevant public would not have perceived the sign merely as an “ornament.” Rather, the sign would inevitably remind them of the trademarks of the proprietor, used without consent. Even the outer packaging of the defendant’s models, which referred only to the defendant, could not overcome this, given the model and the relevant trademark were clearly recognizable on the outer packaging.

Regarding the exploitation of the well-known trademark, it was irrelevant whether there was an actual impairment or exploitation of the reputation of the plaintiff’s trademark. In any case, the use of the defendant’s sign exploited the distinctive character of the plaintiff’s trademark, which occurs if the association with a well-known trademark results in a degree of attention that another mark would not have achieved without evoking the consumer’s memory of the well-known mark. By marketing the model lorries and model warehouses bearing the plaintiff’s trademark, the defendant had made use of the attention-grabbing effect of the mark, which would impact the consumer’s decision to purchase.

The taking advantage of the mark's distinctive character was also found to be unjustified. Although there is a customary practice of detailed reproductions and models incorporating original trademarks, this case was distinguished. This was because it was not the sign of the manufacturer of the original vehicle on the truck, but a sign used by the plaintiff for advertising purposes, being the trademark of the logistics company (and not to identify the manufacturer of the original truck).

On appeal by the defendant, the Cologne Court of Appeal overturned the first instance decision in its entirety.<sup>72</sup> The Court found that there was no detriment to the reputation of the trademark. Even if a miniature model of the defendant were of poor quality, this would not affect the image and reputation of the logistics services of the plaintiff because the targeted public, interested in miniature models, would have no reason to draw conclusions on the quality of the plaintiff's services based on the inferior quality of the model replica. The public is used to the fact that miniature models are generally realistic replicas of "real life" vehicles or buildings. They also know that in reality, trucks can be printed with third-party trademarks, for example, to express that they are used by the third-party company for its services or to use the space for other advertising purposes. In the case of a miniature model of a truck with the imprint of a third-party trademark, the public would assume, unless there were further indications, that this was a faithful replica of such trucks, but would not assume any connection between the quality of the truck model and the service provided by the plaintiff, nor between the quality of the original vehicle and the model.

However, the Court of Appeal, referring to Federal Supreme Court case law, acknowledged that where reproductions of originals bear trademarks as they exist in reality, there will inevitably be an imitation of the trademarks' reputations through the design of the models, as well as exploitation of their presumed distinctive character and reputation. However, it held that none of the functions of the trademark were unfairly impaired. The consumer interested in model/toy vehicles would recognize that the goods are replicas and that the adoption of the trademark was a detail that was faithfully reproduced in the model. The Court found that there is a decades-long tradition of detailed replicas in the model and toy sector. The public was therefore aware that affixing third-party trademarks to models (whether those of the manufacturers of the replicated objects or third-party marks on the originals) would not indicate the origin or quality of the model or of contractual relationships existing between the trademark owners and the model maker. Instead, they would recognize that the model has adopted

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<sup>72</sup> Decision of April 29, 2022, 6 U 178/21.

the original, real-life design. In the absence of indications of a licensing relationship between the parties, the public would have no reason to infer the existence of such relationships solely from the faithful reproduction of a trademark.

On further appeal (this time by the plaintiff), the Federal Supreme Court ruled that the defendant's products would not benefit from the reputation of the DACHSER trademarks merely because the truck was a detailed replica of the plaintiff's truck. The Court determined that the advantage would be unfair where a third party using a sign identical with (or similar to) a trademark with a reputation, sought to benefit from the pull of that trademark in order to profit from its attraction, reputation, and prestige. The effect of such use, without any financial consideration or any effort of his own, would be to exploit the economic efforts of the proprietor of the trademark to create and maintain the image of that trademark and take unfair advantage of the distinctive character or the repute of the trademark.

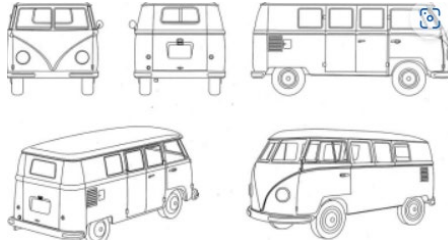
However, the Federal Supreme Court also took the view that due to the long-standing tradition of model building, the exploitation of the reputation of the DACHSER trademarks by the defendant was not unfair. Referring to its previous decisions concerning faithful replica models, the Federal Supreme Court pointed out that if a car model that has been faithfully reproduced by a third party bears the image of the manufacturer's trademark in the appropriate place, the reputation of the well-known manufacturer's trademark would be exploited "in an unfair manner" only within the meaning of Section 14(2) No. 3 of the Trademark Act if an attempt were made to use the reputation of this trademark for advertising purposes in a way other than the mere reproduction of the original. If this was not done and only the toy manufacturer's own trademark were used in the sale of such toy cars and any connection with the trademark of the manufacturer of the motor vehicles resulted solely from the reproduction of the original, there would be no taking unfair advantage of the mark's repute or distinctiveness. Although Federal Supreme Court case law had decided this for only trademarks that protect goods (i.e., motor vehicles) and this dispute concerned trademarks that protected services, the Court did not see this as necessitating a different conclusion.

### **Hamburg Court of Appeal—"VW Bulli" case**

In the VW BULLI case, the Hamburg Court of Appeal<sup>73</sup> adjudicated an action filed by German car manufacturer, Volkswagen AG, based on the following three-dimensional trademark:

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<sup>73</sup> Case 5 U 61/21, decision of January 26, 2023.



This was a representation of the Volkswagen’s famous VW BULLI vehicle. The mark was registered, among others, for goods in Class 12, namely “vehicles for land transport,” and goods in Class 28, namely, “games, toys, including models of vehicles (reduced in size), in particular model cars and toy cars.”

The action had been directed against the defendant’s sale of toy models, some of which are shown below:



Until 2012, the defendant had also sold the following models under a license agreement with the plaintiff. Until December 31, 2012, the packaging carried a licensing confirmation: “Officially licensed by Volkswagen.”



The above was considered sufficient third-party use with the consent of the plaintiff as trademark proprietor for toy/model cars

and thus goods in Class 28 within the meaning of Section 26(2) of the Trademark Act by the defendant until December 31, 2012, and thus in the relevant period of use.

The Regional Court had considered that use of the model cars at issue was not a use as a trademark for model cars in Class 28. It had held that the plaintiff had not submitted any evidence showing that the relevant public would see the shape of the model cars as a badge of origin for Volkswagen in respect of model cars.

On appeal, the Hamburg Court of Appeal disagreed, finding that considerable parts of the targeted public would see an indication of origin in the form of the infringing products. The specific habits of the sector in question may be relevant, since they may have a decisive influence on whether the public was accustomed to the shape of the goods in question being indicative of their origin. The decisive factor was whether the relevant public would infer from the specific shape of the goods that they originate from a particular undertaking or whether they would merely attribute the shape to the functional and aesthetic design of the goods themselves.

The Hamburg Court of Appeal pointed out that in the automotive industry, the public had long been accustomed to seeing the external shape of a vehicle as an indication of origin, and that this understanding was supported by the fact that car manufacturers sought to make new models of cars look similar in appearance to prior models, with features typical to that manufacturer. This would make it possible to recognize that they belong to a particular model family and enable consumers to recognize them as originating from a particular manufacturer.

The Court considered this development to be supported and promoted by the fact that manufacturers emphasize the corresponding design features in their advertising, thereby increasing the recognition effect of such designs. Due to the great popularity of the VW BULLI van as “the cult transporter” from the plaintiff’s company, the targeted public would, if it encountered the two-dimensional sign (for example, on printed products, key rings, or toys) in a trademark sense, obviously draw a direct link to the manufacturer of the VW BULLI van. The mark would therefore indicate the origin of the goods. In the product merchandising sector, for example, a significant proportion of the targeted public would assume that the use of the sign to be commercially exploited required the consent of a specific company.

In addition, the defendant itself was a licensee of the plaintiff until December 31, 2012, with regard to the VW BULLI models, which here was a further indication of this understanding on the part of significant parts of the relevant public. It was undisputed that VW BULLI model/toy cars were still being sold both with and without the plaintiff’s permission. The shape was therefore

distinctive in respect of both motor vehicles in Class 12 and toys in Class 28.

The Hamburg Court of Appeal also acknowledged the claim for injunctive relief from the point of view of the protection of reputation pursuant to Section 14(2) No. 3 Trademark Act. The challenged uses constituted an unfair exploitation of the reputation and distinctiveness of the trademark known for motor vehicles.

As with the DACHSER case, the key question was whether the defendant's models benefitted unduly from the reputation of Volkswagen's three-dimensional trademark. The Hamburg Court of Appeal held that an unfair exploitation of the reputation and distinctive character of the well-known trademark could arise because the defendant exploited identical or similar designs of the well-known shape mark in suit for its toy/model cars and thereby, without financial investment or other economic effort for the image of the well-known design, took advantage of the protected well-known (motor vehicle) shape mark.

The Court held that the defendant had no legitimate interest to use the trademark without license. In particular, such an interest could not be recognized here merely on the basis of long-standing practices in the market for faithful replicas/reproductions. As at the date of publication, the decision has been appealed to the Federal Supreme Court.

### **5. Denmark—The Danish Supreme Court—Can use-based trademark rights and reputation be enforced?**

On October 4, 2023, the Danish Supreme Court ("DSC") rendered its final judgment in a case<sup>74</sup> filed by Trek Bicycle Corporation ("Trek") against T. Hansen Gruppen A/S ("T. Hansen") after trekking through all three instances of the Danish trademark court system.

Trek is an American company founded in 1975, which manufactures and sells products for sports activities, including bicycles, cycling equipment, etc., using the trademark TREK. The products are sold in Denmark through a dealer network, online, and via Trek's flagship retail stores.

T. Hansen is a Danish limited liability company founded in 1991, which, among other things, is involved in the sale of spare parts and accessories for cars, etc., as well as wholesale trade with bicycles and mopeds. The products are exclusively sold in T. Hansen's own stores in Denmark and through T. Hansen's website. T. Hansen used OUTTREK and OUTTREK TECHNOLOGY for sports clothing, shoes, bags, kidney belts, and helmets.

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<sup>74</sup> Case No. BS-10171/2021-HJR.



From 2016 until the matter was initiated in 2018, the parties corresponded regarding the matter without finding an amicable solution. T. Hansen argued that the parties' trademarks had been co-existing on the Danish market, which Trek contested.

Trek issued a trademark infringement claim against T. Hansen on February 6, 2018, for using both OUTTREK and OUTTREK TECHNOLOGY. Trek relied on the below EUTM and Danish national trademarks as well as TREK (figurative), in use since 1996:

- Danish trademark registration VR 1992 04899 TREK (word) registered in Class 12;
- EUTM No. 003157815 TREK (word) registered in Classes 9, 11, 12, 18, and 25; and
- EUTM No. 012784609 TREK (word) registered in Class 35 and 41 of the Nice Classification.

In its defense, T. Hansen claimed to have acquired rights to the trademarks OUTTREK and OUTTREK TECHNOLOGY arising from use since 2010 in Denmark for sports clothing, shoes, bags, kidney belts, and helmets.

The Danish Maritime and Commercial High Court ("MCC") determined that Trek, aside from its registered rights, had established a distribution network in Denmark in the 1990s as well as a physical presence through its own flagship store(s). Trek had therefore actively marketed its products in Denmark since at least 2003 and thus established the earlier market presence.

Regarding the potential infringement of Trek's rights, the MCC concluded that the term "outtrek" was not identical to "trek," but rather a compound word consisting of "out" and "trek," both descriptive terms with independent meanings. The Court also found that there were no visual, phonetic, or semantic similarities likely to cause confusion. In addition, the MCC considered "trek" to be a natural part of the Danish language, which provided the trademark a limited scope of protection.

Against this background, the MCC ruled that T. Hansen's use of the terms OUTTREK and OUTTREK TECHNOLOGY did not constitute a flagrant infringement of Trek's rights.

Next, in regards to T. Hansen arguments that Trek had demonstrated acquiescence, the MCC stated that acquiescence cannot be invoked in cases of "serious trademark infringement" (such as wilful infringement), but since this was not the case, the MCC concluded that under Section 10b of the Danish Trademark Act, Trek should have objected much earlier than in 2018, leading to the conclusion that Trek could no longer object to the use of the trademarks by T. Hansen.

Trek appealed the judgment to the Eastern High Court of Denmark ("EHC"), maintaining its arguments from the MCC. T. Hansen claimed confirmation of the MCC's judgment.

The EHC initially clarified the relevant consumers for trademark purposes as being cycling enthusiasts, including professional and amateur riders, mainly young and middle-aged males, who purchase specialized cycling equipment or clothing. Against this background, the EHC affirmed MCC's judgment that "outtrek," a combination of "out" and "trek," with descriptive meanings, were visually, phonetically, and semantically distinct from "trek." Thus, there was no likelihood of confusion as a result of (i) the relevant consumers of TREK products would have a "not insignificant" sense of brand awareness, and (ii) the parties' channels of sales were strongly differentiated. Consequently, there was no infringement and as a result, the EHC found it unnecessary to address the question of acquiescence as a result.

On further appeal before the DSC, the case pivoted toward the reputation of the trademark TREK, which had not been a focal point before the MCC and EHC. Trek thus argued that the trademark TREK was to be deemed a reputed trademark, which was to be afforded extended protection pursuant to Section 4(2)(3) of the Danish Trademark Act and Article 9(2)(c) of the EU Trademark Regulation. And as a result, T-Hansen's use of OUTTREK and OUTTREK TECHNOLOGY was a result of free-riding of the allure and reputation of the trademark TREK. Trek argued that this question had not been addressed properly by the MCC and EHC. Further, Trek maintained its other arguments, adding that the MCC had erred in applying the Danish Trademark Act to the questions relating to the registered EU trademarks (in particular pertaining to acquiescence).

The DSC initially found that Trek had not proven that the trademark TREK had become a reputed trademark in Denmark or other EU Member States before T. Hansen adopted the trademarks OUTTREK and OUTTREK TECHNOLOGY in 2010, i.e., the evidence did not substantiate that reputation was established in 2009 even when limiting the scope to the relevant consumer group in Denmark or other EU Member States. Consequently, there was no basis for construing the use of the trademarks OUTTREK and OUTTREK TECHNOLOGY considering an extended protection of the trademark TREK.

Against this background, the DSC concurred with the assessment of the MCC and EHC that there was no basis for assuming consumer confusion between the TREK and OUTTREK and OUTTREK TECHNOLOGY trademarks. The DSC reiterated as a substantiating fact that Trek's products were targeted at professional and amateur sports enthusiasts and had significant brand recognition among its relevant consumers, while T. Hansen's products are sold exclusively in its own stores and through its website, with limited advertising exposure. In summary, the DSC found no grounds to support a claim of trademark infringement

against T. Hansen. The DSC’s judgment showcases not only how difficult it is to prove reputation “back in time” but it also demonstrates—in accordance with the lower court’s consecutive judgments—that much consideration needs to go into establishing the relevant consumer groups, which in turn has impact on the risk of confusion assessment. This remains the case even for relatively similar trademarks and goods/services if the market that the trademarks-in-suit are exploited in by the parties are slightly different.

**6. Poland—Supreme Administrative Court—Is the Polish Patent Office bound by the effective date of revocation indicated by the applicant in a non-use revocation proceeding?**

In *Królewskie*,<sup>75</sup> the Supreme Administrative Court considered an appeal from the judgment of the District Administrative Court upholding the decision of the Polish Patent Office (“PPO”) rejecting non-use revocation application against a Polish national registration for a word mark KRÓLEWSKIE covering, among others, “eggs, milk, diary, oils and fats” in Class 29, owned by UAB Vičiunu Grupe and registered on September 5, 2012.

The non-use revocation was directed against the above-mentioned goods. The revocation applicant relied on the grounds laid out in Article 169(1)(1) of the 2000 Polish Industrial Property Law (IPL)<sup>76</sup> (corresponding to Article 19(1) of the 2015 TM Directive), that is a lack of genuine use during a continuous period of five years. Interestingly, the mark’s owner consented to the revocation application, confirming that the mark has not been used for any of the contested goods in Class 29.

During an oral hearing, in line with a well-established practice of the PPO, the revocation applicant was asked by the Office to specify the effective date of requested revocation. The applicant indicated September 5, 2017, i.e., precisely five years from the registration date of the contested mark.

In June 2019, the PPO rejected the revocation application in its entirety, a decision later upheld in a judgment of the District Administrative Court. Both the PPO and the District Court pointed out that Article 169(1)(1) ILP allows for revocation of a registration if said registration was not genuinely used within a continuous period of five years *after* the decision granting trademark protection.

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<sup>75</sup> Case II GSK 842/20 (Supreme Administrative Court, October 30, 2023).

<sup>76</sup> According to Article 169(1)(1) of the 2000 Industrial Property Law: “A trademark protection lapses also where a registered trademark is not put to genuine use in connection with the goods in respect of which it is registered, within a continuous period of five years after the decision granting protection is issued, unless there are proper reasons for non-use; (. . .).”

According to the PPO and the District Court, the five-year grace period starts to run not earlier than *one day after* the mark was registered. Since the applicant indicated September 5, 2017, instead of September 6, 2017, as the revocation date, the revocation application must have been rejected. Both the PPO and the District Court stressed that in trademark contentious proceedings, the Office is bound by claims put forward by the claimant (here: revocation applicant), including claims as to the requested effective date. This position has been consistent with previous case law and reflected in the Office's long-established practice.

The revocation applicant appealed the decision to Supreme Administrative Court, which overturned the contested judgment. Initially, the Court concurred with the PPO and District Court that a continuous period of non-use can start running only on a day following the day of the mark's registration. However, the Court disagreed with the PPO's stance that the Office is bound by the revocation effective date indicated by the applicant. The Court emphasized that according to Article 172 IPL,<sup>77</sup> it is up to the PPO to determine the date on which the registration lapsed due to non-use, even if that date differs from the one put forward by the revocation applicant. This is because the trademark protection lapses by "virtue of law" on a date established in accordance with Article 172 ILP, and not arbitrarily chosen by the revocation applicant.

Moreover, confirmation of this date in the decision is the obligation of the Patent Office, regardless of the effective date indicated by the revocation applicant. This finding is not prejudiced by the general rule of the PPO being bound by the revocation applicant's claims, as these concern the legal basis of the claim, rather than factual findings.

### **7. UK—Court of Appeal—Does long-running concurrent use of similar marks for identical services preclude a likelihood of confusion arising if no actual confusion has occurred?**

In *easyGroup Limited v. Nuclei Limited*,<sup>78</sup> the Court of Appeal of England and Wales upheld a High Court decision dismissing a claim for trademark infringement by *easyGroup* against *Nuclei*, simultaneously revoking the claimant's registrations or non-use.

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<sup>77</sup> According to Article 172 of the 2000 Industrial Property Law: "A trademark protection shall lapse as of the date of filing of the revocation application; however, upon request of a party, the Patent Office shall determine the expiry of the trademark protection on a date when an event that triggered the effect of the trademark's expiry (. . .) occurred. The date of trademark protection expiry shall be confirmed by a decision."




<sup>78</sup> *easyGroup Limited v. Nuclei Limited & Ors.*, [2023] EWCA Civ 1247.

In 2019, easyGroup had issued a claim for infringement under Sections 10(1) (double identity) and 10(2) (likelihood of confusion) of the Trade Marks Act 1994 (“TMA 1994”) and Articles 9(2)(a) and (b) of the 2017 EUTM Regulation against four companies within the IWG/Regus group, the owner of the first defendant, Nuclei. Nuclei counterclaimed for invalidity and brought revocation proceedings for lack of genuine use of the relevant marks by easyGroup. The Court of Appeal’s decisions marks the conclusion of a complicated, long-running dispute between easyGroup and Nuclei over the right to use the sign EASYOFFICES in relation to the provision and brokerage of serviced office space.

easyGroup owned the intellectual property rights of various “easy” businesses such as easyOffice, easyJet, and easyCar. These businesses had operated under licenses granted by easyGroup since 2000. Although it applied for EASY OFFICE trademarks in 2002, easyGroup only took tangible steps to launch the office space business in 2006. After a series of successful openings, business began to dwindle in 2012, and only two office spaces remained open before the opening of a Croydon branch in 2013 on a single floor of a building that was otherwise used as a hotel. easyGroup also entered into a “white label” partnership with Instant Offices Ltd. between 2007 and 2019, whereby the latter provided office letting services under the easyOffice brand.

Nuclei set up its business in late 1999, and traded successively as Easyoffices, easy offices, easyoffices, and EasyOffices and through its website at [www.easyoffices.com](http://www.easyoffices.com) since around May 2000. Notably, Nuclei operated as a broker of office space, rather than providing and servicing the office space itself.

easyGroup’s infringement action relied on the following UK and EU trademark registrations:

UK 2,313,528A (“UK528A”)	UK word and figurative marks (series)	EASYOFFICE easyOffice  	18 October 2002
EU 2,907,509 (“EU509”)	EU word mark	EASYOFFICE	18 October 2002
EU 11,624,376 (“EU376”)	EU figurative mark		4 March 2013

From 2005 onward, Nuclei used the logos as set out below (the “Nuclei Signs”):

	January 2005 – May 2011
	May 2011 – February 2015
	February 2015 – November 2019
	November 2019 – Present

easyGroup’s infringement claim failed at the High Court, with the Court finding (in summary) that:

- (1) The signs were not identical (although they were “*almost identical*,” this was not enough).
- (2) The services provided under the EASYOFFICES mark were not identical to those registered under the EASY OFFICE registrations.
- (3) The third mark in UK528A, as well as the mark in EU376 above, were visually different to the Nuclei Signs. Lack of evidence of actual confusion given the length of time of parallel use by the parties meant there was no infringement under likelihood of confusion.
- (4) In respect of the remaining marks above, which were more similar, the claim also failed. The lack of evidence of actual confusion, despite over five years of simultaneous use, resulted in little to no likelihood of confusion. Even if there were any likelihood of confusion, the honest concurrent use of the Nuclei Signs by Nuclei meant no infringement had occurred.
- (5) Given the extremely limited *evidence* of use of EASY OFFICE in the single building in Croydon, “white label” use by Instant Offices and limited advertising in the five years prior to the claim being issued, easyGroup could not prove genuine use of EASY OFFICE and the above registrations were revoked.

On appeal, the Court of Appeal considered whether Nuclei’s services were identical to those registered under the EASY OFFICE marks. It held that, contrary to the High Court’s finding, Nuclei *had* been using the sign EASYOFFICES for services identical to those for which easyGroup had registered trademarks. This was because although principally it only advertised office space, many consumers would have perceived EASYOFFICES to have some responsibility for the quality of the service provided. Consequently, Nuclei’s

services were identical to “hire of temporary office space” included in easyGroup’s trademark registrations.

Despite a finding that the parties’ respective services were identical, the Court of Appeal confirmed that the High Court had been correct to find that Nuclei had not infringed under this ground because the relevant marks were not identical. The marks differed in three key respects:

- (1) Visually because of the Nuclei Signs’ additional letter;
- (2) Aurally in their extra syllable; and
- (3) Conceptually in that they referred to a plural, rather than singular, concept.

As the marks were not identical, the High Court was correct to find there was no infringement under this ground and this element of the appeal was dismissed.

Although the services were identical and the marks were nearly identical, the Court of Appeal also found that the High Court was correct to find that no likelihood of confusion existed. This could safely be inferred from the long period of honest and concurrent use of the Nuclei Signs, a lack of evidence of actual confusion during the twenty-year period the marks were used; and the absence of any action taken by easyGroup against Nuclei’s use of the Nuclei Signs prior to the claim being issued.

In upholding the trial judge’s finding on actual confusion, the COA reiterated the principle in *Match Group LLC v. Muzmatch Ltd.*<sup>79</sup> that absence of actual confusion becomes more relevant the longer the parties have used their signs in parallel. easyGroup had knowingly tolerated Nuclei’s use of the Nuclei Signs until May 2019.

Finally, the Court of Appeal also revoked easyGroup’s marks for non-use under Sections 46(1) and 46(2) of the TMA 1994, noting the “paucity of the evidence of use” given minimal use of the Croydon premises in the relevant period, evidenced by the near total absence of bookings and revenue that could be attributed to it. As there was no error in principle or law and the decision was not rationally unsupportable, the High Court had been entitled to reach it, and this ground of appeal was also dismissed.

## 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).

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<sup>79</sup> *Match Group, LLC & Ors. v. Muzmatch Ltd. & Anor*, [2023] EWCA Civ 454, also covered in this edition and reported on at pages 521-523.

The exclusive use rights of a trademark proprietor relating to EU trademarks 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.

As always, the cases featured in this Part VI are all from national courts within the EU and beyond, covering a diverse range of issues, making identifying overall themes more an art than a science. One immediate theme, continuing from 2022, is that of the potential joint liability of a marketplace operator for the trademark infringement of third parties using its services to reach consumers in Europe. The District Court of the Hague considered the circumstances as to when a “regular” (non-hybrid) platform might be liable, while the Supreme Court of Belgium considered those of a “hybrid” (being one in which both first-party retail and third-party offerings are hosted). The UK Court of Appeal also considered the potential liability arising from content review prior to the offer for sale, and the familiar conundrum as to whether prior content review might place a party on notice and thus remove it from the “hosting defense” offered under Article 14(1) of the Ecommerce Directive<sup>80</sup> (or local equivalents).

Beyond this issue the range of topics varies considerably. In *Beverage City & Lifestyle GmbH*, the CJEU held that defendants domiciled in two different Member States may still be sued in the courts of only one when accused of infringing a materially identical trademark and where they are “connected” by an exclusive distribution agreement. The national courts of Austria considered infringement arising from product packaging. In Norway, the question was whether “music from the movies” infringed the trademarks of the movies themselves. In Greece, the courts considered whether descriptive use of a mark took unfair advantage of an earlier registration. And in Sweden, there was a dispute over the better title to a much-loved jazz club.

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<sup>80</sup> EU Directive 2000/31.



## *B. Legal Texts*

### **Article 9 of the 2017 EUTM Regulation**

1. 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. EU—CJEU—When are infringing acts between two overseas parties sufficiently connected to be heard together?

In *Beverage City & Lifestyle GmbH, MJ, Beverage City Polska Sp. and FE v. Advance Magazine Publishers Inc.*,<sup>81</sup> the CJEU held that defendants who are domiciled in two different Member States may be sued in the courts where one of them is domiciled in circumstances where a proprietor of an EUTM has accused them of committing a materially identical infringement of that trademark and where they are “connected” by an exclusive distribution agreement. This was held to satisfy the requirements of Article 8(1) of Regulation No. 1215/2012 (known as the Brussels I (recast) Regulation, or simply “Brussels I”), which requires that the claims are so closely connected that it is expedient to hear and determine them together to prevent the risk of irreconcilable judgments.

The complainant, Advance Magazine Publishers (“AMP”), was the proprietor of the famous magazine *Vogue* and owned a number of EUTMs containing the word element “Vogue.” AMP brought an action for trademark infringement against four defendants based in Poland and Germany. The first two defendants, based in Poland, were: i) Beverage City Polska (“BCP”), a Polish company that manufactures, advertises, and distributes an energy drink called “Diamant Vogue”; and ii) BCP’s managing director (“FE”). The third and fourth defendants, Beverage City & Lifestyle (“BCL”) and its

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<sup>81</sup> Case C-832/21, Judgment of September 7, 2023.

managing director (“MJ”), were based in Germany. BCL and BCP were connected by an exclusive distribution agreement allowing BCL to sell *Diamant Vogue* to the German market. The two companies, despite the similarity in name, did not belong to the same group.

AMP brought an action for trademark infringement against the four defendants before the EUTM Court in Dusseldorf for pan-EU injunctive relief, requested disclosure of accounts and a declaration of liability for damages. The Dusseldorf Court upheld the actions brought by AMP, basing its international jurisdiction on Article 8(1) of Brussels I, as applied in the case of *Nintendo*,<sup>82</sup> stating that the defendants were sufficiently connected by reason of their exclusive distribution agreement.

The Polish defendants appealed, arguing that the German court did not have international jurisdiction to hear and determine the action brought against them, as they had operated and delivered goods to their customers exclusively in Poland and had no involvement in Germany. They also rejected the application of the *Nintendo* case, arguing that there was no relevant connection between BCL and BCP.

The referring court was unsure whether the distribution arrangement was enough to make the cases sufficiently connected within the meaning of Article 8(1) of Brussels I. It therefore decided to stay the proceedings and refer the following question to the CJEU: Are claims “closely connected” within the meaning of Article 8(1) of the Regulation where the connection consists of the fact that the defendant supplied the goods that infringe an EUTM to a defendant domiciled in a different jurisdiction under an exclusive distribution agreement?

In assessing this question, the CJEU began by commenting that Article 8(1) was an exception to Article 125(1) of the 2017 EUTM Regulation, which states infringement actions should be brought in the courts of the Member State in which the defendant is domiciled or, if he is not domiciled in any of the Member States, in which he has an establishment. By contrast, Article 8(1) of Brussels I allows for a defendant to be sued in a Member State other than the one in which he is domiciled if: i) he is one of several defendants; ii) the other defendant(s) are based in that Member State; and iii) the facts of the case could result in irreconcilable judgments resulting from separate proceedings. The Court emphasized that potential divergence must relate to a divergence where there is (a) the same situation of law and (b) the same situation of fact, and not merely be a divergence in outcome.

In assessing whether the same situation of law applied, the CJEU commented that an exclusive right is granted to the

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<sup>82</sup> Cases C-24/16 and C-25/16, EU:C:2017:724, Judgment of September 27, 2017.

proprietor of an EUTM pursuant to Article 9 of the 2017 EUTM Regulation, which will have equal effect throughout the EU. This exclusive right means that the proprietor can prohibit any third party from using the EUTM without its consent. As the cause of action was the same against the Polish as the German defendants, the CJEU commented that they appeared to relate to the same situation of law but deferred to the national court to determine the issue.

As for whether the same situation of fact applied, the CJEU clarified that the referring question aimed to establish whether, where defendants are unconnected, an exclusive distribution agreement between them was sufficient for the situation of fact to be the same. The Court held Article 8(1) must be interpreted restrictively so that it does not go beyond the cases expressly envisaged by the regulation, as it is an exception to the general rule that jurisdiction must be based on the defendant's domicile. The CJEU therefore referred to Recitals 16 and 21 of Brussels I, which outline the objectives of Article 8(1), namely, to facilitate the sound administration of justice and minimize concurrent proceedings that may cause irreconcilable outcomes if decided separately. The Court drew on the decision in *Solvay*,<sup>83</sup> where the Advocate General concluded that the existence of a connection between the claims must relate to the acts of infringement committed rather than the organizational or capital connections between the companies. Particular focus should be given to the nature of the contractual relationship to establish whether there is the same situation of fact. In the present case, this involved examining the exclusive distribution agreement between BCP and BCL.

The CJEU held that the exclusive contractual relationship may have made it more foreseeable that the acts of infringement may be regarded as concerning the same situation of fact, capable for a single court to rule on the claims against all actors. It was also evident that BCP and BCL cooperated closely, including through the joint operation of two websites, the domains for which were owned by only one of the co-defendants, through which the allegedly infringing goods were sold. The CJEU concluded that an exclusive distribution agreement *could* result in the same situation of fact, although it was for the national court to determine whether this was the case in this situation.

The CJEU concluded by stating that it would be for the referring court to ensure that they are satisfied that the claim makes it expedient to hear in one jurisdiction and that, given the strict interpretation of Article 8(1), that it does not artificially satisfy the requirements of Article 8(1).

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<sup>83</sup> *Solvay*, C-616/10, EU:C:2012:445, Judgment of July 2012.

## 2. The Netherlands—District Court of The Hague— Can a regular (non-hybrid) online marketplace be held directly liable for trademark infringement?

In *Audi and Volkswagen v. Fruugo*,<sup>84</sup> the District Court of The Hague handed down the first decision in the Netherlands on the liability of online marketplace following the CJEU's judgment in *Louboutin*.<sup>85</sup> It held, inter alia, that Fruugo, a regular (non-hybrid) online marketplace, could not be held directly liable for trademark infringement without active behavior and that there is no general rule that consumer perception would be relevant within this context.

In this case, counterfeit products bearing Audi's and Volkswagen's trademarks were offered by retailers on Fruugo's online retail platform. These products were also advertised on third-party websites. The carmakers brought infringement proceedings with the District Court of the Hague, alleging that Fruugo itself had infringed the trademark rights for which it was directly liable and had also acted unlawfully by facilitating the infringements by third parties.

In its decision on the direct trademark infringement, the District Court of The Hague held that Fruugo had not itself used the trademarks, referring to the CJEU's decisions in *Louboutin* and *Coty*.<sup>86</sup> On the basis of this case law, the District Court held that the concept of "use" implies active behavior and direct or indirect control over the act constituting the use and, that the use by a third party implies that such third party uses the sign in its own "commercial communication."

Applying these principles to the present case, the District Court found no active involvement by Fruugo. The facts were distinguished from *Louboutin* in that the Amazon platform concerned a hybrid online marketplace in which it also offered its own products. Contrary to what the claimants had argued, the District Court considered that *Louboutin/Amazon* did not establish a general rule that consumer perception is relevant in all circumstances to determine who offers the infringing products on the marketplace. Such perception would be relevant only if it were appropriate in the circumstances. For example, if the operator of the platform also offered its own products (operating a hybrid model) and consumers could not distinguish between different providers in that context, perception would be relevant. In the present case,

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<sup>84</sup> *Audi and Volkswagen/Fruugo*, District Court of The Hague, August 30, 2023, ECLI:NL:RBDHA:2023:12679.

<sup>85</sup> *Louboutin/Amazon*, Cases C-148/21 and C-184/21, EU:C:2022:1016 (CJEU, Grand Chamber, December 22, 2022). For commentary on this case, see Tom Scourfield, *Annual Review of European Trademark Law: 2022 in Review*, 113 TMR, 492-494 (2023).

<sup>86</sup> CJEU, April 2, 2020, C-567/18, EU:C:2020:267 (*Coty Germany*).

there was no likelihood of confusion because Fruugo did not offer its own products. The District Court therefore concluded that the infringing signs were used by the (third-party) retailers rather than Fruugo.

Regarding the alleged facilitation of infringements by third parties, the District Court held that Fruugo could rely on the safe harbor provisions as laid down in Article 14(1) of the E-Commerce Directive 2000/31. According to the District Court, Fruugo qualified as a (neutral) hosting provider, it did not have actual knowledge of the infringing content, and it had implemented adequate notice and takedown procedures. As a result, all the trademark proprietors' claims were dismissed.

### **3. Belgium—Supreme Court—In what circumstances can a hybrid marketplace operator be held directly liable for trademark infringement?**

In June 2020, before the CJEU's judgment of December 22, 2022, in *Louboutin*,<sup>87</sup> the Brussels Court of Appeal ruled in a first (parallel) matter between Louboutin and Amazon, considering whether Amazon could be liable for infringement of Louboutin's Benelux trademark where third-party vendors offered counterfeit products for sale on its *amazon.fr* and *amazon.de* platforms. The Court of Appeal ruled that third-party vendors' activities were not part of Amazon's own commercial communication and could, therefore, not be attributed to Amazon, even if consumers perceived otherwise.<sup>88</sup>

Amazon lodged an appeal before the Belgian Supreme Court, which decided to wait for the CJEU's answers in the *Louboutin* decision handed down on December 22, 2022. The CJEU held, *inter alia*:

the fact that the operator of an online sales website incorporating an online marketplace uses a uniform method of presenting the offerings published on its website, displaying both its own advertisements and those of third-party sellers and placing its own logo as a renowned distributor on its own website and on all those advertisements, including those relating to goods offered by third-party sellers, may make it difficult to draw such a clear distinction and thus to give the well-informed and reasonably observant user the impression that that operator is marketing, in its own name and on its own behalf, the

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<sup>87</sup> *Louboutin/Amazon*, Cases, Cases C-148/21 and C-184/21, EU:C:2022:1016 (CJEU Grand Chamber, December 22, 2022). For commentary on this case, see Tom Scourfield, *Annual Review of European Trademark Law: 2022 in Review*, 113 TMR, 492-494 (2023).

<sup>88</sup> ICIP Ing.-Cons., p. 509 (Brussels Court of Appeal, 9th Chamber, June 25, 2020).



goods offered for sale by those third-party sellers. Consequently, when those goods bear a sign which is identical with a trademark of another person, that uniform presentation may establish a link, in the eyes of those users, between that sign and the services provided by that same operator.

In particular, where the operator of an online sales website describes the various offerings, from itself or a third party, without distinguishing them as to their origin, as ‘bestsellers’ or ‘most sought after’ or ‘most popular’ for the purpose inter alia of promoting some of those offerings, that presentation is likely to strengthen the impression of the well-informed and reasonably observant user that those goods thus promoted are being marketed by that operator, in its own name and on its own behalf.<sup>89</sup>

Following that decision, the Belgian Supreme Court concluded that the findings and the reasoning of the Brussels Court of Appeal were not consistent with the CJEU’s position. It therefore annulled the judgment of the Brussels Court of Appeal and sent the matter to a different court of appeal to make a new assessment of Louboutin’s infringement claim.<sup>90</sup>

#### **4. Norway—Borgarting Court of Appeal—Does the name of a music concert featuring content from famous movies infringe the trademark rights of the proprietor of such movie titles?**

In May 2023, the Borgarting Court of Appeal delivered a judgment<sup>91</sup> in a case involving Warner Bros. Entertainment Inc. and Star Entertainment GmbH. Although the case mainly concerned questions regarding copyright infringement, claims relating to trademark use were also raised.

Warner Bros. Entertainment Inc. (“Warner”) was the well-known media and entertainment company renowned for producing feature films, including the *Harry Potter* series, based on the book series by author J.K. Rowling. Having acquired the movie rights from Rowling, Warner possessed exclusive rights to produce films based on the books. The music used in the movies was mainly orchestral music by various composers. Through agreements with these composers, Warner gained exclusive rights to the film music. Warner was also the proprietor of several *Harry Potter* trademarks. For instance, the word mark HARRY POTTER was registered in

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<sup>89</sup> Louboutin/Amazon, Cases C-148/21 and C-184/21, EU:C:2022:1016, paras. 51 and 52 (CJEU, Grand Chamber, December 22, 2022).

<sup>90</sup> CIP Ing.-Cons., 2023, p. 314 (Belgian Supreme Court, 1st Chamber, May 11, 2023).

<sup>91</sup> LB-2023-13976 (Borgarting Court of Appeals, May 24, 2023).

Class 9 for “audiovisual and information technology equipment.” Additionally, word marks like HARRY POTTER: WIZARDS UNITE and HARRY POTTER AND THE PRISONER OF AZKABAN were registered in Class 41 for entertainment services.

The defendant, Star Entertainment GmbH (“Star”) was a German entertainment company known for producing and staging concerts and musicals. Some of these featured music from movies such as *The Lord of the Rings*, *The Lion King*, and *Harry Potter*. In 2020/2021, Star conducted a tour across several European countries, including three concerts in Norway, showcasing music from the *Harry Potter* movies. These concerts were titled “The Magical Music of Harry Potter—live in concert,” with actor Chris Rankin, who played one of the Weasley brothers in the films, serving as concert presenter. Star did not obtain consent directly from Warner to hold these concerts, including from a copyright or trademark perspective. However, it had obtained permission from TONO, to whom it paid a fee after the tour.

TONO, as a collecting society, was an organization representing copyright holders, such as composers, songwriters, and music houses, which manages the economic rights associated with the music created by those TONO represented. For a fee, TONO would license use of protected music, for example for use in radio, TV, on the Internet, and in concerts and cinemas. TONO would then distribute royalties to the respective rights holders it represented.

Regarding trademarks, Warner asserted that Star’s use of the trademark in marketing its concerts constituted infringement of Warner’s exclusive rights. Primarily, Warner argued that the title “The Magical Music of Harry Potter” posed a risk of confusion with its own trademark. Alternatively, Warner contended that Star’s use of the title infringed upon the special protection afforded to well-known trademarks.

In response, Star maintained that it had not violated the trademark HARRY POTTER. It argued that there was no likelihood of confusion between Warner’s trademark and Star’s use of the concert title. It also disputed the claim that HARRY POTTER qualified as a well-known mark in Norway.

The Borgarting Court of Appeal concluded that Star’s use did not infringe Warner’s trademarks. In its assessment of the potential likelihood of confusion, the Court highlighted that although the entire mark was incorporated in the concert title, and constituted a central element in it, it conveyed a distinct impression that it referred to the *content*, rather than acting as a badge of origin. The title would consequently be perceived as a reference to the music being performed.

The Court also pointed out that the services in question had clear similarities and acknowledged a “certain degree” of similarity in both characteristics and in services offered. However, it did not

find a basis for concluding that the relevant public would mistake Warner's and Star's services or infer a commercial connection between the two. Notably, the Court emphasized that obtaining the right to perform nearly any musical work through TONO's permission was widely recognized. Therefore, regular consumers of such concert services would not automatically link a concert showcasing film music to the trademark holders associated with the film.

The Court of Appeal held that the inclusion of "Harry Potter" in the concert title would be interpreted as a reference to the content of the performance, rather than to its producer or as a product originating from Warner. In this regard, the Court also pointed out that it appeared from the ticket booking pages that Star was the organizer of the concerts.

Regarding Warner's assertion that HARRY POTTER was a well-known trademark, the Court concluded that although the name "Harry Potter" is undoubtedly well known in Norway, its primary recognition lies specifically as the name of a literary character, rather than as a descriptor of someone's goods or services. Thus, this assertion could not be supported. Consequently, the Borgarting Court of Appeal ruled that Warner's claims of alleged trademark infringement could not be substantiated.

### **5. Sweden—Swedish Patent and Market Court of Appeal—Who owned the better title to a much-loved jazz club?**

In *Jazzföreningen Nefertiti v. Jazzklubben Nefertiti AB*,<sup>92</sup> the Swedish Patent and Market Court of Appeal considered a dispute over the title to and ownership of the trademarks NEFERTITI (word) and NEFERTITI (device).

According to the Swedish Trademark Act,<sup>93</sup> if a third party claims to have a better title to a trademark than the trademark applicant, the Swedish Patent and Registration Office may, if the matter is uncertain, invite the third party to bring an action before the Patent and Market Court. If the party proves that it has the better claim to the trademark, the Patent and Registration Office should, upon request, transfer the application to the third party. Any circumstance that can constitute better title, and therefore serve as a basis for a transfer, can be invoked in support of such an action. For example, an earlier transfer of the trademark right, inheritance, or (as in this case) prior use of the relevant trademarks might be relied on.

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<sup>92</sup> Case No. PMT 9151-22 (Swedish Patent and Market Court of Appeal, December 21, 2023).

<sup>93</sup> See Chapter 2, Articles 21-22 of the Swedish Trademark Act (Varumärkeslagen (2010:1877)).

In this case, the Swedish Patent and Market Court of Appeal held that if a party established a better title to a trademark than the trademark applicant, this established a priority right. The priority right, however, is to be clearly distinguished from a de facto exclusive right to a trademark.

Jazzföreningen Nefertiti, the plaintiff, a Swedish non-profit association, was founded in 1969. In 1982, the plaintiff's wholly owned subsidiary (the "plaintiff's subsidiary") was founded. The plaintiff's logo (below left) was registered in Sweden from 2001 until 2011, following which it was removed from the register. In April 2020, the plaintiff's subsidiary went into bankruptcy, after which the liquidator applied for registration of the trademarks NEFERTITI (word) and NEFERTITI logo (below right) on behalf of the bankrupt estate. The defendant, Jazzklubben Nefertiti AB, subsequently took over the business operations of the plaintiff's subsidiary.

**The plaintiff's previous  
trademark registration**



**The device mark filed by  
the liquidator of the  
plaintiff's subsidiary**



After the filing of the defendant's trademark applications, the plaintiff claimed to have better title to the applied for trademarks. The matter being uncertain, the Swedish Patent and Registration Office invited the plaintiff to bring an action before the Court. The plaintiff therefore filed a declaratory claim with the Court and claimed, first, to have better title to the applied-for trademarks because it had created the trademark NEFERTITI and used it for a long time. The plaintiff argued that the intellectual property rights of the plaintiff's subsidiary were not part of the bankruptcy estate and were therefore not transferred to the defendant at the time of the bankruptcy asset purchase. The trademark applicant (the defendant), however, claimed that all intellectual property rights, including rights to the trademark NEFERTITI, had been transferred when the defendant acquired the plaintiff's subsidiary.

Rejecting the plaintiff's arguments, the Swedish Patent and Market Court of Appeal concluded that the plaintiff failed to prove that it had acquired an exclusive right to the trademarks NEFERTITI (word) and NEFERTITI (device) through use.

The documentary evidence in support of the claim consisted of, for example, newspaper articles, an advertisement regarding the

plaintiff's jazz club, and extracts from a search for "Nefertiti" in the Royal Library's journal archive for the period between 1979 and 1982. The Appeal Court noted that the device mark did not appear at all in the evidence, and that the plaintiff had not provided any evidence of, or submissions regarding, its use. Additionally, the verbal evidence consisted of information from witnesses had been involved in the plaintiff's association. Given the potential conflict of interest, the Appeal Court concluded that their evidence should be regarded with caution. Consequently, the plaintiff failed to prove better title on the first ground.

The plaintiff also argued better title due to *prior use* of the trademarks. The Court stated that, in some cases, even limited use of a trademark could result in a priority right if the trademark applicant's filing of the application was done in an unfair manner. In other cases, though, more extensive use would be required. The evidence on this ground was the same as that relied on for the first ground: the Court held that although the word mark occurred to some extent in the evidence submitted, the evidence was insufficient to establish the plaintiff's better title to the trademarks.

Besides the fact that the evidence consisted of general information, the Court stated that "Nefertiti" was referred to as a geographical place. Under such circumstances, the Court concluded that it was unclear in relation to which services the sign had been used. Furthermore, the Court found that the business trading under the trademarks before the bankruptcy of the plaintiff's subsidiary had been carried out in a way that made it difficult for consumers to distinguish use of the trademark by the plaintiff and by the plaintiff's subsidiary.

Unusually, the Court granted permission to appeal against its judgment to the Swedish Supreme Court. An appeal against the judgment has, at the time of publication, been filed, and it remains to be seen whether the Swedish Supreme Court grants leave of appeal, given that the issues raised by the Court of Appeal's decision have not yet been considered by the Supreme Court.

### **6. Greece—Athens Court of Appeal—Does the descriptive use of a similar sign take unfair advantage of the reputation of an earlier mark?**

The Athens Court of Appeal ruled<sup>94</sup> on the use of the word "SCRATCH" for scratch cards (thin cards made of plastic or cardstock and often used for games, lotteries, or other competitions).

Until recently, gambling and gaming services in Greece were offered only by the Greek State. The Greek State owned the following Greek trademarks:

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<sup>94</sup> Case 695/2023, January 19, 2023.

1. ΣΚΡΑΤΣ τύχη στη στιγμή, translated as: “SCRATCH luck in an instant”; and
2. a series of trademarks containing the word ΣΚΡΑΤΣ, which is the transliteration of the English word “SCRATCH,” such as that shown below.



The Greek State brought a claim against a third-party betting company in Malta for its use of the word “SCRATCH” on its Greek website, along with verbal and figurative elements to designate a virtual scratch card.

The first instance court dismissed the action, a decision that, following appeal by the Greek State appealed, the Court of Appeal upheld. It found that the word “SCRATCH”/“ΣΚΡΑΤΣ” was a globally used term, including in the European Union, to denote games that consist of a paper card with parts of hidden information, revealed after the user scratches the surface. The online version of such cards reproduced this process virtually. The word “ΣΚΡΑΤΣ” denoted the specific game under the same name and was therefore descriptive. There were, according to the Court, a large number of marks on national registries around the world (including the EUIPO), which contained the word “SCRATCH” for the same goods and services.

Incorporating this word in a later sign did not itself create a likelihood of confusion, given its descriptiveness and lack of distinctiveness and that the other verbal and figurative elements in the earlier trademarks and later signs were sufficient to preclude confusion.

Regarding reputation of the earlier marks, the Court found extensive use, advertising, and recognition of the earlier marks, recognizing them as marks with a reputation. However, the reputation was of the mark as a whole and not solely of the word element “ΣΚΡΑΤΣ/SCRATCH,” since the inclusion of this word on its own performed only a descriptive function.

It was also found that use of the word “SCRATCH” by the defendant did not constitute use as a trademark; rather it was use to denote the category of the relevant goods/services, being virtual scratch cards.

The Court clarified that the earlier trademark was found registrable by the trademark office not because the word “SCRATCH” is distinctive and non-descriptive, but because the mark, examined as a whole, was sufficiently distinctive. Here, the

other present elements present (i.e., those other than the word “SCRATCH”) conferred distinctiveness on the mark.

Regarding harm in reputation, the Court found that any calling to mind of the scratch cards of the plaintiff would not be due to parasitic use of the earlier trademark but to the descriptive and non-distinctive character of the word “SCRATCH.” Finally, the Court held that use of the later sign was without intention to take advantage of the reputation of the earlier marks but in order to inform consumers of the kind of game the defendant was providing.

### 7. Austria—Austrian Supreme Court—Did likelihood of confusion arise from similar packaging in an identical product category?

In this case, the Austrian Supreme Court dealt<sup>95</sup> with an appeal on points of law related to a preliminary injunction issued by the lower courts. The lower instance court had prohibited the defendant from, in the course of trade:

1. advertising, offering, placing on the market, importing, exporting, and/or distributing herbal liqueurs in a product as shown below *in the Union*.



2. advertising, offering, placing on the market, importing, exporting, and/or distributing herbal liqueurs *in Austria* using product features similar to the product features shown below, belonging to the plaintiff.



<sup>95</sup> 4 Ob 55/23a (Austrian Supreme Court, May 31, 2023).

The plaintiff's claim succeeded both in respect of trademark law and unfair competition. The Austrian Supreme Court held that the lower courts' legal assessment had been within the scope of settled case law and the scope of judgment that the courts necessarily have in individual cases. This, therefore, did not require any correction by the Supreme Court.

The Court also held that the assessment of the lower instance courts was in any case justifiable: the design and labeling of an herbal liqueur in the form chosen by the defendant, with i) the established color combination; ii) the Fraktur font on the orange banderol; and iii) the pictorial representation of a deer's head, had been conspicuously based on the plaintiff's well-known trademarks. This would result both in a mental link and taking unfair advantage of the marks' reputation.

The defendant argued that it was not taking advantage of the plaintiff's well-known trademarks because it affixed its own discount mark S BUDGET. The Court rejected this argument; this did not negate the taking advantage of the plaintiff's marks given that this labeling was not dominant and was in no way capable of eliminating the mental link to the plaintiff's trademarks that arose from the overall design. Finally, the Supreme Court rejected the defendant's argument that unfair exploitation of reputation would have occurred only if the defendant had labeled its product as "S-Budget-Jägermeister."

### **8. UK—Court of Appeal—To what extent does a platform operator's prior review of third-party offerings risk joint liability for trademark infringement?**

In *Swatch v. Samsung*,<sup>96</sup> the Court of Appeal upheld the High Court's decision<sup>97</sup> that Samsung had infringed Swatch's trademarks in the context of smartphone watch face apps offered by third-party sellers on Samsung's app store for smartwatches (the "Signs").

Swatch brought a claim against Samsung for trademark infringement in respect of twenty-three of its registered trademarks. Various digital watch face apps appearing on the Samsung Galaxy App Store (the "SGA Store") resembled watch faces of the Swatch group. The Swatch group owned brands such as Swatch and Omega, all of which had their watch faces featured in the SGA Store.

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<sup>96</sup> *Montres Breguet S.A & Ors. v. Samsung Electronics Co. Ltd., Samsung Electronics (UK) Limited*, [2023] EWCA Civ 1478.

<sup>97</sup> *Montres Breguet S.A & Ors. v. Samsung Electronics Co. Ltd., Samsung Electronics (UK) Limited* [2022] EWHC 1127 (Ch). For commentary on this case, see Tom Scourfield, *Annual Review of European Trademark Law: 2022 in Review*, 113 TMR 502-506 (2023).





Examples of the Signs

*Glashütte*  
ORIGINAL

SWATCH

**TISSOT**

EUTM number  
4821773

IR EU  
Designation,  
registration  
number 1329569

EUTM number 225698

### Examples of Swatch's registrations

The CJEU has repeatedly held that a party has used a sign only for the purposes of infringement if it used that sign in its own commercial communication. Even when an online platform is paid for creating the technical conditions necessary for the use of a sign, this alone does not amount to trademark use.

In the High Court judgment, Samsung's conduct as a whole was considered. Samsung argued that it did not use the Signs, and that the SGA Store only acted as a platform for providing apps. The Court concluded that Samsung had *not* merely been providing the necessary technical environment. It had therefore used the Signs in the course of trade for the purposes of Article 9 of the 2017 EUTM Regulation. The Court deemed the following factors relevant to this finding:

- (1) The SGA Store was operated by Samsung, which reviewed all apps for functionality before they became available for download.
- (2) Samsung marketed its smartwatches by reference to the availability of apps in the SGA Store.
- (3) Apps available in the SGA Store would be understood by the average consumer to carry an assurance that Samsung was satisfied with them.

- (4) Third party watch apps were grouped together in the SGA Store with apps designed by Samsung, and were provided as alternatives to the Samsung-designed watch faces preloaded on Samsung's smartwatches.
- (5) Samsung fielded customer complaints, provided customer support, and shared in any revenue raised from the apps.
- (6) Samsung had a clear commercial interest in the apps, including in their availability and presentation and how they were used by customers.

The High Court also considered whether Samsung had a "hosting defense" under Article of 14(1) of EU Directive 2000/31. It noted that it was well-established case law that:

- (1) To benefit from this defense, the conduct must be limited to that of an intermediary service provider, carrying out activity that is of a **mere technical, automatic, and passive nature**.
- (2) Where a platform operator played a sufficiently active role in which it used the signs, it was unlikely to benefit from the hosting defense as it would have had knowledge of, or control over, the content it shared.
- (3) There was no general obligation actively to look for facts indicating illegal activity.

It was not disputed that Samsung had no actual knowledge of infringing acts prior to being notified of these by Swatch, and that it acted expeditiously to remove them. However, the High Court held that Samsung's acts went beyond those of a mere technical, automatic, and passive nature such that it lacked knowledge of or control over the content it shared. In particular:

- (1) It performed a relatively detailed content review in addition to its functional and safety reviews. It could therefore be inferred that Samsung, through the relevant reviewer of each app, obtained knowledge of the Signs.
- (2) It took active steps in relation to facilitating and encouraging the design of apps and marketed its smartwatches by reference to the availability of apps in the SGA Store.
- (3) It derived commercial benefit from sales of the apps (rather than charging developers for storage).
- (4) It promoted some apps.

Samsung appealed both the finding of infringement and the applicability of the hosting defense. Regarding infringement, Samsung argued that: (i) it had done no more than create the technical conditions necessary for the use of the Signs, permit use of the Signs, and receive payment. The factors the High Court relied on were necessary for the operation of the SGA Store and were

irrelevant to considering use of the Signs; and (ii) the High Court had erred by taking into account matters of which the average consumer would not be aware.

Arnold LJ, sitting on the Court of Appeal, was unconvinced by these arguments and held that Samsung's actions went beyond merely creating the technical conditions for use of the Signs, permitting use, and receiving payment. The Court of Appeal held that the High Court had been correct to take into account matters that, even if unknown to customers, would affect their perception of the Signs.

Samsung also argued that the following factors had not been considered by the High Court:

- (1) The app prices were set by the developers;
- (2) It had discouraged developers from infringing third-party intellectual property rights; and
- (3) How consumers would encounter the Signs.

In relation to the first argument, the Court of Appeal held that consumers would be aware that apps were available at a variety of prices and that would not affect the perception that Samsung was the origin of the apps, or at least that it had responsibility for quality that extended beyond that of a retailer. Regarding the second argument, this was held to be irrelevant to the consumer's perception of the Signs.

When considering the third argument, the Court made a conscious effort to consider the consumer's journey. It highlighted that when downloading the app from a phone, although consumers may have seen the developer's name, they would not necessarily have known it was indicative of a trade origin that differed from Samsung (i.e., rather than a designer commissioned by Samsung). A significant proportion of consumers also would have downloaded the app from their watches without seeing the developer's name, or appreciating its significance even if they did. Samsung's appeal on infringement was therefore rejected.

Having upheld the High Court's ruling on infringement, the Court of Appeal considered Samsung's appeal relating to the hosting defense. Samsung argued on appeal that its acts did not go beyond the merely technical, automatic, and passive and that it should not be penalized for playing an active role and undertaking content review to try to prevent illegality (rather than simply relying on a notice and takedown procedure). Arnold LJ acknowledged that this was a "familiar conundrum" with the hosting defense but noted the following:

- (1) In the UK, a party in Samsung's position was not obliged to undertake content review. It could simply implement a notice and takedown procedure. There were commercial reasons for completing content review in the way Samsung

did. If Samsung undertook that review, it had to accept the risk of foregoing a defense under Article 14(1).

- (2) Samsung's use of the Signs was active, giving it knowledge of and control over that content. They were not merely technical, automatic and passive, without knowledge or control.

Article 14(1) therefore did not apply, and Samsung's appeal was rejected in its entirety.

## 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 are once again characteristic in considering the balance the law must strike between fair

competition and the rights of a trademark proprietor in a particular circumstance. Two themes emerge once again.

First, 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. 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 secondhand/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 stand-alone 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 EU 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. Germany—Court of Appeal of Düsseldorf— Exhaustion of trademark rights—Does recovery for damage to the aura of luxury require a luxury brand?

The Düsseldorf Court of Appeal held<sup>98</sup> that the doctrine of exhaustion would not prevent a trademark owner from objecting to the sale of goods by unauthorized dealers if such sales could damage the reputation of its brand.

The plaintiff was part of the Coty Group, which had been producing perfumes of numerous brands for over 100 years and distributed them through a selective distribution system including perfumeries, specialized cosmetics retailers, department stores, and outlets with a special cosmetics or perfumery department. Its “Coty Luxury” portfolio includes eau de toilette perfume products and eau de parfums for brands such as JOOP! and CALVIN KLEIN.

The four defendants belonged to the ALDI SOUTH group of companies that operated discount supermarkets.

At the end of 2017, the defendants received a delivery of JOOP! JUMP and CALVIN KLEIN CKIN2U perfumes and offered them for sale. In February 2018, they advertised these perfumes in the weekly ALDI-SÜD brochure. At that time, the perfumes were offered for sale in a branch of the second defendant by presenting them at the checkout area.

In October 2018, the perfume CALVIN KLEIN CKIN2U was distributed in the shops of the third and fourth defendants as follows:

1. In the fourth defendant's stores, “Calvin Klein ckIN2U” perfumes were presented in a glass display case in the middle of the shop next to the “rummage boxes,” in which

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<sup>98</sup> Court of Appeal Düsseldorf, decision of June 29, 2023, Case No. 20 U 278/20.



other promotional goods, including mattresses wrapped in plastic, were located. The glass display case contained goods such as multimedia devices, USB sticks, radios and toothbrushes. One side of the glass case stood directly next to a large cardboard box on a pallet.

2. In the third defendant's store, "Calvin Klein ckIN2U" perfumes were also presented in a glass display case, also located next to "rummage boxes" with other products. The glass display case, which was decorated with ribbon bows, also contained other products from the multimedia sector. Plastic-wrapped pajamas were leaning against the glass case.
3. In the third defendant's store, "Calvin Klein ckIN2U" perfumes were presented in a glass display case. In addition to the perfumes, which were draped with a motif paper napkin, the glass display case contained other products, including products from the multimedia sector, as well as motion detectors. Immediately next to the glass display case were clothes wrapped in plastic.

The plaintiff sued for trademark infringement based on the above. The plaintiff argued that the advertising and distribution of the goods in the formats described above constituted an infringement of the prestige value of the trademarks and that its rights in the goods were therefore not exhausted in the context of further commercialization by a low-cost discounter.

The Düsseldorf Regional Court dismissed the action for injunctive relief, finding that no exception applied to exhaustion under Article 15(2) of the 2017 Trademark Regulation. It held that the distribution and advertising described above did not significantly impair the luxury image of the goods sold by the plaintiff because it was not apparent that the specific perfume products in dispute were "luxury goods" with a "luxury image."

On appeal by the plaintiff, the Düsseldorf Court of Appeal overturned the decision of the first instance court. It was accepted by the parties that the initial conditions for exhaustion of trademark rights under Article 15(1) were met because the perfumes offered by the defendants were placed on the market in the Union with the consent of the trademark owner or licensee.

It was undisputed that the goods themselves had not been modified. The proviso in Article 15 states: "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." (Emphasis added.) Since the term "especially" indicates that the list is indicative rather than exhaustive, the Court considered that a right to object would apply

not only where the physical condition of the goods had been affected, but also where the form of distribution could damage the reputation of the trademark (as emphasized by the CJEU in *Dior*<sup>99</sup>), and applied by the Düsseldorf and Hamburg Courts of Appeal in previous decisions.

Referring to *Dior*, the Court of Appeal noted that in determining whether the sale of prestige goods by a licensee to a discounter damages the luxurious appearance of the prestige goods and impairs their quality, the following must be considered:

1. the nature of the prestige goods bearing the trade mark;
2. the volume and systematic (or sporadic) nature of the sales of those goods by the licensee to discounters;
3. the nature of the goods normally sold by those discounters and the usual forms of distribution in their sector;
4. the target consumer of the goods that were being resold; and
5. the specific circumstances of the sale of prestige goods, it also being important whether those circumstances were attributable to the trademark proprietor. A circumstance of sale could only have a significant influence on the image of the trademark if it were attributable to the proprietor.

The Court of Appeal left the question unresolved as whether the trademark image requires an abstractly determinable “level of luxury” or whether it was sufficient that the reputation of a trademark could be significantly impaired by the specific type of presentation. The latter would allow less exclusive prestige brands to make similar complaints. The Court appeared to indicate that even in the case of less exclusive prestige brands, the specific type of presentation of the goods may be taken into account.

Given the luxury/premium aura of the plaintiff’s trademarks, the presentation of the goods at issue in the defendants’ stores appeared capable of significantly impairing the reputation of the trademarks in suit. The presentation of the goods lacked any “exclusivity” that would have done justice to the prestige of the trademarks. This was because the defendants did not offer the perfumes in separate perfume departments, rather in a basket or a glass case without separation from other products. The contested presentation of goods in a basket next to various spirits made this particularly clear in the Court’s view. The goods were not emphasized in any way compared to the “commonplace goods” presented next to them.

The presentation in a glass case is known to the defendants’ customers primarily as an anti-theft device. Here, too, the perfumes of the plaintiff’s brands were not displayed next to similarly luxurious-looking branded products, but randomly between

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<sup>99</sup> Case C-337/95, para. 43 (Decision of November 4, 1997).

computer accessories and comparable items. The glass display case itself did not make a particularly prominent impression either, but fit in with the defendants' shop fittings, which were geared toward practicality.

In the necessary balancing of the legitimate interests of both parties, the defendants' interest in improving its image as a discounter with the help of prestigious branded products was therefore less important than the plaintiff's interest in maintaining its strong brand image.

By its decision, the Court of Appeal recognized that the "prestigious character" did not require the trademark in question to be a "luxury brand." According to the Court, a "medium premium segment" should be sufficient if the "luxurious aura" existing in this respect would be impaired by the specific way in which the goods are presented. Therefore, the Düsseldorf Court of Appeal did not prohibit the sale of CALVIN KLEIN and JOOP! perfumes in the defendants' discount shops as a whole but only under specific circumstances.

## **2. France—Commercial Chamber of the French Supreme Court—Can the time limit for acquiescence commence earlier than the date of registration of the later trademark?**

The French telecommunications company, Free, held three French trademark registrations for the mark FREE in respect of a wide range of products and services in the fields of telematics, computing, advertising, telecommunications, and database management.

Another French company, Free-sbe, incorporated in 2013, specialized in purchasing centers and brokerage. In 2012, Free-sbe's president registered the domain name Free-sbe.com and, in January 2013, filed the semi-figurative trademark FREE-SBE for a variety of services in the fields of advertising, business, insurance, financial services, and telecommunications, as shown below:



The trademark was registered on May 17, 2013. On May 4, 2018, Free initiated trademark infringement proceedings against Free-

sbe and its president, alleging infringement on reputation grounds and unauthorized use of its corporate and trade names.

The Paris Judicial Court<sup>100</sup> dismissed Free's claims on the ground of acquiescence pursuant to Article L. 714-3 of the Intellectual Property Code.<sup>101</sup>

More specifically, the Court noted that the FREE-SBE semi-figurative trademark had been filed on January 24, 2013, and published on February 15, 2013. It considered that the purpose of publishing a trademark application in the *Bulletin Officiel de la Propriété Industrielle* was to bring it to the attention of third parties, thereby allowing the owner of earlier trademarks to file oppositions against the application within two months of the date of publication. The Court thus determined that FREE had the opportunity, as of February 15, 2013, to become aware of the FREE-SBE semi-figurative trademark application and to oppose it. Consequently, the Court deemed that Free had tolerated the use of the applied-for mark since February 2013, and was prevented from bringing infringement proceedings on May 4, 2018.

Free appealed, challenging the Court's interpretation of the start date for the acquiescence period. Free argued that the five-year period begins from the date of the later trademark's registration, which in this case was May 17, 2013, which would mean its infringement and invalidity action could proceed.

The Paris Court of Appeal<sup>102</sup> upheld the first instance court's decision. Free appealed again, to the French Supreme Court. Free argued that, in line with the CJEU decision in *Budvar*,<sup>103</sup> commencement of the acquiescence period includes, in particular, the subsequent trademark's registration. It asserted that the acquiescence period could not commence until the later trademark was registered, which, in France, occurs upon the issuance of title by the Director General of the French Institute of Industrial Property ("INPI"). Mere filing of an application could not therefore constitute registration for the purpose of starting the acquiescence period.

The French Supreme Court<sup>104</sup> confirmed Free's position, stating that "Acquiescence is assessed based on the prior trademark owner's awareness of the use, by a third party, of the subsequent trademark, after its registration." In doing so, it rejected the reasoning of the

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<sup>100</sup> Paris Judicial Tribunal, January 31, 2020, No. 18/05243.

<sup>101</sup> For context, this provision, before being amended in 2019 to become Article L. 716-2-8 for the invalidity action and L. 716-4-5 for the infringement action, stated: "Only the holder of an earlier right may file an invalidity action based on Article L. 711-4. However, their action is not admissible if the trademark has been filed in good faith and if its use has been tolerated for five years."

<sup>102</sup> No. 20/05019 (Paris Court of Appeal, January 14, 2022).

<sup>103</sup> *Budjovicky Budvar v. Anheuser-Busch*, Case C-482-09 (CJEU, September 22, 2011).

<sup>104</sup> No. 22-15.341 (French Supreme Court, December 6, 2023).

first instance court and Court of Appeal, clarifying that the acquiescence period of the use of a later trademark is calculated from its registration date, rather than publication date. The Court concluded that the acquiescence period could not begin to run until after registration of the mark.

### **3. UK—Court of Appeal—Is knowledge of registration of a later mark required to commence the five-year period for statutory acquiescence or does knowledge of use suffice?**

In *Industrial Cleaning Equipment v. Intelligent Cleaning Equipment Holdings Co. Ltd. & Anor*,<sup>105</sup> the Court of Appeal of England & Wales exercised its power to depart from existing CJEU case law under the European Union (Withdrawal) Act 2018 (the “Withdrawal Act”), diverging from the CJEU’s position on statutory acquiescence. Following this decision, the five-year period for assessing statutory acquiescence commences on the date the trademark proprietor obtains knowledge of use of an infringing mark.

The claimant, Industrial Cleaning Equipment, provided commercial and consumer cleaning equipment in the UK under the mark ICE. The first defendant, Intelligent Cleaning Equipment Holdings Co. Ltd. (“Intelligent Cleaning”) was part of the “ICE Group” and held the group’s intellectual property rights. ICE Group designed and manufactured floor cleaning machines in China, which were subsequently imported and sold in the UK. The fourth defendant, Killis Limited (“Killis”), had been ICE Group’s distributor in the UK since 2019.

The first defendant held two international trademarks, one for the word “ICE” and the other an “ICE” logo, registered at the WIPO on June 18, 2015. The EUIPO accepted these in May and June 2016, respectively. Following Brexit, these were replaced with comparable UK trademarks with the same relevant dates.

The relevant dates in this action were:

- (1) The claimant became aware of use of the mark in approximately July 2014.
- (2) Despite a previous business relationship between the parties, it only became aware of the defendants’ registered trademarks in July 2019.
- (3) Issue of the claim form was in May 2021.

The claimant alleged infringement of its ICE mark. The defendants relied on their EUTMs, which the claimant sought to invalidate.

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<sup>105</sup> [2023] EWCA Civ 1451.

At first instance decision, the Intellectual Property Enterprise Court (“IPEC”) found that the defendants had infringed the claimant’s trademarks, and rejected the former’s asserted defense of statutory acquiescence. In doing so, it applied the CJEU authority in *Budvar*,<sup>106</sup> such that the five-year period commenced only when the claimant had knowledge both of the use *and* registration of the defendants’ trademark. As the claimant had only become aware of the defendants’ trademarks in 2019, the IPEC held that the claim form (served in 2021) had been served and issued within the five-year period for acquiescence.

The defendants appealed to the Court of Appeal, raising two arguments:

1. That it was not necessary for the proprietor of an earlier trademark to be aware of the later mark’s registration for the five years to begin to run. It was sufficient that the later mark was registered and that the proprietor of the earlier mark was aware of the use of the later one. This would require a formal departure from *Budvar* (“Issue 1”).
2. Where the later trademark is an international trademark, the registration date for the purpose of determining the start of the five-year period is the International Registration date; not the date from which the trademark is protected in the EU. The defendants argued that even if this were rejected, the relevant date should have been the date of acceptance, rather than the date of publication, argued by the claimant (“Issue 2”).

Although in the UK the legislative source for statutory acquiescence is Section 48(1) of the Trade Marks Act 1994, the TMA incorporated Article 9 of EU Directive 89/104 and implemented provisions from the 2008 TM Directive 2008/95 and the 2015 TM Directive on statutory acquiescence.

Giving the lead judgment, Arnold LJ explained the existing approach in *Budvar* and its impact upon appeal processes through domestic and European Courts. He referred to the *Budvar* decision in the Court of Appeal, where the Court had sought CJEU guidance on acquiescence and, in particular, the commencement of the five-year period under Article 9(1) of Directive 89/94.

In *Budvar*, the Advocate General stated that “the proprietor must be aware of the registration and use of the later mark” and concluded at paragraph 87 that “the five-year period . . . starts running from the time at which the proprietor of the earlier mark becomes aware of the registration **and** use of the later mark in the Member State in which the later mark has been registered.”

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<sup>106</sup> Budejovický Budvar np v. Anheuser-Busch Inc., [2011] ECR I-08701, Case C-482/09.

In two earlier cases, EUIPO Boards of Appeal interpreted the relevant provision so as to begin the five-year period at the date of knowledge of use of the *registered* mark, with knowledge of its registration being irrelevant. On appeal in the second case, the General Court upheld the divergent view from the Board of Appeal. Several subsequent cases suggested a discrepancy between the CJEU (knowledge of use and registration) and the General Court (knowledge of use of *registered* mark).

The Court of Appeal suggested that the more natural reading of the operative words of the 2017 EUTM Regulation is that the proprietor of the earlier mark must be aware of the *use* of the later mark but *not necessarily* its registration. The Court held that if knowledge both of use and registration were intended, the provision would have been worded accordingly.

The Court emphasized the importance of distinguishing between registration and use; the former confers a negative right and the latter a positive one. 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.

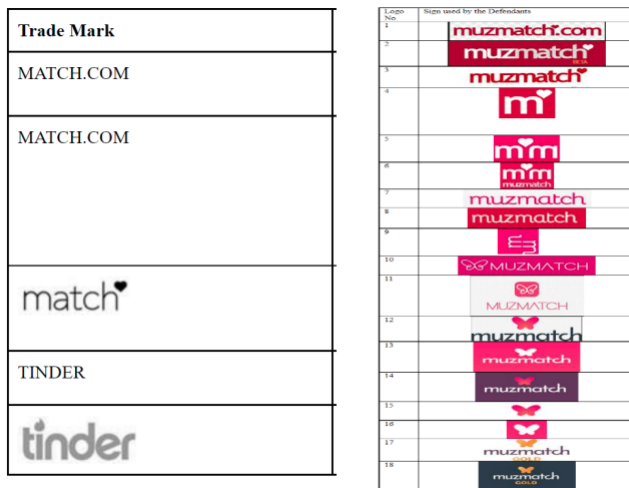
However, the Court noted, the *Budvar* approach could, perversely, incentivize proprietors *not* to consult the register to stop the clock running on statutory acquiescence. *Budvar*, as retained EU case law under Section 6(7) of the Withdrawal Act, continued to bind the UK's lower courts under Section 6(3). The Court of Appeal, despite being hesitant to do so, departed from the CJEU's approach in *Budvar*. The reasons for this divergence included the CJEU's lack of an explanation for the divergence in EU approaches to statutory acquiescence but also the subsequent judgments which reinforced this divergence and perhaps indicated the CJEU would also depart from *Budvar*. As a result, the Court of Appeal held that the five-year period commences when the proprietor of the earlier mark becomes aware of use of the later mark (which is in fact registered), regardless of the proprietor's knowledge of registration of the later mark. The defendants were therefore successful on the first limb of their appeal.

On the second issue, the Court of Appeal held that the relevant "registration date" must be that of acceptance of the International Registration by the EUIPO, not the date it was registered as an international trademark. The Court did not deem it necessary on the facts to confirm whether the relevant date in this case was the date of acceptance by the EUIPO or the date of second republication by the EUIPO. This was because in either case, the claim form was issued in time to ensure that the five-year period had not yet lapsed. The defendants were therefore unsuccessful on the second limb of their appeal.

**4. UK—Court of Appeal—Is honest concurrent use a stand-alone defense, or merely a factor in assessing infringement?**

In *Match Group, LLC & Ors. v. Muzmatch Ltd. & Anor*,<sup>107</sup> the UK Court of Appeal upheld the decision<sup>108</sup> of the Intellectual Property Enterprise Court (“IPEC”), which found that Muzmatch had infringed a number of Match Group’s UK trademarks and that Muzmatch did not benefit from a defense of honest concurrent use.

The claimants, Match Group, were owners of well-known dating sites including Match.com, Tinder, OKCupid, and Hinge. The defendant, Muzmatch, provided Internet matchmaking services directed to the Muslim community in the UK. Match Group owned three EUTMs and two UK trademarks comprising the words “match” and “tinder.” Muzmatch used an assortment of logos from 2011 to 2022; both sets of marks are shown below.



Match Group brought a trademark infringement claim against Muzmatch in 2020, four years after learning of the latter’s existence. Its claim was brought under Sections 10(2)(b) and 10(3) of the Trade Marks Act 1994.<sup>109</sup> The claim related to use of the word “match” in Muzmatch’s name, as well as “match” and “tinder” in its search engine optimization (“SEO”) strategy to increase traffic to its website. Muzmatch agreed to cease using “tinder” but denied liability for use of the word “match.” It argued that use of this word

<sup>107</sup> Match Group, LLC & Ors. v. Muzmatch Ltd. & Anor, [2023] EWCA Civ 454.  
<sup>108</sup> Match Group LLC v. Muzmatch Ltd., [2022] EWHC 941 (IPEC) For commentary on this case, see Tom Scourfield, *Annual Review of EU Trademark Law: 2022 in Review*, 113 TMR 437, 440 (2022).  
<sup>109</sup> Trade Marks Act 1994 Pt. I.



on its own was non-distinctive and descriptive of Match Group's services (dating services). It also argued that it had a defense to infringement, being honest concurrent use of the marks.

The IPEC held at first instance that the average person would be a member of the general public (not specifically a Muslim member of the public, as argued by Muzmatch). It accepted Muzmatch's evidence showing a reasonably large number of users of its service being Muslims. On distinctiveness and descriptiveness of "match" for dating services, it found that Match Group was a market leader for such services, with "match" being a dominant element in its trademarks. MATCH also was not used widely as a trademark when Muzmatch started using it in its name. The MATCH mark had therefore acquired distinctiveness through use by Match Group.

The use of "match" in SEO would likely present the average consumer with links to Muzmatch's website (and therefore its name) and the consumer would not be easily able to ascertain that Muzmatch and Match Group were not connected. Muzmatch's use of "match" on its website was also a use to indicate origin, rather than describing services, which created a link to Match Group. The Court held there was a likelihood of confusion under Section 10(2); the average consumer would likely think Muzmatch was a sub-brand of Match Group aimed at the Muslim community.

Finally, on dilution/unfair advantage, Match Group's trademarks clearly had acquired a significant reputation in the UK, extending to the Muslim community. The marks had a medium similarity, whereas the parties' services were highly similar. As the average consumer would link the two parties, Muzmatch's use of "match" constituted infringement under Section 10(3). Muzmatch's use was therefore infringing from its inception and Match Group had made it clear to Muzmatch that it objected to its use of the mark from as early as 2016, meaning Muzmatch had notice of Match Group's objections. Consequently, Muzmatch's use could not be "honest." IPEC also held that honest concurrent use is not a freestanding defense, but rather a factor to be considered as part of the global assessment of infringement.

Muzmatch appealed the IPEC's findings of infringement both under Sections 10(2) and 10(3) of the TMA 1994. The Court of Appeal upheld the IPEC's findings, concluding that there was no error of principle in the Court's assessment.

The Court of Appeal's consideration of honest concurrent use is worth considering in further detail. Muzmatch argued on appeal that the judge at first instance made two errors of law in rejecting the defense. It argued that the judge had held that, first, the defense is available only where the use of the sign was non-infringing use when it started, and second, it is available only if the use started before the trademark was registered.

Upholding IPEC's decision, Arnold LJ confirmed that honest concurrent use is *not* a separate defense because there are no statutory grounds (whether under UK or EU law) for this argument. Instead, it allows a defendant to avoid infringement because, where present, the conditions for infringement are not satisfied. For example, in a case alleging likelihood of confusion, it may be relied upon by the defendant to rebut the presumption that there is a likelihood of confusion at all.

The Court of Appeal confirmed that the relevant date for assessing honest concurrent use generally is the date when use of the sign complained of begins. However, it held that initially infringing use could eventually become non-infringing if, for example, the trademark proprietor took no action; the mark and the sign are later understood to denote different trade origins; *and* there is a substantial period of parallel use. It is, therefore, not necessary for the use complained of to have started before the trademark was registered, and the first instance decision did not contradict this finding.

Arnold LJ noted that even if there was a small level of actual confusion between the trademark and the sign, if most of the relevant class of consumers had come to understand that the marks denote different trade origins, this could result in a conclusion of non-infringement. However, in this case, the marks were found to be similar and the services identical, meaning that there would be an assumed connection between the two among consumers. In particular, consumers were likely to assume that Muzmatch was a sub-brand of Match Group specifically targeting Muslim users, leading to indirect confusion. Arnold LJ stated that, by nature, dating sites connect strangers, and the site receives personal details, meaning it was vital that users could trust the site.

Therefore, the Court of Appeal found that the scale and length of concurrent use was not sufficiently great that consumers would be able to differentiate between the two. Arnold LJ concluded that once the *prima facie* case of infringement has been established, the burden shifts to the defendant to establish that by virtue of its honest concurrent use, its use of a sign does not adversely affect the functions of the trademark. Muzmatch had failed to show this.

**5. Switzerland—High Court of the Canton of Geneva—To what extent can services offering customization rely on exhaustion of rights to de-brand, co-brand, or otherwise alter original products?**

The High Court of Geneva considered<sup>110</sup> an infringement case brought by Rolex against a Swiss-based company providing watch “customization”; in doing so it considered the principle of exhaustion under Swiss trademark law.

Rolex, whose main business activity includes the manufacture and sale of luxury watches, was the owner of the well-known trademark ROLEX as well as the associated image of a crown (both registered in respect of watches and jewelry).

The defendant’s business was the customization of luxury (and in particular, ROLEX) watches. The customization included replacing parts, changing their look and technical features, as well as changing their movement, the case, dials, or straps. The customization thus changed the aesthetic appearance of the watches and, in some cases, transformed the watch into a “skeleton” model and making the internal movements transparent. Some customization activity required the removal of the original trademarks, which were then reapplied after the replacement or modification. In the case of modified models, the company logo of the defendant was combined with the ROLEX trademarks, resulting in the appearance of co-branding in the modified watches. The defendant had also recreated certain features of the appearance of vintage models that were no longer marketed by Rolex but had a high market value among collectors.

The defendant customized watches brought in by customers or was commissioned by customers to buy original watches, which were then modified as desired by the customer.

Since 2020, the defendant had made it mandatory (in its general terms and conditions) for the customer to own a genuine branded watch to place an order for customization. The names of some customized watch models also included the names of celebrities or corporate bodies who were never official ambassadors of the ROLEX brand. The defendant’s services were offered online and included a catalogue with examples of modified models. After the customization of a watch, the defendant offered a new direct warranty, not least since its services invalidated the original Rolex warranty.

Rolex had not consented to the defendant’s use of its trademarks. The defendant, however, claimed that the brand owner had tolerated its activity for a long time.

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<sup>110</sup> ROLEX (High Court of the Canton of Geneva, February 9, 2023), ACJC/188/2023.

Some of the defendant's customization work was carried out on behalf of celebrities and even included cooperation agreements with some of them. For instance, a cooperation agreement with a famous racing driver who became an ambassador for the defendant's customization services provided for an exclusivity clause, remuneration (financial and through two free customizations of his watches) for the ambassador, granting of the ambassador's wish that the customization made for him bearing his name be offered to his fans on request on their own watches (in limited quantities), and advertising and promotion by the ambassador, particularly on social media.

Rolex brought an action before the High Court of the Canton of Geneva requesting that the defendant be prohibited from advertising, offering, or selling its infringing products, because the defendant's business activities infringed Rolex's trademark rights and exploited its worldwide reputation in an unlawful manner.

The High Court of the Canton of Geneva, in particular, examined whether the defendant was entitled to remove and/or re-affix the plaintiff's trademarks in the process of modification and to apply co-branding on modified watches without Rolex's prior consent.

Although the Swiss Trademark Protection Act ("TmPA") did not explicitly mention the principle of exhaustion, it follows from Article 13(2) of the TmPA that the exclusive commercialization rights deriving from trademark protection are exhausted when the goods were lawfully placed on the market for the first time. The High Court of Geneva held that only the *customer* could benefit from exhaustion; not a third party who uses the product in question in the course of its business. The principle of exhaustion would not allow a third party to freely use a third party's trademark on the market for its own benefit and to offer a commercial service.

In the present case, the Court considered that the customization of watches pursuant to the customers' individual wishes could not qualify as a private activity, as the defendant offered and advertised a commercial service for profit. Such activity constituted a remarketing of branded products that had been substantially altered. The Court therefore concluded that the defendant could not rely on exhaustion, meaning the ROLEX trademark had been infringed.

With respect to the defendant's "co-branding," the High Court deemed it relevant that the defendant affixed its own trademark next to the original branding on the already modified watches and, on the other hand, made several references on its website to ROLEX trademarks as well as to ROLEX watches. In the Court's view, the defendant's conduct gave consumers the incorrect impression that the parties cooperated in the manufacture and modification of watches. The defendant's warnings on its website and the offering

of its own guarantee were not sufficient to counter the overall impression of such cooperation.

The co-branding operated by the defendant therefore resulted in a type of prohibited free-riding and qualified as unfair within the meaning of the Swiss Act against Unfair Competition.

Finally, the Court reviewed the numerous references to ROLEX products and trademarks on the defendant's website. According to Federal Supreme Court precedent, a reseller who uses a third party's trademark to advertise its reselling of original articles, services, or repairs of those articles does not infringe a trademark so long as it clearly and unambiguously refers to its own offering. The High Court held that in this case, the use of the ROLEX trademarks and products would therefore be permissible if listed in connection with the terms "repair" and "maintenance." However, the defendant's repair and maintenance services were of secondary nature; its primary activity was the adaptation and modification of products, and its advertising was heavily focused on these activities. These activities therefore qualified as unfair and also inadmissible under unfair competition law.

Consequently, the High Court prohibited the defendant from attaching or reattaching the ROLEX trademarks in the course of trade and from using, offering, or promoting them in commerce in any way, including on the Internet and in connection with services for modifying watches, parts of watches, or accessories. However, the Court held that the customization of watches was permissible where the ROLEX trademark had been removed and not reapplied. The decision of the High Court was appealed to the Federal Supreme Court, which partially reversed the first instance judgment in early 2024.

## 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.

Previous editions of this Review considered in some detail the change in procedure for appeals from the General Court to the CJEU, which continues to significantly reduce the number of trademark cases heard by the CJEU.

Questions of competency, jurisdiction, and the interaction between national courts, EUTM courts, and the EUIPO continue to be of interest in 2023. In *LM v. KP*, the CJEU was asked to make a preliminary ruling on whether Article 124(d) of the 2017 EUTM Regulation, read in conjunction with Article 128(1), meant that a

counterclaim for a declaration of invalidity of an EUTM may relate to all the rights derived from the registration of the mark, or whether it must be limited to the goods and services covered by the infringement action. Similarly, the UK IPEC considered whether UK Courts remain competent EUTM courts for actions “related” to those brought before the end of the Brexit transition period, and the Polish Supreme Administrative Court considered whether a trademark opposition can be upheld on the basis of an EUTM already held to be invalid. Finally, practitioners and brand owners should note the guidance on contractual cease-and-desist penalties in Germany and the examination of “moral” damages for infringement in Spain.

### ***B. Legal Texts***

#### **Article 76 of the 2017 EUTM Regulation**

Examination of the facts by the Office of its own motion

1. In proceedings before it the Office shall examine the facts of its own motion; however, in proceedings relating to relative grounds for refusal of registration, the Office shall be restricted in this examination to the facts, evidence and arguments provided by the parties and the relief sought.
2. The Office may disregard facts or evidence which are not submitted in due time by the parties concerned.

#### **Article 125 of the 2017 EUTM Regulation**

1. Subject to the provisions of this Regulation as well as to any provisions of Regulation (EU) No 1215/2012 applicable by virtue of Article 122, proceedings in respect of the actions and claims referred to in Article 124 shall be brought in the courts of the Member State in which the defendant is domiciled or, if he is not domiciled in any of the Member States, in which he has an establishment.
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.
3. If neither the defendant nor the plaintiff is so domiciled or has such an establishment, such proceedings shall be brought in the courts of the Member State where the Office has its seat.
4. Notwithstanding the provisions of paragraphs 1, 2 and 3:

- (a) Article 25 of Regulation (EU) No 1215/2012 shall apply if the parties agree that a different EU trade mark court shall have jurisdiction;
  - (b) Article 26 of Regulation (EU) No 1215/2012 shall apply if the defendant enters an appearance before a different EU trade mark court.
5. Proceedings in respect of the actions and claims referred to in Article 124, with the exception of actions for a declaration of non-infringement of an EU trade mark, may also be brought in the courts of the Member State in which the act of infringement has been committed or threatened, or in which an act referred to in Article 11(2) has been committed.

### **Article 126 of the 2017 EUTM Regulation**

1. An EU trade mark court whose jurisdiction is based on Article 125(1) to (4) shall have jurisdiction in respect of:
  - (a) acts of infringement committed or threatened within the territory of any of the Member States;
  - (b) acts referred to in Article 11(2) committed within the territory of any of the Member States.
2. An EU trade mark court whose jurisdiction is based on Article 125(5) shall have jurisdiction only in respect of acts committed or threatened within the territory of the Member State in which that court is situated.

### **C. Cases**

#### **1. EU—CJEU—Can a counterclaim for invalidity of an EU trademark relate to all the rights derived from the registration of the mark, or must it be limited to the goods and services covered by the infringement action?**

In *LM v. KP*,<sup>111</sup> the CJEU was asked to make a preliminary ruling on whether Article 124(d) of the 2017 EUTM Regulation, read in conjunction with Article 128(1), meant that a counterclaim for a declaration of invalidity of an EUTM may relate to *all* the rights derived from the registration of the mark, or whether it must be limited to the goods and services covered by the infringement action. The CJEU determined it was the former; invalidity may relate to the entirety of an EUTM, and the subject matter of that counterclaim is not restricted by the scope of the dispute as defined by the primary action for infringement.

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<sup>111</sup> Case C-654/21 (CJEU, June 8, 2023).

LM had brought an action for trademark infringement of an EUTM against KP before the *Sąd Okręgowy w. Warszawie* (Regional Court, Warsaw, Poland). KP filed a counterclaim for a declaration of invalidity of the contested mark in respect of some of the goods and services for which it had been registered, arguing that it was registered contrary to the provisions of the 2017 EUTM Regulation. The Polish Court dismissed the action for infringement but had doubts as to the scope of its examination of the counterclaim, which covered broader goods and services than the infringement action. The Polish Court referred two questions to the CJEU for a preliminary ruling, namely:

1. Should Article 124(d) be read in conjunction with Article 128(1), such that the scope of the goods and services in a counterclaim must be limited to those in the primary action giving rise to the counterclaim?
2. In the absence of specific national rules on counterclaims for a declaration of invalidity, should national procedural rules of general application which specify the scope of counterclaims in other areas of litigation be deemed to be “rules of procedure governing the same type of action,” within the meaning of Article 129(3)?

In answer to the first question, the CJEU commented that the term “counterclaim” is undefined in the 2017 EUTM Regulation. However, citing case law,<sup>112</sup> it noted that a counterclaim usually means a cross-action brought by a defendant against a claimant in proceedings before the same court. A counterclaim was thus a self-standing claim and could proceed even if the claimant’s claim were dismissed.

The CJEU identified three points supporting this understanding of the scope of a counterclaim for invalidity of an EUTM:

1. The counterclaim for a declaration of invalidity can be based on any of the grounds for invalidity mentioned in the 2017 EUTM Regulation. Some of the grounds for invalidity are liable to relate to all the goods or services covered by the registration of the trademark, such as marks that are contrary to public policy or accepted morality (Article 7(1)(f)), and marks that are of a nature liable to deceive the public (Article 7(1)(g)). If these grounds were used in a counterclaim for invalidity, they would require the *entire* mark to be invalidated and could not result in invalidity for only some classes of goods or services.
2. A declaration of invalidity arising from a counterclaim in a national court has the same effect as a declaration of

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<sup>112</sup> *Gemeinde Bodman-Ludwigshafen*, Case C-256/21, EU:C:2022:786, *see* paragraphs 36 and 38.



invalidity by the EUIPO. Specifically, both EU national trademark court decisions and EUIPO decisions are binding on all Member States and must be entered in the Register and complied with by EUIPO (per Article 128(6) in relation to declarations of invalidity arising from a counterclaim).

3. Third, jurisdiction to declare an EUTM invalid is shared between EUIPO and the EU national trademark courts. The EUIPO has exclusive jurisdiction over the registration and opposition to an EUTM. However, Article 63 of the 2017 EUTM Regulation makes clear that a declaration of invalidity can be made by the EUIPO or an EU national trademark court. The CJEU concluded that the EU legislature intended that jurisdiction to review the validity of EU trademarks should be shared by the EUIPO and the EUTM courts.

In respect of the second question, the CJEU held that the question was built on the premise that invalidity proceedings in an EU national trademark court are not based on EU law. However, given that the Court had found that this was not the case in responding to the first question, the second question did not need to be answered.

## **2. Spain—Supreme Court—Must counterfeiters compensate brands for “moral damage” even if they have not sold the counterfeit products?**

In *Chanel Sas et al. v. Comercio Giovi S.L.*,<sup>113</sup> the Supreme Court of Spain (Criminal Chamber) ruled for the first time that the mere possession of counterfeit products and their display for sale entails “reputational damage,” entitling the trademark proprietor to seek compensation.

In June 2018, the Spanish Police organized a raid in Manises (Valencia) at a store called LIN&LIN owned by Comercio Giovi SL. Only a few counterfeit goods were displayed, but the police found hundreds of counterfeit handbags bearing trademarks such as MICHAEL KORS, YVES SAINT LAURENT, CAROLINA HERRERA, CHANEL, and BIMBA & LOLA in a warehouse of the same company.

The High Court of Justice of Valencia<sup>114</sup> confirmed the judgment of the criminal court that had convicted the owner of the warehouse and sentenced the owner to three years’ imprisonment, ordered destruction of the goods, and ordered the infringer to pay compensation in damages, calculated by multiplying the number of

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<sup>113</sup> *Chanel SAS et al. v. Comercio Giovi S.L.*, Case 5315/2021, Judgment 611/2023 (Supreme Court of Spain (Criminal Chamber), July 13, 2023).

<sup>114</sup> Judgment 219/2021, Case 217/2021 (High Court of Justice of Valencia, July 20, 2021).

counterfeit handbags by the average price of an unbranded handbag of the same characteristics as those seized, and multiplying the result in each case by 0.25. The total compensation for damages was over EUR 400,000.

The infringer appealed before the Supreme Court of Spain on two grounds. First, he argued that the mere identification of unlawful conduct cannot result in a presumption of damage having arisen from the offense. The damage, argued the infringer, must be proved by the person who claims to have suffered it, and this was not the case, as the infringing products were in a warehouse and had not been sold. Secondly, the infringer argued that the criterion set by the Court to calculate the damages (25 percent of the value of the average price of the handbags seized in accordance with their quality and characteristics) was wholly arbitrary, as it had not been based on any expert report or any pre-established regulatory criterion.

However, the Supreme Court confirmed the previous judgments and concluded that regardless of whether the products had actually been sold, displaying infringing products for sale resulted in an implicit moral damage that did not require further evidence.

Recalling the judgment of the CJEU in *Liffers*,<sup>115</sup> the Supreme Court stated that Recital 26 of the IP Enforcement Directive<sup>116</sup> states, inter alia, that, with a view to compensating for the prejudice suffered as a result of an infringement committed by an infringer, the amount of damages awarded to the holder of the intellectual property right should take account of all appropriate aspects, including any moral prejudice caused to the rights holder. The calculation of damages must seek to ensure that the latter is compensated in full for the “actual prejudice suffered” by him, which also includes any moral prejudice. Given the practical difficulty in objectifying non-pecuniary damage in economic terms, this method of calculating damages was consistent with the principles of proportionality and the prohibition against unjust enrichment. This ruling of the Supreme Court overturns the dominant view of the Spanish Courts to reject claims for damages in those cases where the counterfeit products had not been marketed.

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<sup>115</sup> Christian Liffers v. Producciones Mandarina SL and Mediaset España Comunicación SA, Case C-99/15 (CJEU, March 17, 2026).

<sup>116</sup> Intellectual Property Enforcement Directive (2004/48/EC).

### 3. Germany—Court of Appeal of Nuremberg—Is a contractual cease-and-desist penalty enforceable if the trademark was found later not to be infringed?

In the *BÄRENTALER* decision,<sup>117</sup> the Court of Appeal of Nuremberg considered a claim for payment of a contractual penalty for non-compliance with a cease-and-desist undertaking in circumstances where the trademark was found not to be infringed.

The plaintiff was the owner of two word marks, *BÄRENTALER* (translated roughly as “bear token”), which were registered, *inter alia*, for various services in Classes 35 and 36.

The defendant operated a pharmacy and had issued his customers with tokens labeled “Apotheker M2s Bären-Taler.” The bear tokens could be redeemed for promotional gifts (such as lunch boxes or toothbrushes). The plaintiff had issued a cease-and-desist letter to the defendant and issued a declaration to cease and desist, including a penalty clause. The defendant promised, among other things, to cease using in the course of business the designation “Bärentaler” as a bonus system for customer acquisition or retention.

The plaintiff later demanded a contractual penalty of EUR 5,100 and filed a lawsuit because the website of the plaintiff’s pharmacy still referred to the collection and redemption of “Bärentaler.” The claim was later amended to add further instances of use on the “Archive” subpage of the plaintiff’s homepage and so claimed payment of a further EUR 8,000 as a contractual penalty.

The Regional Court ordered the defendant to pay contractual penalties of EUR 3,000 and EUR 4,000 and otherwise dismissed the action. The plaintiff appealed, seeking the original amounts in full.

As a preliminary matter, the Nuremberg Court of Appeal stated that it intended to dismiss the plaintiff’s appeal against the judgment of the Nuremberg-Fürth Regional Court, since it had no prospect of success. The appeal was subsequently withdrawn.

In its order, the Court of Appeal stated its view that the trademark *BÄRENTALER* was not infringed in the circumstances. The relevant mark was registered in respect of services “for third parties” for “issue of discount tokens,” “issue of tokens for customer loyalty programmes” and “issue of tokens for rewards programmes.” The defendant plainly did not offer such services, merely using discount tokens as “Bärentaler” for advertising his own pharmacy (rather than for third-party services) but did not offer advertising services to third parties under this sign and also did not use such chips for third parties. The average consumer would, in any event, not have been confused, as the use by the defendant of “Bärentaler”

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<sup>117</sup> Issued on September 29, 2022, Case No. 3 U 1101/22, but published only in 2023.

was a mere descriptive name for tokens, which would not be understood as an indication of origin.

Nevertheless, the defendant had contractually undertaken not to use the *designation* “Bärentaler,” rather than agreeing not to use that term as a *trademark*. With the cease-and-desist undertaking, however, the parties had created a cause of action independent of the statutory claim for injunctive relief. However, although whether the defendant’s use constituted trademark infringement was not directly relevant, factors such as the significance, severity, and weight of a breach of an agreed obligation to cease and desist also depended on which (and to what extent) legal rights had been infringed. Although the defendant could be criticized for not having thoroughly removed references to the previous use, he did not derive any tangible benefit from the remaining entries. Under these circumstances, the Court found that the amount of EUR 5,100 for the first infringement was unreasonably high but saw fit to raise the EUR 3,000 originally ordered to EUR 4,000. This decision demonstrates the importance of careful wording of a cease-and-desist undertaking to ensure that the contractual obligation does not exceed the statutory claims that the trademark owner may legitimately assert.

#### **4. Poland—Supreme Administrative Court—Can a trademark opposition be upheld on the basis of an EUTM already held to be invalid?**

In *Biscotta*,<sup>118</sup> the Supreme Administrative Court considered an appeal from the judgment of the District Administrative Court upholding the opposition against a Polish national trademark BISCOTTA (word mark) covering “ice cream, sorbets and frozen confectionery” in Class 30, filed by the applicant, Unilever N.V.

The opposition was filed by Aldi Einkauf GmbH & Co. oHG on the basis of its EU trademark registration for figurative mark BISCOTTO (depicted below) covering, inter alia, “flour and preparations made from cereals, pastry, confectionery and ices” in Class 30. The ground relied on in support of the opposition was that set out in Article 132(2)(2) of the 2000 Polish Industrial Property Law<sup>119</sup> (corresponding to Article 5(1)(b) of the 2015 TM Directive), that is a likelihood of confusion with the earlier mark.

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<sup>118</sup> Case II GSK 426/20 (Supreme Administrative Court, July 11, 2023).

<sup>119</sup> Now repealed and replaced by 132<sup>1</sup>(1)(3) of the 2000 Industrial Property Law. According to Article 132(2)(2) of the 2000 Industrial Property Law as of the relevant date:

Trademark protection shall not be granted for a trademark identical or similar to the trademark for which a right of protection has been granted ( . . . ) with an earlier priority date to another party for identical or similar goods, where there exists a likelihood of confusion on the public, which includes, in particular, the likelihood of association with the earlier trademark; ( . . . ).



On April 26, 2016, the Polish Patent Office (PPO) upheld the opposition for all goods covered by the contested mark, emphasizing that the conflicting marks are highly similar. The PPO rejected Unilever’s argument that the earlier mark was of low distinctive for confectionery due to its descriptive meaning for a type of Italian pastry, stressing that for a Polish relevant public, both terms—“BISCOTTA” and “BISCOTTO”—were entirely fanciful and devoid of any meaning. The PPO found the contested “ice cream, sorbets and frozen confectionery” in Class 30 to be identical or highly similar to the opponent’s “confectionery” and “ices” in the same class. Therefore, it concluded there was likelihood of confusion between the conflicting marks.

In parallel, the earlier EUTM registration was the subject of absolute grounds invalidity proceedings initiated by an unrelated third party due to, inter alia, the earlier mark’s descriptiveness and lack of distinctive character. On March 1, 2019, the EUIPO Cancellation Division partially upheld the request for a declaration of invalidity for part of the contested goods, namely “sugar, flour and preparations made from cereals, bread, pastry, confectionery and ices,” including all the goods on which the PPO based its decision on opposition against BISCOTTA. The earlier mark remained registered for all the remaining goods, namely “coffee, tea, cocoa, rice, tapioca, sago, artificial coffee, honey, treacle, yeast, baking powder, salt, mustard, vinegar, sauces (condiments), spices and ice.” The grounds of the decision were those laid down in Article 59(1)(a) in conjunction with Article 7(1)(b) and (c) of the 2017 EUTM Regulation, resulting in the registrations’ *ex tunc* invalidity.

Unilever brought up the earlier marks’ partial invalidation during the appeal proceedings against the PPO’s decision. However, in its judgment of July 3, 2019, the District Administrative Court found the EUIPO decision to be irrelevant. The Court stressed that its role is to assess legality of the PPO’s decision as of the date it was issued, namely April 26, 2016, when the earlier EUTM was fully in force. Additionally, the Court highlighted that the decision on invalidity is not yet final, and the proceedings are ongoing.

Unilever appealed the judgment to the Supreme Administrative Court. Unilever argued that the District Administrative Court had overlooked the descriptive and non-distinctive character of the earlier mark’s word element “BISCOTTO,” arguing that similarity arising solely from a non-distinctive element of the earlier mark could not lead to a likelihood of confusion. Unilever further argued that the earlier mark’s lack of distinctive character on its filing date was confirmed by the 2019 EUIPO decision. Most importantly, in its further submissions before the Supreme Administrative Court—but seemingly not in the appeal itself—Unilever emphasized that the earlier mark was invalidated for the relevant goods *ex tunc* and, therefore, should be considered non-existent during the relevant period. In addition, Unilever pointed out that the first instance EUIPO decision had been upheld by the EUIPO Fifth Board of Appeal on October 8, 2019. Finally, Unilever stressed that the opponent, Aldi Einkauf, had since surrendered the earlier mark for the remaining goods, resulting in the mark being completely removed from the EUIPO Registry in November 2020.

On appeal, the Supreme Administrative Court upheld the contested judgment. The Supreme Administrative Court confirmed that the court of first instance assesses the legality of contested PPO decisions according to the factual and legal situation as of the date of its issuance. The Court stressed that the contested decision was issued by the PPO in April 2016, whereas the application for invalidation of the earlier mark was filed with the EUIPO only in January 2018 and the proceedings were not final when the contested judgment was issued. The Supreme Administrative Court acknowledged that the Board of Appeal upheld the EUIPO decision in October 2019, but it had done so only *after* the District Administrative Court issued its judgment in July 2019. Moreover, in the justification of the judgment, the Supreme Administrative Court suggested this has been raised by Unilever only in its later submissions and the Court is bound by the claims raised in the appeal. Perhaps for the same reason the Supreme Administrative Court stayed silent on the earlier mark’s surrender by the opponent. Finally, the Court confirmed confusing similarity between the conflicting marks, resulting in the opposition being upheld on the basis of a partly invalidated and partly surrendered mark.

### **5. UK—IPEC—Are UK courts competent EUTM courts for actions “related” to those brought before the end of the Brexit transition period?**

In *Crafts Group LLC v. M/S Indeutsch International and M/S Knitpro International*,<sup>120</sup> the Intellectual Property Enterprise Court

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<sup>120</sup> *Crafts Group LLC v. M/S Indeutsch International & Anor*, [2023] EWHC 1455 (IPEC).

“IPEC”) granted a stay of proceedings pending the outcome of an application by Crafts Group to invalidate one of Knitpro’s EUTMs. The proceedings were stayed on the basis that the Court retained jurisdiction as a competent EUTM Court following Brexit because the initial proceedings had commenced prior to the expiry of the implementation period on December 31, 2020 (“IP Completion Day”).

From 2007, Knitpro had supplied to Crafts Group’s predecessor wooden knitting needles and crochet hooks bearing a decorative chevron pattern in two styles. In 2009, Crafts Group applied for a U.S. trademark in the form of one of the chevron patterns. In order to protect its position outside of the United States, Knitpro International obtained two EUTMs in 2010. The first, “the EU Chevron Mark” took a chevron form, as did the second mark, “the EU Symfonie Mark,” more figuratively. Following Brexit, Indeutsch International also obtained UK comparable trademarks, the “UK Chevron Mark” and the “UK Symfonie Mark.”

Shortly prior to Knitpro obtaining trademark protection in the EU and UK, Crafts Group and Knitpro signed an agreement to geographically delimit the parties’ use of the two styles of chevron signs on their products. However, the relationship between the parties failed, and Crafts Group began selling knitting needles and crochet hooks in competition with those made by Knitpro. In 2013, Crafts Group sought cancellation of Knitpro’s EU Chevron Mark under Articles 7(1)(a) and (b) of the 2017 EUTM Regulation. Crafts Group then began selling knitting needles and crochet hooks through Amazon’s UK and German websites in 2015. Crafts Group alleged that both of Knitpro’s products infringed the EU Chevron Mark. Following a takedown request by Knitpro, Amazon removed the online listings of Crafts Group’s products. Crafts Group alleged that Knitpro’s communications with Amazon constituted actionable unjustified threats of infringement.

Over five years later, in December 2020, Crafts Group issued a claim alleging that Knitpro had made unjustified threats of infringement of its various marks. Knitpro filed a defense and counterclaim alleging that the EU Chevron Marks and the EU and UK Symfonie Marks were infringed by Crafts Group. The judgment reported here focused on Knitpro’s application for a stay of proceedings pending the resolution of Crafts Group’s application to cancel Knitpro’s EU Chevron Mark.

The application arose from two potentially conflicting provisions of law, since Article 67(1)(b) of the Withdrawal Agreement<sup>121</sup> stated that the jurisdiction provisions of the 2017 EUTM Regulation (including Article 132) were to continue to apply after IP Completion

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<sup>121</sup> Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community (2019/C 384 I/01).

Day to legal proceedings instituted before that date, whereas Paragraph 20 of Schedule 2A to the Trade Marks Act 1994 provided that Article 132 should *not* apply to such proceedings.

Crafts Group argued that the Court did not have jurisdiction in relation to the EU Chevron and Symfonie Marks because Article 132(1) of the 2017 EUTM Regulation was not engaged, since the Court was not acting as an EUTM Court at the time Knitpro filed the defense and counterclaim (October 27, 2022). Further, Article 67(1)(b) of the Withdrawal Agreement was a provision of general effect that applied to *all* proceedings instituted before the end of the Brexit transition period and Schedule 2A was a specialist provision directed to the law of trademarks. The inconsistency should therefore have been resolved in favor of the more specific provision. The Court briefly rejected this argument at the outset. As Article 67(1) referred specifically to the 2017 EUTM Regulation, it was also a specialist, rather than a generic, provision. Since the Trade Marks (Amendment, etc.) (EU Exit) Regulations 2019 (the “2019 Regulations”) amended the TMA 1994 to add Schedule 2A and as Schedule 2A came into force after the Withdrawal Agreement was concluded, the Withdrawal Agreement should have been read in light of Schedule 2A.

Knitpro argued that, since there were existing proceedings (the threat actions), which had been initiated before IP Completion Day, the provisions of Article 67(1)(b) would apply and the Court would retain jurisdiction in these proceedings. This should also apply to new claims added to existing proceedings after IP Completion Day, and therefore the claim alleging Crafts Group’s infringement of the EU Chevron Mark after IP Completion Day “related back” to the initial threats claim. Article 67(1) was inconsistent with Schedule 2A of TMA 1994, meaning the direct effect of the former should prevail over the latter. HHJ Hacon granted a stay of proceedings on the grounds that initial proceedings had been initiated prior to IP Completion Day, these being “proceedings instituted before the end of the transition period” as contemplated by Article 67(1). The Court had therefore retained jurisdiction to act as an EUTM Court. Although Schedule 2A and Article 67(1) were inconsistent regarding the application of Article 132 of the 2017 EUTM Regulation to pending proceedings, the two provisions overlapped and the overlap itself did not result in any difficulty. Article 67(1) provided for the continuing effect of Article 132 as retained EU law in respect of proceedings instituted before IP Completion Day, whereas Schedule 2A did not. Article 132 therefore would have continuing effect.

As required by Article 132(1) of the 2017 EUTM Regulation, the Court stayed Knitpro’s counterclaim for infringement of the EU Chevron Mark, the claim for unjustified threats, and the claims for revocation and declaration of invalidity in relation to the EU Chevron Mark.



**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 EU trademark 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 effective as of 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”) effective as of March 23, 2016.)
- EU General Court (GC):** The EU court with jurisdiction to hear appeals from the Boards of Appeal of the 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 EU trademarks; 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 EU trademarks. It is a codified form that 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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