

The Trademark Reporter®



The Law Journal of the International Trademark Association

Annual Review of EU Trademark Law

2020 in Review

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I. INTRODUCTION

A. About This Review

This eighth *Annual Review of EU Trademark Law*¹ contains highlights of European trademark cases of 2020 at both the European Union (“EU”) and national level. Matters relating to the unitary right of the EU Trade Mark (“EUTM”) are governed by Regulation (EU) 2017/1001 of 14 June 2017, referred to in this Review as the “2017 EUTM Regulation.” Harmonized laws in respect of national trademarks within EU Member States became, as of January 15, 2019, determined by Directive (EU) 2015/2436 of 16 December 2015, referred to in this Review as the “2015 TM Directive.” Given the inevitable time lag between the introduction of the recast legislation and its determination in case law, many cases in this Review still refer to the predecessors of the current legislation in force (which also continue to set out following the applicable current rules in each part of this Review), being Council Regulation (EC) No. 207/2009 (the “2009 EUTM Regulation”) and Directive 2008/95/EC (the “2008 TM Directive”). An introduction to the role of this legislation is contained in the introduction to *Annual Review of EU Trademark Law: 2013 in Review*,² which also details the particular role played by the EU General Court (“General Court” or “GC”) and the Court of Justice of the European Union (“CJEU”).

No introduction to EU trademark law developments in 2020 would be complete without mentioning Brexit. 2020 effectively marked the Brexit transition period agreed in the EU–UK Withdrawal Agreement, since the transition period started immediately after the United Kingdom (“UK”) left the EU on January 31, 2020, and ended on December 31, 2020. During this period, the UK was no longer a member of the EU but remained a member of the EU single market and customs union. During that time the UK also continued to be subject to EU rules, including all EU trademark law. As such, the decisions of UK courts, most commonly the High Court of England and Wales and the Court of Appeal, continued to hear cases relating to infringement of EUTMs and to apply EU trademark law. The UK “local” trademark legislation, the Trade Marks Act 1994 (also referred to herein as the “TMA” or the “Act”), remains EU law compliant, being based upon the 2015 TM Directive (and preceding Directives) and, absent new legislation, will continue to be through 2021 and beyond.

¹ Tom Scourfield, *Annual Review of EU Trademark Law: 2020 in Review*, 111 TMR 505 (2021). The principal author and contributor to this Review, Tom Scourfield, is grateful to a number of colleagues at CMS for their assistance, but in particular the tireless efforts of Parisa Ghatey-Fard in support of this project.

² Guy Heath, *Annual Review of EU Trademark Law: 2013 in Review*, 104 TMR 445 (2014).

This 2020 Review covers the now familiar issues of “absolute” trademark issues including validity, distinctiveness, descriptiveness, “relative” grounds, including similarity and confusion and the continuing relevance of bad faith. This Review also explores topics such as infringement, parallel trade and other defenses and limitations, geographical indications, and some notable cases illustrating changes or significant analysis of practice and procedure.

In summing up trademark developments of 2020, it would be fair to say the bigger issues were more general than specific, not least the continuing topic of Brexit (as mentioned above) and the highly disruptive impact of the Covid-19 pandemic on operations at the EU Intellectual Property Office (“EUIPO”) and national IPOs across the EU, and on court activity. Nevertheless, 2020 provided a great number of important cases, which seems an achievement in and of itself. First among the highlights of 2020 would be the fascinating decision of the CJEU in *Constantin Film Produktion v. EUIPO*, more commonly known as “*Fack Ju Göhte*,” which provided a rare opportunity for the CJEU to consider the separate but related grounds of “public policy,” a consideration to be made according to objective criteria such as laws, policies, and official statements, to be contrasted with “accepted principles of morality,” which involves assessing what are necessarily more subjective values among the collective and individual population and its diverse groups within the EU and its member states. Another notable case would be the CJEU’s decision in *AR v. Cooper International Spirits and Others* as to whether compensation should be available for infringement of a trademark that has subsequently been revoked for non-use during the period prior to that revocation. In a pragmatic judgment, while confirming that damages should be available in principle, the CJEU emphasized that compensation should be appropriate to the *actual prejudice* suffered by the proprietor of the trademark.

The type, duration, and authorization of use was another common theme in 2020. Relevant cases include *Ferrari SpA v. DU*, where the CJEU found that the sale of luxury sports cars and replacement parts may be sufficient to establish genuine use under Article 12(1), even if such goods are produced and sold only in small numbers. This approach might be contrasted with the decision of the English High Court in *Aiwa Co. Ltd. v. Aiwa Corp.*, which confirmed that the sale of secondhand goods by third parties in the UK, without the express consent of the trademark proprietor, could not contribute to “genuine use” of the trademark for the purposes of avoiding revocation for non-use, not least as the rights in such goods were exhausted on first sale.

Another cluster of cases in 2020 considered the role and contribution of online retail and other Internet-based service providers in facilitating infringement. In a boost to one of the larger

players, Amazon managed to overturn the original decision in *Louboutin* in Belgium, where the Brussels Court of Appeal found that Amazon was not directly liable for trademark infringement in respect of third-party sales, since, although Amazon played an active role in the presentation and promotion of the goods, the Internet users knew that they were purchasing the goods from third parties and not from Amazon directly. Meanwhile, the Federal Supreme Court of Germany heard a further appeal by Amazon and considered the question of trademark exhaustion and the burden of proof as to whether goods must be proven to be exhausted, or whether a challenger must show the impact of a selective distribution and partitioning of national markets as a result. Finally, the strict procedure in Ireland for seeking information from an Internet service provider such as Twitter was demonstrated in the *Fastway Couriers* decision.

Finally, the perception, distinctiveness and validity of so-called non-traditional trademarks provided the usual fascinating array of cases, including questions as to the distinctive character of two different figurative checkerboard designs before the General Court, the perception of color marks (Austria and UK), and the validity and distinctiveness of shapes of CROCS clogs in Denmark and LAND ROVER DEFENDER sport utility vehicles (“SUVs”) in the United Kingdom.

B. Legislative Change and Terminology

Although the “new” 2015 Directive is now in force, the 2008 Directive that it replaces was only repealed as of 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. As previously, although the law has now changed, many of the rulings reported in this Review are still based on earlier iterations of the Regulations and Directives to those currently in force.

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, but given it was only recently superseded the texts typically also include provisions of the 2008 TM Directive and/or the 2009 EUTM Regulation.

C. Organization of Material in This Review

As usual, the 2020 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). Each theme is contextualized with introductory comments and recurring statutory provisions. Each case note is introduced by an indication of whether the ruling is that of the CJEU, EU General Court, or national court, with an indication of the status 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, its 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 may also form the basis for a later claim to invalidation, so cases in this part usually deal with analysis of both pre- and post-registration issues.

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. This is an area particularly affected by the relatively recent legislative changes, as noted in Part B (Legal Texts) below. 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. Under the previous version of the TM Directive, Article 3(1)(a) of the 2008 TM Directive also referenced Article 2 of the 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 6*ter* of the Paris Convention, and marks that contain certain geographical indications or designations of origin protected in the EU (see Part VIII of this Review). Article 7(1) of the 2017 EUTM Regulation expressly provides for absolute grounds of refusal by reference to traditional terms for wine, to traditional specialties guaranteed, and to 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.

The outer limits as to what may be registrable continued to provide talking points in 2020. The CJEU and the Supreme Court of France were both offered the rare opportunity to consider trademarks that may be contrary to public policy and to accepted principles of morality in *Constantin Film Produktion v. EUIPO* and *Confédération nationale du Crédit mutuel (CNCM) v. Crédit Mutuel Arkea*, respectively. In the former case, considering the trademark FACK JU GÖHTE, the CJEU emphasized that a refusal on the basis of “public policy” is made according to objective criteria (referring to laws, policies, and official statements), whereas a refusal on the basis of “accepted principles of morality” involves assessing what are necessarily more subjective values.

A notable “cluster” of cases this year centered around distinctive character, with the CJEU considering the contextual assessment of distinctive character where the mark in question would be affixed to goods/services in *Aktiebolaget Östgötatrafiken v. Patent-och registreringsverket*, used in promotional statements and advertising slogans in *View v. EUIPO (CREATE DELIGHTFUL HUMAN ENVIRONMENTS)*, and where the mark was composed of a (claimed) unusual linguistic structure in *Serviceplan Gruppe*. The CJEU and the courts of the Benelux and Poland considered the related (but strictly separate) considerations of descriptive marks.

Finally, the subject of “non-traditional trademarks” (shape, color, pattern, etc.) remains a fertile ground for disagreement between applicants and registrar, with the General Court considering the distinctive character of figurative checkerboard designs, the perception of color marks (*per se*) being examined by the General Court and the Austria Supreme Court, and a combination of color/shape marks before the High Court of England and Wales. The validity and distinctiveness of shapes of the well-known CROCS clogs and LAND ROVER DEFENDER SUVs also

provided a useful overview of the high bar set for distinctiveness and validity of shape marks.

B. Legal Texts

Note that 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, 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 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) were 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 specialties 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) the trade mark includes a sign of high symbolic value, in particular a religious symbol;
 - (c) 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.

Article 2 of the 2008 TM Directive

A trade mark may consist of any signs capable of being represented graphically, particularly words, including personal names, designs, letters, numerals, the shape of

goods or of their packaging, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings.

Article 3 of the 2008 TM Directive

1. The following shall not be registered or, if registered, shall be liable to be declared invalid:

- (a) signs which cannot constitute a trademark;
- (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 which results from the nature of the goods themselves;
 - (ii) the shape of goods which is necessary to obtain a technical result;
 - (iii) the shape 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: paragraph (h) was omitted.)

(Note: paragraphs 2(a)–(d) were omitted.)

3. A trade mark shall not be refused registration or be declared invalid in accordance with paragraph 1(b), (c) or (d) if, before the date of application for registration and following the use which has been made of it, it has acquired a distinctive character. Any Member State may in addition provide that this provision shall also apply where the distinctive character was acquired after the date of application for registration or after the date of registration.

(Note: paragraph 4 was omitted.)

C. Cases

1. EU—CJEU—When might a trademark be contrary to the accepted principles of morality?

The decision of the CJEU in *Constantin Film Produktion v. EUIPO*³ concerned the concepts of “morality,” public policy, and freedom of expression in relation to the registration of an EU trademark FACK JU GÖHTE (which bears a resemblance to an English curse word). The application for the trademark, which is the name of a successful German comedy film, was filed in 2015 for a variety of goods and services and was rejected by the EUIPO on the grounds that the sign would be contrary to “accepted principles of morality” under Article 7(1)(f) of the 2017 EUTM Regulation.

Both the EUIPO Fifth Board of Appeal and the General Court⁴ had previously upheld the initial EUIPO decision to refuse to register the mark. According to the General Court, the relevant public was the German-speaking general public in Germany and Austria, who would associate the trademark with the English phrase “fuck you” and thus would be shocked by the trademark. This was notwithstanding that several millions of people had likely watched the film in cinemas. The applicant appealed to the CJEU.

In considering its decision, the CJEU observed that the concept of “accepted principles of morality” is not defined by the law. The Court also noted that “public policy” and “accepted principles of morality” each serve as two *alternative* grounds for refusal, which can overlap but can also each be considered on their own merits. A refusal on the basis of “public policy” is made according to *objective* criteria (referring to laws, policies and official statements), whereas a refusal on the basis of “accepted principles of morality” involves assessing what are necessarily more *subjective* values. The Court confirmed that “morality” must be interpreted by reference to its everyday meaning and the context in which it is used. Specifically, it noted that:

that concept refers, in its usual sense, to the fundamental moral values and standards to which a society adheres at a given time. Those values and norms, which are likely to change over time and vary in space, should be determined according to the social consensus prevailing in that society at the time of the assessment. In making that determination, due account is to be taken of the social context, including, where appropriate, the cultural, religious or philosophical diversities that characterise it, in order to assess objectively

³ Case C-240/18P (CJEU, February 27, 2020).

⁴ Case T-69/17 (GC, January 24, 2018).

what that society considers to be morally acceptable at that time.

According to the CJEU, it was not sufficient for the EUIPO to regard the trademark as merely being in bad taste. The EUIPO had to consider whether the relevant public perceived the trademark as contrary to the fundamental moral values and standards of society at that time, which involves taking account of the actual social context. In particular, the Court explained that any examination should be “based on the perception of a reasonable person with average thresholds of sensitivity and tolerance.”

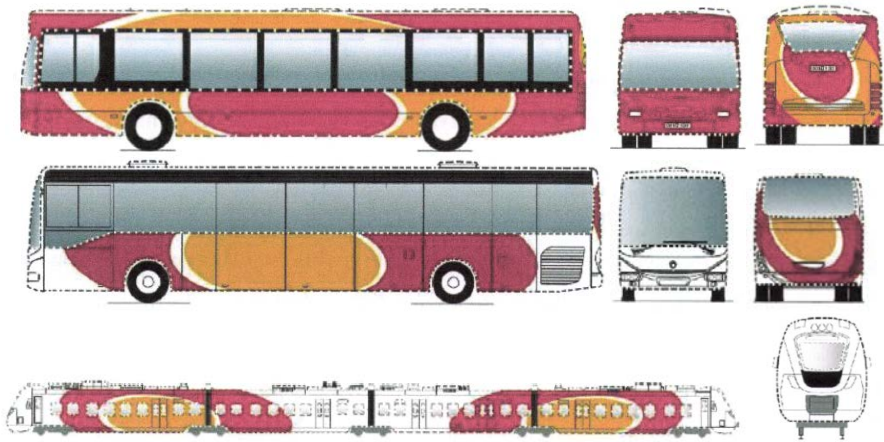
The Court determined that the General Court was wrong to ignore the success of the film of the same name among the German-speaking public and that the film of the same name did not cause any controversy at the time of its release. Moreover, the Court took into consideration that access by young people to the film had been authorized and the German institute for culture (which has, as one of its objectives, the task of promoting knowledge of the German language) uses the film for educational purposes. The Court therefore held that all the above suggested the “German-speaking public at large does not perceive the word sign ‘Fack Ju Göhte’ as morally unacceptable.” Finally, the Court also stressed that freedom of expression must be taken into account when considering a refusal based on this absolute ground.

Based on the CJEU’s assessment, it appears that the EUIPO may need to take a slightly more ‘liberal’ stance, in particular to take into account the existing social context when deciding whether a trademark is contrary to accepted principles of morality. Any refusal by the EUIPO should require more specific and articulated reasons.

2. EU—CJEU—How must distinctive character be assessed for trademarks that are exclusively affixed to the goods used to provide the services for which registration is sought?

*Aktiebolaget Östgötatrafiken v. Patent-och registreringsverket*⁵ considered a request from the Swedish Patents and Market Court of Appeal to the CJEU for a preliminary ruling in relation to three applications to register figurative marks as Swedish national trademarks. On November 23, 2016, *Aktiebolaget Östgötatrafiken* had applied to register the three figurative marks reproduced below at the Swedish Patent and Registration Office (the “PRV”), with the accompanying description “Colouring of vehicles in the colours red, white and orange, as shown.” The trademarks were applied for in Class 39 for various vehicle and transport services.

⁵ Case C-456/19 (CJEU, October 8, 2020) (EU:C:2020:813).



On August 29, 2017, the PRV rejected all three applications on the grounds that the marks applied for were devoid of distinctive character. Aktiebolaget Östgötatrafiken appealed to the Swedish Patents and Market Court, submitting that the marks applied for were comparable to three other marks that it had successfully registered at the PRV (reproduced below). Aktiebolaget Östgötatrafiken made clear that the marks applied for did not relate to the shape of the vehicles themselves, but rather specified size and positioning of the figurative marks on those vehicles.



Aktiebolaget Östgötatrafiken argued that the distinctive character of the marks applied for should not be subject to a different assessment from that of the earlier marks solely because they were to be placed on vehicles. PRV contended that it is customary for vehicles in the transport sector to have decorative motifs, and that the marks at issue did not differ sufficiently from those customary decorations for consumers to perceive the figurative elements as trademarks designating commercial origin rather than decorative detail.

The Swedish Patents and Markets Court dismissed the appeal on March 29, 2018, on the basis that Aktiebolaget Östgötatrafiken had not established that the marks were sufficiently different from the way in which other undertakings in the sector decorated their vehicles to be regarded as trademarks.

Aktiebolaget Östgötatrafiken appealed further to the Swedish Patents and Market Court of Appeal. The request for a preliminary ruling related to the proper interpretation of Article 3(1)(b) of the 2008 EUTM Directive relating to the distinctive character of trademarks. The Swedish Patents and Market Court of Appeal stayed the proceedings and referred the following questions to the CJEU:

- (1) Must Article 4(1)(b) of [the 2015 EUTM Directive] be interpreted as meaning that, in the case of an application for registration of a trademark which designates services and where the application relates to a sign, placed in a particular position, which covers large areas of the physical objects used to perform the services, it must be assessed whether the mark is not independent of the appearance of the objects concerned?
- (2) If the first question is answered in the affirmative, is it necessary for the trademark to depart significantly from the norm or customs of the economic sector concerned in order for the mark to be regarded as having distinctive character?

The CJEU noted that, since the date of the application to register the marks at issue predated the transposition of the 2015 EUTM Directive, the applicable legislation in this instance was the 2008 EUTM Directive. The Court interpreted the Swedish Patents and Market Court of Appeal's questions as relating to the assessment of distinctive character within the meaning of Article 3(1)(b) of the 2008 EUTM Directive in respect of a mark intended to be displayed exclusively on goods or objects used to provide the service for which that mark's registration was filed. The Court considered whether, in those circumstances, that assessment must be carried out in relation to those goods or objects and must encompass whether the mark in question is sufficiently distinct from the usual norms or customs of the relevant economic sector.

The CJEU emphasized that an assessment of distinctive character must take into consideration both the goods and services for which the mark's registration is sought and the perception of the relevant public, and that the relevant public's perception must be examined with reference to the actual situation, in this instance the sign affixed exclusively to the vehicles used to provide the transport services. Therefore, even when registration of a mark is only sought for the service provided and not the goods or objects used to provide the service, the assessment of distinctive character must still take account of those goods or objects where they will form part of the public's perception in context. The determination to be made by the referring court in this case was whether the signs as affixed to the vehicles would be recognized by the relevant public as signifying the

transport services provided by Aktiebolaget Östgötatrafiken, without being confused with the transport services provided by another company in the same sector. The CJEU pointed out that if the referring court found that the signs did not have inherent distinctive character, that would not necessarily mean they could not acquire it after use.

The CJEU also observed that an analysis of whether the marks departed significantly from the norms or customs of the relevant economic sector would not be required in this instance. Such an assessment should be carried out when the trademark applied for is either the shape of the relevant product or the layout of the space in which the relevant services are provided, but not where the trademark is a figurative mark to be affixed to goods used to provide the relevant service.

3. EU—GC—Was an advertising slogan a mere promotional statement or distinctive?

The General Court's decision in *View v. EUIPO (CREATE DELIGHTFUL HUMAN ENVIRONMENTS)*⁶ concerned an application made by View, Inc. for an EUTM for the word mark CREATE DELIGHTFUL HUMAN ENVIRONMENTS in relation to goods and services such as glass window units and electronics for use in controlling the tinting of glass window units.

In 2018, the registration of the mark was refused in relation to the entirety of the goods and services on the grounds that the sign was devoid of distinctive character as it would be perceived by the relevant English-speaking public as a “promotional statement” simply highlighting the positive aspects of the applicant's goods and services. The EUIPO Second Board of Appeal upheld the examiner's decision, finding that the words contained in the mark had a clear, ordinary meaning in everyday language and that, consequently, the relevant public would view the sign as a laudatory and promotional statement. Further, the Board held that while CJEU case law did provide clarity on some questions relating to the validity of slogans as trademarks, such case law was not to be interpreted as a suggestion that *any* promotional phrase could be registered as a trademark.

On appeal, the applicant claimed the Board of Appeal had wrongly applied Article 7(1)(b) of the 2017 EUTM Regulation⁷ and claimed that the mark applied for was a memorable, original, and non-descriptive slogan. As such, the applicant submitted that the relevant public associates such slogans or straplines with the goods or services of particular undertakings and it is therefore necessary

⁶ Case T-49/19 (GC, May 13, 2020).

⁷ 2017 EUTM Regulation.

to consider that the relevant public are likely to view the strapline as a trademark.

Dismissing the applicant's claim in its entirety, the General Court first noted that the Board was correct in holding that the expression "create delightful human environments" had a clear, ordinary meaning and portrayed a simple, grammatically correct and positive message, rendering it devoid of any distinctive character. The applicant's claim that the word "delightful" in the sign was "awkward" and that it referred to an "intense and highly pleasurable and emotional experience" was dismissed.

Further, the General Court agreed with the Board's assessment that the mark applied for also lacked distinctive character based on the fact that the content of the slogan, which indicated the intended purpose of the goods, aimed to promote the goods themselves as opposed to indicating their origin. This was because the goods were intended to, for example, change the lighting in a room to create a certain environment (i.e., create a delightful human environment).

Referring to the *Vorsprung durch Technik*⁸ judgment, the Court clarified that, while the judgment pointed out that an assessment of the distinctive character of slogans should not be any stricter than that for other signs, it was not the case that any promotional statement could be more easily registered as a trademark. Lastly, in relation to the applicant's claim that it is a "well-known fact" that the relevant public is accustomed to the use of marks as promotional slogans, this was at odds with the relevant case law and therefore had to be dismissed.

4. EU—GC—In terms of descriptiveness, is it sufficient for the relevant public to associate the trademark with a characteristic of the services concerned?

In *Brands Up v. EUIPO* (Credit24),⁹ the General Court considered an application to register a figurative sign displaying the term "Credit24" (as shown below) as an EU trademark. The applicant, Brands Up, a company based in Estonia, had applied to register the mark in relation to services such as insurance, real estate, financial transactions, and consulting. The application had been refused on the grounds that it was both descriptive and non-distinctive, a decision later upheld by the EUIPO Second Board of Appeal.

⁸ Audi v. OHIM (Intellectual property), Case C-398/08 (CJEU, January 21, 2010).

⁹ Case T-651/19 (GC, June 25, 2020).



On appeal, the General Court considered the Board's assessment that the term "credit" has the same meaning in English, French, and Romanian and even has a similar meaning for the whole relevant English-speaking public in the European Union. The General Court agreed, noting that while the applicant argued that the term "credit" is likely to be associated with a number of different meanings, it does generally cover the same meaning in English and the majority of the languages of the European Union. In support of this, the General Court referred to the *Redrock Construction*¹⁰ judgment, in which it was held that a large proportion of consumers in the European Union know a basic level of English vocabulary including the term "credit."

The applicant further submitted that the Board had provided contradictory reasoning in stating that the term "credit" was devoid of distinctiveness to the relevant English, French, and Romanian-speaking public, while later confirming that the mark was initially not devoid of distinctive character in France and Romania. The General Court dismissed this argument, finding no such contradiction and further noting that it is sufficient, in any event, for the grounds of refusal to exist only in one part of the European Union. The Board was therefore not obliged to confirm in which languages or parts of the territory the mark should be considered descriptive.

The General Court also held that it is not necessary for the mark to be used for the services for which the application is made in order to be considered descriptive. Rather, it is sufficient for the relevant public to associate the mark with a *characteristic* of the relevant services concerned. By way of example, the court noted that "real estate services" and "fund-raising and financial sponsorship services" are undoubtedly associated with lending or financing transactions, thus forming part of the meaning of the term "credit." As such, it was held that the term "credit" would be likely to be linked to the services covered by the mark applied for.

As for the numeral elements in the mark, "24," the General Court agreed with the interpretation of the Board that the number was likely to be perceived as a reference to "24 hours," implying that the services would be accessible at all times by users. The mark therefore consisted of two elements, each of which was descriptive of the characteristics of the services for which the registration was requested. In light of the fact that there was no obvious discrepancy between the word and the number present in the mark, meaning

¹⁰ Deutsche Rockwool Mineralwoll/OHMI—Redrock Construction (REDROCK), Case T-146/08 (GC, October 13, 2009).

that there was nothing unusual in the combination of the two elements, there was nothing to prevent the relevant public from viewing the mark as a description of the services applied for. The application was subsequently dismissed in its entirety.

5. EU—GC—Does the mere assembling of words amount to an unusual structure for the purposes of distinctiveness?

In two similar judgments,¹¹ the General Court considered whether the EUIPO had been correct in refusing to register the verbal signs “Serviceplan” and “Serviceplan Solutions.” The applicant, Serviceplan Gruppe für innovative Kommunikation GmbH and Co. KG (“Serviceplan Gruppe”), had applied to register the mark in relation to various advertising agency, media, design, and other similar services. The application had been refused by the examiner on the basis of Article 7(1)(b) of the 2009 EUTM Regulation¹² in relation to all of the goods and services for which registration had been requested.

In 2019, the Fifth Board of Appeal overruled the examiner’s decision to the extent that she had refused the application for registration in relation to the Class 16 products, while upholding the decision in relation to the services in Classes 35 and 42 (such as the advertising and other similar services mentioned above). In each case, the Board considered that the marks were composed of English words that were not “linguistically unusual” and did not have an unusual structure. As such, the mark would generally be viewed by the English-speaking public as the offering of a service plan to a customer by a service provider.

On appeal, the General Court considered the assertion made by the applicant that the view taken by the EUIPO as to the linguistically and structurally “unusual” nature of the mark was both irrelevant and erroneous. The applicant submitted that the mark included the juxtaposition of isolated terms and the fact that the terms were presented as a *compound word* made it likely that the mark would acquire meaning beyond that of its individual components. However, the General Court noted that it is clear from case law that the public usually perceives a mark as a whole as opposed to examining the various components of such marks. The Court dismissed the argument and affirmed the Board’s view that the mark applied for is generally perceived by the English-speaking public as a situation in which a service provider offers a service plan

¹¹ Serviceplan Gruppe für innovative Kommunikation v. EUIPO (Serviceplan) (EU trademark—Judgment) French Text, Case T-379/19 (GC, June 25, 2020) and Serviceplan Gruppe für innovative Kommunikation v. EUIPO (Serviceplan Solutions) (EU trademark—Judgment) French Text, Case T-380/19 (GC, June 25, 2020).

¹² This provision is now Article 7(1)(b) of the 2017 EUTM Regulation.

to its clients. The Board had been correct in concluding that the mark applied for was devoid of distinctiveness in respect of the services applied for due to the informative and laudatory nature of its meaning.

With regard to the applicant's plea that the Board failed to divide the relevant services into "sufficiently homogenous categories," the CJEU held that this was to be dismissed as unfounded for a number of reasons. Most notably, the Court explained that case law has clarified that the examination of absolute grounds for refusal must concern each of the relevant goods or services and that a refusal to register must be justified in relation to each of those goods or services. The Court noted that such authority might be limited to a global motivation for all of the relevant goods or services when the same reason for refusal is opposed for a certain group of goods or services of sufficient homogeneity.

As such, the fact that the goods or services concerned fell within the same class was not sufficient to conclude such homogeneity, as such classes often include a wide range of goods or services. The Board had therefore been correct in grouping the Class 35 services in question into three groups: (i) advertising and marketing services; (ii) commercial management services; and (iii) office work. The CJEU noted that the Board had also been correct in its groupings under the Class 42 services. Accordingly, the CJEU held that as the services included in the various homogeneous groups of services shared common characteristics, the conclusion of an absence of distinctiveness did correctly apply to each of the services in question. The appeal brought by the applicant was therefore dismissed.

6. EU—GC—Is a figurative trademark consisting of a checkerboard design capable of having distinctive character?

Two decisions of the General Court considered the issue of whether a simple checkerboard pattern was capable of having distinctive character.

*Hästens Sängar AB v. EUIPO*¹³ concerned a European trademark application filed by Hästens Sängar AB on December 16, 2016, for the figurative sign reproduced below in Class 20 for "[f]urniture, including beds, bed frames and bedroom furniture; mattresses, spring mattresses, overlay mattress; pillows and down pillows," in Class 24 for "Woven textiles, textile products, not included in other classes; bed linen; down quilts," Class 25 for "[c]lothing; footwear; headgear," and in Class 35 for "[m]arketing,

¹³ Case T-658/18 (GC, December 3, 2019) (EU:T:2019:830).

commercial information related to furniture, home furnishings and interior decoration products, textile products, bed linen, bed covers, clothing, footwear and headgear and toys.”



On January 9, 2018, the EUIPO refused the application on grounds of a lack of distinctive character under Article 7(1)(b) of the 2017 EUTM Regulation. Hästens Sängar appealed the EUIPO's decision, which was dismissed by the EUIPO Board of Appeal on August 8, 2018. The Board of Appeal held that the mark was devoid of distinctive character, and found: (i) that the relevant public would perceive the mark as a simple geometric pattern rather than a trademark; (ii) that the mark was related to the goods it represented since that pattern could be applied to furniture, textiles, and clothing; (iii) that the relevant public would perceive the pattern as a decorative detail rather than a mark indicating commercial origin because it did not differ significantly from the norms or customs of the sector; and (iv) that the mark did not notably vary from the type of conventional checkered design ubiquitous in textiles.

Hästens Sängar appealed to the General Court, claiming that the Board of Appeal had misapplied Article 7(1)(b) of the 2017 EUTM Regulation in the assessment of distinctive character. In particular, Hästens Sängar argued that the mark consisted of a two-dimensional logo to be used on labels and marketing materials, and the Board of Appeal had therefore been incorrect to base its assessment on the mark as a pattern applied to the surface of the various goods applied for. Further, Hästens Sängar claimed that the Board of Appeal should not have considered the use of checkered designs in the textiles sector as relevant to the assessment of distinctive character for the mark.

The General Court dismissed the appeal. Although Hästens Sängar claimed that the mark consisted of a logo, the General Court pointed out that the application had not specified that the mark was to be limited in that way, and therefore the Board of Appeal had been entitled to assess the mark in the context of all of its possible uses, including being applied to the relevant goods as a pattern.

The General Court held that, on the basis of the mark consisting of the pattern applied on the relevant goods, the Board of Appeal had been correct to consider the use of checkered designs in the

textiles sector in its assessment of distinctive character because, as a three-dimensional mark, it was necessary to establish whether the applied-for mark differs significantly from the norms or customs of the sector. The General Court found that the Board of Appeal had been entitled to reach the conclusion that the mark did not differ significantly from the norms or customs of the sector on the basis that the checkerboard design was commonplace in textiles and the mark did not notably vary from that conventional design. As a result, the General Court agreed with the Board of Appeal that the relevant public would not perceive the mark as an indicator of commercial origin.

*Louis Vuitton Malletier v. EUIPO*¹⁴ concerned an application for a declaration of invalidity filed against the figurative sign reproduced below. On November 13, 2009, following an application through WIPO by Louis Vuitton Malletier (“LV”), the EUIPO registered the below sign as a figurative mark in Class 18 for “Boxes of leather or imitation leather, trunks, suitcases, traveling sets (leatherware), traveling bags, luggage, garment bags for travel, hat boxes of leather, vanity cases (not fitted), toiletry bags (empty), backpacks, satchels, handbags, beach bags, shopping bags, shoulder-strap bags, carrier bags, shoulder bags, waist bags, purses, attaché cases, briefcases (leatherware), school bags, document holders, clutch bags, wallets, change purses, key cases, card cases (wallets), umbrellas, sunshades.”



On December 14, 2016, the Cancellation Division of the EUIPO (the “Cancellation Division”) upheld an application brought by Mr. Norbert Wisniewski for a declaration of invalidity in respect of all of the goods covered by the registration of the mark, pursuant to Article 158(2) of the 2009 EUTM Regulation, read in conjunction with Article 52(1)(a) and Article 7(1)(b), (c), and (e).

LV appealed to the EUIPO Board of Appeal requesting an annulment of the Cancellation Division’s decision. The appeal was

¹⁴ Case T-105/19 (General Court, June 10, 2020) (EU:T:2020:258).

dismissed. LV appealed further to the General Court on two grounds: (i) that the Board of Appeal had incorrectly assessed the inherent distinctive character of the mark by relying on well-known facts; and (ii) that the Board of Appeal had erred in its assessment of whether the mark had acquired distinctive character through use by not examining all of the evidence submitted by LV. The General Court upheld the appeal in part and ordered that the Board of Appeal's decision be annulled.

The General Court rejected LV's first ground of appeal. In reaching a conclusion that the mark consisted of a commonplace pattern that did not differ significantly from the norms or customs of the sector, the Board of Appeal's decision had relied on, as "well-known facts," the fact that checkerboard designs were commonly used in the decorative arts sector, that the mark was a basic and commonplace pattern that did not notably vary from the conventional representation of a checkerboard, and that the weft and warp effect on the squares of the checkerboard were customary in Class 18 goods. The General Court found that the Board of Appeal had been entitled to take into account "well-known facts" that may have been overlooked by the examiner in the initial registration, and found that the Board of Appeal had correctly relied upon the facts outlined above as "well-known facts."

With that said, LV succeeded on its second ground of appeal. The General Court held that, while considering LV's evidence of acquired distinctiveness, the Board of Appeal had limited its analysis to certain evidence and had, erroneously, excluded other evidence. While the General Court did not make a finding as to whether the mark had acquired distinctive character through use, it found that the Board of Appeal had not been entitled to limit its analysis of the evidence submitted.

7. EU—GC—Can a color mark covering goods in a specific market that is subject to an informally agreed-upon color convention be inherently distinctive or can it acquire distinctiveness through use?

In *Glaxo v. EUIPO*,¹⁵ the General Court upheld the EUIPO's decision to refuse an application for a color mark in respect of inhaler and pharmaceutical preparation goods for treating asthma, on the basis that the particular shade of purple subject to registration was neither inherently distinctive nor had it acquired distinctiveness, despite the extensive evidence submitted by the applicant.

¹⁵ Glaxo Group Ltd. v. EUIPO, Case T-187/19 (GC, September 9, 2020).

On September 24, 2015, the applicant Glaxo Group Ltd. (“Glaxo”) filed an EU trademark application for the mark, described on the application form as a color mark with the description “Purple—Pantone: 2587C” (the “Mark”).



The application sought to register the Mark to cover a narrow specification of goods in Classes 5 and 10 relating (solely) to inhalers and pharmaceutical preparations “for the treatment of asthma and/or chronic obstructive pulmonary disease.”

The Mark was originally rejected by the EUIPO as being devoid of distinctive character under Article 7(1)(b) of the 2009 EUTM Regulation.¹⁶ In response, Glaxo submitted evidence of use of the Mark, seeking to demonstrate acquired distinctiveness among the relevant consumers. This included marketing material, sales and market share figures generated by inhaler products that had used the Mark, as well as opinion surveys. The EUIPO accepted that the evidence proved that the Mark have acquired distinctive character through use within the meaning of Article 7(3) of the 2009 EUTM Regulation¹⁷ and subsequently published the Mark for opposition purposes.

However, in a decision of July 6, 2017, the EUIPO wholly rejected the application on the basis of Article 7(1)(b) and Article 7(3) of the 2009 EUTM Regulation, finding that since many inhalers tend to be classified by a color designating a type of medicinal product, the Mark being applied for would be perceived by the relevant public as an indication of certain characteristics of the goods rather than as an indication of origin.

Glaxo appealed to the General Court to annul the Board of Appeal’s ruling, alleging that it had:

1. incorrectly assessed the inherent distinctiveness of the Mark;
2. wrongly required more than a minimum level of distinctiveness; and

¹⁶ This provision is now at Article 7(1)(b) of the 2017 EUTM Regulation.

¹⁷ This provision is now at Article 7(3) of the 2017 EUTM Regulation.

3. erred in not finding the requisite level of acquired distinctiveness.

In its judgment on September 9, 2020, the General Court rejected each of Glaxo's pleas.

The first plea related to Glaxo's claim that the Board of Appeal had wrongly assessed distinctive character by finding that the color of the Mark was perceived by the relevant public as designating certain characteristics of the goods it intended to cover. Glaxo contended that (1) there was no regulatory or legal requirement or informal convention regarding the use of colors for inhalers; (2) consumers in the relevant market understood that the color of an inhaler could designate origin of goods; and (3) the color of the Mark was specifically chosen to be a unique identifier of Glaxo's "Seretide" inhaler product, which had not previously been used in that way.

The General Court examined this plea in light of the general three-step test provided by the CJEU judgment in *Libertel*¹⁸ regarding the registrability of color marks as an EUTM and the public interest considerations under Article 7(1)(b). The General Court also noted,¹⁹ in the case of a color mark per se, that distinctive character without any prior use is inconceivable save in exceptional circumstances.

The General Court considered that the "Good Practice Guide" on risk minimization and prevention of medication errors published by the EMA specifically referred to the example of colors used for inhalers for respiratory ailments regarding the risks of confusion where there exists an informally agreed-upon color convention. The General Court also found that Glaxo itself had taken into consideration the informally agreed-upon color conventions of the relevant market by previously changing the color of certain of its inhaler products to comply with the common practice of color designations.

Based on these considerations, the General Court concluded that, as colors in the relevant market can be used to convey to the public information relating to the characteristics of the goods, it would not be in the public interest for a color such as the Mark to be restricted for use by other traders selling inhaler products. The General Court also rejected Glaxo's argument that the color purple was unique, stating that novelty or originality are not relevant criteria in assessing whether a mark has distinctive character.

Glaxo's argument that the Board of Appeal had erred in law by applying a minimum level of distinctive character to be met was also rejected by the General Court. The Board of Appeal did not in fact

¹⁸ *Libertel Groep BV v. Benelux-Merkenbureau*, Case C-104/01 (CJEU, May 6, 2003).

¹⁹ *KWS Saat v. OHIM*, Case C-447/02 P (CJEU, October 21, 2004).

require more than a minimum degree of distinctive character as it had found that the Mark is devoid of *any* distinctive character.

Glaxo's final plea related to the Mark's acquired distinctiveness and the Board of Appeal's alleged failure to correctly assess the relevant public and assess and extrapolate from the evidence submitted by Glaxo.

The General Court first emphasized (referencing prior case law²⁰) that a mark cannot be deemed to have acquired distinctiveness through use in the EU where the evidence submitted does not include certain Member States. The General Court held that, if the evidence filed does not cover even a part of the EU that is not substantial, then distinctive character throughout the EU cannot be found. Glaxo had only submitted opinion survey evidence in relation to fifteen Member States.

In any event, the General Court held that the Board of Appeal was correct in assessing that the surveys were of little probative value as Glaxo had not provided any information regarding how representative the chosen sample was. The General Court therefore agreed with the Board of Appeal's finding that the surveys were not sufficient to demonstrate acquired distinctive character in the Member States to which the surveys related to and furthermore could not then be extrapolated to other Member States not covered to find distinctiveness throughout the EU.

8. Austria—Austrian Supreme Court and Higher Regional Court Vienna—Principles of the registrability of “contourless” color per se trademarks

There is very little jurisprudence in Austria concerning the registrability of “contourless” color per se trademarks. However, in 2020 the Higher Regional Court Vienna and the Austrian Supreme Court both rendered interesting decisions exploring this topic.

The Austrian Supreme Court on the protectability of a color trademark: orange

In proceedings relating to the registrability of the color orange as a contourless color trademark, the Austrian Supreme Court²¹ summarized the principles for the registrability of contourless color trademarks as established by respective case law.

A mark for color per se may have distinctive character in respect of certain goods or services, provided that it can be the subject of a

²⁰ See *Mars v. OHIM*, Case T-28/08 (GC, July 8, 2009), *JOOP! V. EUIPO*, Case T-75/08 (GC, September 30, 2009), and *Coca-Cola v. OHIM*, Case T-411/14 (GC, February 24, 2016).

²¹ OGH 20.10.2020, 4 Ob 101/20m.

graphic representation that is clear, precise, self-contained, easily accessible, intelligible, durable, and objective in accordance with the *Sieckmann* criteria.²² The designation of the color according to an internationally recognized identification code fulfils²³ this requirement.

The number of colors that the general public can distinguish is low because the public rarely has the opportunity to directly compare goods based upon different shades of color. The low number of colors that can be distinguished by the public leads to a reduction in the actual number of colors available with the consequence that the entire stock of available colors could be exhausted with a few registrations of trademarks for certain services or goods. Such a monopoly would be incompatible with the system of undistorted competition. The availability of the color should not be unjustifiably restricted for the other economic operators offering goods or services of the kind covered by an application.²⁴

In general, colors are not particularly distinctive in the abstract. They can convey certain mental connections and evoke feelings. However, by their nature they are not well suited to convey unambiguous information. This is particularly the case because due to their general attractiveness, they are used in advertising and in the marketing of goods and services without any specific content or connotation.²⁵

Apart from exceptional circumstances, colors will not be inherently distinctive.²⁶ However, there is no general principle that colors as such can never be capable of distinguishing the goods or services of one undertaking from those of other undertakings. A color per se, irrespective of its use, would be distinctive, for example, in the case of a very unusual shade or in the case of a very specific market and a very limited number of the goods or services.²⁷

Even if a color as such does not have inherent distinctive character, it may acquire such character in relation to the goods or services for which registration is sought as a result of the use that has been made of it.²⁸ Such a distinctive character may, in

²² *Sieckmann v. Deutsches Patent- und Markenamt*, Case C-273/00 (CJEU, December 12, 2002).

²³ *See also* *Libertel v. Benelux-Merkenbureau*, Case C-104/01 (CJEU, May 6, 2003) (*Libertel*), paras. 29, 37.

²⁴ *See also* C-104/01 *Libertel*, para. 47, 54 f; Austrian Supreme Administrative Court (VwGH) 2006/04/0178.

²⁵ *See also* Case C-104/01, *Libertel*, para. 40 f, 65-67; *Heidelberger Bauchemie GmbH*, Case C-49/02 (*Heidelberger Bauchemie*) (CJEU, June 24, 2004).

²⁶ *See also* CJEU Case C-49/02, *Heidelberger Bauchemie*, para. 39.

²⁷ *See also* CJEU Case C-104/01, *Libertel*, para. 41, 66 f; Case C-447/02 P, *KWS Saat*, para. 79.

²⁸ *See also* CJEU Case C-49/02, *Heidelberger Bauchemie*, para. 39.

particular, arise after a normal process of educating the relevant public. In such case, it is necessary to examine all the factors that may show that a mark has become capable of identifying the product concerned as originating from a particular undertaking and thus distinguishing that product from those of other undertakings.²⁹

Whether a trademark has acquired distinctive character by virtue of use must be assessed specifically in light of all factors capable of showing that the trademark has become capable of identifying the product or service concerned as originating from a particular undertaking. These elements must relate to the use of the mark *as a trademark*, that is to say, use that serves to identify the product or service by the relevant public as originating from a particular undertaking. In the context of this examination, account may be taken, in particular, of the market share held by the mark in question, the intensity, geographical distribution, and duration of its use, the amount invested by the undertaking in promoting the mark, the proportion of the relevant class of persons who, because of the mark, identify the product or service as originating from a particular undertaking, and statements made by chambers of commerce and industry or other trade and professional associations. If, on the basis of these elements, it appears that the relevant public, or at least a substantial part of it, identifies the product or service as originating from a particular undertaking because of the mark, it must be concluded that the trademark is not excluded from registration. Whether the distinctive character through use is to be regarded as fulfilled can therefore not only be determined on the basis of general and abstract indications, such as certain percentages.³⁰

The distinctive character of a trademark must be assessed by reference to the goods or services in respect of which registration is applied for and by reference to the presumed perception of the relevant public, being the average consumer of the category of goods or services in question, who is reasonably well informed and reasonably observant and circumspect.³¹ The “relevant public” is thus all persons who can be considered purchasers of the goods, that is, traders and/or the average consumer of those goods or services who is reasonably well informed and reasonably observant and circumspect.

A mark has acquired a reputation if the relevant public perceives it as an indication of a certain undertaking or its goods or services, such that the relevant public thinks of the same undertaking or the origin of the goods or services from the same

²⁹ See also CJEU Case C-104/01 *Libertel*, para. 67.

³⁰ See also *Oberbank AG and Others v. Deutscher Sparkassen- und Giroverband eV*, Cases C-217/13 and C-218/13 (*Oberbank*) (CJEU, June 19, 2014), paras. 40-42, 44.

³¹ See also *id.*, para. 39.

undertaking when confronted with the mark. The degree of recognition of a mark, being the extent to which the relevant public knows the sign at all, does not say anything about its reputation. Rather, the decisive factor is primarily the degree of identification; it indicates the extent to which the mark is regarded within the relevant public as an indication of a certain undertaking, a certain product or a certain service. The company itself does not have to be known; it is sufficient if the goods or services of the user of the mark in question, but not the sign itself, are thought of. The extent to which the company with which the sign is associated is known by name is not a necessary condition for establishing distinctiveness and need only be considered if the question about the corresponding degree of identification has not led to an unambiguous result.

On the basis of these principles, the Austrian Supreme Court confirmed the lower instance decision refusing the registration of the color mark RAL 2008 Orange for services in Class 35 (retail services in the field of building and DIY articles, alternatively retail services of DIY stores) due to the lack of distinctiveness and reputation of the color mark.

***The Higher Regional Court Vienna
on the registrability of a color trademark: magenta***

The Higher Regional Court of Vienna had the opportunity to consider the registrability of the color magenta in its decision of March 19, 2020.³² The Higher Regional Court of Vienna held that the international registration (“IR”) 1257845 “Magenta” should be registered in Austria in respect of certain goods in Classes 7, 9, 11, 12, 16, and 28. As a first step in that assessment, the meaning of the term “magenta” in the context of the goods specified had to be considered.

The court was of the opinion that the color magenta is not an “intrinsic” or “inherent” feature of the goods concerned, which included electric kitchen appliances, electric mixers, electric slicers, electric ice crushers, apparatus for recording, transmitting, processing, or reproducing sound, images, or data, CDs, DVDs, and other digital recording media, refrigerators, motor vehicles, and parts thereof. The color was a purely incidental and arbitrary aspect that may be present in only some of those goods and that, in any event, had no direct and immediate connection with their nature. Such goods were available in a variety of colors, which included, but by no means predominantly, the color magenta.

The fact that the use of the color magenta among other colors was more or less common for the goods in question was not in dispute, but was still irrelevant because it was not foreseeable that, on the basis of that fact alone, the color magenta would actually be

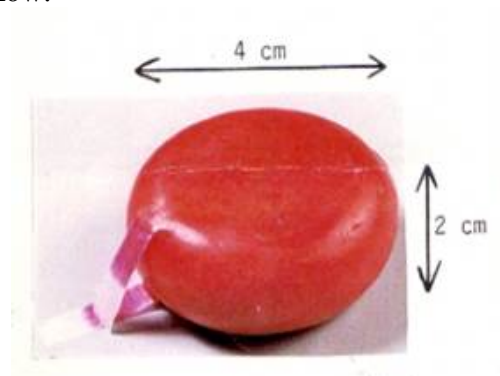
³² OLG Wien (Higher Regional Court of Vienna), 133 R 125/19h (March 19, 2020).

perceived by the relevant public as describing an intrinsic and inherent characteristic of those goods. Rather, it was decisive whether, from the point of view of the relevant public, the mark could be understood as a descriptive indication of a characteristic of the goods. The fact that the color magenta is a characteristic of the goods that nevertheless influenced sales was irrelevant.

The court ultimately held that the mark was distinctive in relation to the goods applied for. The relevant public would establish a mental link with the commercial origin of the goods in question and distinguish them from the goods of other undertakings.

9. UK—HC—The requirement to specify the particular hue of a color featured in a trademark does not depend on whether the color is “an essential characteristic” of that trademark

The decision of the UK High Court in *Fromageries Bel SA v. J Sainsbury Plc*³³ concerned a three-dimensional trademark registration held by food manufacturer Fromageries Bel (“FBSA”) since August 1997 for its BABYBEL “Mini” cheese product, registered in Class 29 for cheese (the “Babybel Mark”). The graphical representation and description of the Babybel Mark is reproduced below.



“The mark is limited to the colour red.
The mark consists of a three dimensional shape
and is limited to the dimensions shown. . . .”

In October 2017, J Sainsbury Plc (“Sainsbury’s”) filed a successful invalidation application with the UK Intellectual Property Office (“UKIPO”) against the Babybel Mark under section 47(1) of the Trade Marks Act 1994. Sainsbury’s argued that the Babybel Mark was invalid on the grounds that it was not capable of being graphically represented as required by section 1(1) and

³³ [2019] EWHC 3454 (Ch) (December 12, 2019).

section 3(1)(a) of the Act. The UKIPO agreed, concluding that the Babybel Mark had been invalidly registered. The UKIPO held that although it was not a color mark per se (since the essential characteristics of the Babybel Mark also consisted of the shape of the goods in the dimensions indicated in the representation of the trademark and the protrusions in fuchsia and white making up the pull tag), the broad description of “red” was insufficiently precise, in accordance with guidance of the CJEU in the *Libertel*³⁴ and *Sieckmann*³⁵ cases, to be capable of graphic representation.

On appeal to the UK High Court, FBSA argued that the UKIPO had wrongly applied the *Sieckmann* criteria to a mark that is not a color mark per se. Specifically, FBSA submitted that since the color red was not the *only* essential characteristic of the Babybel Mark, it need not be defined with greater precision (i.e., in relation to the relevant hue of red). The Court agreed with FBSA that the requirement of specifying a hue did not simply depend on whether an element of a trademark was an essential characteristic of that trademark or not. Specifically, the Court confirmed that neither the CJEU nor any other court had ruled that determining the essential characteristics of a contested sign is a requirement in the assessment of any ground of invalidity of a trademark.

The Court held that instead, where a trademark contains color but is not a color per se mark, the relevant assessment of whether there is a need for precision as to hue:

will depend on the extent to which other elements of the mark serve to make the mark capable of distinguishing. More exactly, it will depend on the extent to which the colour of the relevant feature of the mark contributes to making the mark capable of distinguishing and whether it is likely that only a particular hue will confer on the mark that capacity to distinguish.

The question was therefore whether the Babybel Mark was capable of distinguishing the Babybel cheese from the cheese of other undertakings, given that the “red” used in the description may be any hue of red. The Court concluded that on balance, the Babybel Mark could only be capable of distinguishing the goods of FBSA from other undertakings if a particular hue of red was used on the main body of the Babybel product. It followed that the Babybel Mark should have been limited to a single hue of red in order to have been validly registered.

Rejecting FBSA’s claim that the color red had actually been narrowed down to a hue by its pictorial representation, the Court agreed with Sainsbury’s that “the description specified the color red, but not any particular hue.” In particular, the absence of any

³⁴ *Libertel Groep BV v. Benelux-Merkenbureau*, Case C-104/01 (CJEU, May 6, 2003).

³⁵ *Sieckmann v. Deutsches Patent- und Markenamt*, Case C-273/00 (CJEU, May 6, 2003).

statement about hue (such as Pantone number) was all the more significant because the description *did* expressly limit the shape to a particular dimension shown in the picture. The Court further agreed with Sainsbury's submission that had the Babybel Mark been filed without any description at all, the public might assume that the color of the Babybel Mark was the hue shown in the picture. However, in this case, the reader of the specification was compelled to take the description on file (suggesting any red hue was applicable) into account.

Finally, the Court rejected FBSA's application to limit the rights conferred by the Babybel Mark by retrospectively specifying that the color red was a specific hue (Pantone 193C) by reference to a French national trademark from which the Babybel Mark takes priority. The Court noted that such a limitation would affect the description of the Babybel Mark itself, leading to its invalidity rather than merely narrowing the scope of acts that would infringe a third-party trademark and that would otherwise be permitted. The case highlights the stricter requirements for registration of less conventional trademarks recently introduced following a number of CJEU case law and once again the potential discrepancy between a graphical representation and its description resulting in invalidity in one form or another.

10. France—French Supreme Court—Does a trademark that is the mere designation of a regulated activity qualify as contrary to public policy? Could such trademark nevertheless acquire distinctiveness through use or should it remain available for all market players, regardless of the extent of the owner's use?

The French Supreme Court,³⁶ in *Confédération nationale du Crédit mutuel v. Crédit Mutuel Arkea*, was concerned, for the first question, with the interpretation of Article 7(1)(f) of the 2017 EUTM Regulation and Article 4(1)(f) of 2015 TM Directive³⁷ and, for the second question, with Article 7(3) of the 2017 EUTM Regulation³⁸ and Article 4(3) of the 2015 TM Directive.³⁹

³⁶ French Supreme Court, October 14, 2020, No. 18-16.887.

³⁷ "The following shall not be registered: (. . .) (f) trademarks which are contrary to public policy."

³⁸ "Paragraph 1(b), (c) and (d) shall not apply if the trademark 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."

³⁹ "A mark is not refused to the registration under paragraph 1, b), c) or d) if, before the date of application for registration and following the use which has been made, it has acquired distinctiveness. A mark is not declared invalid for the same reasons if, before

In France, the activity of credit unions (“caisses de crédit mutuel”) is regulated by the provisions of Articles L. 512-55 et seq. and R. 512-19 et seq. of the French Monetary and Financial Code, which provide notably that credit unions shall be organized at the local level and are affiliated with a centralized body, the Confédération nationale du Crédit mutuel (“CNCM”). In this function, the CNCM became the owner of the collective word mark CRÉDIT MUTUEL (in English, “mutual credit”), the conditions of use of which are governed by a set of rules and controlled by the CNCM’s Board of Directors.

Crédit Mutuel Arkéa, a company comprising three regional federations, expressed its will to become independent and leave the CNCM’s network. The CNCM, having indicated that it would thus need to cease using the sign CRÉDIT MUTUEL, or any combination of words including this trademark, Crédit Mutuel Arkéa initiated a cancellation action against it on the grounds that the trademark was invalid, as it was contrary to public policy and devoid of any distinctive character.

The Paris Court of Appeal having rejected its request on both grounds, Crédit Mutuel Arkéa lodged an appeal before the French Supreme Court. The appeal was rejected by the Supreme Court in all respects, for the reasons set out below.

Contrary to public policy

Under the provisions of Article L. 711-3, b) of the Intellectual Property Code applicable at the relevant time, the mere fact that a term is the legal designation of a regulated activity was not, alone, sufficient to qualify it as a sign contrary to public policy. Indeed, the CNCM, being the central body of the Crédit Mutuel network, entrusted with a mission of control, inspection, and representation of the Crédit Mutuel network before the public authorities, did not act contrary to public policy by seeking the registration of the sign CRÉDIT MUTUEL as a collective trademark.

On the acquisition of distinctive character through use

The Supreme Court also upheld the decision of the Paris Court of Appeal insofar as it acknowledged that the trademark CRÉDIT MUTUEL had acquired distinctive character through the extensive use made by its owner and by the members of the Crédit Mutuel group.

Firstly, the Court indicated that the fact that the sign is the legal designation for a regulated activity did not prevent it from acquiring distinctive character through use. Secondly, the Supreme Court

the declaration of invalidity and following the use which has been made, it has acquired a distinctive character.”

considered that the Court of Appeal had correctly concluded from the evidence submitted by the trademark owner that the sign was perceived by the relevant public as an indication of the commercial origin of the goods and services. The CNCM had provided evidence of use, since the end of the 1950s, of the sign throughout the regions of France, and conducted a survey from which it emerged that 89% of respondents associated the terms “*crédit mutuel*” with a bank (55% of which had associated the term with a bank for the last ten years), which clearly demonstrated that a significant fraction of the public concerned perceived the “*Crédit Mutuel*” trademark as identifying the goods and services designated by it as originating from the *Crédit Mutuel* group.

Consequently, according to the French Supreme Court, the Court of Appeal had correctly and lawfully reached its decision. The decision in France provides an interesting contrast to parallel proceedings initiated against an identical EU trademark *CRÉDIT MUTUEL* that had been heard before the General Court of the CJEU and reverted back before the Second Board of Appeal, where the Board held that the CNCM had, on the contrary, failed to demonstrate acquired distinctiveness through use and invalidated the sign for all descriptive goods and services, such as those associated with banking activities.⁴⁰

11. Benelux—Benelux Court of Justice—Can an expression composed of English words be entirely descriptive and accordingly unregistrable in the Benelux for certain goods?

In 2019, the Benelux Court of Justice handed down its first judgments on the basis of its new jurisdiction to determine appeals from decisions of the Benelux Office for Intellectual Property (“BOIP”). Previously, appeals against BOIP decisions were not centralized: an appellant was entitled to appeal the decision before the courts of appeal in Brussels, the Hague, or Luxembourg. The Benelux Court of Justice’s case law is now developing, and the case of *Aniserco v. BOIP*⁴¹ provides an interesting first example of this newly consolidated jurisprudence.

The case related to the word mark *PET’S BUDGET*. The BOIP had refused to register this trademark for hygienic products for animals (Class 3), veterinary products and food supplements for animals (Class 5), various accessories for animals (in Classes 18, 20, and 21) and live animals (Class 31). The BOIP was of the opinion that the mark was wholly descriptive and devoid of distinctive character, pursuant to Article 2.2*bis*(1)(b) and (c) Benelux

⁴⁰ EUIPO Board of Appeal, October 29, 2020, No. R 1440/2020-2.

⁴¹ Case C-2019/6.

Convention of Intellectual Property (corresponding to Article 4(1)(b) and (c) of the 2015 TM Directive.

The Benelux Court of Justice dismissed the appeal against the BOIP decision. The Court upheld the BOIP's view that the mark PET'S BUDGET was merely a descriptive indicator for the goods concerned. Although English is not an official language in the Benelux, the relevant public has sufficient knowledge and understanding of this language to understand the meaning of the word "PET" (which indicates the purpose of the goods: pets) and the word "BUDGET" (which refers either to the amount of money available for a purpose or as an adjective for inexpensive). According to the Benelux Court of Justice, the average consumer would immediately and without further reflection grasp the meaning of PET'S BUDGET, so the mark was both descriptive and devoid of distinctive character.

**12. Poland—Polish District Administrative Court—
Lack of distinctive character and descriptiveness of
the sign are two separate grounds for refusal to be
addressed separately**

According to Article 129¹ of the Polish Industrial Property Law ("IPL") (equivalent to Article 4 of the 2015 TM Directive), signs are unregistrable as trademarks when, inter alia, they are not capable of distinguishing, in trade, the goods for which they have been applied; or consist exclusively of elements that may serve, in trade, to designate, in particular, the type of goods, their origin, quality, quantity, value, intended use, manufacturing process, composition, function, or usefulness.

Based on such grounds, the Polish Patent Office ("PPO") refused to register the word mark AMERICAN CASK for goods in Class 33 relating to "alcoholic beverages, Bourbon whisky, American whisky." Following examination, the Office decided that the sign had no distinctive elements and was descriptive for the relevant goods in the specification.

On appeal, the Polish District Administrative Court overturned the decision of the PPO,⁴² upholding the applicant's appeal, based upon a lack of sufficient legal grounds for the original decision, there being no justification for the alleged lack of distinctiveness of the disputed mark and basing the decision exclusively on the alleged descriptiveness, rather than treating (and examining) each as separate ground for refusal. In its decision, the PPO had indeed indicated two substantive grounds for refusal of the trademark. At the same time, the PPO presented legal and factual arguments as the justification regarding lack of distinctiveness of the sign

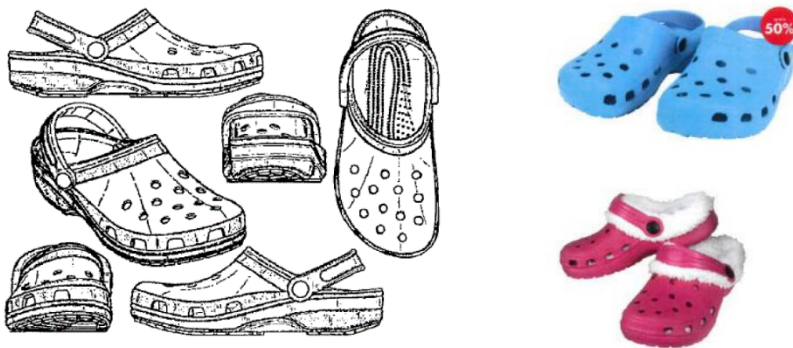
⁴² Judgment of the DAC in Warsaw of September 23, 2020, VI SA/Wa 124/20, unpublished.

AMERICAN CASK due to its descriptive character, that is, the condition under Article 129(1)(3) of the IPL. In these circumstances, the refusal decision for the trademark should have been deemed to be based only on descriptiveness of the trademark, whereas the provisions referred to by the Office contain two separate absolute grounds for refusal. In the Court's opinion, this approach resulted in a failure to fully explain the PPO's reasoning and amounted to a legal defect, remitting the case back to the Office for reconsideration.

The case highlights that Polish courts tend to distinguish the scope of the application in respect of individual grounds for absolute refusal and, although it might be said that the scope of such provisions overlap, their application is different and therefore a national IPO should present separate arguments and analysis for each of the grounds cited.

13. Sweden—Swedish Patent and Market Court of Appeal—What factors are relevant for avoiding a registered three-dimensional trademark to be declared invalid and for proving that such a trademark is not devoid of any distinctive character?

In *Crocs Inc. and Crocs Europe BV (Crocs) v. ÖöB Aktiebolag (ÖöB)*,⁴³ the Swedish Patent and Market Court of Appeal considered a counterclaim for invalidity of the Swedish three-dimensional trademark registration for the design of shoes (below, left) relied upon by the plaintiff as defense to a claim for infringement by the sale of competing products (below, right).



The defendant, ÖöB, had counterclaimed that the three-dimensional trademark registration relied upon by the plaintiff should be declared invalid as being devoid of any distinctive

⁴³ Cases PMT 5406-17 and 15266-16 (Swedish Patent and Market Court, May 24, 2019).

character. At first instance, the Swedish Patent and Market Court declared the trademark registration invalid, so Crocs's infringement claim failed.

Crocs Europe BV appealed the judgment in relation to the infringement claim, whereas Crocs Inc. appealed the judgment with respect to the invalidation of the trademark registration. As the upper court, the Swedish Patent and Market Court of Appeal considered that the determination of the infringement claim depended on the adjudication of the invalidation claim first, the Court decided to issue a separate judgment in regard to the invalidation claim, as commented upon in this report (*Crocs Inc. (Crocs) v. ÖoB Aktiebolag (ÖoB)*⁴⁴).

The Appeal Court began by considering whether the trademark, in accordance with Article 4(1)(e) of the 2015 TM Directive and the Swedish Trademark Act,⁴⁵ consisted 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," and if the trademark registration should therefore be declared invalid. The Appeal Court pointed out, by referring to the CJEU's decision in *Hauck*,⁴⁶ that the mark would be invalid if any of these three requirements were met.

Since the trademark registration covered the design of a shoe, the Appeal Court first considered whether the trademark consisted "exclusively" of the shape that resulted from the nature of the goods. This required the Court to determine the essential features of the shoe. Looking at the overall design, the Court concluded that it should be characterized as a slipper-like shoe for outdoor use. The parties agreed that the essential features of the shoe were: (a) the heel strap; (b) the flat rivets; (c) the wide and round front part of the shoe, as well as (d) the holes on top and on the sides of the shoe. In contrast to the lower court, the Appeal Court concluded that neither the flat rivets (b), nor the wide and round front part of the shoe (c), could be regarded essential features.

Crocs had also argued that the dents and lines on the outer part of shoe (the parts of the shoe marked in red below) should be regarded essential features, which ÖoB disagreed with. The Court also disagreed with Crocs' argument, as the Court believed that the dents and lines were not visible in the reproduction of the mark in the trademark register.

⁴⁴ Case PMT 7014-19 (Swedish Patent and Market Court of Appeal, December 2, 2020).

⁴⁵ Chapter 2, Article 4, of the Swedish Trademark Act (2010:1877).

⁴⁶ Case C-205/13 (*Hauck*) (CJEU, September 18, 2014) (see para. 39).



Consequently, the upper court assessed that only the heel strap (a), and the holes on top and on the sides of the shoe (d), could be regarded as essential features of the shoe design. Therefore, the Court moved on to assess whether these design features consisted exclusively of the shape that results from the nature of the goods, being a slipper-like shoe for outdoor use.

Regarding the heel strap, the Court found that it only serves to keep the shoe in the right position while it is worn. As for the holes on top and on the sides of the shoe, the Court found that their purpose is to allow ventilation, whereas the holes on the sides are positioned in a way that allows, for example, water to flow out of the shoe. The Court found that, although these features may be demanded by consumers, they may be designed in many different ways, and consequently do not have to be designed in the particular design and configuration of the shoe depicted in the trademark as registered. Consequently, the Court found that the trademark registration could not be declared invalid on the basis that the design of the shoe results from the nature of the goods.

The Court also found that that the design of the shoe was neither necessary to obtain a technical result, nor gave it a substantial value. It is generally assumed that the Court's reasoning in relation to the shape arising from the nature of the goods also influenced their conclusions in relation to the other two invalidation requirements in Article 4(1)(e)(ii) and (iii) of the 2015 TM Directive.

Since the trademark registration had not been declared invalid based on Article 4(1)(e) of the 2015 TM Directive, the Court went on to assess whether the invalidation requirements in Articles 4(1)(b) and 4(4) of the 2015 TM Directive were applicable, namely, whether the trademark was devoid of inherent distinctive character, and if so, whether it had subsequently acquired distinctive character before the declaration of invalidity of the trademark registration was filed as a result of the use made of it.

Crocs Inc. had originally experienced some difficulties in registering the design of the shoe as a trademark in Sweden. The trademark application had been filed in 2008, and the Swedish Intellectual Property Office had provisionally rejected the

trademark application as being devoid of any distinctive character. However, Crocs Inc. successfully claimed that the trademark had been established in the market since its launch in 2005 and that it therefore had acquired distinctive character.

Just like the Swedish IPO back in 2008, the Appeal Court concluded that the trademark was devoid of any inherent distinctive character. The Court noted that consumers are not used to perceiving the design of a product solely with a particular undertaking in mind, and that in such cases, the design features of a product have to substantially differ from the common features of that type of product. The Court considered that slipper-like shoes for outdoor use had been available from different undertakings in the market to such an extent that the design features of the registered trademark could not be regarded as substantially different from design features available in the market to be inherently distinctive.

The Court therefore moved on to assess whether the trademark had acquired distinctive character before the filing of the declaration of invalidity of the trademark registration in 2016. Crocs presented sales figures for the shoe in Sweden stretching back to the launch in 2005 and some years thereafter. Although the sales figures of the shoe in Sweden had been quite high for some years following the launch, it did not show that consumers perceived the design of shoe as being Crocs's product as a result of use of the trademark. Evidence adduced demonstrating the marketing of the shoe and a market survey performed already in 2008 did not convince the Court either. In addition to criticism of the design of the survey, the Court pointed out that the trademark (as it had been reproduced in the survey), did not include the CROCS mark and the crocodile-shaped Crocs logo, in contrast to how the product in which the trademark was incorporated was presented in real life. According to the Court, the market study did not show that the trademark had acquired distinctive character. The criticism of the survey does rather illustrate the difficult position a proprietor may find with establishing acquired distinctive character, since a survey that included a product representation "true to life" (with the CROCS mark and the crocodile-shaped Crocs logo) would equally be open to criticism that this was not use of the trademark as registered (without such mark or logo) and would not have shown the independent distinctive character of the mark as registered.

Finally, Crocs did not present any evidence for the years after 2008, although the declaration of invalidity had not been filed until 2016. Overall, the Court assessed that the evidence did not show that the registered trademark had acquired distinctive character. The Court declared the trademark registration invalid on that basis of its being devoid of any distinctive character. The Appeal Court's judgment cannot be appealed.

14. UK—HC—Are the shapes of the iconic LAND ROVER DEFENDER SUV distinctive enough to qualify for trademark protection?

The decision of the UK High Court in *Jaguar Land Rover Limited v. Ineos Industries Holdings Limited*⁴⁷ concerned the UK trademark applications filed by Jaguar Land Rover (“JLR”) in respect of the shape of various iterations of the LAND ROVER DEFENDER SUVs (the “Defender Marks”). Registration was sought for a variety of goods, including in Class 9 for “computer hardware, firmware or software,” in Class 12 for “vehicles,” in Class 14 for “horological and chronometric instruments,” in Class 28 for “toys, games and playthings,” and in Class 37 for “conversion, repair, servicing.”

The graphical representations of the Defender Marks are reproduced below:

3186701 (Series 1)



3248751 (Series 2)



3164283 (DEFENDER 90)



3158947 (DEFENDER 90 SPARE WHEEL)



3164282 (DEFENDER 110)



3158948 (DEFENDER 110 SPARE WHEEL)



In October 2019, a competitor, Ineos Automotive Ltd., filed a successful opposition with the UKIPO against JLR’s applications to protect the shape of the DEFENDER models on multiple grounds under section 3 of the Trade Marks Act 1994. Specifically, Ineos argued that the Defender Marks:

1. were incapable of distinguishing the goods or services as those of a particular undertaking under section 3(1)(a) of the TMA;
2. were descriptive and lacked inherent and acquired distinctiveness under section 3(1)(b) and (d) of the TMA; and

⁴⁷ [2020] EWHC 2130 (Ch).

3. were applied for in bad faith in relation to vehicles other than SUVs under section 3(6) of the TMA.

JLR's application was refused by the UKIPO for all goods and services, save for some goods in Class 9, 14, and 28 (including webcams, televisions, statues of precious metals, and balloons), on the basis that the Defender Marks lacked inherent distinctiveness and had not acquired sufficient distinctiveness for any of the goods or services through use made of them.

Survey evidence had been commissioned by JLR to show acquired distinctiveness, which the UKIPO observed showed that between 20% and 40% of consumers *recognized* the Defender Marks as belonging to JLR as opposed to another undertaking. The UKIPO held that the survey showed a significant but not overwhelming degree of recognition of the trademarks in question.

JLR had also filed expert evidence (and related statements from those specialized in the motor industry) in respect of certain features of the shapes, their technical functions, and how they differed from the norms of the passenger car market. This included features such as the "alpine" windows in the roof panels and an "offset" spare wheel. The UKIPO considered that elements of the designs important to JLR's expert would not, generally, be considered important to the average consumer and some may not even be noticed at all. Some of the design differences relied upon by JLR's expert (for example, surface irregularities on the body of the DEFENDER vehicles from the use of spot-welded flat body panels), were also not visible in the marks applied for and therefore could not be considered part of the marks. More generally, differences that might be of importance to a design expert could not necessarily be said to be significant departures from the norms and customs of the sector by average consumers of passenger cars.

The UKIPO did not consider Ineos's additional submission that the shape of the DEFENDER models could not be protected as a trademark (since the shape added substantial value to the goods for the purposes of section 3(2)(c) of the TMA) given the finding that the Marks lacked distinctiveness.

Appealing to the High Court, JLR argued that the UKIPO had incorrectly determined that the Defender Marks lacked distinctiveness.

In considering JLR's appeal, the High Court confirmed that it would revise the UKIPO's assessment if the UKIPO had only made a material error in law or its findings were wrong (which could include a decision that was (i) unsupportable; (ii) simply wrong; or (iii) doubtful, but on balance, considered by the Court to be wrong).⁴⁸

⁴⁸ The Royal Mint Ltd. v. The Commonwealth Mint and Philatelic Bureau Ltd., [2017] EWHC 417.

In respect of inherent distinctiveness, the High Court noted that the UKIPO had examined the evidence submitted by JLR in detail and was entitled to find as it did in relation to the lack of inherent distinctiveness of the Defender Marks. The Hearing Officer expressed the view that differences in design that appear important to certain specialists may be unimportant, or may not even register, with average consumers of passenger cars. Similarly, the Court did not consider the UKIPO to be wrong in declining to place significant weight on the distinctiveness of the shape to “industry people” when considering distinctiveness through the eyes of the average consumer of passenger cars. The Court therefore dismissed JLR’s appeal on this point.

In relation to acquired distinctiveness, JLR argued that the UKIPO’s assessment in relation to acquired distinctiveness was incorrect in respect of its overall assessment of distinctive character, had approached its assessment of the survey evidence incorrectly; and had failed to take proper account of the evidence of DEFENDER vehicles modified and sold by third-party modifiers (the “Modifiers”).

With respect to the first two submissions, JLR argued that the UKIPO was wrong to *first* consider factors such as market share, the geographically widespread and long-standing use of the mark and the amount invested by the undertaking in promoting the mark, *and only then, separately*, consider the survey evidence. JLR contended that by the time the survey evidence was examined, the UKIPO had already pre-judged the question of distinctiveness. Rejecting this argument, the Court confirmed that, based on CJEU case law, the UKIPO had every right to reach a provisional conclusion on distinctive character without even taking into account the survey evidence.⁴⁹

The Court explained that in order to demonstrate that the Defender Marks had acquired distinctiveness, JLR was simply required to show that a significant proportion of relevant average consumers would identify the Defender Mark as indicating goods originating from JLR (i.e., that the Defender Marks were a badge of origin). It was open for the UKIPO to assess this globally, taking into account any evidence provided.

Indeed, having determined on a global assessment that the Defender Marks lacked distinctiveness, the UKIPO’s assessment that the survey showed only that 20% to 40% of respondents identified the Defender Marks as representing the LAND ROVER DEFENDER SUV seemed correct. The Court also agreed with the UKIPO’s analysis that respondents who simply referred to “Land Rover” in response to the Defender Marks did not necessarily confirm that the shape of the cars distinguished JLR’s goods from

⁴⁹ Windsurfing Chiemsee, CJEU Joined Cases C-108 & C-109/97.

the goods of another undertaking (i.e., that the shapes were trademarks), rather what existed was simply a level of association with JLR. The Court therefore concluded that the UKIPO had not erred in its assessment of the survey evidence, which had been conducted correctly and fairly.

In relation to the Modifiers, JLR submitted that even with “rebranded” modified vehicles, it was obvious from the shape alone that it was a DEFENDER SUV, which was why customers wanted to buy it. Rejecting JLR’s submission, the Court agreed with the UKIPO that the fact that Modifiers make clear on their websites that the base vehicles to which they make modifications originate from JLR indicated that they were concerned that consumers would not otherwise perceive them as originating from JLR. The Court further observed that if the shapes of the DEFENDER models were truly distinctive of products marketed under the control of JLR, one would expect third parties marketing passenger cars with very similar shapes to have caused some confusion. However, the Court accepted that there is no evidence that consumers were confused into thinking that JLR is responsible for these vehicles, or that they are marketed with JLR’s consent. The Court therefore upheld the UKIPO’s decision in respect of inherent and acquired distinctiveness.

**15. Poland—Polish Supreme Administrative Court—
evaluation of registrability of a trademark
incorporating an imitation of known and protected
symbols together with other graphic elements**

In this case, the Polish Supreme Administrative Court (“SAC”) confirmed that a trademark cannot be registered if it contains symbols that are of particular public interest, even if it also comprises other distinctive elements.

The Polish Patent Office had refused to register a trademark in the form of a letter “A” with a red cross in Class 44. The mark applied for is as below, comprising a blue quadrilateral, one side of which is partly concave and the other partly convex, being an outline of the printed letter “A.” In the letter “A,” there is an element of intersecting perpendicular lines in red, creating a clearly distinguishable element of a cross:



Subsequently, the District Administrative Court (“DAC”) in Warsaw dismissed the applicant’s complaint against the PPO’s decision.⁵⁰ In the assessment of the DAC, the PPO had correctly stated that the element of intersecting perpendicular lines in red, visible in the trademark at issue, should be considered as an imitation of the symbol of a red cross, which can be visually perceived as a symbol of the Red Cross organization, and consequently will constitute an imitation of that symbol, mentioned in the Geneva Convention,⁵¹ as well as in the Polish Red Cross Act.⁵²

The applicant appealed to the SAC. In its verdict, the SAC expressed an opinion that the trademark at issue contained a clearly distinguished element of the cross with the same color and proportions as the symbol used by the Red Cross organization.⁵³ Therefore, the PPO had accurately concluded that the element of intersecting red lines should be regarded as an imitation of the symbol of the Red Cross organization. As a result, the SAC dismissed the appeal.

In the opinion of the Court, for the application of Article 129¹(1)(3) IPL (descriptiveness),⁵⁴ it was sufficient that the trademark in question contained an element that may be considered similar, from a heraldic point of view, to the symbol of the Red Cross organization, which enjoys legal protection. In order to assess the registrability of the sign, it is irrelevant that, in addition to the imitation of the symbol of the Red Cross organization, other graphic elements are used in the sign.

In its verdict, the SAC referred to the judgment of the CJEU in *American Clothing*.⁵⁵ The CJEU had ruled that the refusal to register a trademark is justified when at least one element of the applied trademark represents a well-known and protected emblem (or symbol) or its imitation. In such a case, the Court is not obliged to further examine the overall impression of the mark and is not required to examine the mark as a whole.

⁵⁰ Judgment of the DAC in Warsaw of November 7, 2019, VI SA/Wa 1244/19, LEX No. 2976783.

⁵¹ Articles 38, 44, and 53 of the Convention for the Protection of War Victims signed in Geneva on August 12, 1949 (Journal of Laws from 1956, No. 38, item 171).

⁵² Article 14 point 1 of the Polish Red Cross Act of November 16, 1964 (Journal of Laws from 1964 No. 41, item 276).

⁵³ Judgment of the SAC of August 25, 2020, VI SA/Wa 1095/10, LEX No. 759486.

⁵⁴ Article 129¹(1)(10) IPL: “A right of protection shall not be granted for signs which: [...] 10) incorporate a symbol (crest, flag, emblem) of a foreign country, the name, abbreviated name or symbol (crest, flag, emblem) of an international organisation or an official designation, an official stamp, or a guarantee stamp adopted in a foreign country, provided that such prohibition is stipulated in international agreements, unless the applicant is able to furnish an authorisation issued by a competent authority which confers upon the applicant the right to use such a sign in trade.”

⁵⁵ Judgment of the CJEU of July 16, 2009, in Joined Cases C-202/08 P and C-208/08 P, *American Clothing Associates NV v. OHIM*, ECLI:EU:C:2009:477, § 59.

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 post-registration be declared invalid), 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 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 Article 5(1)(b) of the 2015 TM Directive; and
- (3) where the use of the mark applied for would offend either or both of the EU law principles of what are generally known as trademark 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 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. Claims of this type do not depend on any similarity of goods/services and may be brought irrespective of whether or not the contested application covers goods or services identical or similar to those for which the earlier mark is protected or in which it has acquired its reputation. Some similarity between the marks is still a requirement in order to create a link between the two in the mind of the relevant consumer, although not such that it would likely result in confusion. The basis for any such claim is that the use of the junior mark would take unfair advantage of,

or be detrimental to, the distinctive character or the reputation of the senior mark.

The dilution and unfair advantage rules relating to EU trademarks are found in Article 8(5) of the 2017 EUTM Regulation. The corresponding rules relating to applications proceeding before the national trademark authorities of the EU Member States were combined and modified in the 2015 TM Directive at 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 (corresponding to Article 53 in the old 2009 EUTM Regulation), and Articles 5(3)(b) and (c) and 5(4) of the 2015 TM Directive. The wording at Article 5(3)(c) of the 2015 TM Directive is new, which potentially enables the owner of a designation of origin or a geographical indication to prevent the registration of a subsequent trademark.

There is never a shortage of available case law for this part of the Review. As a final court of appeal in respect of many of the decisions made by the EUIPO and its Boards of Appeal (in particular in respect of oppositions and invalidity), there is typically an abundance of CJEU case law on relative grounds conflicts. The same may be said of the General Court as the penultimate tribunal of appeal. As always, this Review has selected more notable or interesting cases rather than seeking to capture all.

Particular highlights in 2020 include the CJEU's assessment of the role of reputation and distinctive character of an earlier mark when assessing similarity in *China Construction Bank Corp. v. EUIPO*, the relevance of reputation and "celebrity" in conceptual similarity in *EUIPO v. Lionel Andrés Messi Cuccittini*, and the "counter" of conceptual dissimilarity in *EUIPO v. Equivalenza Manufactory*. The risk of confusion between marks registered for retail services (or similar) and the retailed goods themselves was considered by the CJEU in *Tulliallan Burlington v. EUIPO* and also by the Federal Patent Court of Germany in one (of two) cases relating to the mark CARRERA. The CJEU also considered a risk of confusion with an earlier collective mark in *BBQLOUMI* and a risk of confusion arising between two economically linked parties in *GUGLER*. National decisions before TM Courts considered the impact of conceptual or verbal dissimilarity, rights of mere local significance, and the extent of protection afforded to generic or descriptive marks. Finally, two cases from Sweden and Denmark examined the extent of protection for surnames and personal names against business/company names or registered trademarks.

*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^{bis} of the Paris Convention.
3. (Note: paragraph 3 was omitted.)

4. Upon opposition by the proprietor of a non-registered trade mark or of another sign used in the course of trade of more than mere local significance, the trade mark applied for shall not be registered where and to the extent that, pursuant to the [EU] legislation or the law of the Member State governing that sign:
 - (a) rights to that sign were acquired prior to the date of application for registration of the EU trade mark, or the date of the priority claimed for the application for registration of the EU trade mark;
 - (b) that sign confers on its proprietor the right to prohibit the use of a subsequent trade mark.
5. Upon opposition by the proprietor of an earlier trade mark within the meaning of paragraph 2, the trade mark applied for shall not be registered where it is identical with, or similar to an earlier trade mark, irrespective of whether the goods or services for which it is applied are identical with, similar to, or not similar to those for which the earlier trade mark is registered, where, in the case of an earlier EU trade mark, the trade mark has a reputation in [the Union] or, in the case of an earlier national trade mark, the trade mark has a reputation in the Member State concerned, and where the use without due cause of the trade mark applied for would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.
6. (Note: paragraph 6 was omitted.)

Article 60 of the 2017 EUTM Regulation

1. An EU trade mark shall be declared invalid on application to the Office or on the basis of a counterclaim in infringement proceedings:
 - (a) where there is an earlier trade mark as referred to in Article 8(2) and the conditions set out in paragraph 1 or paragraph 5 of that Article are fulfilled;
 - (b) (Note: paragraph (b) was omitted.)
 - (c) where there is an earlier right as referred to in Article 8(4) and the conditions set out in that paragraph are fulfilled.
 - (d) (Note: paragraph (d) was omitted.)
2. An EU trade mark shall also be declared invalid on application to the Office or on the basis of a counterclaim in infringement proceedings where the use of such trade mark may be prohibited pursuant to another earlier right

under [EU] legislation or national law governing its protection, and in particular:

- (a) a right to a name;
- (b) a right of personal portrayal;
- (c) a copyright;
- (d) an industrial property right.

(Note: Articles 60(3) to 60(5) were 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:
 - (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.

Article 4 of the 2008 TM Directive

1. A trade mark shall not be registered or, if registered, shall be liable to be declared invalid:
 - (a) if it is identical with the earlier trade mark, and the goods or services for which registration is applied for or is registered 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; 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 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;
 - (b) EU trade marks which validly claim seniority, in accordance with [the EUTM Regulation] from a trade mark referred to in (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 a Member State, in the sense in which the words “well known” are used in Article 6^{bis} of the Paris Convention.
3. A trade mark shall furthermore not be registered or, if registered, shall be liable to be declared invalid if it is identical with, or similar to, an earlier EU trade mark within the meaning of paragraph 2 and is to be, or has been, registered for goods or services [which are not similar to those for which the earlier EU trade mark is registered], where the earlier EU trade mark has a reputation in the Union and where 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 EU trade mark.

4. Any Member State may, in addition, provide that a trade mark shall not be registered or, if registered, shall be liable to be declared invalid where, and to the extent that:
 - (a) the trade mark is identical with, or similar to, an earlier national trade mark within the meaning of paragraph 2 and is to be, or has been, registered for goods or services [*which are not similar to those for which the earlier trade mark is registered*], where the earlier trade mark has a reputation in the Member State concerned and where 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) 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 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;
 - (c) 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 (b) 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;

(Note: paragraphs (d) to (g) were omitted.)
5. The Member States may permit that in appropriate circumstances registration need not be refused or the trade mark need not be declared 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 derogation from paragraphs 1 to 5, the grounds for refusal of registration or invalidity in force in that State prior to the date of the entry into force of the provisions necessary to comply with the [EUTM Directive], shall apply to trade marks for which application has been made prior to that date.

(Note: By virtue of CJEU case law, the wording of Articles 4(3) and 4(4)(a) of the 2008 TM Directive which appears above in square brackets is effectively to be ignored. In other words, the rule applies whether or not the goods and services in question are similar, including in situations where the goods and services are identical. The 2015 TM Directive includes revised wording to reflect this, at Article 5(3)(a). The new provision in Article 5(3)(a) of the 2015 TM Directive covers both earlier registered national trademarks as well as earlier EUTM's. This means that, under the new 2015 TM Directive, it is *mandatory* (previously only permissive) for EU Member States to protect earlier national marks with a reputation from dilution, or the taking of unfair advantage, in the same way as they are required to protect EUTMs with a reputation.)

C. Cases

1. EU—CJEU—Should reputation and distinctive character be taken into account when assessing the similarity between two marks?

*China Construction Bank Corp. v. EUIPO*⁵⁶ considered the appeal to the CJEU by China Construction Bank Corporation (“CCB”), a state-owned Chinese bank and one of the largest banks in the world by asset size. On October 14, 2014, the appellant had applied to register the figurative mark reproduced below. The trademark was applied for in Class 36 for “Banking; financial evaluation (insurance, banking, real estate); financing services; credit card services; deposits of valuables; antique appraisal; brokerage; guarantees; fiduciary.”



On May 7, 2015, Groupement des cartes bancaires (“CB”), a French interbank card payments company, filed a notice of opposition against the application on the basis of the existing EU figurative mark reproduced below, which had been registered for, among others, services covered by Class 36 on November 12, 1999.

⁵⁶ Case C-115/19 P (CJEU, June 11, 2020) (EU:C:2020:469).



CB's opposition was upheld by the Opposition Division of the EUIPO ("Opposition Division"), which found that there was a likelihood of confusion between the signs. CCB appealed to the First Board of Appeal of the EUIPO, which dismissed the appeal. The EUIPO held that the relevant French public would identify CB's mark as referring to the CB's payment cards. Finding that both marks were visually and phonetically similar, the EUIPO concluded that there was a likelihood of confusion in France, and therefore found that the Opposition Division had been right to uphold CB's opposition.

CCB appealed to the General Court, arguing that the Board of Appeal had incorrectly applied Article 8(1)(b) of the 2009 EUTM Regulation. In particular, CCB challenged the Board of Appeal's assessment of the earlier mark's distinctive character, the similarity between the signs and the likelihood of confusion. The General Court dismissed CCB's appeal in a judgment dated December 6, 2018, finding that the Board of Appeal's assessment of the distinctive character of CB's mark was correct, that the Board of Appeal had been entitled to find visual and phonetic similarity between the marks and that the Board of Appeal's conclusion of a likelihood of confusion had been well-founded.

CCB raised an appeal to the CJEU on three grounds: (i) that the General Court's assessment of the likelihood of confusion was incorrect and incorrectly applied Article 8(1)(b) of the 2009 EUTM Regulation; (ii) that the General Court had not met the requirement to state the reasoning of its judgment under Article 36 of the Statute of the Court of Justice of the European Union; and (iii) in the alternative, that the General Court had distorted the facts and the evidence.

The CJEU examined the first ground of appeal, which was divided into four parts.

First, CCB had argued that the General Court had not properly taken into account the reputation of the earlier mark both in assessing the similarity of the signs and in assessing the likelihood of confusion. CCB argued that the enhanced distinctiveness of the earlier mark should have been taken into account only for assessing the likelihood of confusion. Finding in favor of CCB on this part of the appeal, the CJEU held that the General Court had erred in finding that the Board of Appeal was entitled to consider the reputation and distinctive character of the earlier mark in concluding that it would be perceived by the relevant public as the word "CB." Reputation and distinctive character should not be taken into account in assessing the similarity of marks at this stage.

The CJEU pointed out that assessing reputation and distinctive character involves only one sign, not a comparison between two or more signs. By contrast, similarity can only be assessed by comparing two or more signs. The CJEU found that therefore similarity and distinctive character are fundamentally different factors and that one cannot inform the other.

The CJEU also found that the General Court had been incorrect in assessing that reputation and distinctive character may inform the determination of a dominant element of a particular mark, since reputation and distinctive character apply to a mark as a whole.

Having found an error in the law applied, the CJEU did not examine the other three parts of CCB's first ground of appeal nor CCB's third ground of appeal. The second ground of CCB's appeal comprised CCB's argument that the General Court had insufficiently stated its reasoning in finding that CB's mark had an enhanced distinctive character in financial, monetary, and banking services. The CJEU found this ground admissible, pointing out that the General Court explained why CB's mark had a distinctive character in relation to payment cards, but not the wider field of financial and banking services. Having found in favor of CCB in the first part of the first ground of appeal and in the second ground of appeal, the CJEU ordered that the General Court's judgment be set aside.

2. EU—CJEU—Does conceptual dissimilarity counteract phonetic and visual similarity in the global assessment of confusion?

The decision of the CJEU in the case *EUIPO v. Equivalenza Manufactory*⁵⁷ concerned an opposition against the figurative mark depicting the words “BLACK LABEL BY EQUIVALENZA” based on an earlier figurative mark depicting the word “LABELL.”

In 2014, Equivalenza Manufactory (“Equivalenza”) had applied to register the mark shown on the left below in relation to perfumes. The application was then opposed by ITM Enterprises SAS in 2015 on the basis of its earlier international mark (designating protection in Belgium, Bulgaria, the Czech Republic, Denmark, Estonia, Greece, Croatia, Latvia, Lithuania, Luxembourg, Hungary, the Netherlands, Austria, Poland, Portugal, Romania, Slovenia, and Slovakia) as shown on the right below, registered for highly similar goods in respect of “cologne, deodorants for personal use (perfume) [and] perfumes.”

⁵⁷ Case C-328/18P (CJEU, March 4, 2020).



By its decision of March 2, 2016, the Opposition Division upheld the opposition filed by ITM Enterprises SAS on the grounds of the existence of a likelihood of confusion on the part of the relevant public in Czech Republic, Hungary, Poland, and Slovenia. The EUIPO Second Board of Appeal later upheld this decision.

However, on March 7, 2018, the General Court annulled the decision and dismissed the opposition, ruling that the signs were both visually and conceptually dissimilar due to the presence of the words “Black” and “By Equivalenza” in the contested mark.

On appeal, the CJEU disagreed with that assessment. By suggesting that the signs at issue were visually similar to a low degree and by excluding any visual similarity between them, the General Court had deployed “contradictory reasoning.” In its decision, the CJEU reiterated the correct way to apply the likelihood of confusion test under Article 8(1)(b) of the 2009 EUTM Regulation.⁵⁸

The CJEU held that the General Court had failed to perform a global assessment of the likelihood of confusion. Most notably, the CJEU confirmed that marketing circumstances are a relevant factor for the application of the test and they should be taken into account during the global assessment of the likelihood of confusion and not during the assessment of the similarity of the signs. Further, the Court noted that the counteraction of visual and phonetic similarities only takes place in instances in which at least one of the signs at issue has a clear and specific meaning that can be grasped immediately by the relevant public. Such instances are to be considered an “exceptional case.” As such, the CJEU found that the General Court had erred in seeking to counteract the phonetic similarity of the signs with their conceptual dissimilarity and should have instead applied a global assessment of the likelihood of confusion.

In relation to the opposition in question, the CJEU dismissed the appeal and held that the Opposition Division was correct in allowing

⁵⁸ This provision is now Article 9(2)(b) of the 2017 EUTM Regulation.

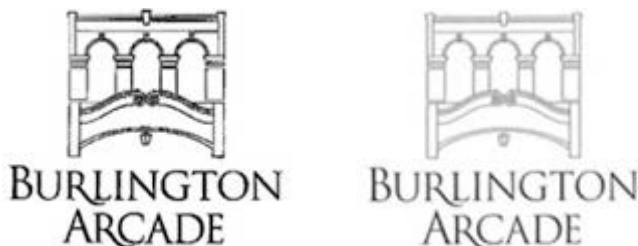
the opposition in its decision of March 2, 2016, on the grounds that the marks at issue had an average degree of visual and phonetic similarity. The Court explained that such similarity was strong enough to outweigh the minor conceptual dissimilarity stemming from the use of the words “Black” and “By Equivalenza.” Further, it had not been established that the relevant public (being the Czech Republic, Hungary, Poland, and Slovenia) understood the meaning of the English word “label.” In contrast, the Court took the view that the relevant public would understand the word “Black” and take the words “By Equivalenza” as an indication of the origin of the goods. On application of a global assessment of the likelihood of confusion, such a likelihood was therefore held to exist.

3. EU—CJEU—To what extent is a precise statement required in order to constitute “retail services” under Class 35?

The decision of the CJEU in *Tulliallan Burlington v. EUIPO*⁵⁹ considered the dispute arising from German Fashion GmbH’s (“German Fashion”) application to register the word mark BURLINGTON and three other figurative marks in the EU, which are set out below.



The application was opposed by Tulliallan Burlington (“Tulliallan”), owner of London’s Burlington Arcade, based on its existing rights in a number of trademarks containing the word BURLINGTON, including the figurative marks below.



⁵⁹ Case C-155/18P (CJEU, March 4, 2020).

Tulli Allan's opposition, based on Articles 8(1)(b), (4), and (5) of the 2009 EUTM Regulation,⁶⁰ was initially upheld by the Opposition Division. However, following four appeals made by German Fashion, the decision of the Opposition Division was quashed, with the General Court's ultimately ruling that there was a dissimilarity between Tulli Allan's services and the goods for which German Fashion had applied to register its marks.

The CJEU considered Tulli Allan's appeal and first assessed the General Court's application of the test relating to opposition based on a detriment to Tulli Allan's reputation under Article 8(5) of the 2009 EUTM Regulation.⁶¹ The CJEU noted that the three main conditions of Article 8(5) (being (1) reputation of earlier marks; (2) link with that mark; and (3) a risk, without due cause, of unfair advantage or detriment) must be viewed as cumulative and that the General Court had therefore erred in the manner in which it interpreted that there was no risk that use of the contested mark would take unfair advantage of or be detrimental to Tulli Allan's earlier marks. In its judgment, the General Court had made a number of references to "attractiveness" such as stating that Tulli Allan had not shown that the contested mark would make its earlier marks "less attractive." The CJEU clarified that such references were not indicative of the type of global assessment of the factors relevant to the case that is required by Article 8(5). Similarly, the General Court's references to "commercial attractiveness" were held to not relate directly to any of the three types of detriment referred to in Article 8(5).

With regard to the grounds of Tulli Allan's appeal based on incorrect application of Article 8(1)(b) of the 2009 EUTM Regulation,⁶² the CJEU considered whether the General Court was correct to rely on the judgment in *Praktiker Bau- und Heimwerkermärkte AG*⁶³ to find that there was no similarity between the services covered by Tulli Allan's earlier marks and the goods covered by the contested mark. The judgment in *Praktiker* determined that the concept of retail services includes a shopping arcade's services in relation to sales provided that the goods offered for sale are precisely specified. While the CJEU agreed with the General Court's notion that such requirement should apply, it did not agree that the omission of any such statement should rule out the existence of any link between those services and the goods of the mark applied for. The CJEU pointed out that this is not how the judgment in *Praktiker* should be applied, as such application would

⁶⁰ These provisions are now at Articles 8(1)(b), (4), and (5), respectively, of the 2017 EUTM Regulation.

⁶¹ This provision is now at Article 8(5) of the 2017 EUTM Regulation.

⁶² This provision is now at Article 8(1)(b) of the 2017 EUTM Regulation.

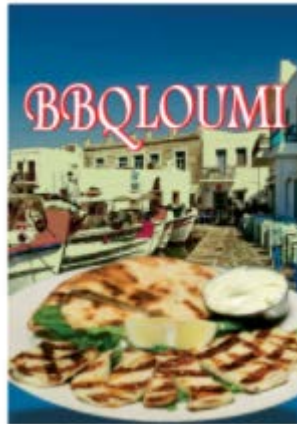
⁶³ Case C-418/02, EU:C:2005:425 (CJEU, July 7, 2005).

effectively mean that an earlier mark could not be relied upon to oppose later applications for similar marks. Further, the precise goods covered by the relevant services for which the earlier mark was used could be determined by way of a request for proof of genuine use of the earlier mark.

Lastly, the CJEU noted that the line of authority derived from *Praktiker* only concerns applications for trademark registrations (as opposed to the protection of marks registered at the date on which the judgment was delivered). Given that Tulliallan's three earlier UK trademarks were registered prior to the date of *Praktiker*, such marks were not bound by the obligations arising from the judgment. In light of all the above factors, the CJEU upheld the appeal brought by Tulliallan. The Court quashed the judgment of the General Court and annulled the judgment of the EUIPO Fourth Board of Appeal, notably disagreeing with the Advocate General that the case should be remitted to the General Court.

4. EU—CJEU—Guidance on the assessment of a likelihood of confusion when applied to a collective mark

In *Foundation for the Protection of the Traditional Cheese of Cyprus named Halloumi v. EUIPO*,⁶⁴ the CJEU considered an appeal from the decision of the General Court that found no likelihood of confusion within the meaning of Article 8(1)(b) of the 2009 EUTM Regulation⁶⁵ between the EU collective word mark HALLOUMI, registered for cheese, and the figurative mark applied for containing the word “BBQLOUMI.”



The General Court had upheld the EUIPO's decision to reject the opposition on the basis of a low degree of similarity between the

⁶⁴ Case C-766/18 P, EU:T:2020:80 (CJEU, March 5, 2020).

⁶⁵ This provision is now at Article 74(2) of the 2017 EUTM Regulation.

earlier mark and the mark applied for, together with the weak distinctive character of the earlier mark (in that the term ‘halloumi’ simply designates a type of cheese). The Foundation for the Protection of the Traditional Cheese of Cyprus (the “Foundation”) subsequently brought an appeal to the CJEU.

In its decision, the CJEU firstly considered whether or not the General Court was correct in its assessment of the distinctive character of the earlier mark. Although the Foundation contended that the distinctiveness of its mark should be assessed differently from that of other marks by virtue of Article 66(2) of the 2009 EUTM Regulation, this argument was rejected by the CJEU. Article 66(2),⁶⁶ in derogation from the prohibition set out in Article 7(1)(c),⁶⁷ allows marks that designate the geographic origin of the relevant goods or services to be registered as EU collective marks. However, the CJEU held that Article 66(2)⁶⁸ does not serve as an exception to the requirement for a mark to be distinctive. An entity that applies for an EU collective mark registration is still obliged to ensure that the mark allows the consumer to distinguish the goods or services from those of other undertakings outside of the collective. As such, the CJEU was in agreement with the General Court in that the degree of distinctiveness of the mark in question was a relevant factor for the purposes of assessing the existence of a likelihood of confusion.

With regard to the assessment of the likelihood of confusion between the two marks, the CJEU held that the General Court had erred in finding a low degree of visual, conceptual, and phonetic similarity and that the earlier mark had weak distinctive character. The CJEU noted that the General Court ought to have performed a global assessment of the likelihood of confusion, taking into consideration all of the relevant factors, particularly since a low degree of similarity between the goods and services can be offset by a high degree of similarity between the marks at issue. As such, it was held that the General Court was incorrect to rule out the existence of a likelihood of confusion merely on the grounds that the earlier mark had weak distinctive character.

The CJEU ultimately set aside the decision of the General Court, finding that the existence of a likelihood of confusion had not been correctly assessed and that the General Court had therefore erred in law. The case was remitted to the General Court to re-examine the likelihood of confusion, taking all relevant criteria into account in a proper assessment of the global appreciation test.

⁶⁶ This provision is now at Article 74(2) of the 2017 EUTM Regulation.

⁶⁷ This provision is now at Article 7(1)(c) of the 2017 EUTM Regulation.

⁶⁸ This provision is now at Article 74(2) of the 2017 EUTM Regulation.

5. EU—CJEU—The reputation of a “celebrity” is a relevant factor of conceptual similarity when assessing likelihood of confusion

The decision of the CJEU in the case of *EUIPO v. Lionel Andrés Messi Cuccittini*⁶⁹ considers the assessment of a likelihood of confusion between the word mark MASSI and a figurative sign containing the word MESSI, as shown below. The CJEU upheld the General Court’s original April 2018 decision that there was no likelihood of confusion between the marks.



The present case is a continuation of the facts considered in the 2019 volume of this Review at Part III.C.5 in relation to the decision of the General Court in *Lionel Andrés Messi Cuccittini v. EUIPO*.⁷⁰ In 2018, the General Court ruled that the EUIPO’s decision to uphold the opposition to the application to register the MESSI figurative mark on the basis of Article 8(1)(b) of the 2009 EUTM Regulation⁷¹ shall be annulled, finding the EUIPO’s analysis on conceptual similarity to be incorrect. The General Court considered that Messi’s reputation as a famous footballer had enabled him to become a public figure known by most of the informed, reasonably attentive, and knowledgeable persons who follow the news. According to the General Court, the EUIPO therefore should have considered that Messi’s reputation in the eyes of the average consumer resulted in a conceptual dissimilarity between the two marks that counteracted the visual and phonetic similarities and therefore excluded any likelihood of confusion.

The EUIPO and the Spanish cycling company J.M.-E.V. e hijos lodged appeals against the judgment of the General Court to the CJEU. In its ruling, the CJEU agreed with the General Court and upheld its decision on three key points.

First, in response to the EUIPO’s argument that the General Court had relied only on the perception of a *significant* part of the

⁶⁹ EUIPO v. Lionel Andrés Messi Cuccittini, Case C-449/18P and P J.M.-E.V. e hijos v. Lionel Andrés Messi Cuccittini, Case C-474/18 (CJEU, September 17, 2020).

⁷⁰ Lionel Andrés Messi Cuccittini v. EUIPO, Case T-554/14 (GC, April 26, 2018). See the earlier facts presented in Tom Scourfield, *Annual Review of EU Trademark Law: 2018 in Review*, 109 TMR 494-496 (2019).

⁷¹ This provision is now at Article 8(1)(b) of the 2017 EUTM Regulation.

relevant public rather than the *whole* of the relevant public to rule out a likelihood of confusion, the CJEU ruled that the General Court had, in fact, taken into account the perception of the MASSI and MESSI marks by the *whole* of the relevant public in its assessment of likelihood of confusion.

Secondly, the CJEU held that, just like the reputation of the earlier mark, the possible reputation of the trademark *applicant* applying for the registration of a mark in their name is a relevant factor for the purposes of assessing likelihood of confusion. Such reputation may influence the relevant public's perception of the mark and is therefore relevant for establishing a conceptual difference or similarity.

Finally, the CJEU considered that the reputation of the name "Messi," as the name of a football player famous throughout the world and therefore a public figure, was a well-known fact and is therefore likely to be known by any person or may be easily known via generally accessible sources. The CJEU ruled that the EUIPO should have taken this well-known fact into account, as those were facts and matters that were available to EUIPO at the time it adopted its decision. The EUIPO therefore should have taken this fact into account in its assessment of the conceptual similarity between the two marks, and it had erred by failing to do so.

Accordingly, the CJEU endorsed the decision of the General Court that there is no likelihood of confusion between the word mark MASSI and the figurative sign containing the word "Messi." The decision reiterates the particular status of the conceptual comparison in the overall likelihood of confusion test. Here, even though the two signs had a high degree of visual and aural similarity, perception of a strong conceptual dissimilarity by the average consumer was sufficient to prevent a finding of likelihood of confusion.

**6. EU—CJEU—Likelihood of confusion not
established between company name and figurative
mark GUGLER due to economic link between
the parties**

The decision of the CJEU in *Gugler France SA v. EUIPO*⁷² concerned an application for a declaration of invalidity brought by Gugler France SA ("Gugler France") against a figurative EU trademark displaying the word "GUGLER" registered to German entity Gugler GmbH. Gugler France argued that the figurative mark was invalid for all of the goods and services for which it had been registered on two grounds: (1) bad faith on the part of Gugler

⁷² Case C-736/18P (CJEU, April 23, 2020).

GmbH and (2) the fact that Gugler France's company name entitles it to prohibit use of that name as a trademark under French law.



The appeal was brought by Gugler France against the judgment of the General Court in finding that the First Board of Appeal had erred in finding a likelihood of confusion between the marks at issue given that the “economic link” between the parties precluded a finding of any such likelihood.

First, Gugler France argued that the General Court was incorrect in establishing an economic link between itself and Gugler GmbH. Such link had been established on the basis that Gugler France had distributed goods manufactured by Gugler GmbH and that Gugler GmbH had shares in Gugler France. However, Gugler France contended that the assessment of whether an economic link exists should be based on the entity with priority rights in or control over the other entity, in this case being Gugler GmbH. Citing *Schweppes SA v. Red Paralela SL*,⁷³ Gugler France submitted that as Gugler France had no such priority rights in or control over Gugler GmbH or its goods, there had been a methodological error on the part of the General Court in its assessment.

The CJEU rejected this argument, finding that the General Court had not made any such error and that it had simply found that the economic link between the two parties precluded any finding of a likelihood of confusion. Further, it was held that the judgment in *Schweppes* did not provide any justification to dispute the approach taken by the General Court in this instance. The court noted that the concept of an “economic link” relates to a substantive criterion that is not limited to situations in which the relevant goods have been distributed by an entity with any particular relationship to the trademark proprietor. Moreover, the criterion is also satisfied in certain situations where trademark proprietors of divided national parallel marks have *joint control* over the use of those marks. The examination of whether an economic link exists must be conducted globally, taking into account all the relevant circumstances and did not need to pay particular priority to the methodological principles suggested by Gugler France.

Secondly, Gugler France claimed that the General Court had distorted the relationship between the two parties primarily because on the date on which Gugler GmbH applied to register the contested mark, Gugler France was not, in fact, a distributor of

⁷³ *Schweppes SA v. Red Paralela SL & Ors* (Parallel trademarks), Case C-291/16_O (CJEU, September 12, 2017).

Gugler GmbH's goods bearing the contested mark. Gugler France submitted that it sold those goods under its own name in the same manner in which it sold the goods of other manufacturers. Therefore, Gugler France argued that the existence of an economic link precluding a likelihood of confusion could not be established. Having determined that such argument was founded upon a misreading of the contested judgment as the fact that Gugler France sold goods other than those belonging to Gugler GmbH was not relevant, the CJEU also dismissed the second ground of appeal.

As such, Gugler GmbH's figurative mark containing the word "GUGLER" was held to be valid due to the existence of an economic link between the undertakings at the time the EU trademark was applied for in 2003.

7. EU—GC—Figurative "TASER" sign declared invalid on grounds of bad faith and taking unfair advantage of earlier word mark TASER

In two similar decisions,⁷⁴ the General Court considered whether to grant an application for declaration of invalidity against a figurative sign displaying the word "TASER" (as shown below). The applicant, Martínez Albainox, had applied for registration of the mark as an EU trademark for goods in Classes 8, 18, and 25, including hand tools, shaving knives, leather goods, purses, umbrellas, clothing, footwear, and headgear.



Following registration of the mark in 2013, Taser International, Inc. ("Taser") filed an application for a declaration of invalidity on the basis, firstly, of its two earlier EU word marks registered for goods and services such as firearms, provision of training services relating to health and safety, security services, and video recording devices. The second ground relied on by Taser in its application was bad faith under Article 52(1)(b) of the 2009 EUTM Regulation.⁷⁵ In 2018, the Cancellation Division granted the application in its entirety and declared the contested mark invalid, a decision later upheld by the EUIPO Fourth Board of Appeal in 2019.

The applicant submitted to the General Court that the Board had made an error of law in finding a link between the marks at

⁷⁴ *Martinez Albainox v. EUIPO—Taser International (TASER)* (EU trademark—Judgment), Case T-341/19 (GC, May 28, 2020) and *Martinez Albainox v. EUIPO—Taser International (TASER)* (EU trademark—Judgment), Case T-342/19 (GC, May 28, 2020).

⁷⁵ This provision is now Article 59(1)(b) of 2017 EUTM Regulation.

issue on the basis that there was an overlap between both the distribution channels of the goods and the relevant public. With regard to the distribution channels, the CJEU noted that the Board had found that the goods covered by the contested mark were connected with the goods covered by the earlier marks, despite not being similar, citing examples such as the “uniforms” and “camouflage suits” covered by the contested mark. The Board had concluded the overlap between the goods due to the military style of the goods covered by the contested mark. The General Court held that the Board had been correct in finding that the goods at issue may be distributed in the same shops and that it was consequently possible that a link might be established.

Turning to the overlap in the relevant public relating to the marks at issue, the General Court found that there was an overlap in part due to the goods covered by the marks at issue being aimed at both the general and specialist public. Although the Court noted that the general public does not have access to the non-lethal electronic weapons covered by the earlier mark, such goods are still widely known to the general public and that may be sufficient for it to make a connection between the marks at issue. In support of this, the General Court noted that a number of press articles submitted to the Board had showed that the earlier mark, TASER, was widely known among the general public.

Further, the General Court confirmed that if a mark has acquired such a reputation that it extends beyond the relevant public to the goods for which it is registered, it may be possible for the relevant public to make a connection between the marks at issue even if the average consumers of the goods at issue are entirely distinct. The applicant’s claim that the relevant public relating to the goods at issue is entirely distinct was therefore dismissed.

Dismissing the applicant’s claim in its entirety, the General Court noted that even if the Board had been incorrect in its findings relating to the overlap between distribution channels and the relevant consumers, such an error would not undermine its finding regarding the existence of a link. As such, the General Court clarified that the Board had not made any error in its assessment in holding that the public would make a link between the marks at issue and that its assessment had been correctly carried out by means of a global assessment of all of the factors relevant to the circumstances of the case.

**8. EU—GC—Likelihood of confusion held to exist
between “TasteSense” figurative signs and earlier EU
word mark “MultiSense”**

In two similar cases, *Kerry Luxembourg v. EUIPO—Döhler (TasteSense By Kerry)*⁷⁶ and *Kerry Luxembourg v. EUIPO—Döhler (TasteSense)*,⁷⁷ the General Court considered the assessment of a likelihood of confusion between two figurative signs containing the words “Taste Sense By Kerry” and “Taste Sense” and an earlier EU word mark, “MultiSense.”

Kerry Luxembourg Sàrl (“Kerry”) had applied to register the two figurative marks as EUTMs for various food and beverage-related goods in Class 1 (Flavor improvers for foods, beverages, and oral care products; chemical-based food, drink, and oral care additives); Class 29 (Fruit, vegetables, and natural-based extracts used as additives in the manufacture of foods and beverages); and Class 30 (Flavorings and additives other than essential oils for food, beverages, and oral care products).

The application was opposed by Döhler GmbH, relying on (among other rights) an earlier EUTM for the word mark “MultiSense,” registered in respect of similar goods and services in Class 1: (Artificial sweeteners; emulsifiers for use in the food and beverage industry); Class 3 (Essential oils, food and beverage flavorings prepared from essential oils); and Class 30: (Flavorings and extracts used as flavoring for food and beverages, other than essential oils; natural sweeteners; fruit-based sweeteners; sweeteners based on stevia; plant extracts used as flavoring; processed cereals and malt extracts).



On November 27, 2018, the Board of Appeal found in favor of Döhler GmbH (“Döhler”) and held that the existence of a likelihood of confusion between the marks applied for and the earlier mark owned by Döhler could not be ruled out. Kerry appealed the decision of the Board of Appeal on two main grounds.

First, Kerry argued that the Board of Appeal had incorrectly taken into account the “general public” as well as a public consisting of professionals, in respect of whom, according to Kerry, the goods

⁷⁶ (EU trademark—Judgment) Case T-108/19 (GC, April 29, 2020).

⁷⁷ (EU trademark—Judgment) Case T-109/19 (GC, April 29, 2020).

for the mark applied for were exclusively aimed. On this point, the General Court took the view that the Board of Appeal had not erred in taking into account both the general public as well as a public consisting of professionals. The Court noted that, for example, “flavourings for food and beverages” in Class 30 may equally be used by professionals and by individuals who are able to purchase them in the supermarket. Further, the Court pointed out that case law provides that where an application relates to goods or services that are aimed at both professionals and end consumers, the relevant public should be deemed to be composed of reasonably well-informed, reasonably observant, and circumspect average consumers.

With regard to the comparison of the marks at issue, the General Court found that the Board of Appeal was correct in determining that the marks were similar, that the goods at issue were identical or highly similar, and that there was therefore a likelihood of confusion between the marks. The Court noted that, for the non-English-speaking public, the difference between “Multi” and “Taste” (being the prefixes of the marks at issue) is not substantial enough to counteract the overall impression of visual and phonetic similarity between the marks. Such visual and phonetic similarity arose from the marks at issue being identical in length, with each having four syllables and ten letters. The General Court therefore dismissed Kerry’s first ground of appeal.

Second, Kerry submitted that the Board of Appeal had only included in its judgment findings regarding the degree of knowledge of the Spanish language in Spain and the Polish language in Poland without a statement of reasons. The General Court disagreed and found that the EUIPO Board of Appeal had indeed stated specific reasons as to why the relevant public could be considered to have no knowledge of the English language in accordance with Article 75 of the 2009 EUTM Regulation. Kerry’s second ground of appeal was dismissed.

As a result, the General Court entirely dismissed the appeals brought by Kerry in relation to both of the marks applied for and upheld the Board of Appeal’s decision that there was a likelihood of confusion between the marks at issue. The addition of the words “By Kerry” to one of the marks applied for did not have an effect on the perception of the relevant public, as its smaller size and inferior position meant that it did not significantly alter the overall impression of the mark.

9. UK—HC—Is there a likelihood of confusion where the average consumer believes signs belong to economically linked undertakings, despite signs being conceptually distinct?

The decision of the High Court in *Sazerac Brands, LLC & Ors v. Liverpool Gin Distillery Ltd. & Ors*⁷⁸ concerned the producers of Eagle Rare, a well-established, high-quality Kentucky straight bourbon whiskey, and its UK and EU trademarks for EAGLE RARE in relation to Class 33, for whisky and all non-beer alcoholic beverages, including whiskey, respectively.

In June 2018, the defendants filed an application to register the words AMERICAN EAGLE as a UK trademark for non-beer alcoholic beverages and spirits, registered without opposition. The defendants had applied to register an EU trademark for AMERICAN EAGLE in October 2018, which was opposed by the claimants. The application was subsequently withdrawn.

The claimants issued trademark infringement proceedings and sought an invalidity action against the defendants' sign, claiming both (i) a likelihood of confusion between the mark and the sign, used in respect of identical goods, namely bourbon whiskey, and consequently a likelihood of confusion on the part of the UK and EU public and (ii) unfair advantage of the distinctive character or reputation of the trademark AMERICAN EAGLE and/or detriment to its distinctive character. The defendants denied the claims but accepted that there was a degree of similarity between the claimants' EAGLE RARE mark and the sign AMERICAN EAGLE (though they maintained that the degree of similarity was low).

On September 10, 2020, the High Court of England and Wales found for the claimant on both grounds and ordered the cancellation of the sign "American Eagle." In considering whether there might be a link between the mark and the sign in the mind of the average consumer, the Court carried out a global assessment, taking into account all relevant factors, including a notional and fair exploitation of the EAGLE RARE trademarks, across the whole range of the bourbon and whiskey markets and not just with high-end products. On a conceptual, visual, and aural analysis, the Court found that, at most, the mark and sign were similar visually, given that the term "Eagle" appears in both the mark and sign as a dominant component. However, the Court found that there is only some similarity in aural terms, while conceptually the mark and sign are distinct.

Referring to the case of *Specsavers International Healthcare Ltd. v. Asda Stores Ltd.*,⁷⁹ the Court noted that it must consider all the

⁷⁸ [2020] EWHC 2424 (Ch) (September 10, 2020).

⁷⁹ [2012] EWCA Civ 24 (January 31, 2012).

circumstances in which the defendant's sign was intended to be used and the impression it would likely make on the average consumer. The Court observed that the defendants were using the sign in the context of the bourbon whiskey market in the UK and EU, in exactly the same market in which the claimant's Eagle Rare product is sold. According to the Court, given the distinctive character of the EAGLE RARE mark, the average consumer who sees or hears the AMERICAN EAGLE sign would likely think of EAGLE RARE. The Court noted that it is not a matter of enhanced distinctive character arising from the extent or use made of the EAGLE RARE mark, but rather a case of the mark being distinctive per se, in that no other bourbon whiskey on the UK and EU markets at the relevant time had a name that use the word "eagle."

However, the Court noted that association is not enough to prove likelihood of confusion. The Court therefore went on to consider direct and indirect confusion, finding that there was a likelihood of a significant proportion of the bourbon markets in the UK and EU being confused about whether Eagle Rare and American Eagle are connected brands (indirect confusion). This was so even though the Court accepted that the average bourbon customer would know that there are various different brands available and would be unlikely to think that AMERICAN EAGLE and EAGLE RARE were the same product (direct confusion).

As observed by the Court, it is common for connected brands to release different varieties with similar but different names. The average consumer would know that brands have different expressions and connected products, and that distillers can make more than one brand. The Court found that another identical product in the same market with "Eagle" in its name would not only call "Eagle Rare" to mind but would also be likely to cause the average consumer to assume that they were connected in some way. This was so despite the strong composite identity of the mark AMERICAN EAGLE. The Court further noted that the test is whether that association between the marks creates a risk that the public might believe that the respective goods or services come from the same or economically linked undertakings. As such, the Court considered that such a risk existed, as the product is identical, the names have marked similarity (indicative of a possible connection between them), and the existence of connected brands using similar names is well known to the public.

The Court turned next to the issue of reputation. The defendants argued that as "Eagle Rare" products are sold in such small quantities, with only limited exposure and very little promotional marketing, only a tiny fraction of the relevant market has knowledge of it, a fraction that is too small for it to claim reputation. The Court disagreed, persuaded by the arguments and evidence of both experts, that Eagle Rare is sufficiently known to have a

reputation in the bourbon market of the UK and EU. The Court noted that although there is no evidence of the numbers of UK and EU citizens likely to have heard of Eagle Rare, there are no geographic limits to the dissemination of the brand within the relevant market in the UK or a substantial part of the EU.

The remaining question considered by the Court was whether the “American Eagle” sign takes unfair advantage of or is detrimental to the distinctive character of the claimants’ trademarks. In relation to detriment, since the Court had found that a likelihood of indirect confusion existed, the Court naturally found that the defendants’ use of “American Eagle” was also detrimental to the distinctive character of “Eagle Rare.”

In relation to unfair advantage, however, the Court found that any advantage to the defendants was not objectively unfair so that, absent intentionally taking advantage of the distinctive character or repute of the trademarks, it should not be considered an actionable infringement. The Court acknowledged that the defendants might gain additional sales from being associated with the Eagle Rare brand, due to its established reputation, history, and heritage; however, as the defendants were not actively intending to gain an advantage from that association (and as Eagle Rare had not achieved its repute following heavy advertising expenditure or investment in promotion), it could not be said that the defendants were “getting a free ride” or were taking advantage of any significant financial investment made by the claimants, and this aspect of the claim failed accordingly.

10. Greece—Zante Court of First Instance— Figurative elements preclude confusion despite identity of verbal elements

This case of *OPTICALVISION*⁸⁰ before the Zante Court of First Instance confirmed the limited scope of protection afforded to descriptive marks in respect of infringement.

The earlier right alleged to be infringed was a trademark consisting of the words *OPTICALVISION*, written as one word, along with figurative elements and the surname of the owner underneath in (hardly visible) lettering, as shown below:



⁸⁰ Zante Multi Member Court of First Instance 20/2020.

The trademark was filed in 2015 for goods and services in Classes 9, 16, 35, 37, 40, 41, 42, and 44 and was used as the name of an optical shop, also operating a website and a Facebook page.

The defendant opened an optical shop in another (nearby) city under the figurative sign OPTICAL VISION as shown below, which it also used on its Internet site and Facebook page:



The plaintiff sought a permanent injunction restraining use of the sign, arguing that due to the similarity of the marks and identity of goods a risk of confusion arose, and that the defendant also took unfair advantage of the reputation of the earlier mark. The plaintiff requested a permanent injunction.

The First Instance Court of Zante confirmed⁸¹ that the earlier trademark consisted of the words “optical” and “vision,” both known to the average Greek consumer, who had basic knowledge of the English language, and conveyed the meaning that the shop under that sign was a shop selling optical goods, glasses, sunglasses, contact lenses, etc. As such, the verbal element of the prior mark OPTICALVISION directly and clearly described the kind of goods sold under the mark. The consumer when encountering such a trademark would not recollect a particular undertaking but merely the kind of goods sold under the mark.

The court confirmed that the verbal elements OPTICALVISION have a very weak distinctive character. Although the verbal elements of the two marks at issue, OPTICALVISION and OPTICAL VISION, are identical from a visual, phonetic, and conceptual point of view, it found that the figurative elements were different. Given the weak distinctive character of the verbal elements, such elements would not remain in the memory of consumers as source indicators, nor could they be the dominant elements. Taking such factors into account, in the overall assessment of similarity of the marks as a whole, the court concluded that they are dissimilar and therefore the risk of confusion was precluded.

The court also rejected the argument of the plaintiff that the words OPTICAL VISION had acquired distinctive character through use. The only use that the plaintiff demonstrated to the court was use of the mark as a whole, in the form that it was registered, being use along with the figurative elements. This highlights that the monopoly granted by the trademark registration

⁸¹ Ruling 20/2020.

is on the combined trademark as a whole and not separately, in the descriptive elements of the mark.

11. Sweden—Swedish Patent and Market Court of Appeal—What requirements need to be fulfilled in order for a family name to constitute a ground for revocation of a registered business name?

In *Anders Bragnum et al. (individuals) v. the companies Bragnum Invest Holding AB, Bragnum Invest (D) AB and Bragnum Invest (E) AB*,⁸² the Swedish Patent and Market Court of Appeal considered whether Swedish business name registrations should be revoked, either: 1) on the ground that they incorporated a protected family name, Bragnum, or; 2) on the ground that the business names could mislead the general public, due to a lack of connection to the Swedish geographical location of Bragnum.

According to the Swedish Business Names Act,⁸³ a business name cannot be registered if it consists of a name that (a) warrants “special protection” as a surname, which is generally the case if no more than 2,000 people bear the name within Sweden,⁸⁴ (b) is perceived as someone else’s surname, and (c) whose use would entail a disadvantage for the bearer of the name.

The Swedish Patent and Market Court of Appeal stated that the family name of “Bragnum” did qualify for special protection, since fewer than 2,000 people had that name in Sweden. The business name registrations could therefore be revoked if the other conditions were satisfied (perception and ensuing disadvantage).

In relation to the perception of the term “Bragnum” as a surname, the Court recognized that “Bragnum” is mainly associated with several (rather old) geographical locations in Sweden. Consequently, the name had a double meaning as both a name and a location. As such, the Court found that the business names in question would not be perceived (solely) as the plaintiffs’ surname. In light of this assessment, the Court rejected the appeal, and therefore did not have to assess whether the use of the business names would result in a disadvantage for the plaintiffs, being individuals with the name “Bragnum.”

The Swedish Supreme Court has not to date considered a case in which a name serves as both a surname and a (or indeed several) geographical location(s), to determine which meaning should prevail in what context.

In arguing the alternative ground for revocation based upon association with a geographical location, the plaintiffs had claimed

⁸² Case No. PMT 7902-19 (Swedish Patent and Market Court of Appeal, October 23, 2020).

⁸³ Swedish: “Lag (2018:1653) om företagsnamn.”

⁸⁴ Swedish: “Lag (2016:1013) om personnamn.”

that the business names could be misleading, as the companies did not have any geographic connection to the locations named “Bragnum.” However, the Swedish Patent and Market Court of Appeal concluded that the companies’ boards were now registered in the town of Bragnum (which was not the case when the revocations proceedings were initiated) and that the companies conducted certain activities from this location. Accordingly, the Court dismissed the action on this ground too.

For someone who is not completely familiar with the significance of surnames in Sweden that warrant “special protection” in Sweden, it may come as a surprise that such surnames (if the necessary requirements are at hand) may prevent registration or be a ground for revocation of not only company names (as in the present case based on the Swedish Business Names Act) but also of trademarks (according to the Swedish Trademarks Act⁸⁵). In this case, the Appeal Court has the option of lodging an appeal against the judgment, as the issues relating to this case have not been previously assessed by the Supreme Court. One of the plaintiffs has filed a motion for leave to appeal from the Swedish Patent and Market Court of Appeal, which ordinarily serves as the highest court instance in intellectual property matters in Sweden. On February 8, 2021, the Supreme Court granted a leave of appeal. It remains to be seen whether the Supreme Court comes to a different conclusion.

12. Denmark—The Danish Supreme Court—Use of a protected surname as company name and trademark

On November 30, 2020, the Danish Supreme Court⁸⁶ upheld a judgment from the Danish Maritime and Commercial High Court ruling⁸⁷ (as reported in Volume 110 of the *Annual Review of EU Trademark Law: 2019 in Review*) that the registration and use of the trademark ØRSTED by the Danish energy company Ørsted A/S and its group companies (“Ørsted Company”) had not infringed upon the rights of the descendants of famous scientist H.C. Ørsted or his brother Jacob Albert Ørsted, who all bear the surname “Ørsted” (the “Descendants”).

The case concerned whether Ørsted Company’s registration and use of ØRSTED/ORSTED as a trademark, company name, secondary name, and/or domain name was contrary to the Descendants’ right to the surname “Ørsted,” and whether such use could be enjoined, and under what legal framework. The surname “Ørsted” is a protected surname under the Danish Personal Names

⁸⁵ Swedish: “Varumärkeslag (2010:1877).”

⁸⁶ Case No. BS-25678/2019-HJR, Mikkel Rundin Ørsted et al. against Ørsted A/S et al.

⁸⁷ Reported in Tom Scourfield, *Annual Review of EU Trademark Law: 2019 in Review*, 110 TMR 653 (2020).

Act, as it is the name of around 418 individuals, and hence fewer than the 2,000 persons threshold for special protection of such name in Denmark (pursuant to Section 3 of the Danish Personal Names Act). In 2017, DONG Energy A/S changed its name to “Ørsted A/S,” and the other companies in the energy group also included “Ørsted” or “Orsted” as part of their company names, etc. The Ørsted Company also registered .dk and .com domains using “ørsted,” “orsted,” and “oersted.”

In January 2018, the Descendants brought actions against Ørsted Company before the Maritime and Commercial High Court (the “MCC”). The Descendants argued that the assessment of the lawful/unlawful use of the name “Ørsted” in relation to, inter alia, the Danish Trademark Act, the Danish Companies Act, and the Danish Internet Domains Act should be interpreted in light of section 27 of the Danish Personal Names Act, which states that “a person who can prove that another person unjustifiably uses the person’s name or a name that bears such a resemblance to it that confusion can easily occur may, by judgment, order the other person to cease using the name” (our translation). The MCC found that nothing in the Danish Personal Names Act or the preparatory work of the legislation (*travaux préparatoires*) supported the claim that the assessment of the use of “Ørsted” as a trademark or company name should be decided solely in accordance with the Danish Personal Names Act. Instead, the MCC stated that the matter was to be decided on the basis of *lex specialis* (inter alia the Danish Trademark Act) with the interpretative aid of the Danish Personal Names Act when relevant. Based on this analysis, the MCC found that the Ørsted Company did not infringe upon any rights in its use of the “Ørsted” name as a trademark, company name, and/or domain name. The judgment was appealed by the Descendants to the Supreme Court.

Initially, the Supreme Court stated that the Danish Personal Names Act’s prohibition on unauthorized use of another person’s name (Section 27) applies only to infringements consisting of the use of another’s name as a personal name, or what may be equated with it. Thus, the Supreme Court stated that it does not apply to trademark or company names, referencing the preparatory works, which do not state that the act impacts the interpretation of the rules regarding the use of personal names as trademarks or company names. It was, in fact, expressly stated in the preparatory works that the protection offered was not intended to extend to protection against use as a trademark.

Turning to the Danish Trademark Act, the Supreme Court confirmed that trademarks are excluded from registration if they consist of or contain a component that can be perceived as a personal name or company name, to which someone has legal title, without authorization. However, the protection is not intended to extend to

the rights of long-since deceased persons. The Supreme Court found that the Ørsted Company's use of the name "Ørsted" naturally referred to the long-since deceased scientist H.C. Ørsted, and could thus rely on a long-standing administrative practice of the Danish Patent and Trademark Office, which states that registration of trademarks is refused only if it includes *rare* surnames carried by fewer than approximately 30 people (and, as mentioned above, approximately 418 persons bear the surname "Ørsted").

Next, the Supreme Court assessed the provisions in the Danish Companies Act, according to which a family name, company name, distinctive name of real estate, trademark, business characteristics, and the like that does not belong to the company may not be included in the registered company name. The Supreme Court found that there was no basis for interpreting this provision more restrictively than trademarks (*cf.* above), and thus no basis for enjoining the Ørsted Company from use of its trademark as its registered company name.

Finally, the Supreme Court assessed the Danish Internet Domains Act, according to which registrants may not register and use domains in violation of good domain practice. As the defendants were not prohibited from using the trademarks, the Supreme Court found no basis for prohibiting the Ørsted Company from using its trademarks as domain names.

With this judgment, the Supreme Court has clarified the interplay and interpretation of the Danish Personal Names Act with the *lex specialis* (Danish Trademarks Act, Danish Companies Act, and Danish Internet Domains Act) in cases of company's use of personal names as its mark. The Danish Supreme Court thus also upheld the general guideline that it is not prohibited to use a protected surname as a trademark, company name, or domain name, unless such names are "rare" (carried by fewer than approximately 30 persons). In such instances, the name may not be registered and used (as, e.g., trademarks).

13. Spain—High Court of Justice of Madrid— Likelihood of confusion and genericism of trademarks

This case refers to the final decision in the opposition filed by Google LLC against the registration of Spanish Trademark No. 3661506, BOLILLOTUBER, by Ms. Raquel, who runs a YOUTUBE channel with more than 33,000 subscribers dedicated to the textile technique of bobbin lace (in Spanish, "bolillo").

Google filed an opposition against the application to register the trademark BOLILLOTUBER on the basis of several trademarks for YOUTUBE. The opposition was based on a likelihood of confusion

and on taking of unfair advantage of the reputation of the trademark YOUTUBE.

The Spanish Patent and Trademark Office rejected both the opposition and the subsequent appeal filed by Google before the Spanish PTO. The case was appealed to the High Court of Justice of Madrid, with judgment rendered on February 6, 2020.⁸⁸

The High Court of Justice rejected the appeal by Google and ruled that the term “YouTuber” had become generic in Spain, so Google could not claim a monopoly in respect of it. In order to support this argument, the Court referred to the fact that the term “YouTuber” had been added to the Oxford English Dictionary in 2016 with the meaning of “A frequent user of the video-sharing website YouTube, especially someone who produces and appears in videos on the site.” Consequently, it considered that the coincidence of both marks in the last element “TUBE”/“TUBER” should be minimized, and that the initial term “BOLILLO” made the trademarks have a different spelling and overall impression.

On the allegation of unfair advantage, the Court confirmed the reputation of the YOUTUBE trademark but considered that this was not sufficient to uphold an argument of taking unfair advantage because the purpose of the YOUTUBE platform is precisely the existence and activity of “YouTubers” such as BOLILLOTUBER, which has a popular channel related to the art of bobbin lace. The decision is final and BOLILLOTUBER now advertises its channel adding the term “registered trademark.”

14. Germany—Hamburg Court of Appeal—Can a likelihood of confusion arise where the mark is descriptive of the services in question?

In a decision of October 29, 2020,⁸⁹ the Hamburg Court of Appeal held that there was no likelihood of confusion between two trademarks, taking into account that the earlier trademark was descriptive of the goods in question.

The plaintiff operated a trampolining gym and owned two trademarks—GeburtstagsJUMP (translated as “BirthdayJUMP”) and SchoolJUMP registered in respect of “operation of gyms” in Class 41. The applications for these trademarks had also initially been filed for “performance of sport events and competitions; organisation of sport events and competitions” in Class 41, but were later withdrawn for these services. Although not addressed in the decision, it can be assumed that the withdrawal was made after the German PTO had objected to registration of the trademark

⁸⁸ Judgment 34/2020 in Case 744/2018, Google LLC v. Spanish PTO, February 6, 2020.

⁸⁹ Case No. 5 U 81/17—“SchoolJUMP.”

application for these services for being descriptive, as was ultimately found by the Court of Appeal.

The defendant was likewise operating a trampolining gym and promoted its services under the signs “GEBURTSTAGS.SPRUNG” (“BIRTHDAY.JUMP”) and “SCHULSPRUNG” (“SCHOOLJUMP”).

The plaintiff sued the defendant for infringement of his trademarks GeburtstagsJUMP and SchoolJUMP, but the District Court of Hamburg dismissed the action at first instance, finding that use of the defendant’s signs was not use *as a trademark*. The plaintiff lodged an appeal against the decision but the Hamburg Court of Appeal maintained that the trademarks were not infringed, albeit on the basis of different reasoning. The Court of Appeal considered the signs *were* used *as a trademark*, arguing that the signs were used as headlines, in subheadings, and in body text highlighted in such a way that the relevant public would not perceive this exclusively as a purely descriptive indication, not least since there were multiple markings in this respect. However, the court still held there was no likelihood of confusion. It qualified the trademarks relied upon by the plaintiff as clearly descriptive references, with a distinctiveness of below average. With regard to the similarity of the signs, it stated a low degree of phonetic and visual similarity and conceptual identity.

The Court of Appeal also held that the respective services were dissimilar. Contrary to the position taken by the plaintiff, the Court considered the service of “operation of sports halls” as comprising only the operation of a building or a structurally closed facility in which sports events are held and the provision of the corresponding infrastructure, but *not* the organizing and conducting of sports events held therein. They enjoy independent protection in Class 41 but were not covered by the plaintiff’s trademark.

The Court also held there was no similarity of services between the services “operation of sports halls” and the organizing and conducting of sports events, as it considered the plaintiff’s trademarks were purely descriptive and not protectable for the offer of trampoline services for birthdays or schools as “organization and execution of sporting events” in Class 41. For those services, the plaintiff could not have obtained protection for his trademarks. A finding of a similarity of services on the basis of another term of the list of services with those services was not possible when the earlier mark would not be protectable for the excluded term of services. Admittedly, as the Court conceded, the public may assume that the operator of the gym, being the one who provides the infrastructure, is also the provider of the sports events offered therein. However, for legal reasons, a likelihood of confusion cannot arise if trademark protection is claimed with respect to a service of the contested signs for which the enforced trademarks does not qualify for protection. To find otherwise would mean that a service for which the mark in

question was unregistrable would indirectly be monopolized by extending the scope of protection of the trademark to those services based on a likelihood of confusion.

**15. Greece—Athens Administrative Court of Appeal—
Prior rights of mere local significance do not
preclude registration of similar later marks**

*Melissinos Winery*⁹⁰ considered prior rights of “mere local significance.” The word mark MELISSINOS WINERY was filed and registered as a national mark in Greece for wines, despite the existence of a prior figurative EU trademark registration for wines for a device mark incorporating MELISSINOS as below:



The owner of the earlier EU mark filed an invalidity action against the later national mark, claiming risk of confusion with its prior EU mark. The owner of the later mark claimed that he was using the mark MELISSINOS WINERY prior to the EU mark filing date, producing wine on the island of Kefallonia, continuing a tradition of centuries that had started with the owner’s great grandmother’s (whose maiden name was MELISSINOS) vineyards. The owner also claimed that through such use the mark MELISSINOS had become renowned prior to the EU mark filing and that in any case he had the right to use and register the maiden name of his great grandmother.

The Court found that the arguments relating to use of the mark within a specific territory, namely the island of Kefallonia for a long time and systematically, prior to the EU mark filing, and the evidence produced (namely a court decision recognizing such prior right) did not constitute prior rights that would preclude the registration of a trademark. This was because even if such rights did exist, prior to the filing of a trademark they are only protected within the local territory in which they were created and continue to exist. They do not have any effect outside such territory and therefore may not preclude the registration of national or EU trademarks. In this particular case, the specific territory where the prior right existed was the island of Kefallonia. The earlier right invoked by the owner was therefore a right of mere local significance and it could not prevent the registration of the later EU trademark.

⁹⁰ Athens Court of Appeal 1735/2020.

Furthermore, regardless of the fact that the own name defense is used in the context of infringement proceedings, in order to allow use of such names in commercial transactions, the court clarified that such defense does not apply to ancestors' surnames but only to the current holders of such names. The surname of the national mark owner was not "Melissinos."

The Court concluded that the above marks were indeed similar, both incorporating the dominant element "MELISSINOS," which is highly distinctive for the (identical) goods at issue, creating a risk of confusion. It upheld the invalidity decision of the previous instances and the national mark was cancelled. The judgment accordingly clarifies that any rights acquired at local level through use cannot affect the registrability of later similar marks at national or EU level as trademarks.

16. Germany—Federal Patent Court—Similarity of retail services and goods

In a decision of October 4, 2019,⁹¹ but only published in May 2020, the Federal Patent Court of Germany considered the similarity between retail services and the goods that are the subject of the retail services.

The applicant had filed a trademark CARRERA, inter alia, for various electric devices for body and beauty care and for electrical kitchen devices. The trademark was opposed by the owner of a trademark CARRERA, which is registered in Class 35 for retail and online retail services in the field of various goods including electrical devices for body and beauty care and for electrical kitchen devices. The German PTO allowed the opposition.

The applicant appealed the decision to the Federal Patent Court and questioned the genuine use of the mark relied upon in the opposition. The opponent provided evidence of use in relation to retail services with electrical devices for body and beauty care and for electrical kitchen devices which had also been deployed in the parallel proceeding *Carrera*⁹² handled by another panel ("Senate") of the Federal Patent Court. The devices "originated" from the opponent (in that they were both manufactured and sold by the retailer). The Federal Patent Court found that there was genuine use for online retail services in the field of electrical devices for body and beauty care and for electrical kitchen devices, and considered it irrelevant that the opponent had sold only its own products.

Referring to the CJEU's decision in *Praktiker*,⁹³ the Federal Patent Court pointed out that, in addition to the legal transaction

⁹¹ Case No. 28 W (pat) 3/19 – "Onlinehandel Carrera."

⁹² Case No. 29 W (pat) 41/17, decided on January 10, 2020. See the related report in this Review in Part V.C.13 on the Federal Patent Court of Germany's *Carrera* decision.

⁹³ Case C-418/02 (CJEU, July 7, 2005).

of the sales contract, the trade includes in particular the selection of a range of goods offered for sale and the offer of various services intended to induce a consumer to conclude the sales contract with this trader instead of with one of his competitors. For this purpose, the court considered it not necessary that the goods come from different manufacturers. It pointed out that even a retailer who sells the products of only one company is in competition with suppliers of the same kind of products originating from other manufacturers and has an interest in the targeted consumers buying his products. The specific activities of a retailer are not characterized by the origin of the goods. In this respect, it does not matter, in the view of the court, which and how many brands are represented in his offer.

On the basis of these services, the court further noted, *inter alia*, a similarity of these online retail services with the various electrical devices for body and beauty care and use in the kitchen covered by the applicant's trademark. The court found that the existence of a similarity between retail services and goods that constitute their subject matter is increasingly affirmed but pointed out that this cannot be generalized to the effect that a similarity between retail services and the goods related to them must *always* be assumed. Rather, a public understanding of a product responsible for both retail and goods will develop only with regard to those industries in which either the retailers also offer goods, to a larger extent, precisely under their retail service brand, or a brand obviously derived from it or, conversely, the goods manufacturers also operate, or organize, retail specifically with goods of these brands, to a larger extent (i.e., to an extent that shapes the public perception (e.g., via outlets)).

With regard to the goods of the applicant's mark, the Court found that the public may indeed be led to believe that they are distributed by a manufacturer or a supplier economically linked to it via online platforms. The Internet offers product manufacturers attractive and, compared with stationery sales, better opportunities to present their products independently from third-party retailers. In particular, electrical appliances for body and beauty care and electrical kitchen appliances are offered in a large number of variants and can be combined with different components, are subject to an increased need for advice in view of ongoing modifications and new developments. This can be met comprehensively by means of communication forums and newsletter services offered as a supplement as part of online sales. Accordingly, manufacturers of electrical appliances for body and beauty care as well as electrical kitchen appliances regularly operate their own online platforms or, in individual cases, even their own stationery stores. As a consequence, the court found that the goods were similar to the retail services related to them.

In this case, the court went one step further and held that the similarity included not only all the terms contained in the specification of the applicant's mark, which specifically designate electrical devices for body and beauty care or the kitchen, but also general terms, under which hand-operated variants of the corresponding devices would fall, and justified this finding with the fact that a division of the relevant general terms was not possible.

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 (corresponding to Article 52(1)(b) of the old 2009 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 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).

Having very much been the “hot topic” for EU trademark practitioners in 2019, the topic received less judicial attention in 2020. The much-anticipated CJEU decision in *Skykick* having been handed down on January 29, 2020 (technically within the scope of this 2020 Review but delivered just in time for inclusion in the Review of 2019), offered guidance by the CJEU that was applied by the High Court of England & Wales in 2020. Lord Justice Arnold (elevated to the Court of Appeal but sitting in the High Court) found that the SKY trademarks could not be declared wholly invalid on the basis of bad faith. On the facts found at trial, the High Court considered that Sky had applied for the SKY trademarks under a “deliberate strategy of seeking very broad protection of trademarks regardless of whether it was commercially justified” and as such, certain elements of such trademarks (in particular for computer software per se) had been partially filed in bad faith. In considering the extent of limiting the SKY trademarks' specifications as a result, the High Court considered that the trademarks should not be limited solely to goods and services which Sky had demonstrated it had *actually* used since the date of registration, in effect applying a

test similar to revocation. The net outcome against SkyKick remained a finding of infringement regardless of such bad faith having been established. In more familiar bad faith scenarios, the appeal court of Barcelona, Spain, considered the lack of coincidence that two figurative marks for HANDTEK were identical and filed in respect of identical or highly similar goods.

B. Legal Texts

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

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

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:
 - (a) (Note: paragraphs (a) was omitted.)
 - (b) (Note: paragraph (b) was omitted.)
 - (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.

Article 3(2)(d) of the 2008 TM Directive

1. Any Member State may provide that a trademark shall not be registered or, if registered, shall be liable to be declared invalid where and to the extent that:
 - ... the application for registration of the trademark was made in bad faith by the applicant.

Article 4(4)(g) of the 2008 TM Directive

1. Any Member State may . . . provide that a trademark shall not be registered or, if registered, shall be liable to be declared invalid where, and to the extent that:

(Note: paragraphs (a) through (f) were omitted.)

- (g) the trademark is liable to be confused with a mark which was in use abroad on the filing date of the application and which is still in use there, provided that at the date of the application the applicant was acting in bad faith.

C. Cases

1. UK—HC—Can a trademark be wholly invalidated on the basis of a partial finding of bad faith related only to certain goods and services covered under a trademark?

On April 29, 2020, Lord Justice Arnold handed down his judgment in the UK High Court infringement proceedings in *Sky Plc v. SkyKick UK Ltd.*⁹⁴ The case was heard by the High Court following the CJEU’s decision and guidance issued in respect of the questions referred by Arnold J (as he then was) regarding the clarity and precision requirements for trademark specifications and the scope of bad faith. The CJEU’s guidance and commentary on the questions referred was reported in Vol. 110 of the *Annual Review of EU Trademark Law*.

In the High Court judgment of April 27, 2018, Lord Justice Arnold had not been able to reach a decision as to whether the SKY trademarks in respect of certain goods and services, such as “computer software,” “telecommunications services,” and “electronic mail services,” were wholly or partially invalidly registered on the grounds that:

- (i) the specifications of goods and services lacked clarity and precision; and
- (ii) the applications were made in bad faith.

Lord Justice Arnold had referred five questions on these issues to the CJEU and held that if the SKY trademarks were, in fact, validly registered in relation to those certain goods and services based on the CJEU’s ruling on the questions of law, then SkyKick had infringed them pursuant to Article 9(2)(b) of the 2009 EUTM

⁹⁴ [2020] EWHC 990 (Ch) (April 29, 2020). For commentary on this case, see Tom Scourfield, *Annual Review of EU Trademark Law: 2019 in Review*, 110 TMR, 539-542 (2020).

Regulation.⁹⁵ Following the CJEU's decision in early 2020, Lord Justice Arnold applied the law as clarified by the CJEU to the facts of the present case.

Clarity and precision requirement

Arnold LJ held that it was clear from the CJEU's ruling that the SKY trademarks could *not* be declared wholly or partly invalid on the ground that their specifications are lacking in clarity or precision, as the CJEU guidance had been explicit that this cannot be a ground for invalidity. The High Court therefore dismissed this part of SkyKick's counterclaim.

Bad faith

SkyKick had accepted that, in light of the CJEU's ruling, it was clear that the SKY trademarks could not be declared *wholly* invalid on the basis of bad faith, and that there was only scope for the registrations to be declared *partially* invalid for those goods and/or services in respect of which it could be proven that the applications were made in bad faith.

The High Court noted that SkyKick did not initially allege that the SKY trademarks had been filed in bad faith in respect of the specific terms "telecommunications services" and "electronic mail services," as SkyKick's general pleading as to partial bad faith was that it would invalidate the entire trademark(s). The High Court refused SkyKick's attempts to belatedly amend its pleadings on this issue on the basis that it was too late to be raised as a separate attack.

The High Court assessed whether the CJEU's ruling on bad faith meant that the SKY trademarks were invalid in respect of its other goods and services. On the facts found at trial, the High Court considered that Sky had applied for the SKY trademarks under a "deliberate strategy of seeking very broad protection of trademarks regardless of whether it was commercially justified" with the intention of obtaining an exclusive right to use the trademark as a "legal weapon" to be used against third parties, rather than for the functions of a trademark. The High Court further concluded that Sky had made a partly false section 32(3) UK Trade Marks Act 1994 declaration of intention to use in applying for the SKY trademarks in respect of the full breadth of certain elements of the specification.

On this basis, the High Court concluded that the SKY trademark applications had been partially filed in bad faith. In considering the extent of limiting the SKY trademarks' specifications as a result, the High Court considered that the trademarks should not be limited solely to goods and services which Sky had demonstrated it

⁹⁵ This provision is now at Article 9(2)(b) of the 2017 EUTM Regulation.

had *actually* used since the date of registration. At the point of filing, an applicant may have a commercial justification in seeking protection for goods and services that it may offer under the mark applied for in the future. Thus, the High Court concluded that an applicant should be given a “modest penumbra of protection,” which may extend beyond specific goods and services for which use had been proved.

With the exception of “telecommunications services,” “electronic mail services,” and “internet portal services” (in respect of which the commercial justification for future use was acceptable), the High Court limited the various terms in the relevant trademarks specifications to achieve (in the Court’s view) a fair level of protection.

Despite the High Court’s decision to limit certain terms in the SKY trademarks’ specifications, as the registrations remained validly registered for services such as “electronic mail services,” the High Court followed its earlier 2018 ruling and held that SkyKick had infringed the SKY trademarks in so far as SkyKick had used the signs complained of in relation to their email migration service. In assessing the similarity between the terms of the SKY trademarks and SkyKick’s services, the High Court ruled that SkyKick’s email migration services is identical to the “electronic mail services” term and also found a degree of similarity between “telecommunication services” and SkyKick’s products other than email services.

This judgment dealt with only an abbreviated list of eight goods and services covered under the SKY trademarks which were closest to SkyKick’s activities and which Sky were actively pursuing in its infringement claim. Thus, on the basis of practicality, the question of bad faith in relation to the other parts of the SKY trademarks did not need to be decided.

2. Spain—Appeal Court of Barcelona— Trademark registered in bad faith

The company Stone & Concrete SL (“Stone”) brought an action against Teka Industrial SA (“Teka”) seeking the invalidity of Spanish (figurative) Trademark Registration No. 3651885, HANDTEK, in Class 11, for having been filed in bad faith.

By way of brief background, the company HBA 2016 Manufacturer Group, S.L. (formerly, Handtek Manufacturer, S.L.) filed an EUTM application for “HANDTEK” on April 26, 2017, covering, among others, goods in Class 11.

The company Teka, owner of the trademark TEKA and others having the elements “TEKA” or “TEK,” such as ADAPTEK, filed an opposition against the above trademark on the basis of a Spanish (figurative) trademark HANDTEK in Class 11, which had been filed

just two months before, on February 14, 2017. Both trademarks have exactly the same logo, reproduced below:



After the opposition was filed, the EUTM applicant assigned the application to Stone, and it was the assignee of the EUTM that brought the invalidity action based on bad faith against Teka, owner of the opposing Spanish trademark.

The claimant argued that the trademark HANDTEK had been used in Spain as part of the company name (formerly, Handtek Manufacturer, S.L.) since 2012. It also argued that it had commissioned a designer to design the logo in 2016. Teka argued a lack of standing for the claimant, as it was the assignee of the company that had reportedly used and commissioned the design of the logo. It also argued a lack of knowledge of this use and of the existence of Stone's trademark and logo.

The Commercial Courts of Barcelona⁹⁶ upheld the complaint and invalidated the trademark for having been filed in bad faith. The case was appealed before the Appeal Court of Barcelona, which delivered its final judgment on June 12, 2020.⁹⁷

On the lack of standing, the Appeal Court of Barcelona considered that Stone had a legitimate interest as assignee of the EUTM application to request the invalidity of the trademark that was being opposed against its application.

On the knowledge of the earlier trademark, the Court considered it relevant that the original applicant of the EUTM was the company formerly known as Handtek Manufacturer, S.L., which had been present in the Spanish market with this name since 2012, that a contract and invoices had been filed showing that a designer had designed that logo in 2016, and that both parties had been present at a trade fair in Dubai in November 2016.

The Appeal Court of Barcelona referred to the *LINDT*⁹⁸ and *KOTON*⁹⁹ rulings of the CJEU and concluded that Teka ought to have known about the existence of the earlier mark, as it could not be a coincidence that the logos were absolutely identical. Even if the intention of Teka had been to register a defensive mark to prevent Stone from registering a trademark having the element "TEK," the

⁹⁶ Commercial Court of Barcelona No. 9, Case 631/2018, May 30, 2019.

⁹⁷ Judgment 1198/2020 of June 12, 2020, Appeal Court of Barcelona, Case 2421/2019.

⁹⁸ Case C-529/07, Lindt Goldhase, June 11, 2009.

⁹⁹ Case C-104/18, Koton, September 12, 2019.

Court said this would not have changed its conclusions because trademarks are registered to be used and not to defend an existing trademark registration. The Spanish trademark registration of “Teka” was cancelled for having been filed in bad faith.

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 EU 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 requires that a trademark should be in use *before* the mark may be registered. There is no requirement for an applicant to indicate the 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.

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

Aside from acquired distinctive character, the question of whether or not a mark is in use at any given time most commonly arises in two contexts. The first is where the registration of the mark is made the subject of a revocation attack on the specific grounds of non-use, which may happen on a stand-alone basis or as a counterclaim in infringement proceedings. The second is where the trademark in question is the basis of an “earlier right” used to challenge a third party’s trademark application or registration, or

in an infringement claim. In this latter 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.

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 cases analyzed in this Part V reflect the above considerations. Notably in *Cooper*, the CJEU had to consider whether damages should remain available for infringement in cases where the mark in question had never been used and subsequently revoked. The CJEU also considered questions of the extent and type of use and subcategories of goods (in two separate cases), the liability of an infringer for further use by unrelated third parties, use in a differing form to that registered, use on military bases and use in relation to spare parts and resale of goods. Before national courts, judgments also explored (among others) use of a sign in a different form, many years of coexistence in online use, whether consent to the sale of secondhand goods might still constitute genuine use to avoid revocation, as well as a judgment analyzing what may amount to proper reasons for such non-use.

B. Legal Texts

Article 7 of the 2017 EUTM Regulation

Absolute grounds for refusal

1. The following shall not be registered:
 - (a) (Note: (a) was omitted.)
 - (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;

(Note: paragraphs (e) through (m) were 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. (*emphasis added*)

Article 4 of the 2015 TM Directive

Absolute grounds for refusal or invalidity

1. The following shall not be registered:
 - (a) (Note: paragraph (a) was omitted.)
 - (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;

(. . .)
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 nonuse, 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

(Note: paragraph 1 was omitted.)

2. 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.

3. 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

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. In the actions referred to in points (a) and (c) of Article 124¹⁰⁰, a plea relating to revocation of the EU trade mark submitted otherwise than by way of a counterclaim shall be admissible where the defendant claims that the EU trade mark could be revoked for lack of genuine use at the time the infringement action was brought.

Article 3 of the 2008 TM Directive

1. The following shall not be registered or, if registered, shall be liable to be declared invalid:
 - (a) (Note: paragraph (a) was omitted.)
 - (b) trademarks which are devoid of any distinctive character;
 - (c) trademarks 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;

¹⁰⁰ Namely, infringement actions and actions for compensation in respect of post-publication, pre-registration acts.

- (d) trademarks which consist exclusively of signs or indications which have become customary in the current language or in the bona fide and established practises of the trade;

(Note: paragraph 2 was omitted.)

- 3. A trade mark shall not be refused registration or be declared invalid in accordance with paragraph 1(b), (c) or (d) if, before the date of application for registration and following the use which has been made of it, it has acquired a distinctive character. Any Member State may in addition provide that this provision shall also apply where the distinctive character was acquired after the date of application for registration or after the date of registration. (*Emphasis added.*)

(Note: paragraph 4 was omitted.)

Article 10 of the 2008 TM Directive

Use of trade marks

- 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 an uninterrupted period of five years, the trade mark shall be subject to the sanctions provided for in this Directive, unless there are proper reasons for non-use.

The following shall also constitute use within the meaning of the first subparagraph:

- (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;
 - (b) affixing of the trade mark to goods or to the packaging thereof in the Member State concerned solely for export purposes.
- 2. Use of the trade mark with the consent of the proprietor or by any person who has authority to use a collective mark or a guarantee or certification mark shall be deemed to constitute use by the proprietor.
- 3. (Note: paragraph 3 was omitted.)

Article 11 of the 2008 TM Directive

Sanctions for non-use of a trade mark in legal or administrative proceedings

1. A trade mark may not be declared invalid on the ground that there is an earlier conflicting trade mark if the latter does not fulfil the requirements of use set out in Article 10(1) and (2), or in Article 10(3), as the case may be.
2. Any Member State may provide that registration of a trade mark may not be refused on the ground that there is an earlier conflicting trade mark if the latter does not fulfil the requirements of use set out in Article 10(1) and (2) or in Article 10(3), as the case may be.
3. Without prejudice to the application of Article 12, where a counterclaim for revocation is made, any Member State may provide that a trade mark may not be successfully invoked in infringement proceedings if it is established as a result of a plea that the trade mark could be revoked pursuant to Article 12(1).
4. If the earlier trade mark has been used in relation to part only of the goods or services for which it is registered, it shall, for purposes of applying paragraphs 1, 2 and 3, be deemed to be registered in respect only of that part of the goods or services.

Article 12 of the 2008 TM Directive

Grounds for revocation

1. A trade mark shall be liable to revocation if, within a continuous period of five years, 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.

However, 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.

The commencement or resumption of use within a period of three months preceding the filing of the application for revocation which began at the earliest on expiry of the continuous period of five years 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 14 of the 2008 TM Directive

Establishment a posteriori of invalidity or revocation of a trade mark

Where the seniority of an earlier trade mark which has been surrendered or allowed to lapse is claimed for a Community trade mark, the invalidity or revocation of the earlier trade mark may be established a posteriori.

Article 39 of the 2017 EUTM Regulation

Claiming seniority of a national trade mark in an application for an EU trade mark or subsequent to the filing of the application

1. The proprietor of an earlier trade mark registered in a Member State, including a trade mark registered in the Benelux countries, or registered under international arrangements having effect in a Member State, who applies for an identical trade mark for registration as an EU trade mark for goods or services which are identical with or contained within those for which the earlier trade mark has been registered, may claim for the EU trade mark the seniority of the earlier trade mark in respect of the Member State in or for which it is registered.
2. (Note: paragraph 2 was omitted.)
3. Seniority shall have the sole effect under this Regulation that, where the proprietor of the EU trade mark surrenders the earlier trade mark or allows it to lapse, he shall be deemed to continue to have the same rights as he would have had if the earlier trade mark had continued to be registered.
4. The seniority claimed for the EU trade mark shall lapse where the earlier trade mark the seniority of which is claimed is declared to be invalid or revoked. Where the earlier trade mark is revoked, the seniority shall lapse provided that the revocation takes effect prior to the filing date or priority date of that EU trade mark.

C. Cases

1. EU—CJEU—Are damages available for infringement where the trademark in question has been revoked for non-use?

The decision of the CJEU in *AR v. Cooper International Spirits and Others*¹⁰¹ concerned the question of whether compensation is available for infringement, on the basis of a likelihood of confusion, of a trademark that has subsequently been revoked for non-use.

In 2006, AR registered the trademark SAINT GERMAIN for goods and services in Classes 30, 32, and 33, mainly covering various alcoholic beverages such as ciders, wines, and spirits. Several years later, in 2012, AR issued proceedings against Cooper International Spirits LLC (“Cooper”) and others for the distribution of an alcoholic beverage being sold under the name “ST-GERMAIN.” AR’s SAINT GERMAIN mark was subsequently revoked in parallel proceedings in a Regional Court in France, and such decision was later upheld by the French Court of Appeal.

In spite of this, AR continued to proceed with its original claims against the various parties for infringement during the period prior to the revocation of the mark. Such claims were dismissed by the Paris Regional Court and the French Court of Appeal, but the case was later referred to the CJEU by the Supreme Court of France to determine whether Articles 5(1)(b), 10, and 12 of the 2008 TM Directive¹⁰² mean that a trademark proprietor whose rights have been revoked for five years’ non-use can receive damages for infringement prior to the revocation date.

The Court clarified that Article 5(1)(b), the first subparagraph of Article 10(1) and the first subparagraph of Article 12(1) of the 2008 TM Directive, together with recital 6 of the Directive, provide member states with the option of deciding whether a trademark proprietor maintains the right to claim damages prior to the date on which its mark was revoked. Under Recital 6, the Court noted that member states are also able to determine the specific date on which the revocation should be deemed to have taken effect. In the present case, the CJEU determined that French legislation provides for revocation to take place as of the expiration date of the five-year period following registration of the mark. As such, the Court found that it is possible under French law for a trademark proprietor to enforce against infringements that took place during the five-year period despite the mark subsequently being revoked.

¹⁰¹ Case C-622/18 (CJEU, March 26, 2020).

¹⁰² These provisions are now found at Articles 10(2)(b), 16, and 19, respectively, of Directive 2015/2436, the 2015 Trade Marks Directive.

In light of the above conclusion, the Court noted that the referred case ought to be determined based on whether or not infringement had taken place. By way of reasoning, the CJEU referred to its judgment in *Länsförsäkringar*¹⁰³ in which it had held that a trademark proprietor is entitled to a grace period within which it may benefit from exclusive rights in the mark without a need to demonstrate “genuine use.” As such, the Court noted that, in considering whether the contested goods or services are identical or similar to the goods or services for which AR’s mark was registered, the extent of the exclusive right should be assessed by taking into account the goods and services for which the mark was registered and not those for which the mark was actually used during that period.

With regard to the damages to be awarded, the CJEU referred to Article 13(1) of the IP Enforcement Directive¹⁰⁴ as the relevant provision, under which damages should be appropriate to the *actual prejudice* suffered by the proprietor of the trademark. In this respect, the CEJU emphasized that although the fact that a trademark has not been used does not, of itself, preclude compensation in respect of acts of infringement, non-use remained an important factor to be taken into account in determining the existence and extent (if any) of the injury sustained by the proprietor and accordingly the amount of damages that could be claimed.

2. EU—CJEU—What criteria should the Court consider in assessing whether goods constitute an independent subcategory in the context of use of a mark?

*ACTC v. EUIPO*¹⁰⁵ considered the appeal to the CJEU by ACTC GmbH (“ACTC”), a German clothing company. On December 28, 2012, the appellant had applied to register the word sign TIGHA. The trademark was applied for in Class 18 for goods including “Trunks and travelling bags,” “Game bags,” and “Backpacks,” and Class 25 for goods including “Clothing, footwear, headgear,” “Belts,” “Gloves,” “Headgear for wear,” “Underwear,” “Outerclimbing,” “Footwear,” “Socks,” and “Boots.”

On April 12, 2015, Taiga AB (“Taiga”), a Swedish clothing company, filed a notice of opposition against the application on the basis of the existing EU word mark TAIGA, which had been registered for, among others, goods covered by Classes 9 (Protective clothing; protective footwear, headwear, gloves; clothing for

¹⁰³ *Länsförsäkringar AB v. Matek A/S*, Case C-654/15 (CJEU, December 21, 2016).

¹⁰⁴ Directive 2004/48.

¹⁰⁵ Case C-714/18 P (CJEU, July 16, 2020) (EU:C:2020:573).

protection against fire; safety clothes, safety gloves and safety caps), 18 (Backpacks, game bags) and 25 (Clothing; outer clothing; underwear; footwear; headgear for wear and headwear; work shoes and boots; working overalls; gloves; belts and socks).

Taiga's opposition was rejected by the Opposition Division, and subsequently Taiga appealed to the Fourth Board of Appeal of the EUIPO. The Board of Appeal found that use of Taiga's earlier mark had been proved for certain goods in Class 25, and that the word marks were visually similar and phonetically identical. Therefore, the Board of Appeal found that there was a likelihood of confusion between the word marks in respect of the goods in that Class 25. Consequently, the EUIPO partially annulled the Opposition Division's decision and upheld Taiga's opposition in respect of those goods.

ACTC appealed the Board of Appeal's decision to the General Court, arguing that the Board of Appeal had incorrectly assessed the evidence of genuine use submitted by Taiga and erred in finding a likelihood of confusion. The General Court dismissed ACTC's appeal. ACTC then appealed the General Court's decision to the CJEU on two grounds.

ACTC's first ground of appeal was that the General Court had incorrectly applied Article 42(2) of the 2017 EUTM Regulation. Before the General Court, ACTC had argued that Taiga's evidence of use only referred to weather-protective outdoor clothing, which ACTC claimed should be considered an independent sub-category of Class 25 goods. Therefore, ACTC argued that Taiga had not proved genuine use for the whole category of Class 25 goods. In its judgment under appeal, the General Court had dismissed ACTC's argument, finding that while the goods referred to by Taiga all had weather-protective characteristics, this was insufficient to find such goods amounted to an independent subcategory. ACTC argued that the General Court should have taken into account all of the goods for which TAIGA had been registered rather than just the goods detailed in Taiga's evidence of use. Further, ACTC claimed that the General Court had not sufficiently taken into account the purpose and intended public of the goods in assessing whether they constituted an independent subcategory.

The CJEU disagreed, finding that an independent subcategory required sufficiently precise definition of that category and referred to the judgment in *OHIM v. Kessel medintim*¹⁰⁶ in this regard. The CJEU found that the General Court had carried out its assessment on this basis and had, in that assessment, examined the goods put forward in Taiga's evidence in relation to the more general Class 25 category for which the earlier mark was registered. The CJEU also found that the goods in question had several intended uses and the

¹⁰⁶ Case C-31/14 P (CJEU, December 11, 2014) at para. 37-41.

General Court had correctly considered the purpose of those goods in combination rather than in isolation. In respect of ACTC's argument that the General Court had not sufficiently considered the intended public, the CJEU pointed out that this criterion was not relevant to finding an independent subcategory. For these reasons, the CJEU rejected ACTC's first ground of appeal.

ACTC's second ground of appeal contended that the General Court had misapplied Article 8(1)(b) of the 2017 EUTM Regulation and constituted three parts: (i) the General Court had incorrectly assessed genuine use as per ACTC's first ground of appeal and the General Court had therefore incorrectly found that "clothing" and "headgear" in ACTC's application were identical to the goods covered by Taiga's earlier mark; (ii) the General Court had incorrectly assessed the visual and phonetic similarity of the signs; and (iii) the General Court had incorrectly concluded that there would be a likelihood of confusion.

The CJEU rejected (i), as it had found that the General Court had correctly assessed genuine use when considering ACTC's first ground of appeal. The CJEU also rejected (ii). ACTC further subdivided (ii) into three complaints. The first and second of these complaints centered on the General Court's assessment of the visual similarity between the two marks and the phonetic similarity between "ti" and "tai." The CJEU considered that ACTC was asking for a fresh assessment of similarity without establishing that there had been any distortion by the General Court of the facts or evidence. Consequently, the CJEU rejected these complaints as inadmissible. The third complaint was that the General Court had incorrectly concluded that conceptual differences between the marks were established in only a part of the EU, and that in any event finding that such differences would be understood in a part of the EU was sufficient for a finding of conceptual difference. The CJEU rejected this complaint. The General Court had found that the conceptual difference referred to by ACTC relied on the word "taiga" referring to boreal forest, and that this word would not have such a "specific and immediate meaning" for English-speaking or Southern European consumers. The CJEU found that ACTC had not identified an error of law in contesting that assessment and considered that ACTC was asking for a fresh assessment of the facts without establishing that there had been any distortion by the General Court of the facts or evidence. The CJEU also rejected ACTC's argument that finding a "specific and immediate meaning" in part of the EU was sufficient for concluding that there were conceptual differences that counteracted any visual and phonetic similarities. The CJEU pointed out that the General Court had been right to proceed to a global assessment of a likelihood of confusion on the basis that for a substantial part of the relevant public there

would be visual and phonetic similarities without sufficiently counteracting conceptual differences.

In support of (iii), ACTC argued that there was no likelihood of confusion since the marks would be marketed in different shops, that visual dissimilarities between the two marks were more significant than any phonetic similarities and that there was only a low degree of similarity between the relevant goods. The CJEU rejected this part of the second ground of appeal as inadmissible and unfounded, since it did not identify any error of law, serving only to restate the arguments ACTC had made before the General Court.

3. EU—CJEU—Does the reproduction of an infringing trademark by a third-party website operator, acting on its own initiative, constitute “use” by the initial infringer?

In *mk advokaten GbR v. MBK Rechtsanwälte GbR*,¹⁰⁷ following a referral from the Oberlandesgericht Düsseldorf (the “Düsseldorf Higher Regional Court”) for a preliminary ruling, the CJEU applied a strict approach to the interpretation of the term “using” under Article 5(1) of the 2008 TM Directive (now Article 10(2) of the 2015 TM Directive) in the context of online reproduction of an infringing advertisement. The CJEU determined that a person operating in the course of trade that had arranged for an advertisement that infringes another person’s trademark to be placed on a website is not *using a sign* that is identical with that trademark, where the operators of other websites reproduce that advertisement by placing it online, of their own initiative and in their own name, on other websites.

In 2016, MBK Rechtsanwälte (“MBK”), owner of the trademark constituted by the name of that firm and registered for legal services, brought infringement proceedings against *mk advokaten* (“MKA”), also carrying on its legal services under the name “mbk rechtsanwälte” and the corresponding name in Dutch, “mbk advokaten.” The Landgericht Düsseldorf (the “Düsseldorf Regional Court”) found in MBK’s favor and ordered that MKA was prohibited, upon imposition of a fine, from using in the course of trade the group of letters “mbk” for legal services.

MBK subsequently discovered that a Google search for “mbk rechtsanwälte” led to several company-referencing websites that displayed an advertisement for the legal services of MKA. Asserting a breach of the 2016 German court order, MBK requested the Court to impose a fine on MKA. In its defense, MKA submitted that, regarding advertisements on the Internet, the only initiative on its

¹⁰⁷ *mk advokaten GbR v. MBK Rechtsanwälte GbR*, Case C-684/19 (EU:C:2020:519) (CJEU, July 2, 2020).

part had been to register itself in the online directory Das Örtliche and that, following the 2016 court order, it had withdrawn that registration for all signs containing the group of letters “mbk.” It argued that it was not under any other obligation, as it had never requested inclusion on other websites.

At first instance, the Düsseldorf Regional Court found in MBK’s favor, stating that the advertisement placed online on the websites at issue benefited MKA and was based on the one that MKA had arranged to be placed in the Das Örtliche directory. As such, it imposed a fine on MKA for non-compliance.

MKA appealed to the Düsseldorf Higher Regional Court, which, in turn, referred a question to the CJEU, regarding the meaning of “using” under Article 5(1). Specifically, the CJEU was asked whether, when a third party is referenced on a website by a sign that is identical to a registered trademark, that third party is “using” that trademark, within the meaning of Article 5(1), if the entry was not placed there by the third party itself but was reproduced by the website’s operator from another entry that the third party had placed in infringement of the trademark.

Issuing its preliminary ruling on July 2, 2020, the CJEU noted the following:

- the offering of goods or services under a sign that is identical with or similar to another person’s trademark and advertising those goods or services under that sign constitutes “use” in relation to that sign;
- referring to *Interflora*,¹⁰⁸ use of a sign that is identical with or similar to another person’s trademark constitutes “use” where that sign, selected by an advertiser as a keyword in an online referencing service, is the means used by the advertiser to trigger the display of its advertisement, even where that sign does not appear in the advertisement itself;
- it therefore follows, where a person operating in the course of trade orders, from the operator of a referencing website, the publication of an advertisement the display of which contacts or is triggered by a sign which is identical with or similar to another person’s trademark, that person must be considered to be using that sign, within the meaning of Article 5(1);
- however, by contrast, a person cannot be held liable under Article 5(1) for the independent actions of other economic operators, such as those of referencing website operators with whom that person has no direct or indirect dealings and

¹⁰⁸ *Interflora and Interflora British Unit*, Case C-323/09, EU:C:2011:604 (September 22, 2011).

who do not act by order and on behalf of that person, but on their own initiative and in their own name; and

- the term “using” in Article 5(1) involves active conduct and direct or indirect control of the act constituting the use. As such, a person will not be considered to be “using” a sign where the act is carried out by an independent operator without the consent of the advertiser.

The CJEU emphasized that it is for the referring court to examine whether it follows from the conduct of MKA, in the context of either a direct or indirect relationship between MKA and the operators of the websites in question, that those operators had placed the advertisement online by order and on behalf of MKA. In the absence of such conduct, it must be concluded that MBK is not justified, under the exclusive rights provided in Article 5(1), in bringing an action against MKA on the ground that the advertisement was published online on websites other than the Das Örtliche directory.

The CJEU noted, however, that it remains open to MBK to claim from MKA, where appropriate, restitution for financial benefits on the basis of national law, and to bring an action against the operators of the websites in question. Finally, comparing with the facts in *Daimler*,¹⁰⁹ the CJEU stated that it was irrelevant that the trademark in this case was taken from an infringing entry in Das Örtliche (whereas in *Daimler* the advertisement that infringed another person’s trademark was initially lawful), as the only question under consideration was, where an advertisement infringing another person’s trademark is reproduced, who is using the sign that is identical with or similar to that mark.

4. EU—GC—Decision of EUIPO partially annulled due to failure to divide goods into subcategories

The decision of the General Court in *Lidl Stiftung v. EUIPO—Plásticos Hidrosolubles* (“*green cycles*”)¹¹⁰ concerned revocation proceedings brought by Lidl Stiftung & Co. KG (“Lidl”) against the registered EU figurative mark displaying the words “green cycles” (as shown below) owned by Plásticos Hidrosolubles (“Plásticos”).

¹⁰⁹ *Daimler* (Case C-179/15, EU:C:2016:134) (March 3, 2016).

¹¹⁰ Case T-78/19 (GC, April 29, 2020).



In 2015, Lidl applied to have the mark revoked in respect of all of the goods and services covered by the mark (consisting of plastics and plastic-related treatments and processes) under Article 51(1)(a) of the 2009 EUTM Regulation.¹¹¹ The Cancellation Division partially upheld the application for revocation in respect of certain services in Class 40, such as “treatment of materials with the exception of plastics.” The Fifth Board of Appeal later upheld the decision of the Cancellation Division and determined that the evidence provided by Plásticos was sufficient to prove genuine use of the contested mark during the relevant period.

On appeal, the General Court first considered the extent of the use by Plásticos of the contested mark and determined that the Board of Appeal had been correct in its assessment that the invoices and advertisements that had been provided as evidence displayed sufficient use of the mark. Despite Lidl’s assertion that the Board of Appeal had solely focussed on the “sales of one or two products,” the General Court noted that the Board had only been required to assess whether the mark at issue had been put to “effective and sufficient” use in relation to the relevant goods and services. This argument was therefore dismissed.

Secondly, the General Court considered the nature of the use of the contested mark. Rejecting Lidl’s first claim on this point, the Court referred to the large number of invoices provided by Plásticos and noted that, according to case law, the issuing of an invoice in itself establishes that the use of the mark did take place publicly and outwardly. However, the General Court held that the Board of Appeal had wrongly assessed the nature of the use of the goods in Class 20 in concluding that genuine use of the mark at issue had been shown in relation to *all* of the goods in such class. Instead, the General Court noted that the Board should have broken down the categories of the goods into subcategories and examined the use of the mark in relation to each of such subcategories.

Lastly, the General Court rejected the claim made by Lidl that the contested mark was not used to identify the relevant goods and services (instead being used solely as the company’s logo), noting that the mark appeared on the brochures, advertising material, and invoices provided as evidence by Plásticos and that it is sufficient for use of the mark to establish a connection between the mark and the marketing of the relevant goods.

¹¹¹ This provision is now Article 58(1)(a) of the 2017 EUTM Regulation.

As such, the General Court partially annulled the decision of the Fifth Board of Appeal to the extent that it had found genuine use of the contested mark in relation to the goods in Class 20 on the basis that it had failed to break down such goods into subcategories and analyze each such subcategory. The remainder of the claim was dismissed.

5. EU—GC—How closely must a marketed product resemble the graphical representation of a three-dimensional trademark in order to be protected by that trademark?

In *CEDC International sp. Z o.o. v. EUIPO*,¹¹² the General Court considered how closely a graphical representation of a three-dimensional trademark must resemble the mark it represents, and whether an accompanying description can be used to interpret the relationship between the two.

On April 1, 1996, Underberg AG, a German alcoholic beverage company, applied to register the three-dimensional sign reproduced below as an EUTM. The trademark was applied for in Class 33 for “Spirits and liqueurs,” and was accompanied by the description “the object of the trademark is a greeny-brown blade of grass in a bottle; the length of the blade of grass is approximately three-quarters the height of the bottle.”



On September 15, 2003, the Polish alcoholic beverages company *Przedsiębiorstwo Polmos Białystok (Spółka Akcyjna)* (“Polmos”), brought opposition proceedings against Underberg’s application. The opposition was based on, inter alia, an earlier three-dimensional French trademark for which Polmos was the proprietor (reproduced below) registered in Class 33 for “alcoholic beverages.” The earlier French mark was accompanied by the description “a

¹¹² Case T-796/16 (GC, September 23, 2020) (EU:T:2020:439).

bottle as represented above inside which a blade of grass is placed almost diagonally in the body of the bottle.”



The opposition was rejected in its entirety by the Opposition Division on October 18, 2010, among other factors, on the basis that Polmos had not adduced sufficient evidence of genuine use of the earlier French mark. Furthermore, the bottle marketed by Polmos had affixed to it a label that was held by the Opposition Division to have altered the distinctive character of the mark. Polmos appealed the decision to OHIM. Following its acquisition by CEDC International sp. Z o.o (“CEDC”), another Polish alcoholic beverages company, Polmos was replaced by CEDC in proceedings. On March 26, 2012, EUIPO’s Board of Appeal dismissed the appeal in its entirety, finding that CEDC had not proved use of the earlier three-dimensional French mark. CEDC brought an action for annulment of the initial decision to the General Court, and on December 11, 2014, the Court found that the Board of Appeal had not taken into account certain evidence submitted before it out of time, despite being able to exercise its discretion to do so, nor had it given reasons for its decision not to exercise its discretion. As a result, the General Court ordered the initial decision annulled.

The case was remitted to the EUIPO Board of Appeal, which dismissed CEDC’s appeal on August 29, 2016. The Board of Appeal held that, even taking into consideration the evidence submitted out of time, CEDC had failed to prove genuine use of the earlier French three-dimensional mark. In particular, the Board of Appeal found that the graphical representation of the mark showed only a bottle with a straight diagonal line and nothing else, and that this was the extent of the protection of the trademark, that is, it did not protect the “blade of grass in a bottle” concept outlined in the accompanying description. That description did not broaden the scope of that protection, and the evidence of use adduced by CEDC consisted of bottles that, as a result of the labels obscuring the contents, did not resemble the graphical representation of the mark.

CEDC appealed further to the General Court, with the latest judgment in this long-running saga being handed down on

September 23, 2020. The Court considered that the appeal centered on the precise protection conferred by the earlier French three-dimensional mark and whether that mark was used in the form in which it was registered. The Court held that the Board of Appeal had been correct in finding that the graphical representation of a three-dimensional mark ascribes the scope of the protection of the trademark, and an accompanying description, while it must correspond to the graphical representation, cannot extend the scope of that protection.

The Court also found that the Board of Appeal's assessment that the graphical representation consisted of a bottle with a straight diagonal line, and that the concept of that line being a blade of grass was not apparent from the graphical representation and apparent only from the description, had been well-founded. The Court observed that a more realistic representation of a blade of grass in a bottle would have been required in order to protect that concept, and that in any event, trademarks cannot protect concepts or ideas, only the concrete expression of such.

The Court further found that the Board of Appeal had correctly concluded that none of the evidence submitted by CEDC nor Polmos showed a bottle with a straight diagonal line, showing instead bottles with blades of grass or with labels, and therefore none of the evidence showed use of the trademark in its registered form. Further, the Court held that the Board of Appeal had been correct in finding that, because the earlier French three-dimensional mark was simple, its distinctive character was weak and therefore even seemingly small variations could not be held to be broadly equivalent to the mark.

CEDC had claimed that the evidence of use it had adduced showing bottles with labels affixed to them constituted joint use of several trademarks in different forms, and that the Board of Appeal had failed to take this into consideration. The Court found, however, that it was not the fact that several trademarks were used in conjunction that led to the Board of Appeal's conclusion that CEDC had not proved genuine use of the earlier mark, but rather the fact that the labels obscured the contents of the bottle such that the impression created by the blade of grass in the bottle could not be held to resemble the graphical representation of the earlier mark.

6. EU—CJEU—Are small sales, and resale, of high-priced luxury sports cars and replacement parts sufficient to establish genuine use under Article 12(1) of the 2008 TM Directive?

In *Ferrari SpA v. DU*,¹¹³ the CJEU gave a preliminary ruling on various questions referred to it by the Oberlandesgericht Düsseldorf (the “Düsseldorf Higher Regional Court”) on Article 12(1) of the 2008 TM Directive (now Article 19(1) of the 2015 TM Directive), which provides that a trademark shall be liable to revocation if, within a continuous period of five years, 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. The CJEU found that the sale of luxury sports cars and replacement parts may be sufficient to establish genuine use under Article 12(1), even if such goods are only produced and sold in small numbers.

The requests for a preliminary ruling were made in two sets of proceedings between Ferrari and DU concerning revocation for lack of genuine use of two “testarossa” figurative marks, as shown below, an international mark and a German mark, registered by Ferrari in 1987 and 1990, respectively, for various goods in Class 12, including vehicles and parts thereof.



Ferrari had sold sports cars under the designation “testarossa” between 1984 and 1996, and later produced a one-off recreation in 2014. Following the Landgericht Düsseldorf (the “Düsseldorf Regional Court”) finding that Ferrari had not made genuine use of the marks in Germany and Switzerland for an uninterrupted period of five years in respect of the goods for which they were registered, Ferrari appealed to the Düsseldorf Higher Regional Court.

The Düsseldorf Higher Regional Court took the view that despite the fact that Ferrari had used the marks during the relevant five-year period to identify replacement and accessory parts of very high-priced luxury sports cars previously sold under those trademarks, this was not sufficient to establish genuine use in the mass market. It noted that Ferrari’s mark was registered in respect of motor cars and parts thereof, not solely in respect of high-priced luxury sports cars. Ferrari also claimed to have resold used vehicles bearing the marks in issue and that such sales constituted use of

¹¹³ *Ferrari SpA v. DU* (Joined Cases C-720/18 and C-721/18) ECLI:EU:C:2020:854 (CJEU, October 22, 2020).

the marks for the purpose of maintaining the registrations. In the main proceedings, Ferrari further claimed to have provided replacement and accessory parts in respect of the vehicles bearing the relevant marks, and offered maintenance services for those vehicles. The Düsseldorf Higher Regional Court referred various questions to the CJEU regarding whether such use would amount to genuine use under Article 12(1).

The first and third questions referred to the CJEU focused on whether genuine use of a trademark registered for a category of goods and services (i.e., motor vehicles generally), and replacement parts for such vehicles, may be established if the trademark has been used only in respect of some of those goods (i.e., only in relation to very high-priced luxury sports cars and replacements parts for the same).

The CJEU found in the affirmative. The CJEU stated that a trademark registered in respect of a category of goods and replacement parts for such goods (here, motor cars) will be considered to have been put to genuine use within the meaning of Article 12(1) in connection with all the goods in that category and the replacement parts for such goods even where it has only been used in respect of some of those goods (here, high-priced luxury sports cars) or only in respect of replacement parts or accessories of some of those goods. This will be the position unless the relevant facts made it clear that this smaller range of goods was an independent sub-category of goods in respect of which the mark was registered. Here, the mere fact that the goods in concern were sold at a very high price and, as a result, may belong to a very specific market was not sufficient for the Court to regard them as an independent sub-category. The CJEU also stated that despite the fact that very expensive high-performance cars may be capable of being used in motor sport activities, this constituted only one of many possible uses for such vehicles (including use of the vehicles in everyday life), and dismissed the view that Ferrari's reference to these cars as "luxury cars" and "sports cars" meant that they belonged to an independent sub-category of cars.

Finally, although goods classified as "very high-priced" could not suffice for those goods to be regarded as an independent sub-category, the CJEU did note that this was relevant to the assessment of whether that mark had been put to genuine use. Significantly, the CJEU held that, despite the relatively low number of goods sold under the relevant trademark, due to the price point of the goods in concern the use that had been made of that mark could not be considered to be "token." Rather, it constituted use of that mark in accordance with its essential function.

In relation to the second question referred to it, namely whether Article 12(1) should be interpreted as meaning that a trademark is put to genuine use where the proprietor resells secondhand goods

put on the market under that mark, the CJEU confirmed that the resale of a secondhand product bearing a trademark does not generally constitute use of that trademark. However, if the trademark proprietor actually used that mark in accordance with its essential function of origin (i.e., guaranteeing the identity of the origin of the goods for which it was registered, when reselling secondhand goods), then the sale of the product to which the trademark is affixed does constitute “genuine use” within the meaning of Article 12(1).

Finally, on the fourth question referred to it, specifically whether Article 12(1) should be interpreted as meaning that a trademark is put to genuine use where the proprietor provides certain services connected with the goods previously sold under that mark but does not use that trademark when actually providing those services, the Court held that genuine use is only established where the services connected with the goods are provided *under the mark* in question. In the absence of use of that mark, there can obviously be no question of “genuine use.”

7. EU—General Court—What account should be taken of use of goods in military bases of third states located in the EU and on social media?

The General Court in *Electrolux Home Products v. EUIPO*¹¹⁴ considered the question of whether evidence of use of a trademark confined to U.S. military bases located in the territory of member states constitutes evidence of genuine use in the territory of the EU.

On December 13, 1999, the word mark FRIGIDAIRE was registered by Electrolux Home Products, Inc. (“Electrolux”) as an EU trademark under Class 7 and Class 11 for various household and commercial appliances. On November 23, 2017, the Cancellation Division partially upheld an application for revocation brought by D. Consult, a French company, on the grounds that the mark had not been put to genuine use within a continuous period of five years in relation to a number of appliances in Class 7 and Class 11.

Electrolux appealed to the EUIPO Board of Appeal which partially upheld the appeal on June 17, 2019, finding that genuine use had been established for several further Class 7 appliances, but not for “Household and commercial clothes washing machines, dishwashing machines; household food waste disposers and trash compactors; refrigeration compressors; electric can openers, knife sharpeners” nor for the Class 11 goods: “Commercial refrigerators and freezers; Household and commercial ice makers; household electric and gas cooking appliances, namely ranges, stoves and

¹¹⁴ Case T-583/19 (GC, October 28, 2020) (EU:T:2020:511).

cooktops; ranges hoods, room air conditioners, humidifiers and dehumidifiers, water heaters, water coolers, small electric appliances with the exception of toasters, kettles, irons.”

Electrolux further appealed to the General Court, arguing that the Board of Appeal had incorrectly applied Article 58(1) of the 2017 EUTM Regulation in failing to sufficiently take into account evidence Electrolux had adduced in relation to U.S. military bases located in the territory of member states, sales to and contracts made with companies in the EU (Johan Fouquet, Darty et Fils and Euronics), and use of the mark on social media. The General Court noted that the relevant legislation with reference to the date of filing for the application for revocation was the 2009 EUTM Regulation, and the relevant provisions therein were Article 51.

The General Court dismissed Electrolux’s appeal in its entirety. In relation to the evidence concerning U.S. military bases, Electrolux had relied on an EUIPO Board of Appeal decision and three decisions of national English and German courts in which sales to military bases of third nations had been held to constitute evidence of genuine use. The General Court highlighted that it was not bound by those decisions, and found that Electrolux’s sales to U.S. military bases in Belgium and Germany did not constitute evidence of genuine use. The General Court pointed out that the goods had been specially adapted for use with European power outlets ordered from a distributor based in the United States by U.S. government departments, and had been consigned from third states outside the EU, and held that the Board of Appeal had been correct in relying on these factors to find that the sales of the goods did not establish a genuine intention from Electrolux to market the goods at issue in the EU.

In relation to the evidence of sales to and contracts made with companies in the EU, Electrolux had argued that the Board of Appeal had sought to determine a theoretical territorial scope for establishing genuine use without sufficiently taking into account the actual circumstances of the case. The General Court dismissed this argument, highlighting that the Board of Appeal had observed that the sales volumes to Johann Fouquet were low and confined to a single city in Germany, and that the contracts entered into with Darty et Fils and Euronics either fell outside the relevant time period or did not concern the goods in question. Therefore, the General Court found that the Board of Appeal had not demonstrated an intention to determine the territorial scope for assessing genuine use on an a priori basis and had instead correctly relied on the evidence adduced in finding that Electrolux had not sufficiently demonstrated its intention to market the goods in question in the EU.

Electrolux had claimed that the Board of Appeal had not taken into consideration its evidence in relation to use of the mark on

social media, and had therefore erred in its assessment of genuine use by not considering this evidence in conjunction with the other evidence of use adduced by Electrolux. The General Court dismissed this head of appeal, finding that the Board of Appeal had correctly found that the mark's presence on social media was not sufficient to establish genuine use and that there was insufficient proof that the social media pages in question had been visited by the public in the EU.

8. Spain—Supreme Court— Use of a sign in a different form

Trademark owners and their marketeers know only too well that they often do not use their trademarks in the exact form in which they are registered. Businesses regularly modify the marks in order to update or modernize them. In order to prevent the trademark from being revoked for non-use, Article 16(5)(a) of the 2015 TM Directive (and equivalent provisions of the Spanish Trademark Act and EUTM Regulation) allows such amended use provided such use is “in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered.”

The Spanish Supreme Court¹¹⁵ had to decide whether the owner of the word mark LA ESTRELLA DEL ROCK (Spanish equivalent of “ROCK STAR”) complied with its use requirement in relation to energy drinks, despite having done so in the way reproduced below, that is, in smaller letters at the top or bottom of their cans, being the outstanding parts of the marks, the terms “ROCKSTAR” and “ROCK”:



¹¹⁵ Judgment 200/2020 in Case 3426/2017, Rockstar Inc. v. Town Music S.L., May 28, 2020.

In 2000, the Spanish company Town Music S.L., from the Canary Islands (Spain), registered Spanish Trademarks LA ESTRELLA DEL ROCK and ROCK STAR in Class 32. These trademarks had never been used in connection with energy drinks until 2007. At that time, the U.S. company Rockstar, Inc. was already a successful energy drink manufacturer in the United States and was expanding its business to Europe.

The EU Trademark Directive prevents a trademark from being revoked for non-use if the commencement or resumption of use starts within the three-month period preceding the filing of the application for revocation. In the present case, Rockstar Inc. had brought the revocation action in 2009, so the valid commencement of use by the Spanish company in 2007 was valid use.

Commercial Court No. 1 of Las Palmas de Gran Canaria¹¹⁶ partially upheld the claim and declared the trademark LA ESTRELLA DEL ROCK to be revoked for non-use in relation to all the products for which it was registered, with the sole exception of energy drinks. Rockstar, Inc. appealed, and the appeal was also rejected.¹¹⁷ Both the first instance and appeal courts considered that the use of the mark was proven based upon the labels of the products.

In the sole ground of appeal before the Supreme Court, Rockstar Inc. claimed infringement of Article 39(2)(a) of the Spanish Trademark Act, as it considered that the evidence provided showed use of the mark but in a form that altered the distinctive character of the mark as registered. According to Rockstar, Inc., the trademark owner had added so many words and figurative elements to the presentation of the product that it altered the distinctive character of the mark as consumers, when confronted with the product, would not see the trademark LA ESTRELLA DEL ROCK but other marks such as ROCK or ROCKSTAR.

The Supreme Court of Spain rejected the appeal of Rockstar, Inc. and confirmed the decision for the following reasons:

- (i) the words “LA ESTRELLA DEL ROCK” appeared on the label or on the packaging and may be perceived by the average consumer of energy drinks as an indication of commercial origin;
- (ii) the evidence of use showed genuine use and not just token use for the purpose of avoiding revocation; and

¹¹⁶ Judgment of September 30, 2015, in Case 123/2014.

¹¹⁷ Judgment of January 24, 2017, Appeal Court of Las Palmas de Gran Canaria, Case 59/2016.

- (iii) there is genuine use of the mark even when it is used in combination with other distinctive signs regardless of whether they are registered too. In this regard, the Supreme Court referred to the case law of the CJEU in cases including RINTISCH,¹¹⁸ COLLOSEUM HOLDING,¹¹⁹ and SPECSAVERS.¹²⁰

Related proceedings between the parties continues at the EUIPO, where the opposition filed by the Spanish company Town Music S.L. against EUTM Application No. 011345551 “ROCKSTAR ENERGY DRINK” has been suspended for over seven years, but is now set to be resumed.

9. UK—HC—The implications of online use and coexistence over a period of years

The decision of the High Court in *KGaA v. Merck Sharp & Dohme Corp. & Ors*¹²¹ addressed a number of questions remitted for hearing by the Court of Appeal in the long-running dispute between Merck KGaA (“Merck Global”) and Merck Sharp (“Merck U.S.”).

Following the First World War, Merck U.S., once a subsidiary of Merck Global based in Germany, became an independent entity trading in the United States and Canada under the name “Merck.” In 1955, the companies signed a coexistence agreement whereby Merck U.S. was only to use the brand name in the United States and Canada. The agreement was later updated to provide that each party could trade in the territory of the other provided that it used its own full name and not MERCK in isolation.

The subsequent global expansion of the Internet caused a shift in the relationship between the parties, with 2013 seeing Merck Global taking action against Merck U.S. for infringement of its UK trademark on various sites such as “merck.com” and “merckmanuals.com.” Merck Global was successful in the proceedings at first instance and on appeal; however, a number of questions were then remitted to the High Court for its consideration.

There were three main points to be examined by the High Court, being: (1) further consideration of the partial revocation of Merck Global’s registered trademarks; (2) whether the activities in question constituted use in the course of trade in the UK for the relevant goods or services; and (3) whether any such use could be viewed as *de minimis*.

¹¹⁸ Case C-553/11, Rintisch, October 25, 2012.

¹¹⁹ Case C-12/12, Colloseum Holding, April 18, 2013.

¹²⁰ Case C-252/12, Specsavers, July 18, 2013.

¹²¹ [2020] EWHC 1273 (Ch) (May 20, 2020).

First, Merck U.S. put forward an argument for revocation, in whole or in part, of Merck Global's registered trademarks as a result of a lack of genuine use in relation to the majority of the goods or services for which they were registered. Although Merck Global had registered its mark for "pharmaceutical substances and preparations," Merck U.S. submitted that the mark had been used by Merck Global only for certain goods or services within that category, such as the treatment of cancer and infertility. As such, Merck U.S. contended that Merck Global's marks should be revoked to restrict the specification to pharmaceutical substances for those goods and services only. The High Court found that to restrict the specification in such a way would be too narrow and unfair. The Court instead looked to the British National Formulary ("BNF") classification as a framework in order to determine how the average consumer would view the products being sold under the relevant marks. Through use of this framework, the Court narrowed down the goods and services to nine broad categories in relation to which the marks had been used and partially revoked the marks to the extent that the use fell outside the remit of such categories.

Next, the Court considered whether the use by Merck U.S. of MERCK on websites and in offline material constituted use in the UK in the course of trade. The Court of Appeal had previously noted that this should be interpreted to mean use that creates the impression of a material link between the relevant goods or services and the undertaking from which they originate. In its assessment of such use, which included a review of numerous website, social media, and email address uses by Merck U.S., the High Court found that there was a material link between the mark and the relevant goods and services and that infringement had therefore taken place.

Lastly, in assessing whether any use of the mark by Merck U.S. could be considered *de minimis*, the Court concluded that this could not be the case in relation to the contractual claim for breaches of the coexistence agreement between the parties. However, in relation to the trademark infringements, the Court considered that it ought to conduct a different assessment. The Court noted that the relevant question was whether the infringements are negligible or insignificant and whether this could be answered by not only looking at the numerical proportion of Merck U.S. output that was targeted at the UK and was infringing but also at the significance of such material and its likely individual and cumulative impact. In doing so, the Court concluded that the infringements could not be dismissed as *de minimis* and could instead be viewed as attempts to bring the MERCK sign before the UK market in relation to Merck U.S. products "at every opportunity."

When turning to remedies, the Court disagreed with the assertion put forward by Merck U.S. that a declaration of trademark infringement was unnecessary due to the Court's in-depth analysis

on the matter. Moreover, the Court held that the declaration of trademark infringement should also record that there had been breaches of contract through use of MERCK as both a trademark and a company name. In addition to the declaration, the Court ordered injunctive relief albeit with various carve-outs such as the use of MERCK in metadata.

10. UK—HC—Does the sale of secondhand goods with the consent of the trademark proprietor suffice as “genuine use” to avoid revocation for non-use?

The decision of the UK High Court in *Aiwa Co. Ltd. v. Aiwa Corp.* concerned the issue of whether the sale of secondhand goods by third parties in the UK, with the consent of the trademark proprietor, could contribute to “genuine use” of the trademark for the purposes of avoiding revocation for non-use.¹²²

The company Aiwa Co. Ltd. was founded in 1959 in Japan and was once a well-regarded global brand, known for making quality audio products and being the market leader in several product categories. It created the first cassette tape recorded in the Japanese market in 1964. The company eventually became unprofitable and was purchased by Sony in 2003. AIWA was then rebranded as a new “youth-focused” division of Sony which ultimately proved unsuccessful and in 2006 Sony announced that it had discontinued use of the AIWA brand. In 2015, an American audio company known as Hale Devices, Inc. renamed itself “AIWA Corporation” and started to produce and sell AIWA branded audio equipment in 2015.

In July 2017, Aiwa Corporation, filed an application to register the trademark AIWA for among other things “televisions, television tuners, earphones, headphones, audio speakers, audio receivers, audio speakers, audio equipment” in Class 9. The application was opposed by Aiwa Co. Ltd. under section 5(1) and 5(2)(a) of the Trade Marks Act 1994 (the “Act”)/ Article 8(1)(a)/(b) of the 2017 EUTM Regulation on the basis that the trademark was registered in relation to identical goods covering identical/highly similar services to Aiwa Co. Ltd.’s portfolio of earlier rights.

Aiwa Corporation filed a counterstatement against Aiwa Co. Ltd.’s opposition, denying that the respective goods were identical and arguing that the respective marks could be distinguished. In addition, Aiwa Corporation put Aiwa Co. Ltd. to proof of use of its marks, since the Aiwa brand had, since 2008, only been used in relation to spare parts and secondhand sales. Aiwa Ltd. argued that secondhand sales of Aiwa products amounted to use which precluded any revocation action and also the new registration

¹²² [2019] EWHC 3468 (Ch) December 13, 2019.

sought by Aiwa Corporation. The UKIPO disagreed with Aiwa Limited, concluding that in so far as the secondhand sales were concerned, there was no evidence of genuine use with the consent of the trademark proprietor.

Appealing to the High Court, Aiwa Co. Ltd. argued that the UKIPO had wrongly concluded that there was no consent to genuine use by the trademark proprietor. First, while both parties agreed that there had been no express consent, Aiwa Co. Ltd. submitted that there had been implied consent. Moreover, when Sony Corporation Aiwa branded goods on the market in the UK, Sony exhausted its rights which involved implied consent to onwards sales in the UK. This constituted consent to genuine use of the mark in the course of onward sales, including secondhand sales. Aiwa Corporation disagreed, arguing that there had been no implied consent to subsequent sales.

The Court agreed with Aiwa Co. Ltd. that the UKIPO had incorrectly approached the issue of non-use. The Court explained that the concept of “non-use” was made up of two elements, the first being “genuine use” and the second being consent from the trademark proprietor. The UKIPO had erred in assuming that the absence of consent from the trademark proprietor meant that there had been no genuine use. However, the Court did not agree that there had been implied consent by virtue of an exhaustion of rights. The Court held that since the trademark rights had been exhausted by Sony, Aiwa Co. Ltd. could not claim any infringement of the trademark. This was because Aiwa Co. Ltd. no longer had any rights in relation to the goods (as opposed to it being an issue of consent). Accordingly, Aiwa Co. Ltd.’s submissions in relation to consent failed.

The Court turned to the question of genuine use and considered the principles on “genuine use” established by the Court of Appeal in the *London Taxi*¹²³ case. In that case, the Court of Appeal held that:

1. Genuine use means actual use of the trademark by the proprietor or by a third party with authority to use the mark;
2. The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark;
3. The use must be consistent with the essential function of a trademark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others that have another origin;

¹²³ [2017] EWCA Civ 1729 (November 1, 2017).

4. Use of the mark must relate to goods or services that are already marketed or that are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns (internal use by a proprietor does not suffice nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter);
5. The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services;
6. All the relevant factors and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark;
7. Use of the mark need not always be quantitatively significant for it to be deemed genuine; and
8. It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use.

While the Court agreed with Aiwa Co. Ltd. that the appearance of the trademark on secondhand goods was capable of distinguishing goods originating from Sony from other goods, use of the trademark in relation to secondhand sales did not in itself maintain a market share for goods bearing the trademark and was not such to preserve an outlet for the goods or services that bear the trademark. With that said, the Court did not think it was possible to come to a general conclusion as to whether all second-hand sales of branded goods amounted to genuine use of a mark for the purposes of revocation or preserving the mark in opposition proceedings and that each case would depend on its own facts. In this case, the use of trademarks in relation to secondhand sales could not alone justify market share for the relevant goods or services to be considered as “genuine use”, in particular where there was no involvement of the trademark proprietor in the secondhand sales. Aiwa Co. Ltd.’s appeal was therefore dismissed by the Court.

11. Austria—Higher Regional Court Vienna— Inadmissible use of a competitor's trademark

A trademark is “used” within the meaning of the Austrian Trademark Act (among others) if a third party uses it for its own advertising purposes. In its decision dated January 21, 2020,¹²⁴ the Higher Regional Court of Vienna determined litigation between Raiffeisenbank as the plaintiff and another major Austrian bank as defendant, relating to the defendant's use of a ski helmet of Austria's most famous skier, Marcel Hirscher, which also bore the plaintiff's trademark. The court considered the defendant's advertisements (some of them depicted below) as unlawful.



The explanation advanced for the defendant's advertising was based on Marcel Hirscher's public declaration to end his career as a ski racer with the intention of the advertisement being to honor Marcel Hirscher's career and to congratulate him (by stating “Danke für alles, Marcel” (“Thank you for everything, Marcel.”).

The Higher Regional Court of Vienna reiterated that the main function of a trademark is its function as an indication of origin. It is intended to guarantee the identity of the origin of the marked goods or services to the consumer or end user by enabling him to distinguish the goods or services from others that have another origin without any possibility of confusion. The respective advertisement (also) showed a crash helmet with the protected “gable cross.” In the Court's view, it was essential that the defendant did not advertise any specific goods or services with this image, but its publications undoubtedly served to advertise itself. The aspect cited by the defendant of publicly “thanking” Marcel Hirscher—if it existed at all—recedes into the background, because a mere “thank you” would not have required this advertising effect. The incriminated subject does not show Marcel Hirscher at all, but only a helmet on which the plaintiff's protected sign is visible to such an extent that it can be recognized. The fact that the defendant puts its

¹²⁴ OLG Wien (Higher Regional Court of Vienna, January 21, 2020), 133 R 132/19p.

name in the foreground as well as the established advertising slogan “glaubandich” (“trust in yourself”) removes any doubt about the advertising purpose of the publications. According to Section 10a(5) of the Austrian Trademark Act, a trademark is also “used” within the definitions of the act if it is used for advertising purposes. Use is not only deemed to have occurred if the trademark is used with the aim of pointing consumers to specific goods or specific services. The proprietor of a trademark may prohibit the use, without his consent, of a sign identical with his trademark in relation to goods or services identical with those for which the trademark is registered, if such use impairs his ability to use the trademark as an element of sales promotion or an instrument of commercial strategy.

The trademark owner’s claim for injunctive relief thus arose directly from Section 10(1) of the Austrian Trademark Act due to the unauthorized “use” of the plaintiff’s trademark by the defendant. Since the sign was recognizable despite only partial representation, the element of use was fulfilled. Questions of likelihood of confusion and whether the defendant’s advertising was in any way effective were, strictly speaking, irrelevant, as was whether the defendant intended to transfer (or did transfer) the reputation of the plaintiff’s trademark to itself.

12. Poland—Polish Supreme Administrative Court— What are the proper reasons for justifying non-use of a registered trademark?

The word trademark MADARA was applied for as a Polish national trademark on June 1, 1994, in Class 33 for alcoholic beverages: wines, vodkas, liqueurs, wine, cognacs, with such registration being granted on July 25, 1997. In February 2009, the PPO received an application filed by a Bulgarian company for revocation of the trademark MADARA. As the legal basis for its request, the applicant indicated Article 169, sec. 1, pt. 1 of the IPL¹²⁵ (equivalent to Article 16(1) of the 2015 TM Directive). According to the applicant, the PPO had refused to register his international trademark MADARA within the territory of Poland, citing conflict with the (prior registered) disputed trademark. Meanwhile, the results of the applicant’s market research indicated that the trademark had never been used in Poland in relation to the goods for which it was registered.

In response to the request, the owner stated that there were important reasons for non-use of the disputed mark, which should

¹²⁵ Article 169, sec. 1, pt. 1 of the IPL: “Trademark protection is also liable to revocation due to: genuine non-use of a registered trademark for protected goods for an uninterrupted term of five years after the date a decision is issued to grant protection, unless there are good reasons for non-use [. . .].”

prevent any declaration of revocation. The owner blamed the incomprehensible delay in registering the license in the register kept by the PPO, who therefore could not fully exercise his right and prepare himself to market the goods, and additionally had lost belief that he would ever be able to do so.

By a decision of December 2009, the PPO stated that the trademark MADARA became vulnerable on July 26, 2002, as a result of non-use, recognizing that the change of the entitled person and the subsequent entry of the new owner into the register did not constitute a proper reason for lack of genuine use of the trademark.

On appeal, the DAC quashed the decision of the PPO.¹²⁶ The Court held that PPO failed to address the arguments raised by the owner regarding the existence of valid reasons for non-use of the trademark at issue and failed to examine all circumstances confirming those valid reasons. Therefore, the reasoning of the contested decision could not reflect the course of the Office's reasoning with respect to evidence gathered. The Court pointed out that the Office, when re-settling the case, should examine the entire scope of evidence in the context of Article 169(1)(1) of IPL and properly consider whether the facts invoked by the owner may be considered as proper reasons for non-use of the trademark.

The PPO while re-examining the case, analyzed the following circumstances raised by trademark owner: the declaration of bankruptcy of the first holder of the trademark, investigation by another entitled entity, a right to the disputed trademark in proceedings before a common court, delay of the Office in making an entry in the register regarding a licensee entitled to the disputed trademark, as well as the license to use the disputed trademark granted to another company and loss of financial liquidity of the owner due to lack of possibility to use the disputed trademark. Analyzing the above circumstances, the PPO again decided that none of these reasons did constitute an important reason justifying non-performance of the obligation to use the disputed trademark.

The owner appealed against the second decision of PPO, but the appeal was dismissed by the DAC. The owner appealed again, thus the case finally reached the SAC. The SAC dismissed the appeal and again confirmed revocation of the trademark due to non-use.¹²⁷ In the SAC's opinion, it is the owner of the disputed mark who bears the burden of proof of demonstrating genuine use of the trademark or the existence of proper reasons for its non-use. It is an obligation of the parties to provide sufficient evidence confirming their position. The PPO is not obliged to seek evidence of the existence of

¹²⁶ Judgment of the DAC in Warsaw of October 14, 2011, VI SA/Wa 1203/11, LEX No. 1155486.

¹²⁷ Judgment of the SAC of March 4, 2020, II GSK 3616/17, ONSAiWSA 2020, No. 6, item 93.


important reasons for non-use of the disputed trademark by the entitled person.

The SAC shared the position of the PPO and emphasized that, pursuant to the case-law, important reasons for not using a trademark within the meaning of Article 169(1)(1) of IPL are of a factual or legal nature, which cannot be attributed to negligence (or incompetence) of the entitled person. Proper reasons would include events independent of the actions of the proprietor, as well as exceptional and sudden events bearing the characteristics of force majeure, which cannot otherwise be foreseen or prevented. The circumstances on the facts at issue related to the ordinary risks of commercial activity carried out by commercial entities. The changes of proprietor of the disputed trademark did not constitute valid reasons for non-use of the trademark, as the requirement of use (and consequences of non-use) related to the right of protection conferred to the trademark, not the owner of such trademark. The successor of the right to a trademark must assume the possibility of its loss, even just after the assignment, if the previous owner has not used the trademark for a period of time giving rise to the claim for revocation.

The Court thus upheld the established line of Polish case law regarding interpretation of proper reasons for non-use of trademarks.¹²⁸ This is particularly important because the term “proper reasons” is not defined by the legislator, and there are no guidelines as to its interpretation in the IPL. This means that the institution enforcing this provision is given considerable freedom in this respect.

13. Germany—Federal Patent Court—Genuine use of retail services—CARRERA

In a decision of January 10, 2020,¹²⁹ the Federal Patent Court of Germany had to consider the question of the genuine use of a trademark registered in respect of retail services.

The applicant had filed a trademark , inter alia, for various electrical devices for body and beauty care and for electrical kitchen devices. The trademark was opposed by the owner of a trademark CARRERA, registered in Class 35 for retail and online retail services in the field of various goods including electrical devices for body and beauty care and for electrical kitchen devices. The German PTO partly allowed the opposition.

¹²⁸ See also judgment of the DAC in Warsaw of February 10, 2017, VI SA/Wa 1021/16, LEX No. 2364947; or judgment of the SAC of November 29, 2016, II GSK 919/15, LEX No. 2199052.

¹²⁹ Case No. 29 W (pat) 41/17—“Carrera.”

The applicant appealed the decision to the Federal Patent Court and questioned the genuine use of the mark relied upon in the opposition. The opponent provided evidence of use in relation to retail services with electrical devices for body and beauty care and for electrical kitchen devices, which had also been deployed in the parallel proceeding “Onlinehandel Carrera”¹³⁰ by another panel (“Senate”) of the Federal Patent Court. The devices all originated from the Opponent.



In a different outcome to the parallel proceedings, the senate of the Federal Patent Court decided in the case reported on here that there was *no* genuine use for online retail services in the field of electrical devices for body and beauty care and for electrical kitchen devices, because the opponent had sold only *its own* products. It was of the opinion that the service of a retailer within the meaning of Class 35 only comprises the specific activities which are provided by retailers in direct connection with the distribution of goods of third-party production. In order to be a genuine offer of retail services, the retailer must present goods from various manufacturers to the consumer in order to make it easier for the consumer to choose among these various goods. In the view of the Court, the service component is the facilitation of the sale brought about by the measures of presentation (including advice, fitting) and not the sale itself. Accordingly, it considered the sale of own goods in a “flagship store” or “factory outlet” not a service within the meaning of Class 35. The sale of the goods by the manufacturer himself—also via an Internet store—is covered by the trademark and, in the view of this senate, is not amenable to protection by a retail trademark. Even if the manufacturer, when selling the goods via an Internet store, offers a particularly appealing presentation, free telephone advice on the product or particularly simple ordering options, this, in the view of the court, serves solely to enhance the value of the product manufactured by him as such and is an integral part of the sale. As the opposition mark had therefore not been genuinely used, the opposition was entirely rejected.




14. Portugal—Intellectual Property Court— The assessment of use within the limits of the rights conferred by a trademark registration

The decision of the Portuguese Intellectual Property Court in *EDP*¹³¹ considered the legitimate use of the term “EDP” in relation to clothing by the companies EDP—Distribuição Energia, S.A and EDP—Energias de Portugal, S.A.

¹³⁰ Case 28 W (pat) 3/19, decided on October 4, 2019; see the report in Part III.C.16 of this Review.

¹³¹ Case No. 163/20.9YHLSB.

The plaintiff, Etapas e Metas—Imobiliária, Lda (“Etapas e Metas”), filed a civil action before the Portuguese Intellectual Property Court requesting the Court to recognize the ownership of the European Union Trademark No. 012559126 “EDP FOOTWEAR ,” registered for “Footwear; Headgear; Clothing” in Class 25, and of the Portuguese Trademark No. 619995 “EDP FOOTWEAR ,” also registered in respect of “Footwear; Headgear; Clothing” in the same class. In addition, the plaintiff petitioned the Court to order the defendants (EDP—Distribuição Energia, S.A and EDP—Energias de Portugal, S.A.) to refrain from using the sign “EDP” on all its “clothing, footwear, headgear materials and accessories,” used by and distributed to its employees.

The defendant companies EDP—Distribuição Energia, S.A and ED—Energias de Portugal, S.A., part of the Group EDP, are the owners of several word and logo trademarks that include the element “EDP,” inter alia, including the Portuguese mark No. 2440 “GRUPO EDP | EDP Energia, S.A.,” the Portuguese Trademarks No(s). 382883 “EDP  edp,” 442296 “EDP DISTRIBUIÇÃO ,” and No. 482984 “EDP (

Etapas e Metas argued that the sign/mark “EDP” used by EDP—Distribuição Energia, S.A. and EDP—Energias de Portugal, S.A. to identify goods identical to those manufactured by the plaintiff created a likelihood of confusion among the consumers concerning the origin of said goods, due to the graphical and phonetic similarities between the trademarks. According to Etapas e Metas, the conduct of EDP—Distribuição Energia, S.A., and EDP—Energias de Portugal, S.A. caused them considerable damage, since their potential customers now appeared to show less interest in their products, considering them to be confusingly similar to those used by the employees of EDP—Distribuição Energia, S.A and EDP—Energias de Portugal, S.A., as well as the use of such marks in the defendant’s advertising campaigns.

The companies EDP—Distribuição Energia, S.A and EDP—Energias de Portugal, S.A. rejected such arguments and denied the existence of any violation of the trademark rights owned by the plaintiff, considering their use of the trademark EDP rightful and legitimate and that their staff were fully entitled to wear clothing with the EDP brand affixed to it to mark their employment and affiliation.

The Court recognized the priority of the trademark registrations owned by the companies EDP—Distribuição Energia, S.A and EDP—Energias de Portugal, S.A., and thus considered that the fact that the signs of the conflicting trademarks are similar, both in terms of the word element “EDP” and the figurative element marked by white letters in red ellipses, was due to the adoption by Etapas e Metas of subsequent trademark registrations composed of a sign

and image that already existed in the market, which could not be ignored by Etapas e Metas.

The Court also held that the use of the sign/mark “EDP” in the uniforms of the employees of EDP—Distribuição Energia, S.A and EDP—Energias de Portugal, S.A., and in goods related to clothing distributed in advertising events is a very common practice in the business sector, perfectly widespread, legitimate and noticeable in the everyday life by all the consumers. The sign/mark “EDP” used on the uniforms of the employees of the defendants serves only the purpose of identifying them before the public as employees of that organization. The use of the sign/mark “EDP” by the defendants is fully within the limits of the rights conferred by the respective trademark registrations to distinguish its goods/services from its competitors, in the energy market. The Court concluded that the defendants do not commercialize the clothing itself, and that the clothing of the employees were not produced by the defendants EDP—Distribuição Energia, S.A and EDP—ENERGIAS DE PORTUGAL, S.A. Accordingly, the claim for infringement failed.

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.

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 (formerly Article 5 of the 2008 TM Directive).

The cases featured in this Part VI are all from national courts covering a typically diverse range of issues. The Brussels Court of Appeal heard the appeal of Amazon, which successfully overturned the finding at first instance that it was liable for the sale of counterfeit goods by third-party sellers on its retail websites in France and Germany. Liability for online infringement was also considered in the context of keyword advertising in Austria and in respect of video games and facilitation of “downstream” infringement before the High Court of England and Wales. That court also considered questions of targeting consumers and de minimis infringement, while the Appeal Court of Barcelona considered the threshold and proof of reputation for well-known (unregistered) marks to be protected from infringement under Article 6*bis* of the Paris Convention and the Court of Milan, Italy considered the use of a famous third-party trademark (without consent) in the context of promotion of a luxury fashion show.

*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 trademark 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.

(Note: in the 2017 EUTM Regulation, Article 9 has been extended and supplemented. Article 9(4), dealing with goods in transit, is a new feature that was not found in the old EUTM Regulation. Also new are the express references to use as a trade or company name in Article 9(3)(d) and to use in unlawful comparative advertising in 9(f). (Note that this does not outlaw the use of marks in comparative advertising per se, but the use must conform to EU law requirements.) The numbering has also changed, so that the main infringing acts now fall under Article 9(2) rather than 9(1), as they did under the old EUTM Regulation. The provision that the exclusive rights are without prejudice to earlier rights, at the beginning of Article 9(2), is also new.)

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 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 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.

Article 5 of the 2008 TM Directive

(Note: The corresponding provisions are to be found in Article 10 of the 2015 TM Directive)

1. The registered trade mark shall confer on the proprietor exclusive rights therein. The proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade:
 - (a) any sign which is identical with the trade mark in relation to goods or services which are identical with those for which the trade mark is registered;
 - (b) any sign where, because of its identity with, or similarity to, the trade mark and the identity or similarity of the goods or services covered by the trade

mark and the sign, 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.

2. Any Member State may also provide that the proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade any sign which is identical with, or similar to, the trade mark in relation to goods or services [which are not similar to those for which the trade mark is registered], where the latter has a reputation in the Member States 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, inter alia, may be prohibited under paragraphs 1 and 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 these purposes under that sign, or offering or supplying services thereunder;
 - (c) importing or exporting the goods under the sign;
 - (d) using the sign on business papers and in advertising.

(Note: By virtue of CJEU case law, the italicized wording appearing above in square brackets is effectively to be ignored. In other words, the rule applies whether or not the goods and services in question are similar, including situations where the goods and services are identical. The infringement provisions of the 2008 TM Directive were modified in the 2015 TM Directive, such that Article 10 of the 2015 TM Directive, corresponds closely with the provisions of Article 9 of the 2017 EUTM Regulation.)

C. Cases

1. Belgium—Brussels Court of Appeal—Can an online retailer be held liable for the presence of counterfeit goods on its platforms?

A previous volume of this Review¹³² reported on proceedings brought by the French shoe designer Christian Louboutin in respect of allegations that counterfeit high heels bearing the famous red sole were offered for sale on the amazon.fr and amazon.de websites. The Brussels Business Court had previously ruled that Amazon was

¹³² A/2019/918.

liable for trademark infringement for the sale of counterfeit goods on its platform.

The present case relates to Amazon's successful appeal of that judgment, whereby the Brussels Court of Appeal overturned the judgment of the lower court. The Brussels Court of Appeal ruled that a distinction must be made between two types of situations.

First, Amazon EU has its own retail activities, where it resells goods that it purchased from its own suppliers. In respect of the sale of goods in that context, if such goods are counterfeit (or if they were put on the European Economic Area market without the trademark holder's consent), Amazon is directly liable for trademark infringement. This liability encompasses the stocking of those goods for the purpose of them being put on the market.

Secondly, where Amazon merely hosts sale offers from third-party sellers, Amazon is not directly liable for trademark infringement in respect of those sales. The Brussels Court of Appeal ruled that this is the case even where Amazon had determined that such products be placed on dedicated fashion pages called "Amazon Fashion" or "Amazon Business" and by advertising the products with language such as "our goods," "our service," "our delivery of goods," "our best offer," "our selection of the best goods," etc. The Court ruled that, although Amazon played an active role in the presentation and promotion of the goods, the Internet users know that they are purchasing the goods from third parties and not from Amazon directly. According to the Brussels Court of Appeal, that was sufficient in the given circumstances to avoid a finding of trademark infringement.

2. Austria—Austrian Supreme Court—Use of trademarks in keyword advertising

Austrian jurisprudence typically provides that the advertising of a third party generated by the use of a trademark or a trademark component as a keyword infringes the rights of the trademark proprietor. However, if it is easy for a normally informed and attentive Internet user to recognize from this advertisement that the goods or services advertised do not originate from the proprietor of the trademark or from an undertaking economically connected with him, there will be no infringement. In the decision of OGH of October 20, 2020,¹³³ the Austrian Supreme Court provided further guidelines relating to inadmissible keyword advertising.

The plaintiff had been engaged in decoration, presentation of goods, window dressing, and visual sales promotion in the sense of visual merchandising since 1932 and was the proprietor of the following word and figurative trademark registered with the

¹³³ OGH 20.10.2020, 4 Ob 152/20m.

a trademark component) as a keyword would result in infringement unless it is easy for a normally informed and reasonably attentive Internet user to recognize from this advertising that the goods or services advertised in the advertisement do not originate from the trademark proprietor or from an undertaking economically linked to him. The Austrian Supreme Court applied the guidance from the principles of the relevant case law of the CJEU,¹³⁴ finding that the proprietor of a trademark is entitled to prohibit an advertiser from advertising, on the basis of a keyword identical with, or similar to, that trademark, without the trademark proprietor's consent in the context of an Internet referencing service, goods or services that are identical with those for which the trademark was registered, where it is impossible or difficult for an average Internet user to ascertain from that advertisement whether the goods or services referred to in the advertisement originate from the trademark proprietor (or an undertaking economically connected with him) or, on the contrary, originate from a third party.

In this case it was decisive that, in spite of the recognizability of the search results as a paid advertisement, it was not sufficiently clear whether the advertisement originated from the trademark owner. In such a situation, where the ad in question is shown while the trademark is still visible as a keyword, the origin-indicating function of the trademark may be impaired within the meaning of the CJEU's case law and the Internet user may be mistaken as to the origin of the goods or services concerned. In such circumstances, the use of the sign identical with the trademark as a keyword triggering the appearance of the ad may create the impression that there is a commercial connection between the goods or services concerned and the trademark proprietor.¹³⁵ In the view of the Austrian Supreme Court, in connection with the reference to the fact that in the online shop in question one can obtain "the perfect decoration . . . decorative items for shop windows & shop fittings from professionals," the Court of Appeal's assessment that, even if the plaintiff's trademark is not included in the advertisement, this does not constitute an advertisement that sufficiently informs the average Internet user that there is no commercial connection between the parties was an assessment the court was entitled to make and should not be interfered with by the Austrian Supreme Court.

¹³⁴ See, e.g., Cases C-236/08 to C-238/08, *Google France and Google*, C-278/08, *BergSpechte*, C-91/09, *Bananabay*, C-558/08, *Portakabin*, C-324/09, *L'Oréal / eBay*, and C-323/09, *Interflora*.

¹³⁵ See also CJEU Cases C-236/08 to C-238/08 *Google France and Google*, para. 84 f.

3. UK—HC—Use in the course of trade, preparatory acts, and facilitation of “downstream” infringement

The decision of the High Court in *Manchester United Football Club Ltd. v. Sega Publishing Europe Ltd. & Anor*¹³⁶ concerned an application made by Manchester United Football Club Ltd. (“Manchester United”) to amend its particulars of claim in the trademark infringement proceedings between itself, Sega Publishing Europe Ltd. (“Sega”) and Sports Interactive Limited. Although this case was only a hearing relating to the preliminary stages of a dispute and what arguments could be submitted or maintained, the judgment illustrates some useful principles in relation to use in the course of trade, and the preparatory acts of one party that might facilitate the “downstream” infringing act of a third party.

Manchester United is the registered proprietor of EU trademark MANCHESTER UNITED and a figurative mark depicting the club’s crest, as shown below.



The original claim brought by Manchester United alleged that Sega had infringed its trademark rights, registered for “computer software” and “pre-recorded games on . . . software . . .”, through the use of the marks without a license or consent in its video game *Football Manager*. The mark displaying the club’s crest was not actually displayed in the video game, but Manchester United argued that its rights in such mark had been infringed nonetheless. This assertion was based on the argument that Sega had actively replaced the crest with a simplified red and white logo, and this logo, combined with the context of the real names of players being used, would result in a substantial number of users *expecting* to see the club’s crest displayed. Manchester United argued that this therefore deprived it of its right to license the mark.

In the present case, Manchester United applied to amend its particulars of claim so as to include a new claim against Sega and Sports Interactive Limited for *accessorial* liability within the

¹³⁶ [2020] EWHC 1439 (Ch) (June 4, 2020).

meaning of Article 10 of the 2017 EUTM Regulation.¹³⁷ Article 10 provides a trademark proprietor with the right to prohibit certain “preparatory acts” in relation to the use of packaging, labels, or other means to which the mark could be affixed if there is a risk that such means could be used in relation to goods and services and such use would constitute infringement under Article 9 of the 2017 EUTM Regulation.² Specifically, the proprietor may prohibit the affixing of a sign identical with or similar to its EU trademark and, further, the offering of the sign to the market. Manchester United submitted that Sega and Sports Interactive Limited were jointly liable along with at least one third-party patch provider for use of the mark in “patches,” being downloadable files provided on websites that allow gamers to associate certain graphics with the teams in the game.

The Court noted that preparatory acts ought only to be prohibited where, at the time of the act in question, there was a risk that the packaging or other means, in this case being the patches, to which the mark was affixed could in due course be used in relation to the goods and services that would amount to an infringement. In agreement with Sega, the Court held that for the purposes of Article 10, there must be a risk of “downstream use,” which would amount to an infringement within Article 9 (which covers infringing use by gamers) and that the draft pleadings did not clearly state a case for infringement of Article 9. Despite Manchester United’s submission that it was not important whether there had been an infringement under Article 9 because Article 10 (on which its pleadings were based) referred to the risk of an Article 9 infringement, the court found that this did not advance the claim as originally pleaded.

Further, the Court held that the case set out in Manchester United’s draft pleadings would fail due to the fact that Manchester United alleged preparatory acts that carried the risk that the patches would be used by a *gamer* but not in the course of trade. These gamers would therefore not infringe Article 9 because the use of patches does not constitute “use in the course of trade by gamers,” and the preparatory acts in question were consequently not contrary to Article 10.

4. Spain—Appeal Court of Barcelona—Rights given to unregistered marks

The protection given to unregistered trademarks in Spain is very limited and only those trademarks with reputation in Spain are given trademark protection and the possibility to oppose the use and registration of junior marks.

¹³⁷ 2017 EUTM Regulation.

In a very interesting preliminary injunction decision, the Appeal Court of Barcelona¹³⁸ ruled on a preliminary injunction filed by the company Chapter 4 dba Supreme against the use of trademark SUPREME for clothing, footwear, and headgear by the Spanish company Elechim Sports SL (“Elchim”).

The U.S. company Chapter 4 Corp., holder of some 130 applications and registrations for the sign “Supreme” in more than fifty countries, filed a request for a preliminary injunction against the use by Elchim of the trademark SUPREME. The Spanish company was the owner of the Spanish Trademark Registration No. 3661526, SUPREME SPAIN, filed on April 12, 2017, and registered in Class 25 reproduced below.



The U.S. company had no earlier trademark registrations with protection in Spain and relied on the well-known character of its SUPREME mark in accordance with Article 6*bis* of the Paris Convention. This request for a preliminary injunction was preceded by an invalidity action.

The Commercial Court No. 2 of Barcelona¹³⁹ rejected the request of Chapter 4. Among other reasons, the Court considered that in the period 2013–2016 preceding the filing of trademark application for “SUPREME SPAIN,” the U.S. company had sold goods with a value of less than US \$400,000 in Spain. In addition, Chapter 4 had not made any specific advertising campaigns in Spain and had no stores in Spain.

The decision was appealed, and the Appeal Court of Barcelona overturned it. According to the Appeal Court, the volume of sales is only one of the factors to be taken into account in order to decide whether a trademark is well-known in the sense of Article 6*bis* of the Paris Convention and the WIPO Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks. The Appeal Court considered that Chapter 4 had proved through a market survey that a high percentage of Spanish consumers aged 18 to 35 recognized the trademark SUPREME (10.4% spontaneous awareness and 47.4% aided awareness). In addition, the trademark SUPREME had been present in Spanish media and celebrities such as Lady Gaga, Kate Moss, Justin Bieber, or Michael Jordan had been photographed with SUPREME products. Therefore, and

¹³⁸ Decision 14/2020, Appeal Court of Barcelona in Case 736/2019, Chapter 4 Corp. DBA Supreme v. Elechim Sports, S.L., January 24, 2020.

¹³⁹ Decision of October 5, 2018, Case 786/2018.

despite the limited sales proved by the U.S. company, the Appeal Court considered the trademark to be an unregistered trademark with reputation and granted the preliminary injunction. The rights of the trademark SUPREME in the name of Elichim were ultimately transferred to Chapter 4, and the dispute was settled.

5. UK—HC—Did alleged acts of infringement target consumers in the UK and/or the EU such that the English court had jurisdiction to hear the claim?

The decision of the UK High Court in *Easygroup Ltd. v. Empresa Aerea De Servicios Y Facilitation Logistica Integral SA (Easyfly SA) & Anor*¹⁴⁰ concerned the jurisdiction of the English court to determine a claim for trademark infringement and passing off brought by easyGroup Ltd. (the owner of the “easy” family of brands, the most well known of which is “easyJet”) against Colombian airline company Easyfly SA and French aircraft manufacturer ATR (a subsidiary of Airbus). The EasyFly brand in question is reproduced below.



In 2018, easyGroup brought a claim alleging UK and EU trademark infringement against EasyFly SA, a Colombian airline providing domestic flights in Colombia under the brand EASYFLY, and related claims against ATR, the president of the Colombian airline. EasyGroup argued that, following the acquisition of five turboprop aircraft from ATR (which were manufactured in ATR’s facility in Toulouse, France), EasyFly and ATR had committed several acts of trademark infringement targeted at consumers in the UK and/or the EU, namely:

- (i) A press release (which had been approved by EasyFly) announcing the purchase of the aircraft had been published on ATR’s website and made available in hard copy at a UK air show; and
- (ii) EasyFly’s logo (as reproduced above) was applied to the aircrafts, which were flown through EU airspace.

In addition, easyGroup submitted three further acts of trademark infringement against EasyFly alone, being:

- (i) EasyFly had allowed customers in the EU to buy EasyFly tickets;

¹⁴⁰ [2020] EWHC 40 (Ch) (January 14, 2020).

- (ii) EasyFly had provided direct marketing to EU-based consumers who provided their email addresses and details to EasyFly; and
- (iii) EasyFly had targeted EU-based customers through their easyfly.co website (which was in Spanish).

In February 2018, easyGroup successfully sought permission from the UK High Court to serve proceedings outside of the jurisdiction (Colombia) on EasyFly. It was clear that easyGroup satisfied the requirement for there to be a serious issue to be tried by arguing that one or more of the infringing acts targeted consumers in the UK and/or the EU. EasyGroup submitted that (i) “easy” is not a Spanish word (and it could not have therefore been chosen/used for the benefit of the Colombian market); (ii) EasyFly had an English-language Facebook page; (iii) EasyFly accepted international credit card payments; (iv) EasyFly provided customers with an international dialling code (which could have been used by EU-based customers); and (v) there had been evidence (albeit only once instance) of actual confusion with easyJet. EasyGroup was also able to successfully argue that the English courts had jurisdiction to hear a claim regarding EU trademarks under the jurisdictional “cascade” contained in Article 125(2) of the EUTM Regulation and that the English court was also the natural place to hear a claim regarding UK trademarks.

EasyFly and ATR applied to set aside service of the proceedings. EasyFly argued that the fact that the airline only provided domestic flights in Colombia meant that there could be no trademark infringement. ATR also argued that the English court did not have jurisdiction under the 2009 EUTM Regulation to hear claims relating to activities taking place in France and any claim in relation to the press release (15 or so copies of which had been published) was so trivial that it would be an abuse of process to permit it to proceed.

Rejecting EasyFly’s defense, the Court stated that the key question was whether the allegedly infringing sign, being “EASYFLY,” was used in the course of trade in the UK/EU (rather than focusing on where the goods/services were being supplied). The Court therefore held that there was, in fact, a serious issue to be tried in respect of all five alleged acts of infringement by EasyFly. However, the Court noted that in serving the proceedings out of the jurisdiction without notice to EasyFly, easyGroup was under an obligation to provide full and frank disclosure. The Court observed that easyGroup had, for several reasons, fallen short of this standard. In particular, the Court explained that (i) the witness statement from easyGroup’s solicitor in support of the application was not factually accurate and failed to address several key issues (including EasyFly’s explicit denial of marketing towards the EU and of offering flights between the EU and Colombia, as suggested

by the witness statement); and (ii) easyGroup had failed to set out clearly the ground on which it alleged that EasyFly had targeted the UK/EU. Permission to serve out of the jurisdiction was therefore set aside, requiring easyGroup to re-apply for permission.

Since the question of service was set aside, there were no proceedings to which ATR could be joined. However, the Court did still go on to consider the question of jurisdiction in respect of ATR, agreeing that whether the Court should give permission to join ATR to the proceedings would be determined by the same requirements as out of jurisdiction service (namely (i) was there a serious issue to be tried on the merits; (ii) is there an arguable case that the claim falls within one or more of the jurisdictional gateways; and (iii) was England (and Wales) the most appropriate forum for the dispute).

Taking each of these in turn, the Court held, first, that the press release made available in the UK was *de minimis* and there did not appear to be any threats to re-publish it. Second, the Court confirmed that since ATR is domiciled in the EU, easyGroup had a choice of issuing proceedings against ATR in its Member State of domicile (France) or in the Member State in which the act of infringement occurred under Article 125(5) of the 2009 EUTM Regulation. However, with regard to the aircraft branding, the aircraft flew over Spain and France (only) and therefore the English Court (under the 2009 EUTM Regulation jurisdictional provisions) had no jurisdiction over ATR. The case serves to highlight that, as far as the English court is concerned, a strong and/or arguable case on the merits will not overcome procedural and jurisdictional rules.

6. Italy—Court of Milan—Does the use of a third party's product bearing a famous trademark during a fashion show amount to trademark infringement?

In its decision of June 6, 2020, the Court of Milan gave some useful guidance on the scope of protection of trademarks with a reputation.

The case revolved around the unauthorized use of Ferrari's famous logo (the "Prancing Horse") in a Philipp Plein fashion show. Although none of the fashion products advertised during the show bore Ferrari's logo, the Prancing Horse was prominent, since, as props, Philipp Plein used replica Ferrari cars, which all bore Philipp Plein's trademark on their hoods, doors, and plates, next to the Prancing Horse logo. Consequently, the pictures and videos of the fashion show published on Philipp Plein's social media also included the Prancing Horse.

Ferrari sued Philipp Plein for trademark infringement, mainly on the grounds of the reputation of its trademark under Article 20(1)(c) of the Italian Code of Industrial Property (ICIP) and Article 9(2)(c) 2017 EUTM Regulation alleging unfair advantage and

detriment to the reputation of the trademark. The Court of Milan found Ferrari's trademark infringement claim to be well established.

Firstly, the decision rejected the exhaustion of rights defense raised by the defendant. In this respect, particularly in light of the deliberate juxtaposition of Philipp Plein's products/trademarks and Ferrari cars, the Court stated that "the cars sold by Ferrari have not been used as part of their physiological introduction into the economic circuit, but specifically for the purpose of staging a show promoting the clothing distributed by Philipp Plein."

The Court then came swiftly to the conclusion that the use of the Prancing Horse, undisputably one of the most famous trademarks in the world, allowed Philipp Plein to take unfair advantage of the mark's reputation. Furthermore, taking into account Ferrari's strict licensing policy, aimed at maintaining the brand's prestige and allure, the Court went on to state that Philipp Plein's use of the Prancing Horse was also detrimental to its repute.

On these grounds, the decision granted the requested injunction and ordered Philipp Plein to pay Ferrari €300,000 in damages (€200,000 on the basis of the "hypothetical royalty" criterion, plus €100,000 as an equitable compensation for the tarnishment of the Prancing Horse logo, which was unfairly linked, according to the Court, to products unrelated to Ferrari's brand image).

Interestingly, the Court of Milan took for granted that Philipp Plein's use of the Prancing Horse, although not being "a use as a trademark," was actionable under trademark law. This is in line with Article 20(1)(c) ICIP, as recently amended by Italian law, which includes, in the scope of protection of trademarks with reputation, the use of a sign "for purposes other than that of distinguishing products and services." However, it is worth noting that no such provision is present in the 2017 EUTM Regulation (or indeed previous EUTM legislation). Moreover, contrary to the ICIP, Article 9(2) of the 2017 EUTM Regulation explicitly limits trademark infringement to the use of signs "in relation to goods or services," thus leaving some room for a possible debate on the relevance under trademark law of cases such as the one at issue.¹⁴¹

¹⁴¹ The case has also been the subject matter of separate preliminary injunction proceedings initiated by Ferrari before the Court of Genoa, mainly concerning the association of the FERRARI trademark in the context of the online advertising of Plein's products. In the first instance of the injunctive proceedings, Ferrari's claims were rejected. On appeal, by decision of February 4, 2020, the Court of Genoa reversed this decision and issued a preliminary injunction against Philipp Plein on the grounds of prejudice to its reputation.

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. Article 14 of the 2017 EUTM Regulation (together Article 14 of the 2015 TM Directive (previously Article 6 of the 2008 TM Directive) sets out certain 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. Such defenses are not absolute but apply only where such use is in accordance with “honest practices” in the relevant context.

This interaction between (fair) competition and trademark law forms the basis for cases considered in this Part VII. Two important decisions before national courts of Germany and the Netherlands considered when a trademark proprietor’s rights which would ordinarily be “exhausted” from a first (legitimate) sale in the EU might still be exercisable to prevent the further commercialization of goods. In Germany, the Federal Supreme Court carried out an extensive review of the impact of selective distribution arrangements on restrictions on circulation of goods and in particular who should bear the burden of proof in demonstrating exhaustion or consent, bearing in mind the risk of partitioning markets in selective distribution. The Hague Court of First Instance considered the use of third-party brands (without consent) on packaging material (reaching the seemingly opposite conclusion from that of the Austrian Supreme Court in a related case reported in this Review in 2019), finding that the proprietor could prevent the use of its brands on a retailer’s packaging without consent and that the relevant rights had not been exhausted from the brand owner’s stock that had been legitimately acquired by the retailer.

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.

(Note: In the new EUTM, the “own name” defense, now contained in Article 14(1)(a), has been confined to natural persons – having previously had no such limitation. The defense for signs or indications that are “not distinctive” is also new, and the wording now contained in Article 14(1)(c) has been broadened.)

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 14 of the 2015 TM Directive

Limitation of the effects of a trademark

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 trademark

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.

Article 6 of the 2008 TM Directive

1. The trade mark shall not entitle the proprietor to prohibit a third party from using, in the course of trade:
 - (a) his own name or address;
 - (b) indications concerning 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 where it is necessary to indicate the intended purpose of a product or service, in particular as accessories or spare parts;provided he uses them in accordance with honest practices in industrial or commercial matters.
2. The 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 recognized by the laws of the Member State in question and within the limits of the territory in which it is recognized.

Article 7 of the 2008 TM Directive

1. The 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.

C. Cases

1. Germany—Federal Supreme Court—Exhaustion of trademark rights—who bears the burden of proof in demonstrating exhaustion?

In a decision of October 15, 2020,¹⁴² the German Federal Supreme Court considered the burden of proof for demonstrating when the rights in a trademark are exhausted.

The plaintiff belonged to a group of companies that manufactures and distributes fragrances via a selective distribution system. The case relates to attempts by the plaintiff to prohibit the importation of its fragrances into Germany.

The model contract used in the selective distribution arrangements referred to authorized dealers as “depositories” and contained the following relevant provisions:

5.2 Restriction of sale to the end consumer

The Depository is only entitled to sell the Products to final consumers and for no other purpose than for private use (including gifts). . . . Therefore, the Depositor may not sell the Products in quantities larger than household quantities (three identical Products per sale). Furthermore, the Depository is not entitled to sell the Products to addresses outside the geographical area of the European Economic Area. . . . The Depository expressly does not agree to any resale or placing on the market of the contractual products which do not comply with the above conditions.

5.3 EU Clause

As an exception to the restrictions under No. 5.2 above, the Depository shall be entitled to sell the Products also to other depositories in any member state of the EEA. Furthermore, the Depository shall be entitled to purchase the Products for itself from other depositories within the EEA. Any purchase

¹⁴² Case No. I ZR 147/18—“Querlieferungen.”

and any sale of the Products that do not comply with these requirements shall be prohibited. In particular, the offer and resale of products that have not been placed on the market within the EEA for the first time is prohibited both as a breach of contract and as a trademark infringement.

5.5 Wholesale barrier

The Depositary shall be authorized as a retail trader and shall implement this business model during the term of the Deposit Agreement. Accordingly, it shall not be entitled to make use of the rights granted to it under no. 5.3 of this Deposit Agreement to an extent which, according to its scope, is to be regarded as a wholesale transaction. Isolated individual transactions outside the regular business operations of the Depositary are excluded.

An affiliate of the plaintiff was the owner of the EU trademark JOOP! registered in respect of protection for perfumeries. The plaintiff was authorized to enforce the trademark rights in that brand.

The defendant belonged to the Amazon group of companies. A “trap purchase” arranged by the plaintiff ordered two copies of the fragrance “Joop! Homme/Man EdT, Vaporisateur 75 ml” via the Internet platform at amazon.de, which the defendant then had delivered to him in Germany.

The plaintiff sued the defendant and requested that the defendant be ordered to cease and desist from offering, selling, or putting into circulation in the course of trade in the European Union fragrances bearing the trademark JOOP unless the fragrances had been put into circulation by the trademark owner or a third party with the consent of the trademark owner in Germany, in one of the other member states of the European Union or of the European Economic Area (“EEA”).

On the facts, it was not clear in which territory the goods at issue were first put on the market by the trademark owner (or with its consent), and specifically whether this took place within or outside the EEA. The plaintiff claimed that the products delivered by the defendant were goods that it had first delivered to Dubai; in this case, the trademark rights would not have been exhausted and an enforcement of the trademark would have been possible. The defendant claimed that it purchased the products from an authorized distributor of a European company belonging to the plaintiff's group; in this case, the right to enforce the trademark against the sale of the product at issue would have been exhausted.

The Munich District Court upheld the infringement action, ruling there had not been an exhaustion of the trademark rights. The defendant's appeal to the Munich Court of Appeal was unsuccessful. The Court of Appeal held that the defendant infringed

the trademark by selling and delivering two copies of “JOOP! Homme/Man EdT, Vaporisateur 75 ml” to the defendant’s agent in the trap purchase, and that the defendant could not rely on the rules of exhaustion with regard to the goods sold by it. As it was not clear in which territory the goods at issue were first put on the market, the decisive aspect of the case was the burden of proof, and the Court of Appeal found that the *defendant* had the burden of proof to demonstrate that the conditions of exhaustion existed.

The Court of Appeal conceded that a reversal of the burden of proof could be considered if the rule of proof could enable the trademark owner to partition the national markets of the EU or EEA and thus favor the maintenance of price differences between the EU or EEA Member States. However, in the Court’s view, this could not be assumed but was also a risk that needed to be demonstrated. The Court of Appeal pointed out that even though the plaintiff operates a selective distribution system that prohibits sales to dealers outside the distribution system, this prohibition was restricted in a way that dealers in other member states of the EU or EEA were allowed to be supplied. Therefore, the court did not see an actual danger of a partitioning of national markets within the EU or EEA. The defendant had not met its burden of proof because it had not disclosed its source of supply in the European Union.

A further appeal to the Federal Supreme Court was successful. The Federal Supreme Court overruled the judgment of the Munich Court of Appeal and referred the case back to the Court of Appeal for a new hearing and decision. The Federal Supreme Court confirmed that the Court of Appeal was correct in stating that, as a rule, the defendant bears the burden of proof with regard to the requirements of the exhaustion. However, the requirements of the protection of the free movement of goods under Articles 34 and 36 of the Treaty on the Functioning of the European Union (“TFEU”)¹⁴³ require a modification of this rule if it could enable a trademark owner to close off national markets and thus favor the maintenance of any price differences between the member states.

Accordingly, the Federal Supreme Court considered the trademark owner to carry the burden of proof that the goods were originally placed on the market outside the EU or EEA by him or with his consent, if he markets his goods through an exclusive distribution system and if the defendant could prove that there is a real risk of partitioning of the national markets if the defendant had to prove exhaustion. The Federal Supreme Court conceded that an *exclusive* distribution system exists only if there is (only) one exclusive distributor in each of the member states of the EU or EEA who is contractually obligated not to sell the goods in question to

¹⁴³ Treaty on the Functioning of the European Union 2012/C 326/01.

dealers for further distribution outside his respective contractual territory.

The Supreme Court took the position that the risk of a partitioning of national markets is not limited to situations where the trademark owner markets his goods in the EU or EEA through an *exclusive* distribution system, but that this could occur in the same way if the trademark owner maintains another distribution system with which he can equally prevent the goods in question from being marketed cross-border in the internal market. Such an impact on trade therefore occurs even in a mere *selective* distribution system. However, the Federal Supreme Court accepted that a partitioning of national markets may not occur if sales to “outsiders” are prohibited, but cross-supplies between distributors belonging to the system in different member states are permitted.

The defendant had argued that price differences exist between the member states and had provided evidence in support. It had also argued that the terms of the model deposit agreement between the plaintiff and its distributors were capable of restricting trade between distributors in different member states. The Federal Supreme Court held that the Court of Appeal should have properly considered this argument in its reasoning. It should have reviewed whether the danger of a partitioning of the markets created by the prohibition of delivery to dealers outside the selective distribution system was actually eliminated by the fact that cross-deliveries to distributors within the system in other member states take place and that these cross-deliveries would lead to an alignment of prices in the EU or EEA. The Court of Appeal had assumed that the price differences between the Member States described by the defendant did not inevitably support a conclusion of the existence of partitioning measures on the part of the plaintiff because they could also be based on other causes, such as different appreciation of the products, different demand behavior, different purchasing power or different taxation rules between Member States. In the view of the Federal Supreme Court, such considerations did not preclude the risk of national markets being closed off because existing price differences between the member states would give rise to a factual presumption of the risk of partitioning of the markets when taking into account the provisions in the model contract.

In particular, the Court of Appeal should have analyzed whether clauses 5.2 and 5.3 of the model contract allowed the distributors to only supply end consumers or other distributors in the EU or EEA, and the impact of the wholesale restriction in clause 5.5 whereby the distributors were also prohibited from supplying larger quantities to other distributors in the EU or EEA. Prohibiting cross-border sales conducted as a wholesale trade, while providing for minimum turnover requirements may make cross-border trade

appear so economically unattractive that any price differences between different member states will persist.

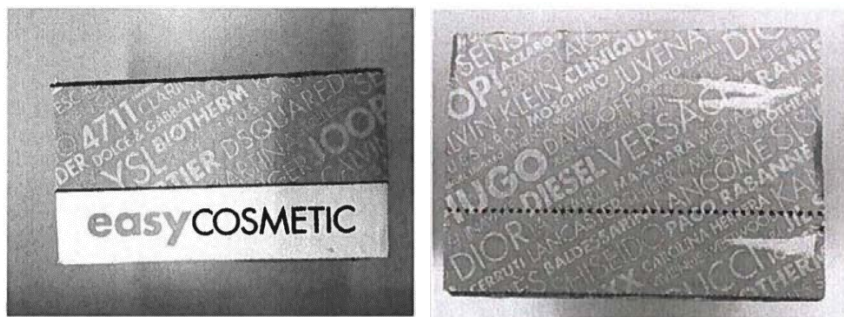
As a result, the Federal Supreme Court came to the conclusion that if the defendant proved that the significant price differences it claims exist, the existence of an actual risk of partitioning of the national markets could not be ruled out. In such a case, it became incumbent upon the plaintiff to rebut this factual presumption and to demonstrate that the price differences were due to other causes. As the reasons considered by the Court of Appeal for such price differences remained in the realm of mere speculation and were not supported by corresponding findings, the Federal Supreme Court referred the case back to the Court of Appeal for a new hearing and decision.

2. The Netherlands—The Hague Court of First Instance—unauthorized use of third-party trademarks on packaging

In *Easycosmetic*,¹⁴⁴ the Hague Court of First Instance considered the use of third-party brands (owned by Coty) on packaging of goods, without the consent of the proprietor.¹⁴⁵

Through its website, Easycosmetic sells perfumes and cosmetics of over 250 brands. Easycosmetic trades primarily in “exhausted stock”—perfumes that were previously put on the European Economic Area with the trademark holders’ consent. Easycosmetic is not part of Coty’s selective distribution network.

Easycosmetic boxes depict over 80 luxury brands for perfumes and cosmetic products:



Coty, which is the exclusive licensee for various perfumes and cosmetics trademarks, sued Easycosmetic for trademark

¹⁴⁴ Coty Beauty Germany GmbH v. Easycosmetic Benelux BV, C/09/566263 / HA ZA 19-37 (March 25, 2020).

¹⁴⁵ For a case reporting on similar issues by the Austria Supreme Court, see Tom Scourfield, *Annual Review of EU Trademark Law: 2019 in Review*, 110 TMR 613 (2020).

infringement, for including Coty brands on such packaging without consent.

The Hague Court of First Instance ruled that Easycosmetic infringed Coty's trademark rights by taking unfair advantage of the reputed trademarks, which were depicted in a prominent way on the boxes. The average consumer would mistakenly believe that there was a link between Easycosmetic and the trademark proprietor. Such a use of third parties' trademarks went beyond the kind of use necessary to identify the kind of branded products offered for resale. Consequently, the Court rejected Easycosmetic's arguments that the trademark rights were exhausted. The fact that Coty chose to operate a selective distribution network was an additional factor showing that it took care that there was no unlawful link between the distribution of its products and the trademarks.

The Court ordered a pan-European injunction and, in addition, full disclosure of the number of infringing boxes that were used, held in stock, and were on order, as well as the destruction of all infringing boxes that were still under Easycosmetic's control.

VIII. GEOGRAPHICAL INDICATIONS AND OTHER PROTECTED DESIGNATIONS OF ORIGIN

A. Introductory Comments

This Part VIII concerns geographical indications ("GIs") and other equivalent protection in the EU. The European Union protects the "names" of over 3,000 agricultural products and food, fishery, and aquaculture products; and wines, spirit drinks, and aromatized wine products under various EU quality schemes. These include GIs that establish intellectual property rights for specific products, where qualities and characteristics are specifically linked to the area of production. GIs include protected designations of origin ("PDOs") and protected geographical indications ("PGIs") for agri-food products and wine as well as GI for spirit drinks and aromatized wines. Traditional speciality guaranteed ("TSG") accreditation emphasizes traditional aspects such as the way the food and agricultural product is made or its composition, without being quite so linked to a specific geographical area. The name of a product being registered as a TSG also protects it against falsification and misuse.

The continuing relevance and need for brand owners and trademark practitioners in Europe to be cognizant with this extensive array of complementary IP protection is emphasized by Article 7(1) of the 2017 EUTM Regulation, which now also provides (unlike its predecessor) for absolute grounds of refusal by reference not only to geographical indications and protected designations of origin, but also to traditional terms for wine, to TSGs, and to plant

variety rights. Similar provisions are contained in the 2015 TM Directive, where the absolute grounds for refusal are contained in Article 4, and the new provisions are set out in Article 4(1)(i) to 4(1)(l) of the 2015 TM Directive. Similarly, the proprietors of such rights are also provided with rights to *oppose* trademark applications on the basis of such rights (Article 8(6) of the 2017 EUTM Regulation and Article 5(c) of the 2015 TM Directive).

To illustrate the above considerations, in 2020 the Supreme Court of Spain considered the ability of a regulatory board that administered a PDO to prevent an application for a trademark filed by one of its members that included the name of the PDO in question, together with an analysis of the absolute grounds of refusal under the “old” regime and the extent to which that test changed in recast legislation. The High Court of England and Wales meanwhile considered the relevance of public perception of a PDO (or lack of) and the Greek Administrative Supreme Court considered a risk of confusion arising from similar geographical names and the extent to which a regulatory requirement to include the source of mineral water justified the inclusion of a term protected by a third-party trademark on product packaging.

B. Legal Texts

Article 7 of the 2017 EUTM Regulation

Absolute grounds for refusal

4. The following shall not be registered:

(Note: paragraphs (a)–(i) were omitted.)

- (j) trade marks which are excluded from registration, pursuant to Union legislation or national law 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;
- (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 terms for wine;
- (l) 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;

Article 8(6) of the 2017 EUTM Regulation

Relative grounds for refusal

6. Upon opposition by any person authorized under the relevant law to exercise the rights arising from a designation of origin or a geographical indication, the trade mark applied for shall not be registered where and to the extent that, pursuant to the Union legislation or national law providing for the protection of designations of origin or geographical indications:
 - (i) an application for a designation of origin or a geographical indication had already been submitted, in accordance with Union legislation or national law, prior to the date of application for registration of the EU 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 the right to prohibit the use of a subsequent trade mark.

Article 4 of the 2015 TM Directive

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) the trade mark includes a sign of high symbolic value, in particular a religious symbol;

- (c) 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

Article 5(3)(c) of the 2015 TM Directive

- 3. The following shall not be registered:
 - (. . .)
 - (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 authorised under the relevant law to exercise the rights arising therefrom the right to prohibit the use of a subsequent trade mark.

C. Cases

1. Spain—Supreme Court— Trademarks including a PDO

The PDO Cava protects quality Spanish sparkling wines produced using the traditional or champagne method. This particular case marks the conclusion of a dispute between the Cava Regulatory Board (which manages and administers the PDO) and one of its members—the company Boscós Catalans S.L., which had filed an application to register a Spanish trademark for “CAVA BROT VINS DE TALLER,” thereby including the PDO term “Cava” without the authorization of the Cava Regulatory Board.

In this case, the Supreme Court of Spain ultimately had to decide whether a trademark application for “CAVA BROT VINS DE TALLER,” which contains the PDO term “Cava,” and which is applied for in order to identify a product itself protected by that designation of origin, may be registered as a trademark without the authorization of the Regulatory Board.

The Regulatory Board filed an opposition before the Spanish Patent and Trademark Office (“Spanish PTO”) against the registration of “CAVA BROT VINS DE TALLER.” The opposition was based on relative grounds (taking of unfair advantage of the earlier well-known registered trademark CAVA) and on absolute grounds (misleading sign and prohibition to register marks that are protected by a designation of origin).

The applicant argued that it was a member of the PDO Cava, that the list of goods had been restricted to “sparkling wines complying with the specifications of the protected designation of origin CAVA,” that according to law it was authorized to use the trademark and that there cannot be any error of confusion in consumers accordingly. The applicant also argued that the application had been filed on October 26, 2016, when the old version of the Directive and Spanish Trademark Act was in force. In contrast to the current regime now in force, which prohibits the registration as a trademark of signs that are *incompatible* with PDOs, the old version of the Spanish Trademark Act contained such prohibition only if there was a misuse, imitation, or any evocation or misleading indication.

The Spanish Patent and Trademark Office rejected the opposition and granted the trademark. The appeal filed by the Regulatory Board before the Boards of Appeal of the Spanish PTO was also rejected. The Regulatory Board appealed the decision before the High Court of Justice of Madrid. In its judgment of September 18, 2019,¹⁴⁶ the High Court upheld the appeal of the

¹⁴⁶ Judgment 577/2019 in Case 605/2018 Cava Regulatory Board v. Spanish PTO, September 18, 2019.

Regulatory Board. According to the Court, for the purposes of trademark registration, only if the Regulatory Board has expressly authorized a trademark containing a designation or origin may this trademark be registered. The fact that the list of goods covered “cava” and that the company was authorized to use (not to “register”) the trademark were considered irrelevant, as they only showed that the trademark would not be misleading for consumers but would still be contrary to the prohibition of signs containing designations of origin and geographical indications.

The case was further appealed by the Spanish PTO before the Supreme Court, which decided to hear the case in order to establish case law that would determine whether the inclusion of a PDO as part of a trademark is in accordance with the law in cases where such inclusion cannot give rise to consumer error because the registration of the trademark has been requested for products covered by that specific designation of origin and whether, in that case, such use must be preceded by the authorization of the regulatory board of the designation of origin.

The Court rejected the appeal. According to the Supreme Court, the recent amendment on absolute grounds prohibitions on PDOs and PGIs is intended to clarify and complete the legal framework applicable to the registration of such signs. The old regime referred to national laws and Spanish Law 6/2015 of May 12, 2015, on Designations of Origin and Protected Geographical Indications was very clear in stating that “the names protected by PDO or PGI are goods of public domain that cannot be individually appropriated, sold or encumbered.” Therefore, it concluded that the absolute grounds for refusal applied to any trademark containing a designation of origin would also be applicable in the “old” version of the Spanish Law and regardless of whether the trademark was misleading.

However, the Supreme Court rectified the High Court of Justice in an important point. According to the Supreme Court, the High Court of Justice erred in stating that only if the Regulatory Board has expressly authorized a trademark containing a designation or origin may this trademark be registered. None of the applicable legal provisions allow us to conclude that the validity or effectiveness of the prohibition on registration of the mark would be undermined in the event of authorization by the Regulatory Council of the Protected Designation of Origin. The judgment of the Supreme Court implied that if the trademark application is accompanied by the authorization from the Regulatory Board, such a document of conformity or approval could be taken into consideration by the Spanish Patent and Trademark Office and/or, where appropriate, by the court—when deciding whether the prohibition of registration applies. However, the authorization of the Regulatory Board cannot be considered a requirement for the

registration of the trademark; nor can the opinion of the Regulatory Board be considered binding with respect to the decision to be taken by the Spanish Patent and Trademark Office.

2. UK—HC—Is actual consumer evidence of how the public perceives a mark in relation to a PDO necessary to prove infringement of that PDO?

In *Les Grands Chais De France SAS v. Consorzio Di Tutela Della Denominazione Di Origine Controllata Prosecco*,¹⁴⁷ the High Court dismissed an appeal against the decision of the UKIPO to uphold an opposition against an application to register the sign “Nosecco,” on the basis of the PDO Prosecco.

In January 2018, Les Grands Chais de France SAS, the appellant, applied to protect in the UK the figurative International Registration No. 1398464, shown below, in Class 32 for “non-alcoholic wines; non-alcoholic sparkling wines” (the “IR”).



The respondent, the Consorzio di Tutela della Denominazione di Origine Controllata Prosecco (the “Consorzio”), is the association established to protect and promote the use of the name “Prosecco.” The opposition was based on four grounds of the Trade Marks Act 1994, most notably that:

1. the IR was of such a nature as to deceive the public (section 3(3)(b) TMA¹⁴⁸); and
2. use of the IR was prohibited by EU law because it misused, imitated, and/or evoked the PDO Prosecco within the meaning of Article 103(2)(b) of the Regulation (EU) No. 1308/2013 (section 3(4) TMA¹⁴⁹).

¹⁴⁷ [2020] EWHC 1633 (Ch).

¹⁴⁸ Based on Article 7(1)(g) of the 2017 EUTM Regulation.

¹⁴⁹ Based on Article 7(1)(j) of the 2017 EUTM Regulation.

In November 2019, the UKIPO Hearing Officer upheld two of the grounds under section 3(3)(b) and 3(4) TMA but dismissed the other grounds of bad faith and the right to prevent passing off.

The Consorzio convinced the UKIPO Hearing Officer that the registration of the NOSECCO IR would be contrary to section 3(4) TMA on the basis that, due to the large number of sales that had occurred and the similarity between the PDO and the IR in relation to highly similar goods, the PDO would be evoked within the meaning of Article 103(2)(b) of the Regulation (EU) No. 1308/2013 and create an advantage. The IR would potentially deceive the public as to the nature, quality, or geographical origin of the non-alcoholic wines and sparkling wines, contrary to section 3(3)(b) TMA.

The appellant appealed the UKIPO's decision and focused its grounds of appeal on the Hearing Officer drawing the wrong conclusions from the evidence in the first instance, specifically in relation to whether the term "Nosecco" evoked the PDO Prosecco in consumers.

It contended, as it did in the first instance, that the term "Nosecco" is an invented, novel word that was coined to refer to the non-alcoholic nature of the goods it covers. It argued that, as the suffix "-secco" means "dry" in Italian and "sec" is a common word used in the wine industry to denote a "dry" (i.e., not sweet) taste, the public would understand "Nosecco" to mean "not dry." Viewed as a whole, the appellant argued that the public would perceive "Nosecco" as referring to an absence of "Prosecco" via its prefix "No."

The appellant also used social media and press article examples to demonstrate that the public often refers to the mark NOSECCO as "alcohol-free prosecco" or "non-alcoholic prosecco" and therefore understood the products to be distinct from goods under the PROSECCO mark.

The High Court rejected the appellant's appeal and concluded that actual consumer evidence was not necessary and that the settled case law¹⁵⁰ requires the court to base its decision on the presumed reaction of consumers based on the evidence provided. The High Court was satisfied that the Hearing Officer, in making its decision, had sufficient evidence of how consumers viewed the NOSECCO product and had made its decision based on such evidence.

In relation to the social media and press article examples, the High Court considered that it did not show anything other than an unprompted perception of consumers without context. Instead, such

¹⁵⁰ The Court referred to *Viniiverla Oy v. Sosiaali-ja terveystalain lupa-ja valvontavirasto* (Case C-75/15 (CJEU, January 21, 2016)) and *Scotch Whisky Association v. Klotz* (Case C-44/17 (CJEU, June 7, 2018)).

evidence showed that the marks would appear automatically similar to the relevant public, supporting the Hearing Officer's conclusion that the mark NOSECCO evoked the PDO.

The appellant had also referred to two recent EUIPO opposition division decisions: *Bolgheri*¹⁵¹ and *Consejo Regulador del Vi de la Terra Mallorca v. Rotkäppchen-Mumm Sektkellereien GmbH*.¹⁵² In each case, an opposition based on contravention of Article 103(2)(b) of the Regulation (EU) No. 1308/2013 had failed. In *Consejo*, the case had failed because the EUIPO considered that the public would not consider a non-alcoholic wine (sold under the name "Sol de Mallorca") to have a connection with the protected geographical indication Mallorca. As both cases had "evidently turn[ed] on their own facts," the High Court held that these previous cases did not affect the Hearing Officer's decision in the first instance.

3. Greece—Greek Administrative Supreme Court— Can the similarity of geographical terms create a risk of confusion?



On March 19, 2007, the Greek company Ipirotiki Viomihania Emfialoseon SA trading as Vikos S.A. (in Greek: "BIKOS AE") filed an application before the Greek Trademark Office for a figurative trademark ZAGOROXORIA VIKOS (in Greek: "ZAGOROXORIA BIKOS," as shown above left), for goods in Classes 32 and 33, namely, natural mineral water, refreshments, and fruit juices, and wines and alcoholic beverages.

Both Zagorochoria and Vikos are geographical indications. The word "Zagorochoria" means the "villages of Zagori." Zagori is the main village of the cluster of Zagorochoria villages. These

¹⁵¹ Consorzio per la tutela dei vini Bolgheri, D.O.C. v. Domaine Boyar International (Opposition No. B 2 939 471).

¹⁵² Consejo Regulador del Vi de la Terra Mallorca v. Rotkäppchen-Mumm Sektkellereien GmbH (Opposition No. B 3 066 437).

geographic areas are very famous in Greece, widely visited and attracting significant tourism, particularly domestic. Due to their mountainous character they are also famous for their springs and high-quality natural waters. Vikos is a particular (famous) gorge in the same area.

The company Hitos Avee (in Greek: “ΧΗΤΟΣ Α.Β.Ε.Ε.”) is a Greek company and proprietor of the earlier national figurative trademark “ZAGORI natural mineral water” (in Greek: “ΖΑΓΟΡΙ φυσικό μεταλλικό νερό,” the mark shown above, right), filed on January 17, 2007. Hitos Avee has been selling natural mineral water in Greece under this mark since 1988, enjoying very significant sales.

Both companies are incorporated and operate in the area of Greece where these geographic regions are placed. Both trademarks were filed to distinguish similar products and, above all, natural mineral water.

Hitos Avee intervened before the Greek Trademark Office (“Greek TMO”) proceedings, seeking to prevent the new application on the grounds of lack of distinctive character and, alternatively, risk of confusion. The Greek TMO rejected the intervention and accepted the application.¹⁵³ It relied on the figurative elements and the additional verbal elements to find that the marks were dissimilar overall.

Hitos Avee appealed to the Athens First Instance Administrative Court. It argued that the elements “Zagori” / “Zagorochoria” are similar and the goods are identical, so a risk of confusion arose, particularly taking into account the strong reputation of the prior mark. The appeal was upheld. Vikos SA then appealed this decision before the Athens Administrative Court of Appeal. The appeal was rejected, and the former decision was affirmed. The Court of Appeal found that the marks were filed for identical goods, that the main elements in both are the words “Zagori” and “Zagorochoria,” which are similar visually and aurally but also conceptually, given that they both refer to the same geographical region, the forty-six villages composing the homonymous cluster (the Zagorochoria villages), overall resulting in a risk of confusion. The Court found that neither the addition of the word “Vikos” is enough to deter confusion due to its secondary position in the mark, not the words “natural mineral water” as these were merely descriptive. The Court of Appeal found that the overall impression is similar and the goods identical therefore there is risk of confusion. The Court did not examine the argument of reputation, as there were already sufficient elements to support a risk of confusion.

Vikos SA appealed to the Greek Administrative Supreme Court. Vikos SA argued that the words “Zagori” and “Zagorochoria” are

¹⁵³ Trademark Administrative Committee Decision No. 70/2008.

descriptive and may be used to denote the geographic origin of the goods at issue, and so lacked distinctive character. Consequently, they could not be registered, nor form the basis of the comparison of the marks or be deemed to constitute their dominant elements. It further argued, that since the word “Vikos” was also the trade name of the applicant and had itself acquired reputation (the applicant also enjoyed a famous natural mineral water in Greece under the name “Vikos”), this was the dominant element in the applicant’s mark and precluded any risk of confusion. The applicant argued that according to Greek Administrative Supreme Court case law, despite the marks sharing a common element, their overall impression can still be different. It also argued that the Court of Appeal ruling was contrary to prior Supreme Court case law, which confirmed that descriptive signs may not be registered as trademarks.

The judgment of the Administrative Supreme Court¹⁵⁴ emphasized that its earlier case law referred to signs that consist only of a simple word that is the name of a geographical region, whereas in the case at issue the mark is not a mere word but a composite of differing elements. Regarding the arguments of dissimilarity between the marks, these were presented as mere factual considerations, not matters of law appropriate for an appeal. Although, strictly speaking, a risk of confusion is a matter of law that should be properly scrutinized by the Supreme Court, the applicant had failed to raise this legal ground.

Only one point of law was properly admissible before the Supreme Court: under Greek law on natural mineral waters and conditions for their exploitation and marketing,¹⁵⁵ the waters extracted from the ground in Greece must carry labelling that includes the words “natural mineral water” *and* the place where the spring is exploited as well as the name of the spring. The name of a locality or place may be included in the trade description, provided that this is not misleading regarding the exploitation. Marketing natural mineral water from the same spring under more than one description is forbidden. When the labels or inscriptions on the bottles in which the natural mineral waters are offered for sale include a trade description different from the name of the spring or the place of its exploitation, this place or the name of the spring shall be indicated in letters at least 1.5 times the height and width of the largest of the letters used for that trade description.

On the basis of these requirements, the applicant argued that it was obliged to include in its trademark the word “Zagorochoria,” and that such element could not constitute the dominant element for the basis of the comparison between the marks. Vikos S.A. claimed that

¹⁵⁴ Ruling 569/2020.

¹⁵⁵ Law 433/1983, implementing Directive 80/777/EC.

the indication Zagorochoria was intentionally set in large letters in its trademark, in order to abide by the provisions of Law 433/1983.

The Supreme Court referred to the decision of the CJEU in *Hotel Sava Rogaška*,¹⁵⁶ which concerned a preliminary ruling on Directive 2009/54/EC on the exploitation and marketing of natural mineral waters, which replaced Council Directive 80/777/EEC.¹⁵⁷ Referring in particular to paragraph 33 of this ruling, the Supreme Court emphasized that the overall purpose of the Directive is to ensure that, in each case, the name of the spring or the indication of the place of exploitation of a natural mineral water enables consumers, when making a purchase, to unequivocally identify the provenance of the water in question and to distinguish a given natural mineral water from any other natural mineral water on the basis of that name or indication. Under that provision, either (i) the trade description may include the name of the spring or the place of exploitation, in which case the trade description itself, as it is, can be used to identify the water at issue, or (ii) the trade description may differ from that name or place, in which case the name of the spring or the place of exploitation must appear on the labels and in advertising in lettering larger than that used for the trade description. Thus, in the identification of a natural mineral water, the Directive affords a decisive role to the name of its spring or, as the case may be, the indication of the place of its exploitation.

The Supreme Court found that this piece of legislation aims at safeguarding the knowledge of consumers so that they are aware of the spring and the geographical origin of the water, as these are depicted on its label. However, legislation that focuses on the trade name of the natural mineral water in connection with the geographical origin of the water is quite different from the intention of legislation on trademarks, which focuses on commercial, not geographical, origin. As such, legislation on natural mineral waters had no relevance to the interpretation of trademark law. Ultimately, the petition before the Council of State was rejected and so was the conflicting (later) trademark “ZAGOROCHORIA Vikos.” The result of the Supreme Court raises concerns of monopolization, at least in the trademark registry, of a geographical indication (the word “Zagori”) for goods for which the specific geographical region is known, namely for mineral waters, and may appear in some respects to be contrary to the *Windsurfing Chiemsee* criteria at the CJEU,¹⁵⁸ which confirmed (paragraph 50) that geographical

¹⁵⁶ Case C-207/14.

¹⁵⁷ See, in particular, Article 8 of Directive 2009/54/EC of the European Parliament and of the Council of 18 June 2009 on the exploitation and marketing of natural mineral waters, which replaced Article 8 of Council Directive 80/777/EEC of 15 July 1980 on the approximation of the laws of the Member States relating to the exploitation and marketing of natural mineral waters.

¹⁵⁸ Joined Cases C-108/97 and C-109/97.

indications that are very well known may acquire distinctive character only if there has been long-standing and intensive use of the mark by the undertaking applying for registration.

IX. PRACTICE AND PROCEDURE

A. Introductory Comments

This final Part IX 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.

The range of topics covered in this more general update section are inevitably fairly diverse. The CJEU issued a rare decision in respect of the exclusion of wording from the Nice Classification, refusing to reword the list to include excluded terms. The CJEU also heard the familiar issue of whether new evidence and arguments may be raised on appeal and still be considered part of the subject matter of proceedings even if not formally raised before the EUIPO. The more flexible approach of Article 76 of the 2017 EUTM Regulation and Article 188 of the Rules of Procedure of the General Court might be contrasted with the strict position of adducing new evidence on appeal in Ireland, as evidenced in the DIESEL case. The availability of injunctive relief was confirmed by the Danish courts even in circumstances where there was a validity challenge pending on the marks in question, while the Irish court also illustrated the practical need to see a court order to obtain the details of infringers operating through an Internet-based platform such as Twitter. The German Federal Patent Court issued a lengthy decision examining who held the burden of proof in determining cancellation proceedings in a famous color mark in respect of legal journals in Germany and the English High Court. Finally, the English court determined the impact of an arbitration clause in a licensing contract and confirmed that even if a party seeks relief that only the court or the UKIPO could grant would not be an impediment to an arbitrator determining the substance of the dispute or the underlying issues.

B. Legal Texts

Article 76 of the 2017 EUTM Regulation

1. In addition to the grounds for refusal of an EU trade mark application provided for in Articles 41 and 42, an application for an EU collective mark shall be refused where the provisions of Articles 74 or 75 are not satisfied, or where the regulations governing use are contrary to public policy or to accepted principles of morality.

2. An application for an EU collective mark shall also be refused if the public is liable to be misled as regards the character or the significance of the mark, in particular if it is likely to be taken to be something other than a collective mark.
3. An application shall not be refused if the applicant, as a result of amendment of the regulations governing use, meets the requirements of paragraphs 1 and 2.

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:
 - (m) Article 25 of Regulation (EU) No 1215/2012 shall apply if the parties agree that a different EU trade mark court shall have jurisdiction;
 - (n) 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—Nice Classification—Was “electrical energy” wrongly excluded from the goods in Class 4 of the eighth edition of the Nice Classification?

In *Edison v. EUIPO*,¹⁵⁹ the CJEU upheld the General Court’s decision to refuse to reword the list of goods in Class 4 of the eighth edition of the Nice Classification, for which the EU figurative mark “Edison” was registered, to include “electrical energy.”

On August 18, 2003, Edison SpA (“Edison”) filed a trademark application for registration of the figurative mark shown below (the “Mark”) for all the goods in Class 4 of the Nice Classification. The Mark was then registered on August 19, 2013.



The version of the Nice Classification in force at the date of application was the eighth edition, which entered into force on January 1, 2002. This was replaced by the ninth edition, which entered into force in January 2007.

In June 2015, Edison requested that the list of goods in Class 4 (for which the Mark was registered) be reworded to include, *inter alia*, “electrical energy.” The examiner refused this insofar as it would lead to an extension of the list of goods claimed at the time of registration of the Mark.

¹⁵⁹ Edison SpA v. EUIPO, Case C-121/19 P, EU:C:2020:714 (CJEU, September 16, 2020).

Following Edison's subsequent appeals, the EUIPO Board of Appeal and the General Court both upheld the examiner's decision. In particular, the Board of Appeal found that the eighth edition of the Nice Classification did not use the expression "electrical energy" either in the wording of the general indications or in the alphabetical list of the goods included regarding Class 4 and, therefore, that Edison could not have intended to claim that product when it filed the application for registration.

Edison appealed to the CJEU to annul the General Court's ruling, alleging that it had:

1. incorrectly interpreted the terms "illuminants," "fuels (including motor spirit)" and "carburants"/"motor fuels," within the meaning of the eighth edition, so as to exclude electrical energy; and
2. disregarded its procedural rights and infringed Article 75 of the 2009 EUTM Regulation.

In its judgment on September 16, 2020, the CJEU rejected both grounds of appeal.

The first ground of appeal related to Edison's claim that the General Court had failed to correctly assess the scope of the terms "illuminants," "fuels (including motor spirit)," and "carburants"/"motor fuel," within the meaning of the eighth edition, with the result that it erroneously excluded electrical energy from Class 4. Edison advocated a "functional" approach, based on Advocate General Bot's assessment criteria in *Chartered Institute of Patent Attorneys*,¹⁶⁰ which it argued the General Court failed to apply (despite the ECJ in that case rejecting such an approach).

Rejecting this argument, the CJEU noted that the General Court had assessed the scope of the terms on the basis of a literal appraisal, the content and scope of which it provided in light of the case law of the CJEU. The CJEU further found, noting that the court in *Chartered Institute of Patent Attorneys* did not follow Advocate General Bot's proposed approach, that the goods for which protection by the trademark is sought must be identified by the applicant for registration with sufficient clarity and precision in order to enable the competent authorities and the economic operators, on that basis alone, to determine the extent of the protection sought.

Edison had also argued that the General Court had incorrectly referred to the fact that "electrical energy" was included in an indicative and non-exhaustive list published by the EUIPO, containing examples of goods and services that, despite being included on the alphabetical list of goods in Class 4 since the ninth

¹⁶⁰ *Chartered Institute of Patent Attorneys* (Case C-307/10) EU:C:2011:784. Advocate General Bot stated that the economic operators must be able to identify precisely "the essential objective characteristics and properties of the goods and services covered."

edition, were “not clearly covered by the literal meaning” of the heading of that class, in order to conclude that electrical energy was excluded from the heading of class 4 of the Nice Classification.

The CJEU disagreed. The General Court had referred to the list by the EUIPO only for completeness and had not considered it as probative. The main reason why the General Court regarded electrical energy as not coming within Class 4 was that, in accordance with their customary and ordinary meaning, the terms “illuminants,” “fuels (including motor spirit),” and “carburants”/“motor fuel” do not include electrical energy. In any event, the General Court has exclusive jurisdiction to assess the value that should be attached to the items of evidence produced before it.

Edison’s second ground of appeal related to its procedural rights and Article 75 of the 2009 EUTM Regulation. The Court rejected as partly inadmissible and unfounded, stating that Edison merely reproduced verbatim the arguments that it had already raised before the General Court, without identifying the specific error of law alleged on appeal or even the paragraphs of that judgment allegedly containing such an error. Further, the CJEU found that the General Court carried out an extensive analysis of the reasons justifying the exclusion of electricity from “illuminants,” “fuels (including motor spirit),” and “carburants”/“motor fuel” within the meaning of Class 4 of the eighth edition of the Nice Classification.

2. EU—CJEU—Are new arguments and evidence admissible in the EU Courts even if they had not been pleaded in earlier EUIPO proceedings, so long as they related to the subject matter of proceedings?

In *Primart v. EUIPO*,¹⁶¹ the CJEU set aside the General Court’s decision to uphold an opposition to the registration of a figurative sign based on likelihood of confusion with an earlier word mark, in which the General Court had held that the applicant’s arguments and evidence on distinctive character had not been pleaded previously at the EUIPO and was therefore inadmissible.

On January 27, 2015, the applicant Primart Marek Łukasiewicz (“Primart”) filed a trademark application for the figurative sign shown below (the “Mark”) for Class 30 goods including “sugars,” “coffee, teas and cocoa and substitutes therefor,” and “baked goods, confectionery, chocolate and desserts.”

¹⁶¹ Przedsiębiorstwo Produkcyjno-Handlowe “Primart” Marek Łukasiewicz v. EUIPO, Case C-702/18 P (CJEU, June 18, 2020).



The application was opposed by Bolton Cile España, S.A., the opponent, under Article 8(1)(b) of the 2009 EUTM Regulation¹⁶² on the basis of its two earlier Spanish trademark registrations for the word mark PRIMA covering the same class of goods.

The Opposition Division dismissed the opposition on September 2, 2016. On appeal, the Board of Appeal upheld the opposition and rejected Primart's application to register the Mark.

According to the Board of Appeal, PRIMA and the Mark were similar both aurally and visually, but not conceptually, as the relevant public in Spain would understand "prima" to mean "female cousin" or "bonus payment," whereas PRIMART has no meaning. The Board of Appeal further held that the distinctive character of PRIMA was average because it has no meaning in relation to the relevant goods. Primart did not make any arguments at the Board of Appeal that the earlier mark's distinctiveness was weak.

Primart appealed to the General Court and argued that the word "prima" refers to a higher quality or as indicating that the products bearing that sign constitute a bonus or free gift connected with the sale of another product. In dismissing the appeal, the General Court refused to consider this argument and related evidence, as it was not pleaded before the Board of Appeal and was therefore inadmissible on the basis of Article 76(1) of the 2009 EUTM Regulation.¹⁶³

On appeal to the CJEU, Primart relied on a single ground of appeal alleging improper application of Article 76(1). Primart argued that the laudatory connotation of the word "prima" constitutes a well-known fact, which need not be raised during the administrative stages of proceedings. It therefore argued that a party should be able to challenge the accuracy of well-known facts before the General Court even if it did not mention them in the proceedings before the EUIPO. Primart's second argument was that, as the Board of Appeal analyzed the issues relating to the meaning of the word "prima" and the distinctive character of the

¹⁶² This provision is now at Article 8(1)(b) of the 2017 EUTM Regulation.

¹⁶³ This provision is now at Article 95 of the 2017 EUTM Regulation.

earlier mark, Primart had a right to challenge that assessment before the General Court.

Following the earlier Opinion of Advocate General Bobek delivered on November 28, 2019, the CJEU held that Primart's arguments and evidence regarding the earlier mark's inherent distinctiveness made before the General Court were admissible.

The CJEU considered Article 188 of the Rules of Procedure of the General Court, which determines the scope of review by the General Court of decisions adopted by the EUIPO in which the "General Court may not change the subject matter of the proceedings before the Board of Appeal."

Under Article 76(1), the CJEU understood that the Board of Appeal could base its decision only on the relative grounds for refusal relied on by the party concerned and the related facts and evidence presented by the parties. However, the fact remains that, as Advocate General Bobek had observed in his Opinion, the Board of Appeal is required to decide on all issues which, in light of the facts, evidence, and arguments provided by the parties and the relief sought, were necessary to ensure a correct application of the EUTM Regulation and in respect of which it had all the necessary information to be able to make a decision, even if no element of law related to those issues had been relied on by the parties.

In the context of opposition proceedings, the CJEU held that an assessment of the earlier mark's inherent distinctive character constituted an issue of law that was necessary to ensure a correct application of the EUTM Regulation. As that assessment does not presuppose any matter of fact for the parties to establish nor require the parties to provide facts, arguments or evidence tending to establish that character, it was for the EUIPO alone to assess the existence of such inherent distinctive character regarding the earlier PRIMA mark.

As a result, the CJEU confirmed that the assessment of the earlier mark's inherent distinctive character *did* in fact form part of the subject matter of proceedings before the Board of Appeal within Article 188 of the Rules of Procedure of the General Court. On this basis, the CJEU held that the General Court had erred in misconstruing Article 76(1) of the 2009 EUTM Regulation.

The CJEU also found that Primart was perfectly entitled to criticize the findings of the Board of Appeal before the General Court based on Article 263 TFEU, whereby an applicant must be able to contest before the EU Courts each issue of fact and law on which an EU body bases its decisions.

As a consequence of finding that the General Court had erred in misconstruing Article 76(1), the CJEU held that the General Court's judgment upholding the opposition be set aside on the ground of inadequate reasoning. Although the opponent had contended that the General Court's reasoning may have been implicit, the CJEU

held that reasoning must nonetheless enable the persons concerned to know why the General Court had not upheld their arguments, which the General Court did not provide. The CJEU referred the case back to the General Court.

3. Ireland—Supreme Court—What is the proper test for permission to adduce new evidence on an appeal in trademark cases?

The Supreme Court of Ireland considered¹⁶⁴ the latest chapter in a long-running dispute between Diesel SPA and Montex over the ownership and use of the DIESEL trademark in Ireland. Both companies had used the DIESEL mark in trade for a prolonged period of time. The Controller of Patents, Designs and Trademarks (“the Controller”) refused Montex’s 1992 trademark application to register DIESEL stating that there would be confusion on the part of the public if the mark was registered. This decision was subsequently upheld by both the High Court and the Supreme Court (the “Montex proceedings”).

The present proceedings arose from Diesel’s application to register the trademark DIESEL in 1994 (the “Diesel proceedings”). Montex opposed the application on the basis of prior ownership and confusion and deception. The hearing in this second matter did not take place until 2012, in part because the parties were awaiting the outcome of the Montex proceedings. Eventually the Controller held in favor of Montex on the basis that Diesel failed to provide evidence concerning the extent of sales of its goods in Ireland.

Diesel appealed the Controller’s decision to the High Court. The relevant legislation, section 25(7) of the former Trade Marks Act 1963 provides that when an appeal of a decision of the Controller is heard under section 57 of the Act, then any party may as prescribed by statute or with special leave of the Court admit further material for consideration by the Court.

High Court decision¹⁶⁵

In the High Court, the Controller submitted that the test from *Murphy v. Minister for Defence*¹⁶⁶ applied:

1. The evidence sought to be adduced must have been in existence at the time of the trial and must have been such that it could not have been obtained with reasonable diligence for use at the trial;

¹⁶⁴ Diesel SPA and The Controller of Patents, Designs and Trademarks and Montex Holdings Limited [2020] IESC 7.

¹⁶⁵ For commentary on the case, see Guy Heath, *Annual Review of EU Trademark Law: 2016 in Review*, 107 TMR 625 (2017).

¹⁶⁶ [1991] 2 I.R. 161.

2. The evidence must be such that if given it would probably have an important influence on the result of the case, though it need not be decisive;
3. The evidence must be such as is presumably to be believed or, in other words, it must be apparently credible, though it need not be incontrovertible.

In 2016, the High Court judge had found that section 57 of the 1963 Act mandated a “full rehearing” and that as a result the rules of admissibility of evidence should be more liberal. Applying the more flexible test set out by Laddie J in *Hunt-Wesson Inc.’s Trademark Application*,¹⁶⁷ the judge concluded that certain new evidence sought to be admitted by Diesel, such as new advertisements, would help in clarifying the extent of usage of the DIESEL mark but refused other evidence on the basis on how on the one hand that it was general character evidence and on the other that it would be difficult for Montex to respond in circumstances that it would require expert evidence in the fashion industry from twenty years ago.

The Controller appealed to the Court of Appeal, and Diesel filed a cross-appeal in respect of the evidence that was refused by the High Court Judge.

Court of Appeal decision

On October 2, 2018, delivering judgment on behalf of the Court of Appeal, Hogan J. held that the High Court judge had erred in acceding to any aspect of Diesel’s application to admit fresh evidence. Hogan J. focused on section 25 (7) of the 1963 Act, noting that on a reading of this section it is clear that an appeal from the Controller to the High Court will be based on material that was before the Controller in the first instance and the admission of new evidence is permissible only on leave of the High Court. He referred to the rationale of O’Donnell J. in *Emerald Meats Ltd. v. Minister for Agriculture*,¹⁶⁸ that any discretion exercised with respect to the admission of new evidence must be considered in light of “the public policy objectives associated with the finality of litigation and the desirability that the parties advance their entire case when given the appropriate opportunity to do so.”

Accordingly, Hogan J. held that the test set out in *Murphy* was more appropriate to the proposed application. Applying the test, he noted that the application failed as the evidence sought to be introduced on appeal was available to Diesel at the time of the hearing before the Controller. Diesel did not supply any explanation regarding the delay in submitting that evidence. Moreover, the

¹⁶⁷ [1996] R.P.C. 233.

¹⁶⁸ [2012] IESC.

evidence had only been disclosed in response to the Controller's determination. The appeal was allowed, and the cross-appeal was dismissed.

Diesel appealed to the Supreme Court on the basis that the Court of Appeal had mischaracterized the scope of the appeal right. Diesel argued that the policy considerations were not those that ordinarily apply in appeals, as the aim of the trademark system is to maintain an accurate register and not simply to reach a final and just decision. Therefore, Diesel argued that the test to admit new evidence should be less restrictive than the *Murphy* test.

In the alternative, if the Supreme Court decided that the *Murphy* test should apply, Diesel submitted that in accordance with O'Donnell J's decision in *Emerald Meats*, the test in *Murphy* permits the admission of further evidence where "the trial takes an unexpected turn." Diesel argued that the "unexpected turn" arose, as it had provided the new evidence in the Montex proceedings and therefore should be able to do so in these proceedings. In response, the Controller argued that no unexpected turn of events had taken place in that he had simply commented on the lack of evidence provided by Diesel in terms of its DIESEL trademark and then Diesel with the benefit of his determination had sought to augment its evidence in order to make out a stronger case.

The Supreme Court found that relevant legislation allowed for the admission of new evidence "either in the manner prescribed" or "by special leave of the Court." As there was no "manner prescribed," the Court focussed on whether it should give special leave or not.

The Supreme Court judge found that the scope of the appeal under section 57 differed from an ordinary appeal to the High Court and categorized it as an "appeal on the record." She noted that this type of appeal is broader than an ordinary appeal as the court can come to its own conclusions on the facts, and the first instance decision maker may seek to participate in the appeal.

Confirming the importance of policy objectives that apply in the *Murphy* test and rejecting the Hunt-Wesson test, the Supreme Court noted that finality in litigation is just as important in trademark appeals as in any other type of appeal.

Rejecting Diesel's "unexpected turn" argument, Irvine J. submitted that there was no "unexpected turn" in this case of the type anticipated in *Emerald Meats*. She surmised that the type of turn envisaged by O'Donnell J. might be the discovery of a surprise witness or of evidence not already flagged in the proceedings. She noted that it would be difficult in the present case for either party to establish the surprise required to succeed in this argument where so much evidence was exchanged in advanced of the Controller's hearing. Irvine J. also noted that the facts relied on by Diesel did not support an "unexpected turn" claim as they did not emerge from

the trial but were based on the decision in the Montex hearing and the Controller's decision in the present case.

Finally, Irvine J. notes that even if Diesel was successful in arguing that the Controller's decisions amounted to an "unexpected turn," the Controller's decisions were consistent and the facts simply did not support the kind of unexpected surprise contended for by Diesel.

The Supreme Court upheld the Court of Appeal's decision that the *Murphy* test was equally appropriate to trademark appeals and should be applied in this case, rather than a less rigorous *Hunt-Wesson* type test. In circumstances that there was no "unexpected turn" of the kind described in *Emerald Meats*, the Court concluded that Diesel had failed the first leg of the *Murphy* test and accordingly dismissed Diesel's appeal. This decision is a useful demonstration of the absolute necessity to admit all evidence possible in first instance trademark proceedings before the Controller, as there is very little scope to admit evidence later on in Irish appeal proceedings. For Diesel SPA and Montex, the result is effectively a "stalemate," with neither party ultimately obtaining an Irish registration for the DIESEL mark in Class 25.

4. UK—HC—Can issues of validity of a trademark be referred to arbitration as part of a wider dispute between two contractual parties?

In *AJA Registrars Ltd. & Anor v. AJA Europe Ltd.*,¹⁶⁹ the High Court considered an application made by the defendant, AJA Europe Ltd., to stay court proceedings relating to a claim for alleged trademark infringement, trademark invalidity and passing off. The claimants in the matter were AJA Registrars Ltd. and its parent company, Holding Socotec S.A.S. The application was brought under section 9 of the Arbitration Act 1996 which provides that a party to an arbitration agreement can apply to stay proceedings brought against it to the extent that they relate to the matters covered by such agreement.

The parties had entered into a number of contracts between 2008 and 2018 in order to align their businesses in various territories and to grant licences to use intellectual property rights. Among such rights were licenses granted by the first claimant to the defendant to use the "AJA" name in certain territories, including the UK. The three agreements to which the application notice referred each contained arbitration wording to the effect that the parties were obliged to agree to attempt to resolve any dispute using their best efforts or, if the dispute could not be settled after thirty days of it arising, through referral to arbitration.

¹⁶⁹ [2020] EWHC 883 (Ch) (April 2, 2020).

The High Court noted that there was no dispute as to whether the wording in the three agreements constituted a valid arbitration agreement, but that the dispute instead centered around whether the claim related to matters that were covered by the arbitration wording in each of the agreements.

With regard to the trademark infringement limb of the claim, it should be noted that one of the agreements, made in 2014, conferred on the defendant the right to use the “AJA” logo. The defendant terminated such agreement, together with the other two relevant agreements, between 2018 and 2019. The claimants alleged that the defendant had been using the “AJA” logo in the UK after the termination of its licence in connection with its business of providing certification and that, in doing so, it had been misrepresenting that its business was that of the first claimant. In any event, it was disputed whether the 2014 agreement truly conferred a right on the defendant to use the logo.

In the High Court application, the defendant explained that a dispute as to the extent to which the defendant had permission to use the “AJA” name or any similar name in the UK was a dispute within the meaning of the relevant agreement. As such, the defendant submitted that the dispute fell within the provisions of the relevant arbitration wording. The High Court held in favor of the defendant on this point, noting that it was clear that the dispute relating to use of the logo fell within the scope of the arbitration agreement and so was intended to be arbitrated.

The High Court then considered whether the claims relating to passing off and trademark validity were to be referred to arbitration. Noting that the claim in passing off was a tortious claim, the Court commented that it was therefore not a claim under any of the contracts between the parties. However, the Court questioned whether a disputed passing off claim could still be considered a dispute arising out of the arbitration terms of the agreement made in 2014.

The defense submitted that there existed an underlying dispute between the parties as to who owns the rights in the name “AJA.” In support of this, the defendant noted that the provisions of the agreement made between the parties in 2015 set out that: (i) the defendant held the rights in the “AJA” name in the UK at that time; (ii) the rights to the name, logos, and trademarks remained vested in the defendant; and (iii) the first claimant would not register trademarks in the name “AJA” during the term of the agreement without the defendant’s consent.

The High Court held that there was a “sufficiently close connection” between the issues in the tort claim and the dispute as to ownership of the “AJA” name that arose under the relevant agreements for it to hold that the passing off claim was to be referred to arbitration. Interestingly, upon noting that there was a

question as to whether an intellectual property claim could be referred to arbitration, the Court confirmed that the fact that there is certain relief sought in intellectual property claims that only the Court or the UKIPO can grant is *not* an impediment to an arbitrator determining the substance of the dispute or the underlying issues. The claim was ultimately stayed in relation to the first claimant's claim. However, in relation to the second claimant's claim, the Court held that the defendant was to provide the claimants with a draft defense to such claim as a result of the "unsatisfactory and piecemeal way in which the defendant's defence ha[d] emerged." The stay of the second claimant's claim was to take effect from the sending of the draft defense.

5. Ireland—High Court—Application seeking disclosure of contact details of an alleged infringer against the operator of an Internet service provider

In *Parcel Connect Limited trading as Fastway Couriers and A&G Couriers Limited v. Twitter*,¹⁷⁰ the High Court of Ireland had to determine an application for a "Norwich Pharmacal"¹⁷¹ type order against Twitter, seeking a court order for the names and all contact details of the alleged infringer in circumstances that fell outside the usual "notice and takedown" procedure common to many Internet-based service providers.

The plaintiffs, trading as Fastway Couriers ("Fastway"), owned the Irish operation of an internationally franchised courier business. They have a Twitter account in the name of "Fastway Couriers IRE" with a Twitter handle of @fastwayIRE. In December 2019, the plaintiffs became aware of a Twitter account in the name of "Fastway Couriers Ireland" with a Twitter handle "@fastwayIRE." In addition to using the "Fastway" trade name, the operator of the account was also making use of the Fastway logo, which was itself a registered trademark. Postings on this Twitter site, in response to apparently genuine enquiries as to when parcels might be delivered, suggested that parcels had been "flung over the rainbow and into fields," "left in caves for a few weeks," or that "the contents had been eaten by drivers." To the right of each entry and in place of the "bio" intended to identify the person to whom the account related and under the heading "Fastwah? Couriers Irel . . ." and the plaintiffs' logo was a statement "Official customer service account for ALL LIES. Where's your package? F[---] knows parody account, don't cry."

¹⁷⁰ *Parcel Connect Limited trading as Fastway Couriers and A&G Couriers Limited v. Twitter International Company*, the High Court of Ireland—High Court Proceeding Number 2020/3091P Decision of Allen J—June 5, 2020.

¹⁷¹ *Norwich Pharmacal v. Customs & Excise* [1974] A.C. 133.

In early April 2020, Fastway's lawyers wrote to Twitter seeking removal of the account on the basis that it was pretending to be Fastway's business and brand. The offending account was briefly suspended for a few days, but then restored. Twitter sent details of the complaint to the account owner but declined to identify the account holder to Fastway's lawyers and subsequently advised that it had investigated the complaint and determined that the material did not violate its terms of service or rules. Later that month the name of the account was changed from *Fastway Couriers Ireland* to *Fastway Couriers Ireland?*, and then to *Fastwah? Couriers Ireland*, and finally to *Fartway Deliveries Ireland*.

Fastway filed High Court proceedings in late April 2020 seeking a Norwich Pharmacal order as well as injunctions requiring Twitter to remove the account from its platform and a variety of orders restraining publication of this material. In the week between filing and the hearing date of the application the account was removed. At the hearing of the application, Twitter's counsel informed the court that the account holder had deactivated the account and in those circumstances Fastway did not pursue the claims for injunctive relief, but asked the court to make the Norwich Pharmacal order nevertheless.

As might be expected, Twitter's stated position was that any dispute arising out of the postings was between Fastway and the account owner. Twitter took the position that it was not the publisher of the information and had no obligation to monitor material posted on its platform. It would not release account holder information without a court order. Otherwise, it adopted a neutral position to the application.

To obtain a Norwich Pharmacal order in a "platform" case such as this, the plaintiff must make out a strong prima facie case of wrongful activity by the account holder in circumstances that it has no other means of ascertaining the account holder's identity and details and that the defendant platform owner is able to provide the information sought. Relief of this type is a discretionary remedy, which involves the Court balancing the interests of the plaintiff against the platform owner's obligations of privacy and confidentiality to account holder/subscribers. As a result, the remedy in Ireland is generally restricted to merely obtaining details of the alleged infringer's identity and contact details and is further subject to undertakings that this information will not be used for any "ancillary" purpose. This means that the information obtained may only be used in proceedings relating to the alleged infringement and cannot be used for the purposes of any other investigation or proceeding.

In view of the critical nature of the comments posted in the Twitter account, the Court was not persuaded that there could be the level of confusion or false association necessary for the purposes

of a passing-off action. However, it did find that Fastway, as authorized licensee of its head franchisor's registered trademarks, had made out a strong *prima facie* case of trademark infringement, both by the unauthorized use of the "Fastway" name and mark and of the "Fastway" logo. Notably, there is no specific defense for parody or satire under Irish law, and as the application was undefended the Court did not consider any possible trademark use defenses. However, such a defense was most probably unlikely to succeed in view of the Court's finding that the postings on the account implied that Fastway was incompetent and inefficient and had wrongfully and maliciously held it up to ridicule and that the account derided and denigrated the business in such a way as to amount to a strong *prima facie* case of defamation.

The Court required Fastway to give an undertaking that the information disclosed by Twitter would not be used for any purpose other than for seeking redress against the account holder. It then went on to require that within seven days of receiving the perfected order Twitter must provide Fastway with any details that it held relating to the identity of the creator of the account, including but not limited to the name, email address, phone number, and all IP addresses associated with all log-ins and log-outs.

6. Germany—Federal Patent Court—Burden of proof in a cancellation proceeding regarding a color mark

In a decision of February 26, 2020,¹⁷² the Federal Patent Court of Germany considered the burden of proof in cancellation proceedings relating to a color mark.

The trademark owner, a publishing company, owned a registered trademark for the color orange. It was registered for "legal journals" and included the following description:

This is a color mark ("NJW Orange"). The color shade is clearly defined according to the internationally recognized L*a*b* system as follows: L: 57.30/a: 59.69/b: 47.25. The color mark is not a color shade listed in the RAL, Pantone or HKS system, but a color shade specially mixed for the Applicant with the internal designation of the manufacturer K+E 194 156. The mark has been used for many years for the "Neue Juristische Wochenschrift" [= "New Juridical Weekly"], Germany's largest and best-known legal journal by far, and its advertising. It is not used by any other legal journal in Germany.

In the initial application, the German PTO had initially objected to the application on the ground of lack of distinctiveness. In written

¹⁷² Oberbank / Banco Santander v. Deutscher Sparkassen- und Giroverband decision of February 26, 2020, Case No. 29 W (pat) 24/17—Color mark orange.

submissions, the trademark owner had submitted various documents, including an excerpt from a media coverage analysis of 1998, and two declarations and claimed that the color mark was inherently distinctive, but that it should in any case be registered on the basis of acquired distinctiveness. No consumer survey was adduced. The trademark was ultimately registered on the basis of acquired distinctiveness.

Years later, the cancellation applicant applied for cancellation of this trademark. By decision of December 8, 2016, the German PTO rejected the request for cancellation. An appeal to the Federal Patent Court filed by the cancellation applicant against this decision was also unsuccessful.

The Federal Patent Court pointed out that cancellation can only take place if the existence of grounds for refusal is established beyond doubt at the relevant time. If such a determination is not possible, even taking into account the documents submitted by the applicant and additionally determined *ex officio*, the registration of the contested trademark must be allowed to continue, particularly in borderline or doubtful cases. On the facts, the Court found that the contested color mark was not inherently distinctive. As such, the validity of the trademark registration depended on acquired distinctiveness through use, resulting in the recognition of the color as a trademark by the relevant consumer.

Referring to the criteria established by the CJEU, in particular in *Oberbank*,¹⁷³ the Court considered the key questions as follows:

- whether the ground for refusal of registration of a lack of distinctiveness is overcome by way of recognition by the public must be assessed on the basis of an overall view of the factors that may show that the mark has acquired distinctiveness;
- the market share held by the mark, the intensity, the geographical distribution, the duration of use of the mark, the advertising effort of the company for the mark as well as declarations of chambers of commerce and industry and of other professional associations are to be taken into consideration; and
- where the assessment of the distinctive character of a trademark raises particular difficulties, EU law does not prohibit the question of the distinctive character of the trademark to be clarified by a consumer survey; but
- in individual cases the acquired distinctiveness can also be determined without a consumer survey.

The contested mark had been registered without a consumer survey. However, the Court considered that the mere failure to

¹⁷³ Case C-217/13 (CJEU, June 19, 2014).

obtain a consumer survey was not sufficient alone to justify the cancellation request. The Court noted that the issue was not important whether the registration as a trademark was based on an erroneous administrative action, but more importantly, whether an absolute ground for refusal actually existed and if so, whether such ground was overcome by acquired distinctiveness.

On an analysis of the facts, the Court emphasized that the judges, as part of the target public, were aware that the trademark owner had appeared on the market for decades with the orange-colored magazine cover and the indication “*Neue Juristische Wochenschrift*” and the acronym “*NJW*” applied in a consistent manner.

The Court further emphasized that:

- the decades-long, uninterrupted use, including its emphasis in advertising, of the color for the legal weekly *NJW* in the entire territory of the Federal Republic of Germany and, after reunification, also in the new German federal states, was well known to the courts;
- the goods claimed related to a narrowly defined, economically independent market segment;
- the cover page of the *NJW* journal has been constantly in the color in dispute since 1976 at the latest, as supported by the magazine copies from different years as well as various advertisements submitted in the proceedings;
- the magazine had a circulation of around 43,000 at the time of the application, which amounted to a high market share in the field of legal journals (being journals regularly available in law firms, authorities, courts and universities in their libraries or reading rooms for all interested parties or are circulated there making the circle of readers clearly exceed the circulation);
- there is hardly a lawyer in Germany who does not know the *NJW* journal with its typical orange-colored title page;
- it is one of the most important and most widespread working tools for lawyers,
- in the advertising for the journal and also on the journal’s website, the color was used strikingly as a font and background color;
- the typical color scheme was also mentioned by third parties in reports about the magazine, and
- the color is not overlaid by more conventional indications of origin, but dominates the covers of the journals.

In view of these circumstances, that Court assumed that the orange cover will be perceived by the public as a trademark and that this was not put into question by the fact that the color was used

exclusively in combination with other signs of the trademark owner. A sign does not necessarily have to be used alone in order to be used as a trademark. Rather, a trademark can acquire distinctive character as a result of its use as part of a complex designation or in combination with other trademarks.

Against this, the Court considered the barely substantiated submission of the appellant was not sufficient to support a finding of a lack of distinctiveness.

Still, it was not *beyond doubt* for the court that the aforementioned facts and indications, which prove a high degree of awareness of the journal *per se*, were sufficient to consider the proof of the prevailing perception in the relevant public for the color mark as provided. The same applies a fortiori—not least because of the change in market conditions as a result of the digital offerings—to the time of the decision on the cancellation request.

However, the Federal Patent Court pointed out that according to the existing case law of the German Federal Supreme Court, remaining doubts as to whether an absolute ground for refusal existed at the time of registration or filing are to be borne by the applicant in the cancellation proceedings. Whether this position was consistent with the decision of the CJEU in *Oberbank* had arguably been left open by the Federal Supreme Court in its most recent decisions on trademark cancellation proceedings because they were not relevant to the decision. As a result, the Federal Patent Court found that a cancellation of the color mark on the grounds of lack of distinctiveness was out of the question. However, because the burden of proof remained an open question at law in such circumstances, the Federal Patent Court allowed a further appeal to the Federal Supreme Court, which is currently pending.¹⁷⁴

7. Denmark—The Danish Maritime and Commercial High Court—Injunctive measures concurrent with cases on the merits regarding trademark validity

On November 6, 2020, the Danish Maritime and Commercial High Court (“MCC”) delivered a decision in a case between Danish company PanzerGlass A/S (“PG”) and WePack ApS and WePack AB (“WP”)¹⁷⁵ concerning the conditions for granting a preliminary injunction during the postponement of a pending main action (between the parties). This case is one of several cases regarding the use of “panserglas” for glass screen protection products for smart phones, tablets, and laptops. “Panserglas” is a Danish term that may be translated to “armored glass.”

¹⁷⁴ Case No. I ZB 16/20.

¹⁷⁵ Case No. BS-27851/2020-SHR, PanzerGlass A/S against WePack ApS and WePack AB.

PG is, *inter alia*, a developer, manufacturer, and seller of screen protectors for smartphones, tablets, and laptops and the owner of a number of trademarks, including:

- EUTM 012111084, PANZER (word), Class 9 of the Nice Classification
- EUTM 011799566, PANZER GLASS (word), Class 9 and 35 of the Nice Classification
- EUTM 015815087, PANZER GLASS (figure), Class 9, 21, and 35 of the Nice Classification
- Danish trademark VR 2015 00955, PANZER (word), Class 9 of the Nice Classification

WP markets and sells screen protectors for smartphones and tablets through websites directed at Danish, Swedish, Norwegian, and Finnish customers, respectively.

On April 30, 2020, PG filed a writ against WP before the MCC claiming that WP should acknowledge that it was to refrain from commercially using the terms “*panserglas*,” “*pansercover*,” etc. for protective covers and protective film for laptops, mobile phones etc. in the EU and Norway (the “Main Action”). WP used the terms when marketing and selling their products. By decision of July 3, 2020, the MCC postponed the Main Action—with the exception of the question of jurisdiction and choice of law—awaiting a final decision in EUIPO’s case¹⁷⁶ regarding the validity of the EU trademark EUTM 011799566 PANZER GLASS (word).

On July 9, 2020, PG filed a request for a preliminary injunction against WP to prevent the commercial use of “*panserglas*,” “*pansercover*,” “*panser cover*,” “*panser*,” “*pansret*,” “*pansar*,” “*pansarskal*,” “*pansarfodral*,” and “*panssari*” for protective covers and protective film for mobile phones, etc. despite the postponement of the Main Action. WP argued that the use of the terms was merely descriptive and therefore did not infringe any of PG’s trademark rights in accordance with the Danish Trademark Act and 14(1)(b) of the 2017 EUTM Regulation and that “*panserglas*” had become a common name for screen protection products. PG disputed this counterclaim and that they had and continue to bring a large number of infringement cases against other third parties’ similar use of the terms referred to in this case, including “*panserglas*.” Furthermore, PG argued its ability to enforce its rights would be limited if the action was stayed pending the Main Action, considering that the primary remedy in cases of intellectual property infringement is a permanent injunction, as the infringements could otherwise continue indefinitely while PG’s trademarks risked damage and degeneration, as well as loss of prestige in general.

¹⁷⁶ Case No. R1451/2019-4, *TechAmmo ApS v. PanzerGlass A/S*.

In the MCC's ruling, the court found that a preliminary injunction against WP could only be enforced with regard to actions in Denmark (*cf.* Article 126(2) of the 2017 EUTM Regulation, read in conjunction with Article 125(5)). Consequently, the terms “pansar,” “pansarskal,” “pansarfodral,” and “panssari” (non-Danish words) were not directed at the Danish market, and for that reason the court could not grant a preliminary injunction against WP with regard to these four terms thus dismissing this part of the claims.

Meanwhile, the MCC noted that the EUIPO's Board of Appeal had during the preparation of the preliminary injunction case decided that the trademark PANZER GLASS was valid, and the Danish Western High Court¹⁷⁷ had granted a preliminary injunction against another Danish trader, who used the terms “PanserGlas” and “panserglas” for protection covers, etc. MCC took those related decisions into account in its reasoning, finding that it was probable that PG was entitled to the claimed action insofar as these terms were used. The MCC also considered it probable that there was a likelihood of confusion between the terms “panserglas,” “panser,” etc. as used by WP, and PG's trademarks, in particular with regard to the phonetic and conceptual similarities, and as considered by the Western High Court.¹⁷⁸ However, the MCC did not consider whether the terms were only used descriptively.

Against this background, the Court granted the preliminary injunction against WP with regard to commercial use of the terms “panserglas,” “pansercover,” “panser cover,” “panser,” and “pansret” in Denmark until a judgment in the Main Action was rendered.

This case underlines that preliminary injunctions are a primary remedy in intellectual property cases, and that even though a case on the merits regarding validity of the marks in question is pending, the need for a preliminary injunction can still exist and may be used both supplementarily and concurrently in Denmark.

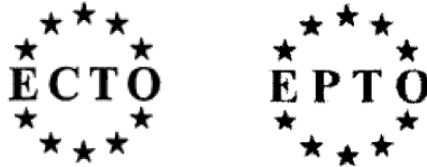
8. Belgium—Brussels Criminal Court—Criminal liability for issue of misleading invoices relating to trademark services

Users and trademark applicants and owners have become accustomed to the increasing amount of unsolicited mail and “misleading invoices” from companies requesting payment for trademark services such as publication, registration, or entry in business directories. Such activities are considered misleading as they create the impression that they emanate from official sources or instances. Many are paid in error by administrative staff.

¹⁷⁷ During Case No. BS-51441/2018-VLR.

¹⁷⁸ *Id.*

BMM, the Benelux Association for Trademarks and Designs (www.bmm.eu) filed a criminal complaint with the Brussels Investigating Magistrate, inter alia, against the persons behind the companies that sent invoices bearing the following misleading logos:



The investigation showed that the suspects operated for several years a structured international network with bank accounts in Denmark, Switzerland and Hong Kong. They spread their misleading and criminal activities over many countries. The Brussels Criminal Court¹⁷⁹ acknowledged the seriousness of the facts and offenses committed and stressed the importance of a serious sentence to underline a serious social message. The Brussels Criminal Court sentenced the suspects to four years of imprisonment with immediate effect, seizure of relevant bank accounts, and additional ancillary measures.

¹⁷⁹ 25th chamber, April 29, 2020, BMM Association, BR.68.99.1587/11.

X. GLOSSARY

CJEU:	The Court of Justice of the European Union, which refers to itself simply as “the Court of Justice.” Before the entry into force of the Treaty of Lisbon in December of 2009, it was known as the “European Court of Justice,” or the “ECJ,” and is still often referred to as such.
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 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”) as of March 23, 2016.)
EU General Court:	The EU court with jurisdiction to hear appeals from the Boards of Appeal of EUIPO.
Member State:	A country that forms part of the European Union from time to time.
sign:	As used (but not defined) in the EUTM Regulation and the TM Directive, “sign” is used to refer to the subject matter of which a trademark may consist and is also used (in the context of trademark infringement) to refer to the offending word, device, or other symbol that the defendant is using; often used in practice when the word “mark” could be used.
Union:	The European Union.
2008 TM Directive:	Directive 2008/95/EC of October 22, 2008, which provides for the harmonization of the laws of the EU Member States in relation to trademarks; it codified the earlier Council Directive 89/104/EEC

of December 21, 1988. This has now been amended and recast as the 2015 TM Directive, which repealed the 2008 TM Directive as of January 15, 2019.

**2015 TM
Directive:**

Directive (EU) 2015/2436 of December 16, 2015, which provides for the harmonization of the laws of the EU Member States in relation to trademarks, and takes over from the 2008 TM Directive.

**2009 EUTM
Regulation:**

Council Regulation (EC) No. 207/2009 of February 26, 2009, which provides for 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 which reflects the amendments made by Regulation (EC) 2015/2424 to the 2009 EUTM Regulation.

Note: EU trademark laws and EU lawyers use the term “trade mark” rather than “trademark.” However, references in this issue have been changed to “trademark” (except in quotations and in the quoted legal text sections) to conform to the norms of *The Trademark Reporter*.

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