

TURKISH DELIGHT!

Focus on mergers and acquisitions and brand exploitation

This year's Annual Conference will be held in Istanbul, Turkey from Tuesday, 16th to Friday, 19th September in the Ceylan Inter*Continental Hotel. A small number of additional rooms has been reserved at the adjacent Hyatt Regency Hotel to ensure that we can meet anticipated high levels of delegate demand.

Once again, the Programming Committee, have put together a very challenging and exciting professional programme.

"Successful Brand Growth" will examine the wide range of challenges and opportunities facing today's brand owner arising from mergers and acquisitions and brand exploitation.

International panels of leading-edge experts, drawn from a wide range of disciplines and professions supportive to the work of the trade mark/brand owner, will present a fully interactive programme in the unique style for which **MARQUES** is renowned. Among the subjects to be covered on the first day, within the framework of the main theme, will be taxation, licensing, brand evaluation, budgeting, due diligence, portfolio integration and consistency, ownership, protection and harmonisation, neighbouring rights, copyright, comparative advertising, designs, trade names, brand profiles and extensions. The Thursday morning programme will examine the ways in which brands and sport co-exist for mutual benefit.

Thursday afternoon Workshops will offer delegates the opportunity actively to contribute to the debate on subjects such as

- Domain name filing strategies
- Overbranding and social reaction and
- Trade Mark Owners' Forum.

Conference programme "standards" such as the presentation of the Lewis Gaze Memorial Scholarship and the overview of latest developments within OHIM, WIPO and the European Court of Justice will, once again, be featured.

In keeping with and sustaining the **MARQUES** brand image, during the three evening functions within the programme, delegates can also be assured of a fully complementary social experience which will offer maximum opportunity for social and professional networking, while enabling delegates to gain an appreciation of Turkish history and culture.

INTERNATIONAL SECURITY CONCERNS

In spite of the current unsettled state of international affairs, **MARQUES** is **NOT** considering the cancellation of the 2003 Annual Conference which is scheduled to be held in Istanbul.

Unless there is a further and significant deterioration in international security, the Conference will go ahead, as planned.

If there should be a significant change and the **MARQUES** Council judges that international travel will be seriously affected, the Conference will be cancelled and **NOT** relocated to another venue. It is our considered view that unless corporate policy places limitations on international travel, which would adversely affect the number of delegate registrations, Istanbul, as a venue, remains as safe as anywhere else in Europe to hold the Conference.

The whole Conference package – including airport transfers, all meals, refreshments, social events, transportation and accommodation – is being presented at the most competitive prices.

Golf competition

For the fourth year, the **MARQUES** golf competition will be held on the Friday afternoon following the close of the Conference. Partners, spouses and non-participating delegates are welcome to join this post-Conference excursion either to play in the competition or to relax and enjoy the wide range of on-site recreational facilities available at the exclusive **Kemer Golf and Country Club** on the outskirts of Istanbul. This year, because of the quality of the facilities, partners are also being offered the opportunity of a full-day visit to the Club.

A presentation supper, to be arranged at the Club before coaches return to the Hotels, is included in the price. The occasion offers an excellent opportunity to wind down before your return home. Why not join us?

Visa requirements

Many visitors to Turkey are required to hold a valid visa. For travellers from most countries affected, these can be purchased at the Airport on arrival. To minimise any difficulties, full details of visa requirements for all countries of the world will be enclosed with the Conference Registration Forms which will be published early in May.

We look forward to meeting you in Istanbul!

Can a single colour be a trade mark?

by Paul Steinhauser

In his opinion of 12 November 2002 in the Libertel case, Advocate-General Léger considers whether a single colour without form or contour can be registered as a trade mark.

The questions had been asked by the Dutch Supreme Court. Libertel was a Dutch provider of mobile telecom services, who used a specific colour orange for its house style on promotional material, stationery, shops, etc. "Was", because Libertel has been taken over by Vodafone, in consequence of which this house style was replaced by that of Vodafone.

The Advocate-General (A-G) holds that a single colour on its own without giving it a form or contour, cannot constitute a trade mark. He has two arguments. First, he considers that if one applies for registration of a single colour, the sign does not fulfil the requirement of graphic representation. Registration of a single colour creates uncertainty in respect of the scope of the right. Secondly, he denies that a single colour can indicate the origin of a product or service. The thread of his argument is that a colour always is an attribute of something else; a colour has no independent life ("*existence autonome*"). It is the sign to which the colour attributes that performs the trade mark function, he says.

It is remarkable that this opinion is not in line with the answers given by the Benelux Registry, the Dutch and UK governments

and the Commission. It is also not consistent with the practice of OHIM. That should provide a serious indication that the opinion may be wrong.

It is true that a colour can only be perceived because it is applied to a certain object. But that is also the case with words, designs, letters or numerals. The essential criterion is whether a colour is capable of distinguishing the goods or services of one undertaking from those of other undertakings. The ECJ in its Sieckmann decision accepts that even smells can have this capacity (albeit they are not capable of being represented graphically). The A-G acknowledges that a colour is a language. It can evoke emotions and pass on information. That means that a colour can be an element in the recognition of a product or service. As is also the case with the other signs, it will depend on the specific goods or services for which the colour will function as a mark, whether this specific colour can be considered as distinctive. If the answer is positive, the colour must be registered. It can be admitted though that a single colour will lose its distinctive character when it is not yet being used.

One should also realise in practice that

goods or a service are identified by means of a variety of signs. Often, a distinctive colour is an element in this identification process. One can protect the combination of all these elements by registering the total get up, but one can also register the distinctive elements separately. To give an example: Application des Gaz S.A. manufactures camping gas tins, which carry a diamond shaped word mark. In practice the public identifies the product by means of the conspicuous blue colour of the tin. A competitor who also introduces a blue coloured gas tin with a completely different word mark, infringes the blue colour mark. At the time (1977), it was unclear whether Benelux law allowed for the trade mark protection of a colour. The Benelux Court of Justice in its decision of 9 March 1977 saw no reason to deny a colour that protection, adding that it will 'not often' be the case that a single colour will qualify for such protection.

The A-G raises a good point where he remarks that the enforcement of a colour mark creates a problem if the opposed colour is not identical. But that cannot be a reason to deny trade mark protection to a distinctive single colour. We have the same problem with descriptive word marks. It is up to the judge of the facts to establish the actual scope of protection on the basis of an evaluation of all the circumstances and the total appearance. If the word or colour is not identical, other elements will play a more important role in determining the risk of confusion.

We hope that the ECJ will not follow the opinion of its A-G because it would be an unnecessarily restrictive interpretation of what can be a trade mark.

Paul Steinhauser, *MARQUES* Council Member, Steinhauser Hoogenraad Advocaten, Amsterdam

Call for Articles

The **MARQUES** Newsletter is an ideal vehicle for communicating your ideas, your opinions or your vision of where trade mark law is or should be heading. It will be seen and read by in-house counsel, trade mark practitioners, IP lawyers, academics, government officials and other NGOs.

Please send any contribution to robin_tyler@bat.com or:
The Editor,
MARQUES Newsletter, 840 Melton Road, Thurmaston,
Leicester LE4 8BN, United Kingdom.

David Goldring: A man who has seen both sides

David Goldring (MARQUES Council member) talks to Robin Tyler about MARQUES, how it began and what he believes it should be aiming at in the future.



DAVID GOLDRING
He is friendlier than he looks!

David Goldring and MARQUES go back a long way together. It was nearly twenty years ago when he was employed in the trade mark department of Allied Breweries (now Allied Domecq plc) that he received a call from John Murphy who was contacting friends in the industry to discuss problems in the trade mark world. In the event, between 100 and 200 "friends" turned up for that meeting in London in 1984.

One of the perceived problems discussed was the fact that there was then no voice to represent the views and needs of brand or trade mark owning companies as opposed to those organisations representing trade mark professionals such as ITMA (Institute of Trade Mark Agents) and ECTA (European Community Trademark Association). At that meeting David confesses to speaking loudly and often about the particular needs of FMCG (Fast-Moving Consumer Goods) companies with large international portfolios of marks. As a result of his outspokenness (a tendency he retains to this day) he was

one of the ten people invited to a follow-up meeting. That group of ten became the MARQUES Steering Committee which organised the very first MARQUES Conference in Vienna in 1986.

It is perhaps because of his pioneering work with that first conference that David holds to the belief that the MARQUES Conference is one of the major reasons for the success of MARQUES. Unlike other international trade mark conferences, the MARQUES conference has its own style. It does not seek to present merely a series of technical lectures to the IP professionals in attendance. Rather it chooses presenters of standing in a number of related professions such as marketing and PR as well as in-house practitioners. These are people who understand the commercial realities which drive the need for trade mark and brand protection. This, and its smaller scale, makes each MARQUES conference a special event.

After that initial involvement, David made a career change and entered private practice as a trade mark agent, dropping out of MARQUES and leaving it for others to develop the theme (although he continued to attend the annual conferences). That was until about 6 years ago when he was invited to seek election to the MARQUES Council once more. He was duly elected by the general membership and has been an active Council member ever since. He brings particularly useful experience to MARQUES having worked for both sides of the IP divide – as an in-house counsel constantly aware of the commercial attributes of leading (and lesser) brands; and as a private practitioner handling on a daily basis the legal technicalities.

David believes that since its beginnings in

the early 1980's MARQUES has come a huge way to become an internationally recognised and respected NGO.

As for the future, he feels that the key has to be education. Not just of IP professionals and paralegals, but of the general public and of in-house marketing teams and business executives from small and medium enterprises (SME's). He says that 25 years ago when he first graduated in law from University College London, IP was a largely unknown specialism, even amongst law graduates. Today the public seem to become aware of trade marks only in media reports which are often uninformed or inaccurate. They see actions to protect the word POSH (by a well-known UK footballer's wife) as stupid and press reports of the Arsenal v Reid and LEVI jeans cases lead the public to ask "Why should I not be able to buy cheap goods if I want?"

The public should be made more aware that trade marks are there to protect them not to rip them off and that jeans made for a South American climate and market may not be of the same quality as those made for Europe. Business executives of small and medium enterprises, and more particularly of start-up companies, should be more aware of the need for and ways of protecting their product image and of the need to avoid infringing the rights of others. He feels that MARQUES could and should have a role in promoting such educational initiatives.

Finally, he has a heart-felt plea to law-makers, be they legislative or judicial: that consistency and certainty should be a fundamental characteristic of the law. Sadly, he fears his pleading is falling on deaf ears.

The Hole Truth

Contributed by Dr Stephen James of RGC Jenkins & Co¹

In 1912, Clarence A. Crane sold the first sweet with a hole. Given its shape, he named the new product after a life preserver or life belt. The introduction of the annular shaped Lifesavers sweets in the USA were not a success, however, since they lost their mint flavour within about a month. The idea was therefore sold on to two advertising men, Edward J. Noble and J. Roy Allen who found that the product itself was stable, but that the loss of flavour was caused by the choice of packaging. Once the packaging was changed, the Lifesavers mint became highly successful.

In 1919 the product was introduced to the UK and became immensely popular.

In twelve years, UK annual sales had built up to over 2.25 million packs. After that, however, sales of Lifesavers mints in the UK slowly declined until, by 1956, they were virtually non-existent. By contrast, the product remained (and remains) one of the best known confectionery brands in the USA.

In 1937, a UK company, Navy Sweets Limited, began selling a home grown annular sweet known as Navy mints in the UK. From 1955 onwards, the product had NAVY embossed twice on one side of the mint. Sales of Navy mints were intermittent, the last appearance being between 1990 and 1994.

In 1948 Rowntree introduced Polo mints to the UK market. These mints had the same, annular shape as Lifesavers and Navy mints, but were aggressively advertised as *The Mint With The Hole*. This slogan is now one of the best known in the UK and is widely associated, by UK consumers at least, with Polo mints.

When the new Trade Marks Act was introduced in the UK in 1994 and shapes became registrable for the first time, Nestlé, who had bought the Rowntree business during the 1980s, applied to register the shape of its Polo mint (UK trade mark application no. 2006992). The application featured a photograph of a white, annular mint without any other indicia. (In use,

Nestlé's product has POLO embossed twice on one side of the mint).

The application was accepted on the basis of evidence of acquired distinctiveness, including evidence of UK sales of Polo mints in 1994 of over £41 million, and was advertised in April 1997. The application was opposed by Kraft Food, the present owner of the Lifesavers brand, and Mars UK. The principal grounds of both oppositions were:

Lack of distinctive character (Section 3(1)(b)), and

The mark was exclusively a sign which had become customary in the trade (Section 3(1)(d)).

In addition, Kraft also opposed on the basis of certain prior rights in their ownership, including a UK trade mark application (no. 2000622) for the 3-D shape of an annular sweet embossed with the word LIFESAVERS (Section 5(2)(b)).

On the evidence before the Hearing Officer, Nestlé's trade mark application was allowed to proceed but only for a very narrow description of the mark and goods, namely:

A white coloured annular shape, the dimensions of which must be limited to that of a standard Polo mint, and

A specification limited to "mint flavoured compressed confectionery".

In reaching this decision, the Hearing Officer commented as follows:

The evidence only supported use of the precise product sold by Nestlé.

Section 3(1)(d) created a special problem for the shape of the goods. If this (shape) were customary to the trade then evidence of use would not overcome the objection. Being customary to the trade by its nature – where the trade mark is the goods – means that it would not be possible to discern from the trade mark from whom the goods originate. If the public are used to several sweets or confections of the same nature then there is nothing that can lead them to differentiate between them, other than additional matter such as the name Polo on the packaging or the mint itself.

On the evidence of, in particular, limited sales of Lifesavers and Navy mints in the UK in recent years, no case had been made out that Nestlé's claimed shape was customary to the trade in December 1994 (the date of application). The Section 3(1)(d) objection therefore failed.

On the basis of:

The long and continuous advertising campaign for Polo mints, which always referred to or prominently displayed the annular shape of the product,

The virtual absence of any similar product on the UK market, and

The length, scale and nature of Nestlé's sales of Polo mints,

the shape applied for had acquired a distinctive character and the Section 3(1)(b) objection also failed.

In Kraft's prior trade mark application for the 3-D shape of the Lifesavers sweet, the only distinctive feature was the word mark. The shape itself of Kraft's product was not distinctive. It followed that, although the earlier (Kraft) application reproduced the same shape as the Nestlé mark, the presence of the word Lifesavers upon it meant that it would be identified with the opponent. Further, the Lifesavers shape, as a result of the use of the wording, would be seen as emanating from a source other than Nestlé. If there was any association it would be association in the strict sense, a momentary bringing to mind. There would not be the kind of association that would lead to confusion. For this reason, the Section 5(2)(b) objection raised by Kraft was also rejected.

In a related opposition heard at the same time, Nestlé had opposed Kraft's UK trade mark application no. 2000622 for the 3-D shape of an annular sweet bearing the trade mark LIFESAVERS. The principal grounds of opposition were based on Nestlé's goodwill and reputation in the shape of a white annular mint acquired through use in the UK (Section 5(4)(a)) and their claim that this colour/shape was an earlier well known mark in the UK (Section 5(2)(b)/Section 6(1)(c)).

The Hearing Officer rejected the opposition and allowed Kraft's application to proceed. In his view;

Given the nature of Nestlé's mark, being the colour and shape of goods without any other indicia, small

indications would enable customers to differentiate between Nestlé's mark and the marks of third parties. The applicant's trade mark had the word LIFESAVERS boldly and prominently embossed upon it, this was more than a small indication. On seeing this word, it was extremely unlikely that a consumer would believe that Nestlé were responsible for Kraft's product.

A sensible definition of a well known mark for the purposes of Section 5(2)/Article 6(1) was one which was well known in the UK but not in use here. It followed that, in the normal course of events, there was a presumption that the party seeking protection (in this case the Swiss based company Nestlé) had some form of base in a foreign country and the UK consumer would be aware of this owing to the absence of use of the trade mark in the UK. On this definition, Nestlé's claim that the Polo mint shape (with or without the embossed word POLO) was well known in the UK was not established.

Another opposition filed by Nestlé against Swizzels Matlow's UK trade mark application (no. 2025205) for the 3-D shape of an annular mint bearing the trade mark NAVY (twice) was based on very similar grounds to those of their opposition to Kraft's LIFESAVERS 3-D mark. This opposition was also rejected on the same basis as their opposition to the Kraft application.

Comment

For over 50 years, Nestlé and their predecessors have sold Polo mints in the UK under the banner *The Mint With The Hole*. This has been one of the most successful advertising campaigns in the confectionery, or for that matter any other, area. There is no doubt that, amongst UK consumers, the sight of a white, annular shaped sweet

would lead to the almost universal cry, Polo. What is their reward for these Herculean efforts? The answer seems to be a UK trade mark registration that is so limited that it cannot prevent the registration or use of an identical 3-D mark which also bears an embossed, distinctive trade mark (other than Polo). There must also be considerable doubt whether their registration will be able to prevent the sale of an unmarked annular sweet, the colour and/or size of which can be differentiated from that of Nestlé's accepted mark. This does not seem to be much reward for 50 years of very high sales and enlightened advertising.

Trade mark authorities are understandably wary of granting what could be perpetual trade mark monopolies for the shape of goods themselves. From a public policy point of view, design protection, with its more limited duration, is seen as a more appropriate form of protection for such shapes.

Just occasionally however the shape of a product itself is so cleverly marketed and, as a result, so widely recognised, that relatively broad trade mark protection for that product shape can be justified. The annular shape of Polo mints would appear to be such a case. In the writer's view, Nestlé should be able to prevent the registration and use of identical and/or similar annular shaped sweets in the UK whether or not they are embossed with another trade mark on the basis that the annular shape will lead to an assumption that there is at least a connection with the manufacturer of Polo mints. This situation should continue for as long as the level of recognition of the shape of Polo mints in the UK remains at its present, high levels.

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Community Trade Marks and the enlargement of the EU

by Mark Hickey¹

Discussions are currently ongoing with twelve countries with regard to their future membership of the European Union.

The countries are as follows:

BULGARIA

CYPRUS

CZECH REPUBLIC

ESTONIA

HUNGARY

LATVIA

LITHUANIA

MALTA

POLAND

ROMANIA

SLOVAK REPUBLIC

SLOVENIA

TURKEY

Accession will take effect on 1 May 2004 with the probable exceptions being Romania and Bulgaria (likely to be 2007) and Turkey (2010).

The negotiations include a Chapter on intellectual property; Chapter 5 in which the extension of a Community Trade Mark to new member states is considered.

Community Trade Marks

As a Community Trade Mark is a unitary right covering all member states of the European Union, then inherently it must automatically extend to a new member state.

This raises problems with regard to earlier rights held by other parties in the new member state and the effect these can have on the Community Trade Mark, not only in the new state but also as a whole. Agreement has been provisionally reached to resolve these difficulties and the proposals are as follows:

1. Automatic Extension – All Community

Trade Mark registrations or applications granted or pending at the time of enlargement will be automatically extended.

2. They will cover the entire territory of the new member state from the date of enlargement and will be enforceable in that state from this date.
3. They will also become “earlier rights” in the new member state from the date of enlargement. Therefore, to the extent required or allowed by national law, they may be raised as citations and admitted as the basis for oppositions or invalidation actions.

After the date of enlargement, a Community Trade Mark application will be examined in exactly the same manner as at present in that if the mark has a meaning in the language of a new member state it may be refused.

Opposition

Subject to the exception discussed below, proprietors of an earlier right in an enlargement country do not have the right to oppose or invalidate a CTM application or registration subsisting at the date of enlargement.

However, if the filing date of the CTM falls within the six month period before the date of enlargement, then the exception applies and earlier national rights may be used as the basis of an opposition.

Therefore, when clearing a mark for useage in the EU, the countries listed above should be covered by any searching strategy at the very least from 1st November, 2003.

An opposition will be rejected if it can be shown that the earlier right was filed

merely to provide a basis for opposing a CTM.

Earlier rights as obstacles to use

The proprietors of “earlier rights” can use them as the basis for action against the use of an extended Community Trade Mark in their territory. As there is no automatic bar to an infringement action simply because a CTM is registered, this merely reflects the existing legislative scheme.

In response to a threat to usage based upon an earlier right an invalidation action may of course be considered.

However, the date of the Community Trade Mark itself, even if it predates this “earlier right”, is irrelevant from the perspective of a possible invalidation action. It is the enlargement date which must be compared to the date of the earlier right.

Earlier rights will confer on their proprietors, in accordance with their national law, the right to exclude the use of an extended Community Trade Mark in the territory. Issues of first use and other possible defences may or may not be relevant depending upon national practice.

However, if these rights were acquired in bad faith with knowledge of the Community Trade Mark registration and its possible extension, then such rights do not confer on the proprietor the right to prevent the use of the extended Community Trade Mark.

Absolute grounds

An existing Community Trade Mark application cannot be refused by the Community Trade Marks Office based upon the language, law, etc., of the new territories on extension. This is true even if the mark has not yet been examined.

An invalidation of a Community Trade Mark registration filed before the date of enlargement cannot be based upon the language, law, etc., of the new territories, again, whether or not it became finally registered before the enlargement date.

The examination of Community Trade Mark applications filed after the enlargement date will include a review of the language, law, etc., of the new territories which can be used as the basis for refusal on absolute grounds.

Where it can be shown that an existing mark is descriptive, non-distinctive or generic in a certain country, users in that country can invoke the Fair Use Exception Article 12.

Administration

From the date of enlargement, seniority claims can be filed on a Community Trade Mark based upon rights in the new member territory and if a Community Trade Mark is refused, it is possible to convert same into a national application in the new territory.

All existing Community Trade Mark applications and registrations at the date of enlargement, will automatically extend despite there not being a translation into the language of the new member state of the specification, etc., of the application. For marks filed on or after the date of enlargement, the normal language rules of the Office apply in that a mark can be filed in the language of the new member territory and the specification will be translated into the languages of all the member territories, including the new member territories, by the Office, and will be used in the publication of accepted marks.

Commission Study of the role of the national patent offices

The European Commission has finished a study on the role of national patent offices, the study can be found at:

with a summary in English

http://europa.eu.int/comm/internal_market/en/indprop/patent/docs/study-patent-offices_en.pdf

with a summary in German

http://europa.eu.int/comm/internal_market/en/indprop/patent/docs/study-patent-offices-summary_de.pdf

with a summary in French

http://europa.eu.int/comm/internal_market/en/indprop/patent/docs/study-patent-offices-summary_fr.pdf

and the presentation (in English)

http://europa.eu.int/comm/internal_market/en/indprop/patent/docs/presentation-patent-offices_en.pdf

Correction

The following two stories appeared in the last issue of the newsletter and were wrongly attributed to the Legal Management Group.

Lego wins landmark copyright case in China

ECI takes on Wrigley trade mark dispute

The correct attribution for both of these should have been:

The Legal Media Group, publishers of Managing Intellectual Property, International Tax Review and other journals. Their website may be found at www.legalmediagroup.com.

The Editor unreservedly apologises for this error and is grateful to them for their understanding and permission to reprint those articles.

DISCLAIMER:

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MARQUES Case Notes Database: Recent additions

The following cases have been added to the **MARQUES** Case Notes Database. For further details on these and over 500 more cases please visit the **MARQUES** website at www.marques.org

Boehringer Ingelheim Pharma KG v GTO Expeditie B.V and others
Court of the Hague (Netherlands): 19 February 2003

An action to force an innocent transport company to disclose details of the source from which it collected infringing parallel medical products.

LTI Diffusion SA v Sadas Vertbaudet SA
Court of Justice of the European Communities Case C-291/00: 20 March 2003
A clear ruling on whether trade marks are “identical” or merely “similar”.

D’Ieteren v Benelux Trade Marks Office
Court of Appeal, Brussels (Belgium): 20 December 2002
The BABY-DRY principle saves the trade mark WECOVER for insurance services.

Unilever NV v Office for Harmonisation in the Internal Market
Court of First Instance of the European Communities (Second Chamber), Case T-194/01: 5 March 2003
The CFI considers the proper approach to be taken when considering how consumers would view detergent tablet shapes.

Alcon Inc v Office for Harmonisation in the Internal Market, Dr Robert Winzer Pharma GmbH Intervening
Court of First Instance of the European Communities, Case T-237/01: 5 March 2003
The Cancellation Division’s decision to declare BSS invalid is upheld. Interesting observations on the evidential value of corporate “policing” policies.

Acuprel v Aquapred
Spanish Supreme Court (Spain): 24 April 2002
ACUPREL and AQUAPRED trade marks held likely to confuse the relevant consuming public.

System 3R International AB v Erowa AG and Erowa Nordic AB
Stockholm District Court (Sweden): 31 October 2002
The trade mark COMBI was held valid and infringed when used in conjunction with the defendant’s own trade mark and a generic product term.

Quotable Quotes:

(From an unidentified law report)

“Sacrificing accuracy somewhat recklessly for the sake of brevity, I am tempted to say that the object of the action is to determine which of these two bodies, if either, is the other, and, if not, whether either, and if so which, is another corporate body of the same name, or if not in fact such third body, is identical with it.”

Taken from “The Law is an Ass”, by Giles Brandreth, Pan Books Ltd, 1984

The ECJ defines the "genuine use" of trade marks

Extracted from a Herbert Smith Newsflash of 12th March 2003.¹

In a judgement based on the questions referred to it by the Benelux court in *Ansul v Ajax*, the European Court of Justice set out the test which should be applied when deciding whether a trade mark has been put to "genuine use" or not.

In the *Ansul* case the mark in question "Minimax" for fire extinguishers had not been used on goods newly released to the market since 1989 although subsequently the proprietor had been checking, maintaining and repairing used equipment bearing the mark, had used the mark on invoices relating to those services, had affixed stickers bearing the mark to the equipment, had made component parts and had sold extinguishing substances bearing the mark.

The wording of the Directive (Article 12(1)) and the Trade Marks Act 1994 (section 46(1)(a)) which implements it in the UK, provides that there are grounds for revocation where "the proprietor has not put the trade mark to genuine use" for five years. The question therefore arose, whether the use that had been made of the "Minimax" mark was sufficient to preclude the application of Article 12(1).

This issue has also arisen in the UK in a number of cases. Jacob J. commented on the meaning of genuine use in his judgement last year in *Laboratories Goemar v La Mer Technology*. He noted that other jurisdictions within the EU had implemented this Article using different terms for "genuine" including "effective", "serious", "normal" (e.g. Benelux) and "real". Jacob's own finding on the meaning of "genuine" was that "provided there is nothing artificial about a transaction under a mark then it will amount to 'genuine' use. There is no lower limit of 'negligible'." However Jacob J said that the flavour of some of the other terms used instead of "genuine" in other jurisdictions might mean that use must be more than slight,

and referred the question to the ECJ.

The ECJ recognised the importance of providing a universal interpretation of the "genuine use" requirement. It concluded that "genuine use" of a trade mark means: "where the mark is used in accordance with its essential function, which is to guarantee the identity of the origin of the goods or services for which it is registered, in order to create or preserve an outlet for those goods or services; genuine use does not include token use for the sole purpose of preserving the rights conferred by the mark. When assessing whether use of the trade mark is genuine, regard must be had to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark is real, particularly whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark, the nature of the goods or services at issue, the characteristics of the market and the scale and frequency of use of the mark." "Genuine use", the ECJ held, entails use of the mark on the market and not just internal use. The protection the mark confers and the consequences of registering it in terms of enforceability vis-à-vis third parties cannot continue to operate if the mark loses its commercial purpose, which is to create or preserve an outlet for the goods or services that bear the mark as distinct from those of other undertakings. Use of the mark must therefore relate to goods or services already marketed or about to be marketed and for which preparations by the undertaking to secure customers are under way,

particularly in the form of advertising campaigns.

The ECJ continued: "the fact that a mark that is not used for goods newly available on the market, but for goods that were sold in the past, does not mean that its use is not genuine, if the proprietor makes actual use of the same mark for component parts that are integral to the make-up or structure of such goods, or for goods or services directly connected with the goods previously sold and intended to meet the needs of customers of those goods. "However, the ECJ refused to comment on whether the use of Minimax by *Ansul* would fulfil the criteria for "genuine" use which they had just laid down, stating, "It is not for the Court to make such an assessment". The Benelux court had previously found that it did not.

The ECJ's test for genuine use does not contradict the UK court's previous approach and leaves the flexibility that Jacob J's findings also provided.

Jacob's emphasis in the *Laboratories Goemar* case on the careful proving of use, particularly where use levels are low, will still hold true and a demonstration that use has not been merely token, that is to say done with the ulterior motive of validating the registration, will be essential.

The ECJ's refusal to reach a conclusion on the question of whether or not there had been genuine use in this case is also interesting. It is to be contrasted with the approach taken by the ECJ in its recent decision in *Arsenal v Reed*.

¹ The editor is grateful to Bill Moodie and Rachel Montagnon of Herbert Smith for permission to reproduce this Newsflash.
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ECJ opinions set to redefine trade mark boundaries

by Stephanie Bodoni – MIP Week

An unexpected opinion by the European Court of Justice's legal advisor could restrict the ability of brand owners to register descriptive word marks across the EU.

Writing in the case of *Office for Harmonisation in the Internal Market (Trade Marks and Designs) v Wm Wrigley*, advocate general Francis Jacobs on April 10 dismissed as wrong an earlier decision by the Court of First Instance which granted Wrigley a community trade mark for the name Doublemint.

In its 2001 decision, the Court of First Instance said the term Doublemint was not exclusively descriptive, but ambiguous and open to various interpretations and could not therefore be registered as a trade mark. The Court explained: "The term in question does not enable the public concerned immediately and without further reflections to detect the description of a characteristic of the goods in question."

But Jacobs last Thursday said the Court had misinterpreted the Trade Mark Regulation on several points: "Ambiguity is not in itself sufficient. A term does not cease to be descriptive because it has more than one meaning. The Regulation does not require that the sign be exclusively descriptive. 'Exclusively' qualifies 'consists of' and a sign which has a descriptive dimension even if it

is not exclusively descriptive must be refused registration."

If followed by the Court, the opinion could clarify the effect of the Court's judgment in the Pampers Baby-Dry case, which in Jacobs's view has been widely misunderstood.

"It was a general perception that after Baby-Dry you could pretty much have everything registered," said Abida Chaudri, a trade mark specialist at Bristows.

Jacobs wrote that dictionary definitions cannot be applied mechanically when assessing whether a trade mark is descriptive without considering the commercial reality of the context in which the mark will be used.

"While Doublemint as such may be absent from dictionaries, the degree of lexical invention deployed in its creation is essentially limited to removing the space between two words which may well be used together descriptively," wrote Jacobs.

Jacobs added that Procter & Gamble was granted a trade mark for Baby-Dry because

of the term's "syntactically unusual juxtaposition". The unusual inversion of the two words Baby and Dry would be its most striking feature to English speakers, wrote Jacobs, and only if placed in a long sentence would the term make complete grammatical sense.

"Doublemint however does not display such inversion. The placing of a qualifier such as double before a characteristic such as mint is not structurally or syntactically unusual," he wrote.

Explained Chaudri: "What they wanted to do, and I'm sure the ECJ is likely to follow this, is to try and clarify what they said in Baby-Dry and set the standards for descriptive marks right."

The advocate general provides the Court of Justice with technical guidance prior to its final decision, which in the Wrigley case can be expected in the next four to six months.

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How to apologise

When John Clerk (1757-1832), afterward Lord Eldin, was at the Bar, he was remarkable for the *sang froid* with which he treated the judges. On one occasion a junior counsel, on hearing their lordships give judgement against his client, exclaimed that he was "surprised at such a decision". This was construed as contempt of court, and he was ordered to attend at the bar the next morning. Fearful of the consequences he consulted his friend, John Clerk, who told him to be perfectly at ease, for he would apologise for him in such a way that would avert any unpleasant result. Accordingly, when the name of the delinquent was called, John Clerk rose and coolly addressed the assembled tribunal:

"I am very sorry, my Lords, that my young friend had so forgotten himself as to treat your honourable bench with disrespect. He is extremely penitent, and you will kindly ascribe his unintentional insult to his ignorance. You must see at once that it did not originate in that. He said he was surprised at the decision of your Lordships. Now if he had not been very ignorant of what takes place in this court every day – had he known you but half as long as I have done – he would not be surprised at anything you did".

Extracted from Harrap's Book of Legal Anecdotes by Peter Hay, Harrap Books Ltd, 1989.

Tove Graulund: A meticulous lady

Tove Graulund (MARQUES Chairman) talks to Robin Tyler about MARQUES.

Tove is probably well-known to most **MARQUES** members, having been first elected to the Council in 1994, although she has been attending the **MARQUES** conferences since Amsterdam in 1991.

She was elected Vice Chairman in Dublin (1996) and Chairman in Budapest (2001). Like many members, she remembers individual conferences by their venue rather than by the year.

Outside of **MARQUES**, she is the Chief IP Counsel of Arla Foods in Copenhagen, a co-operative owned by farmers and an organisation Tove characterises as reflecting basic values of green grass and hard work.

Tove is a qualified interpreter, although she would prefer that I do not mention in which languages, (apart from English) for fear that people would start conversations in a language she has not had to use seriously for years!. She is happily married with three children aged from 5 to 12½ years (and it was she who emphasised the half!). Despite all of these demands upon her time and her active involvement with Dagligvaruleverantörers Förbund (Grocery Manufacturers of Sweden) [See the article describing DLF in issue 71 of the **MARQUES** Newsletter – July 2002] she claims to rely upon **MARQUES** to keep her intellectually challenged.

She openly admits to having as an agenda for **MARQUES**: an aim to see it emerge at the forefront of IP owners' organisations in Europe, delivering consistent messages and one whose

opinions and approvals are sought by governments and patent offices alike.

It was towards accomplishing this purpose that she has recently steered the governance of **MARQUES** into the creation of project teams. She sees the role of these teams to collect and diffuse expertise in a number of specialised areas of great importance to trade mark owners, such as Anti-counterfeiting, Passing Off, Parallel imports and Cyberspace. Each team has a remit to work with and supplement other IP NGOs including AIM, AIPPI, INTA and the Trade Mark committee of UNICE. In this manner **MARQUES** will be able to make a significant difference – exerting pressure where pressure is needed and identifying model solutions to problems. **MARQUES** should become a “one-stop shop” for brand owners.

Tove feels strongly about brands. Distinguishing them from mere trade marks and pointing out that the law currently tends to disregard branding and ignores the reality of how modern-day shoppers have only split seconds to take one packet or another from a supermarket shelf. Few judges or legislators appreciate the harsh experience of today's cash-strapped working parents often with a noisy two-year old child in tow. Marketing today takes millions of Euros to try to gain and retain the competitive edge, telling stories to make an impression in the mind of consumers, not just of the trade mark but of brand values, quality and to sell a way-of-life. Like David Goldring (see page 3), she sees the need for strong links between any company's IP and



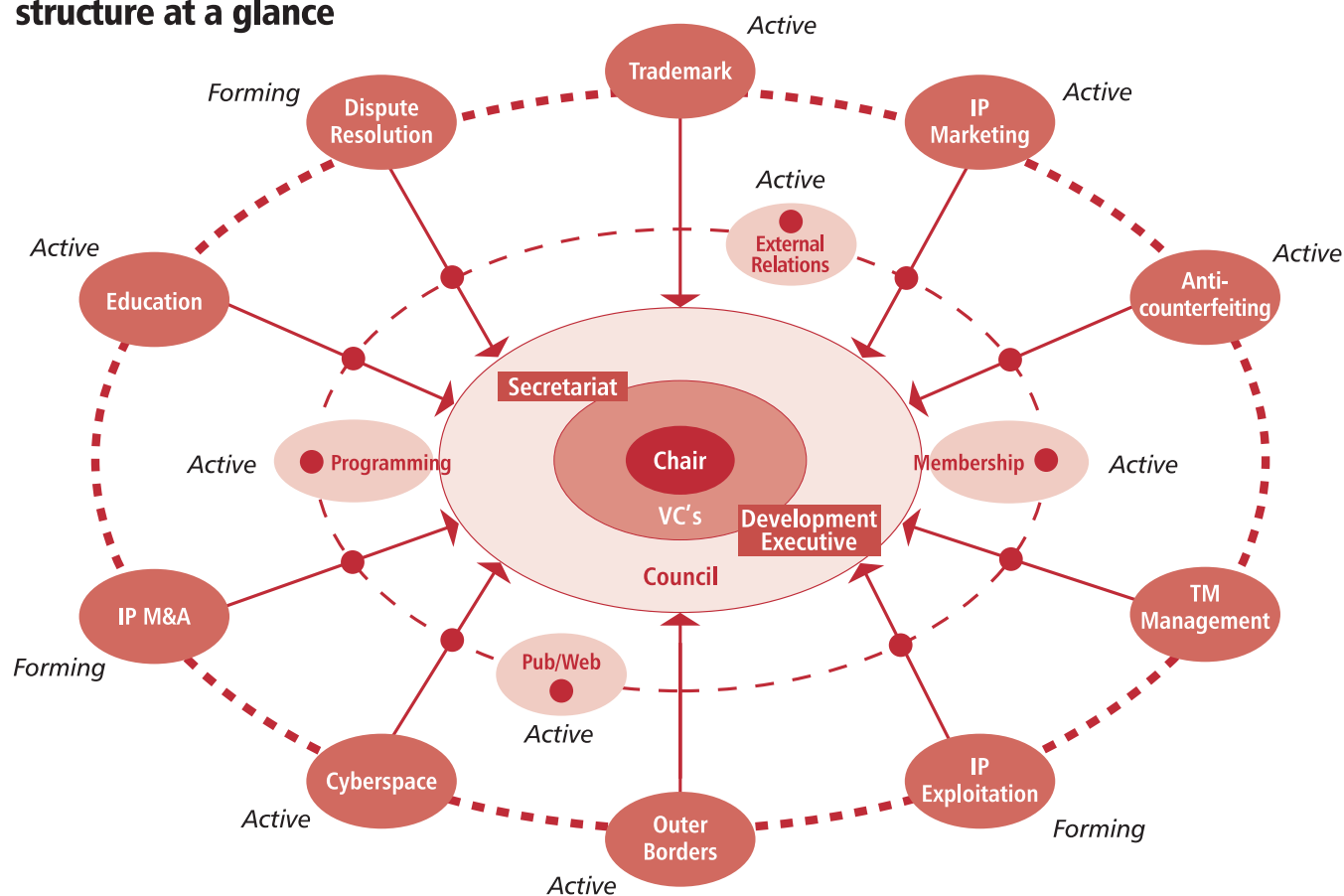
TOVE GRAULUND

marketing departments, protecting the feelings of confidence and inspiration in the minds of consumers that marketeers seek to create. For any company, but particularly one selling fast moving consumer goods, this is what ties consumers to a product, in other words, the “Competitive Edge”. We are in the business of protection. Registration is merely a tool not a discipline in itself, she says.

That Tove is indeed a meticulous lady is evidenced by the fact that when I showed her the draft interview with David Goldring, she checked her own files to confirm that he was still supporting the very same ideas she had heard him say for ten years or more. She attributes this degree of care and preparation to her early experience of IP, typing out patent specifications on a manual typewriter with sheets of carbon paper [only those with similar experience of the days before word-processors and photocopiers can really appreciate the full significance of this]. With her at the helm **MARQUES** seems to be in capable hands.

MARQUES Governance

Management and Project Team structure at a glance



THE COUNCIL 2003

Full details of the Chairmen and members of each active and formative Team can be found at: <http://www.marques.org/teams>

Chairman: **Tove Graulund** (Denmark)

Vice-Chairmen:

Jane Collins (Switzerland)

Nunzia Varricchio (Belgium)

David Crawford (UK)

Hans-Friedrich Czekay (Switzerland)

Isabel de Minvielle Devaux (UK)

Charlotte Falck (Sweden)

Nicholas Foot (UK)

David Goldring (UK)

Kay-Uwe Jonas (Germany)

Marius Knijff (Netherlands)

Danielle le Carval (France)

Anouk von Meyenfeldt (Netherlands)

Caroline Pearlstein (USA)

Charles Prat (Spain)

Bruce N Proctor (UK)

Jette Sandel (Denmark)

Shane Smyth (Ireland)

Paul Steinhauser (Netherlands)

Massimo Sterpi (Italy)

Eva Szigeti (Hungary)

Hanne Weywardt (Denmark)

Secretary General: **Colin Grimes** (UK)

Development Executive:

Ingrid de Groot (Netherlands)

NOTE: Council is composed of up to 40 members with not more than six from any individual country; not more than six drawn from countries outside of Europe and not more than 14 Special Members.

One half of Special Members and one third of Ordinary Members retire, by rotation, each year but may offer themselves for re-election.

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