Bird & Bird & Reports of Trade Mark Cases for CIPA Journal





Trade mark decisions

Decisions of the General Court (GC) and Court of Justice (CJ)

Ref no.	Application (and where applicable, earlier mark)	Comment
GC T-364/18 Arçelik AS v EUIPO 23 May 2019 Reg 2017/1001 Reported by: Daniel Anti	 MicroGarden machines and robotic mechanisms used in the agriculture and viticulture; electrical herb cultivation cabinets (7) hand-operated tools for agriculture, gardening and forestry (8) magnetic and optical data carriers; electronic components used in machines and apparatus (9) lighting apparatus and installations (11) 	The GC upheld the BoA's decision that the mark was descriptive and lacked distinctive character pursuant to articles 7(1)(b) and 7(1)(c). The BoA was correct in finding that the joining together of the two descriptive terms 'micro' and 'garden' was not capable of conferring any additional meaning to the mark and was therefore not a neologism which was suggestive or allusive. The BoA was entitled to conclude that the mark conveyed the clear message that the goods at issue were used or intended to be used for intensive cultivation to allow plants to be grown in a small place. On the basis of the descriptive nature of the mark, there was no requirement for the BoA to consider registrability under article 7(1)(b).
Ref no.	Application (and where applicable, earlier mark)	Comment
GC Joined cases T- 89/18 and 90/18 Ramón Guiral	(AFE Del Sel	The GC annulled the BoA decisions that the opposition was unfounded, holding that in doing so the BoA had infringed the applicant's right of defence, including the right to be been under the Charter of

Ramón Guiral Broto. v EUIPO; Gastro & Soul **GmbH**

14 May 2019 Reg 2017/1001

Reported by: William Wortley

11 .11

CAFÉ DEL SOL

- coffee, tea, cocoa and artificial coffee (30)
- advertising (35)
- education (41)
- services for providing food and drink (43)
- legal services (45)



the right to be heard under the Charter of Fundamental Rights of the EU.

The Opposition Division partially upheld the opposition in respect of the services in class 43. The BoA rejected the opposition in its entirety based on the fact that the applicant had not proved the existence of his earlier mark because he had filed an incomplete translation. Following a successful appeal to the GC, the BoA (differently constituted) came to the same conclusion as the first, having told the applicant that they reserved the right to reject any additional evidence.

The GC held that the BoA had misled the applicant as regards the possibility of submitting additional documents, including a complete translation of the figurative mark upon which the opposition was based. In doing so, the BoA infringed the applicant's right to effectively submit his views before the

		BoA. If the applicant had submitted a complete translation of his mark, the BoA would have had to exercise its discretion as to whether or not to accept that translation, and, if it had accepted it, it could not be ruled out that it would have upheld the opposition.
Ref no.	Application (and where applicable, earlier mark)	Comment
GC T-229/18 Biolatte Oy v EUIPO 5 June 2019 Reg 207/2009 Reported by: William Wortley	 BIOLATTE dietary supplements; dietary supplements for humans; enzyme dietary supplements; probiotic supplements; digestive enzymes; dietary supplements for animals (5) 	The GC upheld the BoA's decision that the mark was descriptive and that it was devoid of distinctive character under article 7(1)(c). The GC held that the relevant Italian- speaking public would understand the word element BIO to refer to the use of an organic manufacturing process. Accordingly the public would immediately connect the word LATTE with the main ingredient in the goods, acido lattico, as they share a lexical root and there is an organic relationship between lactic acid and milk. The GC therefore held that the mark was descriptive.
Ref no.	Application (and where applicable, earlier mark)	Comment
GC T-346/18 Advance Magazine Publishers, Inc. v EUIPO; Enovation Brands, Inc. 12 June 2019 Reg 2868/95 Reported by: William Wortley	 VOGUE beers; premixed beer-based alcoholic beverage (32) alcoholic beverages (except beers); cider; perry; wine; liqueurs; spirits; cocktails; pre-mixed alcoholic beverages (other than beer based) (33) services for providing drink; hotel, bar, wine-bar, café and restaurant services; nightclub services (provision of drink); catering; nursery and crèche services; rental of equipment for preparing and dispensing drink (43) VOGA alcoholic beverages (except beers); cider; perry; wine; liqueurs; spirits; cocktails; pre-mixed alcoholic beverages (other than beer based) (33) EUTM 	The GC annulled the BoA's decision to refuse to suspend opposition proceedings until a decision was adopted in parallel invalidity proceedings. In opposition proceedings, the intervener partially succeeded in opposing the registration of the word mark VOGUE on the basis of its earlier EUTM, VOGA. The applicant appealed against the decision, and later initiated invalidity proceedings against the earlier mark. The applicant requested suspension of the opposition proceedings, which the BoA rejected. The GC found that the BoA had committed a manifest error in assessment by refusing to suspend the opposition proceedings. The BoA was wrong to base its rejection on the applicant's failure to identify the prospects of success of the invalidity proceeding or justify why it was unable to initiate those proceedings prior to the decision of the opposition being adopted.

Ref no.	Application (and where applicable, earlier mark)	Comment
GC T-439/18	 ProAssist repair and maintenance of various machines, tools and apparatus intended for trade and industrial use (37) 	The GC upheld the BoA's decision that the mark lacked distinctive character pursuant to article 7(1)(b).
Sintokogio Ltd v EUIPO		The BoA was correct to find that the combination of the terms 'pro' and 'assist' would naturally be understood by
23 May 2019 Reg 2017/1001		the relevant public as merely an expression encouraging consumers to purchase the service, since they would receive professional assistance or
Reported by: Daniel Anti		assistance by a professional. As a result the mark was not distinctive.
		The appeal was therefore dismissed.

Scope of protection where quality labels are registered as ordinary trade marks

ÖKO-Test Verlag GmbH v Dr. Rudolf Liebe Nachf. GmbH & Co. KG (CJ; C-690/17; 11 April 2019)

The CJ gave a preliminary ruling in response to questions that had been referred to it by the national German court. Aaron Hetherington reports.

OKO-Test had registered the "quality label" shown below as an ordinary EU trade mark in 2012, protected for, in particular, printed matter in class 16, consumer information and consultancy services in class 35, and services of conducting and evaluating quality inspections in class 42. OKO-Test granted licenses to third parties to allow them to use the quality label on their products, provided the relevant conditions were met on inspection.



Without authorisation, Dr Liebe used OKO-Test's mark on the packaging of his own toothpaste products, which OKO-Test claimed constituted an infringement of its EU trade mark registration. The German court referred some questions to the CJ that related to infringement under articles 9(1)(a), (b) and (c) of Regulation 207/2009.

The CJ held that, even in circumstances where an ordinary trade mark was being used as a quality label, articles 9(1)(a) and (b) were not applicable where there was no identity or similarity between the goods and services in relation to which the quality label had been used by a third party and those for which the quality label was registered. The CJ observed that, in the present case, there did not appear to be sufficient similarity between Dr Liebe's toothpaste products to which the quality label had been affixed and the goods and services that were protected under OKO-Test's registration for there to be infringement under articles 9(1)(a) and (b).

However, unlike articles (9)(1)(a) and (b), since article 9(1)(c) did not require such similarity between the goods and services, that provision could have applied in the case of an ordinary trade mark being used as a quality label provided that the relevant criteria were satisfied. Further, the CJ observed that such a quality label need only have reputation in the sense that it was known by a significant part of the public in a substantial part of the territory. The public need not also have been aware that the quality label had been registered as a trade mark for this criterion to be established.

The designation of a mark as a "figurative" or a "position" mark is irrelevant to the question of whether there has been "genuine use"

Deichmann SE v EUIPO; Munich SL (CJ; C-223/18 P; 06 June 2019)

The CJ affirmed the GC's finding that the formal designation of a mark at issue was irrelevant when determining whether "genuine use" had been made of the mark under article 51(1) and 15(1). The classification of a mark as a "figurative" or a "position" mark was secondary to the analysis of the graphical representation of the mark. Louise O'Hara reports.

Background

The mark for which registration was sought, in class 25 covering "sports footwear", was represented as follows:



Importantly for the purposes of this decision, this mark was designated by the applicant to be a "figurative" mark, and not a "position" mark.

The earlier decisions

Following infringement proceedings before the Regional Court of Düsseldorf, the Cancellation Division revoked the mark at issue on the basis of Article 51(1)(a), finding that the mark had not been put to genuine use within the preceding 5 years.

The BoA found that the evidence showed genuine use of the mark and annulled the decision of the Cancellation Division. In the contested decision the GC was asked to determine whether the BoA had erred in its conclusion that it was irrelevant whether the mark at issue was classified as a figurative mark or a position mark, and, in determining whether the mark at issue had been put to genuine use either in its registered form or in a form that did not alter its distinctive character, the BoA had erred in that they had only analysed part of the mark (namely the two intersecting stripes placed on a sports shoe) instead of the whole mark. The appellant claimed that, by designating the mark as a figurative mark, the mark encompassed both the intersecting lines and the dotted line surrounding them in the shape of a sports shoe.

The GC found that it was not possible to infer that the mark may not be regarded as a position mark merely because the "figurative mark" box had been ticked when the mark was applied for. The GC explained that it was possible for a mark to be both a position mark and a figurative mark.

The GC also took the view that it was possible to infer directly from the graphical representation of the mark that the applicant was only seeking protection for the cross consisting of two black intersecting lines. As two types of graphic design had been used (that is, broken lines and solid lines), the GC inferred that the dotted lines were to be understood as enabling the position of the cross to be specified. It noted that broken lines are usually used to show the position of a sign on the product in respect of which that sign has been registered, without the outline of the product being covered by the mark. It therefore found that the BoA was correct in finding that the evidence submitted before the Cancellation Division was sufficient to prove genuine use of the mark.

The Appeal

The CJ noted that, on the relevant date in this case, the applicable law did not define "position" mark, and thus the GC was under no obligation to find that the classification of the mark was relevant to its interpretation. Further, the CJ confirmed the GC's finding that position marks were similar to categories of figurative and three dimensional marks and that when assessing the distinctiveness of a mark, the classification was irrelevant. Such classification was also irrelevant in assessing the genuine use of a mark.

The Court did not accept the appellant's argument that if a mark containing broken or dotted lines was not described as a position mark or if the broken or dotted lines were not the subject of an express disclaimer, it should be inferred that those lines were part of the mark. While it was true that a description or a disclaimer for the purposes of delimiting the scope of the protection sought was often added to the use of the broken lines, neither the legislation nor the case-law required the filing of such declarations. Further, the EUIPO Guidelines were not binding legal acts for the purpose of

interpreting provisions of EU law. As a consequence, the GC was free to find that the mark at issue was a position mark even without the use of a disclaimer.

CJ considers distinctiveness and descriptiveness in light of specification amendments post IP Translator

VM Vermögens-Management GmbH ("VMT") v EUIPO / DAT Vermögensmanagement GmbH ("DATV") (C-653/17 P; 15 May 2019)

In a case brought after the decision in IP translator, the CJ found the EUTM VERMÖGENSMANUFAKTUR ("ASSET MANUFACTURING" in English) to be descriptive both when the trade mark covered the class headings and after it was amended to cover the specific services of interest in those classes. Tom Hooper reports.

Background

The appellant, VMV, secured an EUTM registration for the word mark VERMÖGENSMANUFAKTUR in relation to "Advertising; business management; business administration; office functions" in class 35 and "Insurance; financial affairs; monetary affairs; asset management, financial consultancy; real estate affairs" in class 36.

Shortly after registration, DATV filed an invalidity action against the contested mark on the basis that it was descriptive and non-distinctive for all the registered services. The contested mark was fully encompassed in the challenger's company name and they argued that it was a purely descriptive term for the registered services with no distinctive qualities, especially for any type of asset management or business-related services.

Findings

The BoA and the GC found the contested mark to be descriptive and devoid of distinctive character for all the registered services.

This case was impacted by the change in classification practice which arose following *IP translator* (Case C-307/10) and the amendments to EUTM specifications which occurred following implementation of article 28 of Community Trade Mark Regulation No. 207/2009. Following this, owners of EUTMs applied for before 22 June 2012, and whose trade marks covered the entire Nice classification, were able to declare that their intention on the date of filing had been to seek protection in respect of specific goods or services beyond those covered by the literal meaning of that class heading. EUTM owners were given until 24 September 2016 to file their declaration. That date fell during the course of these proceedings and meant that VMV requested an amendment to their specification to reflect their true intentions at filing. The specification for the contested mark was therefore amended to a narrower scope of services in class 36.

The points of appeal were focused on the fact that the BoA and GC had both incorrectly assessed descriptiveness and non-distinctiveness, particularly in light of the amended class specification which had not been the considered by the BoA or the GC. This argument failed because the amendment to the services was not intended to bring new services under the protection of the contested mark. It was simply to ensure that the EU brand owners continued to enjoy their desired protection as they had intended at the point of filing (because the classification practice had changed since). In short, the contested decisions before the amendment covered all the services for which the contested mark was registered and, according to the CJ, that had already been sufficiently addressed by the GC. It followed that if the mark was descriptive and/or non-distinctive before the article 28 specification amendment, that remained the case after.

In relation to descriptiveness and non-distinctiveness, the CJ maintained that an undertaking could not monopolise the term VERMÖGENSMANUFAKTUR, particularly for business and financial services. This was because the term was purely promotional, laudatory, and not capable of being an indicator of origin.

Evidence of use held to be insufficient to demonstrate acquired distinctiveness

Adapta Color, SL v Coatings Foreign IP Co. LLC (GC (Sixth Chamber); T-223/224/225/226-17; 11 April 2019)

The GC held that Adapta's marks were descriptive of the goods and services covered, and that the evidence of use submitted by Adapta was insufficient to demonstrate acquired distinctiveness. The GC therefore upheld the BoA's decision. Adeena Wells reports.

Background

Adapta filed various EU trade mark applications between 2003 and 2011 for the following marks





"Rustproof System ADAPTA"

The Adapta marks covered a range of goods in classes 1, 2, 6, 10, 20 and 39.

Following registration of these marks, Coatings filed applications for declarations of invalidity articles 52(1)(a), 7(1)(a) and (b) on the basis that the marks were devoid of distinctive character and descriptive of the goods and services. The Cancellation Division initially rejected the invalidity applications, finding that Adapta's marks were not descriptive or devoid of distinctive character. On appeal, the BoA annulled the Cancellation Division's decision; holding that the relevant public was professional consumers and general consumers with a quite high level of interest. Therefore in consideration of the Spanish, Romanian and Portuguese-speaking public, Adapta's marks were descriptive and lacked distinctive character. The BoA also determined that Adapta's evidence of use was insufficient to demonstrate that the Adapta marks had acquired distinctive character. Adapta then appealed to the GC.

Documents produced before the GC for the first time

Coatings argued that evidence submitted by Adapta before the GC should be deemed inadmissible on the basis that it was not submitted before the Cancellation Division or the BoA. Adapta claimed that this evidence was only submitted at the GC stage as it responded to arguments which were first raised at the BoA stage.

The GC agreed with Coatings, holding that the GC's duty is not to review evidence which is adduced for the first time before it. However, the GC admitted the evidence which related to the contested decision concerning the Romanian and Portuguese public, but deemed the evidence relating to the Spanish public as inadmissible. The GC also admitted evidence which identified various existing EU trade mark registrations containing the word 'adapta', on the basis that this didn't count as evidence, but rather proof of the BoA's decision-making practice.

Descriptiveness and lack of distinctive character

Adapta first claimed that the BoA's reference to Romania, along with other languages, was irrelevant. The GC had already ruled that the reference to the Portuguese and Romanian public should be disregarded on the basis of a procedural irregularity. However the GC upheld the BoA's assessment of the relevant public, being English and Spanish speaking consumers with a higher than average level of attention, and that they will either be professionals or DIY amateurs/enthusiasts.

Secondly, Adapta claimed that the BoA wrongly relied on Coatings' evidence and previous decisions which were dated after the application date for the Adapta Marks. Again, the GC upheld the BoA's consideration of the previous decisions, on the basis that the decisions assisted the court to determine that the relevant public was made up of professional users in the paint industry and that they would be familiar with basic English words in the industry such as 'coatings'.

Thirdly, Adapta argued that its marks were not descriptive. The GC upheld the BoA's reasoning that the marks were descriptive for the Spanish speaking public, and that this meant the same for the English speaking public.

Finally Adapta argued that the figurative elements of the first two marks were sufficient to add distinctive character to the marks overall. The GC stated that the figurative elements consisted of 'simple and purely decorative forms' which would not divert the relevant public's attention from the descriptive message conveyed by the words, and therefore the marks were descriptive.

Evidence demonstrating acquired distinctiveness

Adapta claimed that their evidence submitted to the Cancellation Division was sufficient to demonstrate acquired distinctiveness of Adapta's marks through use. The GC agreed with the BoA that Adapta's sales figures and publicity costs were not sufficient to show distinctive character through use. The statements from various sources, including from publishers of magazines in the trade and from representatives of trade associations, were of high probative value but there was nothing to detail the circulation of such magazines, and there was no information regarding where the reputation of the mark had been acquired where the statements were not in the Spanish language. Further, the press

articles, brochures and publications only demonstrated use of the mark in relation to the delivery, distribution and transport of powder coating, and therefore did not relate to the actual perception of the marks.

Website targeting and jurisdiction

AMS Neve Ltd & Ots v Heritage Audio SL & Anr* (AG Szpunar; C-172/18; 28 March 2019)

In response to a preliminary ruling from the Court of Appeal of England & Wales, AG Szpunar advised that article 97(5) of Council Regulation (EC) No 207/2009 must be interpreted as meaning that, in circumstances where an undertaking established in Member State A has taken steps in that territory to advertise and offer for sale goods under a sign identical to an EUTM on a website targeted at traders and consumers in Member State B, an EUTM court in Member State B has jurisdiction to hear an action for infringement of the EUTM in respect of the advertisement and offer for sale of goods in that territory. Hilary Atherton reports.

Background

AMS Neve was a company established in the UK which manufactured and sold audio equipment. The second claimant was the proprietor of an EUTM mark and two national marks registered in the UK, of which AMS Neve was the exclusive licensee. Heritage Audio was a company established in Spain which also sold audio equipment. AMS Neve and the trade mark proprietor brought trade mark infringement proceedings in the IPEC, claiming that Heritage Audio had offered for sale to consumers in the UK via its website imitations of AMS Neve products bearing, or referring to, signs which were identical or similar to the trade marks in question. The IPEC held that it did not have jurisdiction to hear the infringement proceedings in respect of the EUTM because only the Member State in which Heritage Audio had taken steps to put the signs in question on the website had jurisdiction under article 97(5). AMS Neve appealed to the Court of Appeal, which referred three questions to the CJEU, as follows:

"In circumstances where an undertaking is established and domiciled in Member State A and has taken steps in that territory to advertise and offer for sale goods under a sign identical to an EU trade mark on a website targeted at traders and consumers in Member State B:

- (i) does an EU trade mark court in Member State B have jurisdiction to hear a claim for infringement of the EUTM in respect of the advertisement and offer for sale of the goods in that territory?
- (ii) if not, which other criteria are to be taken into account by that EUTM court in determining whether it has jurisdiction to hear that claim?
- (iii) in so far as the answer to (ii) requires that EUTM court to identify whether the undertaking has taken active steps in Member State B, which criteria are to be taken into account in determining whether the undertaking has taken such active steps?"

Opinion of the Advocate General

The AG considered that, where a defendant is accused of acts consisting of an advertisement and an offer for sale on a website, the criterion which enabled the jurisdiction of EUTM courts to be established on the basis of article 97(5) was the public targeted by that advertising and offer for sale, namely the public of the Member State concerned. The fact that an advertisement and an offer for sale were organised in such a way that it was possible to identify the public of a Member State specifically targeted was decisive for the purpose of establishing the jurisdiction of the court of that Member State. The AG said the fact that a website was aimed at the consumers and traders of a Member State must be apparent straightaway from the content of the website, and he considered that a number of factors were of particular importance, namely: (i) the fact that an offer and advertisement referred expressly to the public of a Member State, (ii) that they were available on a website with a country-specific top-level domain of that Member State; (iii) that the prices were given in the national currency, or (iv) that telephone numbers given on the website contained the national prefix of the State concerned. The AG added that the fact an offer for sale provided details regarding the geographic area to which the seller was willing to dispatch the goods might also play a significant role in determining jurisdiction, provided that it was not a general indication which covered the whole of the EU. The AG added that neither the fact that the advertisements or offers for sale on a website were obsolete nor that an event giving rise to damage dated back over a considerable time could be taken into account when determining jurisdiction on the basis of the place where the act of infringement occurred under article 97(5).

In the present proceedings, the AG was of the view that there was nothing to indicate that the Heritage Audio website was specifically targeted at consumers in the UK. Although it included a list of distributors in various countries, including the UK, together with their mailing addresses and website addresses, such information was not sufficient in itself to establish the jurisdiction of the UK courts. This was, he said, because the proceedings did not concern an act of

infringement committed by that distributor, but an alleged infringement committed by Heritage Audio on a website. However, he went on to say that it was for the referring court to adjudicate on that matter.

Use of a mark in proximity to a well-known mark

Luen Fat Metal and Plastic Manufactory Ltd ("LFM") v Jacobs & Turner Ltd ("JTL")* (Mr. Recorder Douglas Campbell QC; [2019] EWHC 118 (IPEC); 12 December 2018)

Mr. Recorder Douglas Campbell QC held that the mark FUNTIME was not descriptive of the relevant goods or their characteristics, or devoid of distinctive character, and that the use made of the mark by Jacobs & Turner infringed Luen Fat Metal's rights. Aaron Hetherington reports.

Facts

LFM owned a UK series trade mark registration for the word marks FUNTIME, FUN TIME and FUN-TIME, as well an EU registration for FUNTIME, both registered for 'games, toys and playthings; electronic games' in class 28.

LFM alleged that JTL had infringed these registered trade mark rights by using the mark on its product packaging (shown below).



Were LFM's earlier registrations valid?

JTL alleged that LFM's marks were descriptive under section 3(1)(c)/article 7(1)(c), and thus devoid of distinctive character under section 3(1)(b)/article 7(1)(b), and should be declared invalid.

Douglas Campbell QC identified the average consumer as an adult parent who would have relied on the mark as a guarantee of origin when purchasing the goods for their children. Given the nature of the goods the average consumer had a low level of attention.

Douglas Campbell QC found there to be no direct and specific link between the mark and the goods such that the average consumer would not have immediately perceived FUNTIME as an indication that using LFM's products could result in an enjoyable time. LFM had also not used their mark in a descriptive way, since the inclusion of the (R) symbol on the packaging, and presence of other clues, suggested that the mark was being used as a guarantee of origin, and these clues would need to have been ignored by the public. Douglas Campbell QC commented that there was a high bar in establishing that a mark was descriptive, but that this was somewhat countered by the possibility of showing that the mark acted as a descriptor of both the goods or their characteristics, and that there need not be a real, current or serious need to leave the sign free for use by third parties.

In any event, Douglas Campbell QC found that LFM's mark had acquired distinctive character in the UK. The registrations were therefore found to be valid.

Did JTL's use of the words FUN TIME constitute infringement of LFM's mark?

The court explored whether JTL had used the mark as a trade mark in relation to goods and services, and held that the mark was being used by JTL to indicate the commercial origin of their products, and to distinguish their goods from those of other undertakings, since the public would have perceived it as a sub-brand, or co-brand, alongside the TRESPASS brand.

A second question was whether the presence of JTL's TRESPASS sign on their goods precluded any likelihood of confusion under section 10(2)(b). Since the marks were visually, aurally and conceptually very similar, and JTL had used it in relation to identical goods to those protected by LFM's earlier registrations, there were powerful factors pointing in favour of finding a likelihood of confusion and thus infringement of section 10(2)(b). The presence of TRESPASS in proximity to the LFM's mark on JTL's product packaging did not preclude this conclusion, as the public would still have perceived FUNTIME to be a brand owned by TRESPASS, or that there was some other economic connection between them. In light of this, JTL infringed LFM's rights pursuant to section 10(2)(b).

Infringement under section 10(3) was also established, at least in relation to the UK registration, since the mark had a reputation in the UK, and all other relevant criteria were satisfied.

The reported cases marked * can be found at http://www.bailii.org and the CJ and GC decisions can be found at http://curia.euro pa.eu/jcms/j_6/hom

Editorial team

Katharine Stephens Partner, IP

Tel: +44 020 7415 6000 katharine.stephens@twobirds.com



Thomas Pugh Associate, IP

Tel: +44 020 7415 6000 thomas.pugh@twobirds.com



Reporters

Daniel Anti; William Wortley; Aaron Hetherington; Louise O'Hara; Tom Hooper; Adeena Wells and Hilary Atherton

This report was first published in the <u>CIPA Journal</u>, July 2019