

# Trade Marks: Law and Practice

Third Edition

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## Chapter 2

# THE MARK ITSELF

### IMPACT UPON THE SENSES

2.1 The Trade Marks Act 1994 ('the 1994 Act') provides for the registration of trade marks. But what actually is meant by 'trade mark'? Section 1 of the 1994 Act defines what may be registered as a trade mark:

'... any sign capable of being represented graphically which is capable of distinguishing goods or services of one undertaking from those of other undertakings.'

The important elements here are a *sign*, which can be *represented graphically* and is *capable of distinguishing*. If a mark does not exhibit these characteristics, it will not be registered.<sup>1</sup> These criteria derive from the trade marks harmonisation Directive (EC) 89/104, now amended and codified as Directive 2008/95/EC<sup>2</sup> ('the Directive') and are shared with the definition for a Community trade mark in Council Regulation (EC) 207/2009<sup>3</sup> ('the Regulation'). Some equivalent provisions of all three instruments are set out in Table 2.1, together with a brief indication of what each provision is about. The provisions of s 3 of the 1994 Act, Art 3 of the Directive and Art 9 of the Regulation are the 'absolute' grounds for refusal of registration – they relate to the mark itself, assessed in the light of the goods or services for which registration is sought.<sup>4</sup> It should be noted that often the UK courts refer to the provisions of the Directive, rather than the 1994 Act as the Act must be interpreted in conformity with the Directive. *LTJ Diffusion v Sadas Vertbaudet* stressed the need for uniform interpretation of parallel provisions of the Directive and the Regulation.<sup>5</sup>

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<sup>1</sup> Trade Marks Act 1994, s 3(1)(a).

<sup>2</sup> 22 October 2008 [2008] OJ L 299/25, effective from 28 November 2008: see Recital 1 (amendments and codification), Art 17 (repeal) and Art 18 (entry into force).

<sup>3</sup> The original Community Trade Mark Regulation, 40/94 as amended, was codified into and repealed by Reg 207/2009 of 26 February 2009 [2009] OJ L 78/1, with effect from 13 April 2009: see Recital 1 (amendments and codification), Art 166 (repeal) and 167 (entry into force).

<sup>4</sup> In contrast to 'relative' grounds, which relate to conflict with earlier marks and rights.

<sup>5</sup> Case C291/00 [2003] ECR I-2799 at paras 41 and 43, in that case the meaning of 'identical' conflicting marks for the purposes of registration and infringement.

**Table 2.1: Comparison of various UK and EU provisions defining trade mark subject matter**

| Trade Marks Act 1994 | Directive 2008/95/EC  | Regulation (EC) 207/2009  | Concerning  |
|----------------------|---|---|---|
| S 1(1)               | Art 2   | Art 4   | What may be a trade mark  |
| S 1(2)               | Arts 1 and 15 permit but do not require collective marks and guarantee or certification marks   | Art 64 (collective marks)   | Registration of collective marks and certification marks <sup>6</sup> |
| S 2(1)               | Art 345 of the TFEU (ex Art 295 of the EC Treaty) leaves property rules of member states intact | Art 16ff  | Trade marks as objects of property                                    |
| S 2(2)               | Recitals 5 and 7 – coexistence with user rights and unfair competition                          | Recital 5 and Art 14(2) – coexistence with national trade marks, unfair competition | Relationship to other rights incl passing off                         |
| S 3(1)(a)            | Art 3(1)(a)   | Art 7(1)(a)   | Marks which do not satisfy s 1(1)/Art 2/Art 4                         |
| S 3(1)(b)            | Art 3(1)(b)   | Art 7(1)(b)   | Devoid of distinctive character                                       |
| S 3(1)(c)            | Art 3(1)(c)   | Art 7(1)(c)   | Variouly descriptive  |
| S 3(1)(d)            | Art 3(1)(d)   | Art 7(1)(d)   | Generic   |
| Provisos 3(1)(b)–(d) | Art 3(3)  | Art 7(3)  | Acquired distinctiveness  |
| S 3(2)               | Art 3(1)(e)   | Art 7(1)(e)   | Shape marks   |
| S 3(3)(a)            | Art 3(1)(f)   | Art 7(1)(f)   | Contra policy or morality   |
| S 3(3)(b)            | Art 3(1)(g)   | Art 7(1)(g)   | Mark deceptive to public  |
| S 3(5), s 4          | Art 3(1)(h) (Paris 6ter)<br>Art 3(2)(c) (badges of public interest; optional)                   | Art 7(1)(h)<br>Art 7(1)(i)  | Specially protected emblems*  |

<sup>6</sup> See Chapter 12.

| Trade Marks Act 1994 | Directive 2008/95/EC   | Regulation (EC) 207/2009   | Concerning                                   |
|----------------------|------------------------|--|--|
| S 3(3)(b)            | Art 3(2)(a)(optional)  | Art 7(1)(j) (wines and spirits)<br>Art 7(1)(k) (geographical indications Regulation (EEC) 2081/92) | Contra other national or Community law       |
|                      |                        | Art 7(2)   | Non-registrability in only part of Community |
| S 3(3)(a)            | Art 3(2)(b) (optional) | –  | Religious, etc symbols                       |
| S 3(6)               | Art 3(2)(d) (optional) | Not a ground for refusing application but for invalidity under Art 51(1)(b)                        | Bad faith                                    |
| Sch 1, paras 10, 11  | Art 3(4)               | –  | Transitional provisions                      |

- \* Specially protected emblems, such as national flags, the Red Cross and Crescent, are mentioned in Chapter 5. The other provisions will be considered in this chapter.

## Signs and signals

2.2 Section 1 and its equivalents give an indicative list of signs which may qualify as trade marks – words (including personal names), designs, letters, numerals or the shapes<sup>7</sup> of goods or their packing. For a sign to get its message through, it must be perceptible to the human senses. A concept cannot be a sign – in *Dyson Ltd v Registrar of Trade Marks*<sup>8</sup> the European Court of Justice (ECJ, now styled Court of Justice of the European Union) took it upon itself to consider whether the subject matter of Dyson's applications, 'a transparent bin or collection chamber forming part of the external surface of a vacuum cleaner' (shown in representations) constituted a sign. The European Commission argued that it was a concept, which appealed to the imagination but was not capable of being perceived by one of the five senses, and consequently not a 'sign'. The ECJ found that the applications could cover all conceivable shapes of transparent bin<sup>9</sup> and so registration would confer unfair competitive advantage. The transparent bin was held not to be a sign. Although information may be received through all five senses, does the list in s 1 implicitly limit trade marks to visual signs? Under the Trade Marks Act 1938 ('the 1938 Act'), the definitions of 'mark'<sup>10</sup> and 'use'<sup>11</sup> ensured that only visual

<sup>7</sup> Not all shapes are registrable – see 2.15–2.19.

<sup>8</sup> Case C-321/03 [2007] ECR I-687; [2007] 2 CMLR 14; [2007] ETMR 34; [2007] RPC 27. See E Smith 'Dyson and the public interest' [2007] EIPR 469.

<sup>9</sup> Dyson had conceded that the representations were illustrative rather than definitive.

<sup>10</sup> Trade Marks Act 1938, s 68(1).

marks were registered and only visual use infringed.<sup>12</sup> All the named types of sign in s 1 are visual, although shapes may also be detected by touch. It was not the intention of those framing the legislation to limit protection to visual marks. For example, the statements prepared for entry in the minutes of adoption of the Regulation admitted the possibility of registering colours and sounds,<sup>13</sup> whilst the UK White Paper 'Reform of Trade Mark Law'<sup>14</sup> referred to colours, sounds, smells and taste.<sup>15</sup> The case-law of the European Court discussed below establishes that, in principle, all signs perceived by the various senses can be protected, although their registration may be limited in practice by difficulties of identification and recordal.

## Colours

2.3 The ECJ has ruled definitively on the registration of colour marks in *Libertel*.<sup>16</sup> The applicant applied to register the colour and word 'Orange' in relation to telephony services. The ECJ held that colour per se might be registered, even in the absence of any delineating contours. However, since the range of distinguishable colours is limited, care must be taken to ensure the availability of colours to other traders.<sup>17</sup> In this regard the range of goods and services for which registration is sought would be relevant as well as an adequate indication of precisely which colour or colours are to be used, and how.<sup>18</sup> Colours may be denominative rather than distinctive, as the passing-off

<sup>11</sup> Trade Marks Act 1938, s 68(2).

<sup>12</sup> Thus where 'Saab' advertised motor cars on television with a voice spelling out the mark in air traffic notation as 'Sierra, Alpha, Alpha, Bravo', the Ford Motor Co could not have relied on any registration of 'Sierra' to stop it.

<sup>13</sup> 'Re Article 4:

(a) The Council and the Commission consider that Article 4 does not rule out the possibility:  
 – of registering as a Community trade mark a combination of colours or a single colour;  
 – of registering in the future sounds as Community trade marks,  
 provided that they are capable of distinguishing the goods or services of one undertaking from those of other undertakings.'

The English and European courts have given such statements short shrift as an interpretive tool – see *Libertel Groep BV v Benelux-Merkenbureau* (C-104/01) [2003] ECR I-3793, [2003] ETMR 63, [2004] FSR 4 at para 25; (C-292/89) *Antonissen* [1991] ECR I-745, an employment case; *Wagamama v City Centre Restaurants* [1996] ETMR 23, [1995] FSR 713.

<sup>14</sup> (1990) Cm 1203, para 2.06.

<sup>15</sup> Citing and endorsing a statement from the European Commission's Explanatory Memorandum on the Community trade mark:

'No type of sign is automatically excluded from registration ... Depending on the circumstances, therefore, the trade-marks office, the national courts, or in the last resort the Court of Justice will be responsible for determining whether, for example, solid colours or shades of colours, and signs denoting sound, smell or taste may constitute Community trade marks.' *Bulletin of the European Communities*, Supplement 5/80, p 56.

<sup>16</sup> *Libertel Groep BV v Benelux-Merkenbureau* (C104/01) [2005] 2 CMLR 45, [2004] Ch 83, [2003] ECR I-3793, [2003] EMR 63, [2004] FSR 4, [2004] 2 WLR 1081. For colour marks in various EC countries, see C Schulze 'Registering Colour Trade Marks In The European Union' [2003] EIPR 55.

<sup>17</sup> Echoing the 'colour depletion' theory arising from US case-law, and rejected in *Qualitex v Jacobsen* 115 S Ct 1300 (1995). Thus, single colour registrations should be the exception rather than the rule.

<sup>18</sup> For combinations of colours there must be 'a systematic arrangement associating the colours

case of *Rizla* shows: it seemed that the colours in dispute indicated the qualities of different cigarette papers, rather than origin.<sup>19</sup> Humphreys refers to unsuccessful attempts to register colour codings as Community trade marks and points out that colours may be laudatory or generic.<sup>20</sup>

## Sounds

2.4 In *Shield Mark*,<sup>21</sup> the ECJ confirmed that sound marks may, in principle, be registered, subject to distinctiveness and graphical representation.<sup>22</sup> Indeed, the Advocate-General pointed out that a number of EU member states, although not the UK, make express provision for sound marks in their legislation.<sup>23</sup> The *Shield* case involved two groups of sound marks; the first nine notes of Beethoven's *Für Elise*, represented in various ways, the second was the crow of a cockerel, described as such and rendered onomatopoeically in Dutch as 'Kukelekuuuuu'.<sup>24</sup> Such onomatopoeic descriptions were not held adequate to enter on the register (see below); nor were verbal descriptions.

## Smells

2.5 Smell marks<sup>25</sup> are recorded both as having been registered, such as 'the smell of fresh cut grass'<sup>26</sup> for tennis balls, and as having been refused registration, such as the 'smell, aroma or essence of cinnamon' in relation to furniture<sup>27</sup> or the smell of raspberries for fuel.<sup>28</sup> However, the ECJ in *Sieckmann*,<sup>29</sup> whilst confirming that smells may act as distinctive signs, appears

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concerned in a predetermined and uniform way' according to *Heidelberger Bauchemie GmbH* [2004] ETMR 99 ECJ. As the UK Registry point out in Practice Amendment Notice PAN 2/07, this is not wholly clear what this means in practice, but the Notice and the *Manual of Trade Mark Practice* at ch1, para 4.4.2 give examples of stripes in a particular colour order and proportions.

<sup>19</sup> *Rizla Limited v Bryant & May Limited* [1986] RPC 389. See G Kelly 'Protecting the goods: dealing with the lookalike phenomenon through the enforcement of IP rights in the United Kingdom and Ireland' [2011] EIPR 425.

<sup>20</sup> G Humphreys 'Non-conventional trade marks: an overview of some of the leading case law of the Boards of Appeal' [2010] EIPR 437.

<sup>21</sup> *Shield Mark BV v Kist (t/a Memex)* (C-283/01) [2004] All ER (EC) 277, [2005] 1 CMLR 41, [2004] Ch 97, [2004] ETMR 33, [2004] RPC 17, [2004] 2 WLR 1117, ECJ.

<sup>22</sup> See 2.26–2.31.

<sup>23</sup> *Shield Mark BV v Kist (t/a Memex)* (C-283/01) [2004] All ER (EC) 277, [2005] 1 CMLR 41, [2004] Ch 97, [2004] ETMR 33, [2004] RPC 17, [2004] 2 WLR 1117, ECJ at para AG22.

<sup>24</sup> Footnote 12 to the AG's opinion lists the onomatopoeia of a cock crow in various official languages of the EU: kikiriki, in German; kikeli-ki, in Danish; quiquiriqui, in Spanish; kukkokiekuu, in Finnish; cocorico, in French; kokoriko, in Greek; cock-a-doodle-doo, in English; chichirichi, in Italian; kukeleku, in Dutch; cocorocóco, in Portuguese; and kukeliku, in Swedish.

<sup>25</sup> See S Maniatis 'Scents as Trademarks: Propertisation of Scents and Olfactory Poverty' in L Bently and L Flynn (eds) *Law and the Senses: Sensational Jurisprudence* (1996) pp 217, 224.

<sup>26</sup> *Venootschap onder Firma Senta Aromatic Marketing's Application* [1999] ETMR 429.

<sup>27</sup> *John Lewis of Hungerford's TM* [2002] RPC 28.

<sup>28</sup> *Myles Ltd's Application* [2003] ETMR 56.

<sup>29</sup> *Sieckmann v Deutsches Patent-und-Markenamt* (C-273/00) [2002] ECR I-11737. The 2011 'Study on the Overall Functioning of the European Trade Mark System' by the Max Planck Institute for Intellectual Property and Competition Law Munich endorsed the legal security

to have rejected all current practical methods of representing them graphically.<sup>30</sup> In *Eden SARL v Office for Harmonisation in the Internal Market*,<sup>31</sup> the Court of First Instance of the European Communities (CFI now the 'General Court') did not rule out that the *Sieckmann* criteria could be satisfied for smell marks, but found that 'the smell of ripe strawberries' accompanied by a picture of a strawberry was not sufficient.

## Taste

**2.6** In the only reported case<sup>32</sup> to date on applications to register taste marks, the Office for Harmonisation in the Internal Market (OHIM) refused to register an artificial strawberry flavour for medicines as a Community trade mark. The OHIM board of appeal upheld this decision, remarking that consumers would not regard the flavour as serving to distinguish the medicines from those of other drug companies, but rather as a means of disguising the unpleasant flavour of the medicine.

## Touch

**2.7** The Braille system for blind readers is well known. Registration of a distinctive word in Braille notation is conceptually straightforward. But what about less well-defined tactile marks? Could the fluffy texture of a 'Donald Duck' address book be registered? If it is recognised as indicating that the Disney Corporation have licensed production of the address book, the texture can serve to distinguish these from other trader's address books. Again the problem of representation has arisen; the German Supreme Court dismissed an appeal against rejection of an application to register a touch mark by way of drawings.<sup>33</sup>

## Movement marks

**2.8** This is a non-traditional category contemplated by the UK Trade Mark Registry<sup>34</sup> along with holograms. No UK cases are cited of 'movement marks' but short animated sequences, such as the dancing telephone in television advertisements for Direct Line insurance, seem to be envisaged and the *Manual of Trade Mark Practice* indicates that the movement may be represented

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provided by *Sieckmann*, although curiously it recommended abolition of the requirement for graphical representation: [http://ec.europa.eu/internal\\_market/indprop/docs/tm/20110308\\_allensbach-study\\_en.pdf](http://ec.europa.eu/internal_market/indprop/docs/tm/20110308_allensbach-study_en.pdf), Part VII, para 59.

<sup>30</sup> See 2.26 and 2.31.

<sup>31</sup> Case T-305/04 [2006] ETMR 14.

<sup>32</sup> *Eli Lilly & Co's Community Trade Mark Application* [2004] ETMR 4 OHIM; see S Middlemiss and C Badger 'Nipping Taste Marks in the Bud' [2004] EIPR 152.

<sup>33</sup> *Haptic Trade Mark Application Case I ZB 73/05* [2008] ETMR 16 ('Haptic' means tactile, relating to touch).

<sup>34</sup> See *Manual of Trade Mark Practice*, ch 1, para 4.4.6. The *Manual of Trade Mark Practice* is often also called the 'Work Manual'. It may be consulted at [www.ipo.gov.uk/pro-types/pro-tm/t-law/t-manual.htm](http://www.ipo.gov.uk/pro-types/pro-tm/t-law/t-manual.htm).

graphically by a series of stills. Kraft Foods UK Ltd has registered a moving mark for chocolate described as a 'three-dimensional shape breaking apart'.<sup>35</sup>

**2.9** In *Lamborghini*,<sup>36</sup> OHIM refused the application on the basis that the 'movement mark' was not a distinguishing sign but rather depicted a technical feature of a class of sports car.

### Non-traditional trade marks – how might they function?

**2.10** From the foregoing, it seems clear that distinctive,<sup>37</sup> tactile,<sup>38</sup> aural,<sup>39</sup> olfactory<sup>40</sup> and taste marks are not excluded from registration, provided they can be represented graphically in a clear and unambiguous way.<sup>41</sup> In *Shield*,<sup>42</sup> the ECJ stated:

'2. Article 2 of Directive 89/104 must be interpreted as meaning that a trade mark may consist of a sign which is not in itself capable of being perceived visually, provided that it can be represented graphically, particularly by means of images, lines or characters, and that its representation is clear, precise, self-contained, easily accessible, intelligible, durable and objective.'

This position is reinforced by s 103(2) of the 1994 Act, which establishes that use of a mark includes use otherwise than by means of a graphic representation. Word marks are often chosen for their sound as well as their appearance; these sensible provisions mean that the protection conferred by registration of a word mark extends to use on sound radio. If a 'pure' sound mark can be registered, the distinctive 'jingle' by which a broadcaster identifies its programme is less likely to be imitated.<sup>43</sup> Where touch, taste or smell is concerned it may be difficult to say in a particular case that the information conveyed by those senses has trade mark significance. The sounds coming from a discotheque or the smells wafting from a restaurant may draw in custom but are unlikely to be distinctive of a particular establishment. Probably they amount to an eloquent description of the services available inside.<sup>44</sup>

<sup>35</sup> UK No 2280003, cited by VK Ahuja 'Non-traditional trade marks: new dimension of trade marks law' [2010] EIPR 575.

<sup>36</sup> *Automobili Lamborghini Holding SpA's Application* [2005] ETMR 43 OHIM (First Board of Appeal) – the swivel action of the 'gull-wing' doors of the Lamborghini Diablo.

<sup>37</sup> See 2.32 (distinctiveness).

<sup>38</sup> No cases known to date.

<sup>39</sup> *Shield Mark BV v Kist (t/a Memex)* (C283/01) [2004] All ER (EC) 277, [2005] 1 CMLR 41, [2004] Ch 97, [2004] ETMR 33, [2004] RPC 17, [2004] 2 WLR 1117, ECJ – the first nine notes of Beethoven's *Für Elise*.

<sup>40</sup> *Sieckmann v Deutsches Patent-und-Markenamt* (C273/00) [2002] ECR I-11737.

<sup>41</sup> See 2.26–2.31 (requirements for graphic representation); *Sieckmann v Deutsches Patent-und-Markenamt* (C273/00) [2002] ECR I-11737.

<sup>42</sup> *Shield Mark BV v Kist (t/a Memex)* (C283/01) [2004] All ER (EC) 277, [2005] 1 CMLR 41, [2004] Ch 97, [2004] ETMR 33, [2004] RPC 17, [2004] 2 WLR 1117, ECJ, citing *Sieckmann v Deutsches Patent-und-Markenamt* (C273/00) [2002] ECR I-11737.

<sup>43</sup> Although a jingle may be protected as a copyright musical work: see *Lawton v Dundas* (1985) *The Times*, June 13.

<sup>44</sup> See 2.31 (exclusion for descriptive marks).



Alternatively, they may appear with other more traditional marks and not be perceived by consumers as distinguishing signs. In *Weldebräu v OHIM*,<sup>45</sup> an argument that bottles with helical necks would be confused due to their similar feel was rejected, on the basis that customers would experience this only after having chosen a drink using other indicia. This, together with the problem of representing non-traditional marks adequately for recording on the register,<sup>46</sup> is likely to limit their number in practice.<sup>47</sup> One may imagine signs being regarded as acting as trade marks for some products but not for others: the sound of a lion for films<sup>48</sup> (but not for a zoo); a roughened disc tag for men's luggage (but not for power tools); a scent reminiscent of roses for sewing thread or motor tyres (but not for toilet water);<sup>49</sup> maracuya flavour for lipstick (but not for yoghurt).

## Perception of the mark

**2.11** Must the perceiver be conscious of the mark?<sup>50</sup> Would subliminal use of a visual cue amount to trade mark use? Since subliminal advertising is not encouraged in the UK, a judge might be moved to enforce a registered mark against a subliminal infringer. However, in *Laura Ashley v Coloroll*,<sup>51</sup> Whitford J gave short shrift to subliminal experiments designed to establish confusion between the plaintiff's and defendant's marks. His remarks suggested that the law would regard marks as operating only at the level of conscious choice. A related question is whether use of a mark in invisible form as a webpage 'metatag' infringes.<sup>52</sup> Here, however, the consumer is consciously using the

<sup>45</sup> Case T-24/08, 4 March 2010, General Court.

<sup>46</sup> See 2.26–2.31 (requirements for graphic representation).

<sup>47</sup> Their rarity is noted by G Humphreys 'Non-conventional trade marks: an overview of some of the leading case law of the Boards of Appeal' [2010] EIPR 437: in 2009, 58% of filings concerned word marks, 41% figurative marks, just over 0.5% cent three-dimensional marks with colour and other signs together reaching around 0.4%. OHIM figures for 2010 available at <http://oami.europa.eu> show a similar picture.

<sup>48</sup> An application to register the MGM 'roaring lion' as a Community trade mark failed on the issue of graphical representation, but the OHIM Fourth Board of Appeal held that it was in principle registrable: *Metro-Goldwyn-Mayer Lion Corp's Application* [2004] ETMR 34.

<sup>49</sup> *The Times*, 1 November 1994, p 7 reported UK applications being filed on 31 October 1994 (the first day of operation of the 1994 Act) to register 'the smell of roses when applied to tyres' and 'the scent of aldehyde-floral fragrance product, with an aldehydic top note from aldehydes, bergamot, lemon and neroli; an elegant floral middle note, from jasmine, rose, lily of the valley, orris and ylang-ylang; and a sensual feminine base note from sandal, cedar, vanilla, amber civet and musk. The scent also being known as Chanel No 5'. In *Re Celia Clarke* 17 USPQ 2d 1238, the scent of plumeria blossom was registered in the USA for sewing thread. However, in Case R-711/1999-3 the smell of raspberries for motor fuel was held to be functional – to disguise the unpleasant smell of the fuel – rather than distinctive. Case R-711/1999-3 (Smell of raspberries) 5 December 2001.

<sup>50</sup> The editors of *Kerly's Law of Trade Marks and Trade Names* (Sweet & Maxwell, 14th edn, 2005), doubted whether a registration would be infringed where the mark was so small as to be visible to the naked eye: para 17–058, but this view has probably been overtaken by *Google France Sarl v Louis Vuitton Malletier SA & ors* (conjoined cases C-236/08 to 238/08) [2011] All ER (EC) 411; [2010] ETMR 30; [2010] RPC 19 ECJ (Grand Chamber).

<sup>51</sup> [1987] RPC 1.

<sup>52</sup> See *Roadtech Computer Systems Ltd v Mandata (Management and Data Services) Ltd* [2000] ETMR 970 Ch D; JR Kuester and PA Nieves 'Hyperlinks, Frames and Meta-tags; an

mark to browse the internet but may be led by the metatag to a site unconnected with the trade mark owner.

**2.12** Must the mark be used at point of sale of goods or services, and by whom? The traditional view would have been 'yes', and by the trader.<sup>53</sup> The ECJ has, however, taken post-sale confusion into account in *Arsenal v Reed*.<sup>54</sup> Moreover, McCutcheon<sup>55</sup> points out that although the banana scent of writing paper may not be perceptible at point of sale, the consumer may be 'intellectually' aware of the scent from advertising and ask for the product by reference to its scent. In the context of infringement, Geoffrey Hobbs QC, sitting as a judge of the Community trade mark court, has held that 'initial interest confusion' is actionable, so perception before though not at point of sale can also be regarded as relevant.<sup>56</sup> The relevant perceiver in trade mark law is the 'average consumer' of the products in question,<sup>57</sup> who is reasonably well informed, circumspect and observant.<sup>58</sup>

## SUITABILITY FOR MARKING AND THE 'INTEGRAL MARK' PROBLEM

**2.13** Where a mark is to be applied to goods, it goes without saying that it must be possible to do so. An embossed crest is suitable for paper goods but not for diamonds. The mark should not interfere with the use of the product: an overly fancy shape would confer a very short working life on a bar of soap. Where services are requested by reference to the mark, it must be easy to pronounce, or bashful customers will make a different choice.

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Intellectual Property Analysis' (1998) 38 IDEA: *Journal of Law and Technology* 243. See, also, *Google France Sarl v Louis Vuitton Malletier SA & ors* (conjoined cases C-236/08 to 238/08) [2011] All ER (EC) 411; [2010] ETMR 30; [2010] RPC 19 ECJ (Grand Chamber)) use of trade marks as keywords or 'Adwords', by which advertisers paid to achieve a higher position in search rankings, would infringe if internet users could not easily ascertain the source of the advertised goods or services.

<sup>53</sup> *Aristoc v Rysta* [1945] AC 68 – post-sale use no longer 'in the course of trade'; '*Blu-tak*' *Bostik Ltd v Sellotape GB Ltd* [1994] RPC 556 Ch D. In the Google Adword scenario (n 50 and 52) the mark is used by the consumer to search and (imperceptibly) by the advertiser to ensure that its advertisement comes high on the list returned by the search engine. For a discussion of earlier cases, see P Prescott 'Trade marks invisible at point of sale' [1990] EIPR 241: 'One of the most important functions of a trader is to seek repeat orders.'

<sup>54</sup> [2003] 1 CMLR 12.

<sup>55</sup> J McCutcheon 'The Registration Of Sounds And Scents As Trade Marks Under Australian Law' [2004] IPQ 138. However, the UK Registry is sceptical that consumers will regard the fragrance of such a product as denoting origin: *Manual of Trade Mark Practice*, ch 3, para 3.2.

<sup>56</sup> *Och-Ziff Management Europe Ltd v Och Capital LLP* [2010] EWHC 2599 (Ch); [2011] ETMR 1; [2011] FSR 11.

<sup>57</sup> *Sabel BV v Puma AG* (C-251/95) [1997] ECR I-6191; [1998] 1 CMLR 445; [1998] ETMR 1; [1998] RPC 199; ECJ at 224. In *Whirlpool Corp v Kenwood Ltd* [2008] EWHC 1930 (Ch); [2009] ETMR 5; [2009] RPC 2 at [69], upheld [2009] EWCA Civ 753 at [23] the importance of identifying the average consumer in a real market was stressed; in that case the consumers were design-conscious.

<sup>58</sup> *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV* (C-342/97) [1999] ECR I-3819; [1999] 2 CMLR 1343; [1999] ETMR 690; [2000] FSR 77 at para 27.

**2.14** All these examples suggest that the mark is distinct from the basic product. A more subtle problem arises when the sign alleged to be a trade mark is the product itself, or its most striking feature. This could be the scent of a perfume or the shape of a shaver head. The legislation attempts to govern this difficulty in the case of shape marks, as will be seen in subsequent paragraphs, but the problem may be more general. Where a product is bought for the deliciousness of its scent or the elegance of its shape, the smell or contours may be regarded as 'aesthetically' functional<sup>59</sup> rather than apt to distinguish the product from that of other traders.

## SHAPES OF GOODS OR THEIR PACKAGING – FUNCTIONALITY AND SUBSTANTIAL VALUE

**2.15** The shape of goods and their packaging are listed as signs which may be registered as trade marks:<sup>60</sup> for example, the 'distinctively triangulated' Toblerone chocolate bar<sup>61</sup> and packaging.<sup>62</sup> This was a welcome development; proving the distinctiveness of product shape or packaging has been an uphill task for claimants in passing-off actions.<sup>63</sup> There is an elaborate regime to allow registration of product and packing shapes whilst preventing monopolisation of some important types of feature.<sup>64</sup> Section 3(2) of the 1994 Act prohibits the registration of signs which consist exclusively of certain shapes.

**2.16** First, there is the shape which results from the nature of the goods themselves. Thus, a spherical shape results from the nature of a ball.

**2.17** Secondly, shapes which are necessary to obtain a technical result are excluded. Wheels must be round to achieve smooth and efficient locomotion; a sailboard needs a ball joint between hull and mast. What is not clear is the degree of 'necessity' which disqualifies the shape. If a shape is uniquely able to produce the technical result, it is clearly unregistrable. What if it is not a unique solution, but, say, one of two possible solutions? The first applicant may persuade the Registry that another solution is available. But what about the second application? If registered, both possible solutions would be unavailable to competitors for a potentially infinite period.<sup>65</sup> In *Philips v Remington*<sup>66</sup> and

<sup>59</sup> G Dinwoodie 'The death of ontology: a teleological approach to trade mark law' (1999) 84 Iowa LR 611; see below at n 73.

<sup>60</sup> See A Firth, E Gredley and S Maniatis 'Shapes as Trade Marks: Public Policy, Functional Considerations and Consumer Perception' [2001] EIPR 86.

<sup>61</sup> J Phillips 'The Thin End of the Wedge' [2005] EIPR 31.

<sup>62</sup> T Helbling 'Shapes as Trade Marks? The Struggle to Register Three-Dimensional Signs: A Comparative Study of United Kingdom and Swiss Law' [1997] IPQ 413 discusses Toblerone registrations.

<sup>63</sup> Although many cases have special features which explain the claimant's failure: see B Mills 'Just Pot Luck! The UK Cup Noodles Case' [1994] 7 EIPR 307. See also, JR Jeremiah 'Passing off the "Buzzy Bee": when get-up can be functional' [1994] 8 EIPR 355.

<sup>64</sup> A Firth, E Gredley and S Maniatis 'Shapes as Trade Marks: Public Policy, Functional Considerations and Consumer Perception' [2001] EIPR 86.

<sup>65</sup> A similar line of reasoning has been used against the registration of colours in the USA, and the argument has been honoured with the title 'colour depletion theory'. *Re Owens Coming*

*Linde*,<sup>67</sup> the ECJ has confirmed that the purpose of s 3(2) and its equivalents is to ensure that registration of a shape mark could not be used 'in order to acquire or perpetuate exclusive rights relating to technical solutions'.<sup>68</sup> Thus, both should be refused registration. This was confirmed by the ECJ in *Lego Juris A/S v OHIM*.<sup>69</sup> In a UK Registry example, the bulbous tip of an agricultural tine was held to be unregistrable. Although it differed from others' products, it conferred a practical advantage in being especially hardwearing.<sup>70</sup>

**2.18** The third and last limb excludes shapes which give substantial value to the goods. This brings to mind examples such as the cut of a diamond<sup>71</sup> or a very elaborate container holding a token quantity of alcoholic beverage.<sup>72</sup> The principle of excluding such value-adding shapes from registration has been described in the USA as the doctrine of 'aesthetic functionality',<sup>73</sup> applied by some courts in the USA in cases such as such as *Pagliari v Wallace China*<sup>74</sup> where a floral pattern on china was denied protection as a trade mark or *Walmart*,<sup>75</sup> where colour and design of dresses were not regarded as an indication of source. The European Court considered this provision in *Benetton Group SpA v G-Star International BV*, where applications had been filed to register marks consisting in the stitching patterns and cut of jeans.<sup>76</sup> There was evidence of distinctiveness acquired prior to the application to register, but the court held that a shape conferring substantial value could not constitute a 'trade mark' even if it had acquired distinctive character. Section 3(2) and its equivalents do not mean that one can never register product features which are attractive and admired; the DaimlerChrysler Jeep Grille was held registrable by OHIM.<sup>77</sup> Products bearing a highly regarded trade mark are often sold at a

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774 F 2d 1116 (Fed Cir, 1985). Some courts have been reluctant to follow this ruling and the theory was rejected in the case of *Qualitex Co v Jacobson Products Co* 115 S Ct 1300 (1995).

<sup>66</sup> *Koninklijke Philips v Remington* (C-299/99) [2002] ECR I-5475; [2002] ETMR 81 ECJ.

<sup>67</sup> *Linde, Winward, RadolDPMA (Motorised Truck, Torch and Wrist Watch)* (Joined Cases C-53-55/01) [2003] RPC 45.

<sup>68</sup> *Koninklijke Philips Electronics NV v Remington Consumer Products Ltd* (C299/99) [2002] All ER (EC) 634, [2002] CEC 525, [2002] 2 CMLR 52, [2003] Ch 159, [2002] ECR I-5475, [2002] ETMR 81, [2003] RPC 2, [2003] 2 WLR 294 at para 82.

<sup>69</sup> (C-48/09) P [2010] ETMR 63.

<sup>70</sup> *Maasland NV's Application for a 3-Dimensional Trade Mark* [2000] RPC 893 AP. In *Ekornes ASA's Trade Mark* [BL O-017-06], the Appointed Person held that the combination of functional features in a chair would not render the shape unregistrable under s 3(2), although there were other valid grounds for refusal in the case. See *Manual of Trade Mark Practice*, ch 3, para 4 under 'Shapes'.

<sup>71</sup> Registering names of such cuts seems to confer very narrow protection: *Hölterhoff v Freiesleben* [2002] FSR 52 ECJ.

<sup>72</sup> As in the *Old Dutch Houses* case [1984] BIE 193, cited by A Kamperman Sanders in 'Some frequently asked questions about the Trade Marks Act 1994' [1995] 2 EIPR 67 at footnote 16.

<sup>73</sup> G Dinwoodie 'The death of ontology: a teleological approach to trade mark law' (1999) 84 Iowa LR 611 has criticised the phrase.

<sup>74</sup> 198 F 2d 339 (9th Cir, 1952). Contrast *Keene v Paraglex* 653 F 2d 822 (3rd Cir, 1981) where the doctrine was rejected.

<sup>75</sup> *Wal-Mart Stores, Inc v Samara Bros Inc* 120 S Ct 1339 (2000) 54 USP Q 2d 1065.

<sup>76</sup> (C-371/06) [2007] ECR I-7709; [2008] ETMR 5, a case decided under Art 3(3) of the Directive and the equivalent provision of Benelux trade mark law.

<sup>77</sup> Confirmed by the CFI in (T-128/01) *DaimlerChrysler v OHIM* [2003] ECR II-701, [2003]

premium as compared with the basic product. This 'trade mark premium' must be distinguished from the 'substantial' value of s 3(2). The Dutch Supreme Court has grappled with the distinction between the premium conferred on a product by the cachet of its mark and the 'substantial value' which renders a shape mark unregistrable. In a case involving 'twirled snacks',<sup>78</sup> it held that the value of the crisp resided in its eating qualities and not in the fancy shape.

**2.19** On the issue of 'substantial value' the troubled UK case-law on passing off by get-up<sup>79</sup> may be relevant. The courts have to consider whether the appearance of a product acts as a trade mark in drawing custom, or whether it encourages purchase for other reasons. Thus, in *Jarman & Platt v Barget*,<sup>80</sup> customers bought the plaintiff's 'Louis' chairs because they valued their appearance. This was not regarded as distinctive of the plaintiff's chairs alone. In *Hodgkinson & Corby v Wards Mobility Services*,<sup>81</sup> those ordering 'black egg-box' prosthetic cushions were held not to be 'moved by source' but rather by the technical advantages conferred by the shape. In dismissing *Hodgkinson's* action, however, Jacob J rejected the distinction between capricious additions and integral features of products. It is clear that both may operate as marks. Conversely, even an unusual added shape may not necessarily operate to distinguish a product from those of other traders.<sup>82</sup>

### A 'preliminary obstacle'

**2.20** The prohibitions of s 3(2) are absolute; they were described as a 'preliminary obstacle' in *Philips v Remington* and in *Linde* and similar conclusions were reached in *Bennetton v G-Star*. No amount of distinctiveness acquired by virtue of use<sup>83</sup> can render these features of shape registrable on their own. After all, the purpose of s 3(2) and its equivalents is to ensure that registration of a shape mark cannot be used 'in order to acquire or perpetuate exclusive<sup>84</sup> rights relating to technical solutions'. But note the word 'exclusively': evidence of distinctiveness may be admissible to show that the

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ETMR 87. However, the scope of protection may be limited: in *Whirlpool Corp v Kenwood Ltd* [2008] EWHC 1930 (Ch); [2009] ETMR 5; [2009] RPC 2 Ch D, the policy consideration underlying the registration of shape marks were taken into account in assessing infringement in the absence of confusion.

<sup>78</sup> Hoge Raad, 11 November (1983), NJ (1984) 203; BIE (1985) 23. See, further, A Kamperman Sanders 'Some Frequently Asked Questions about the Trade Marks Act 1994' [1995] 2 EIPR 67.

<sup>79</sup> For a fuller selection of cases, see *Kerly's Law of Trade Marks and Trade Names* (Sweet & Maxwell, 15th edn, 2011) paras 18.176–189; C Wadlow *The Law of Passing Off* (Sweet and Maxwell, 4th edn, 2011) pp 727–767.

<sup>80</sup> [1977] FSR 260.

<sup>81</sup> [1995] FSR 169; A Firth 'Cushions and confusion: the RoHo passing off case' (1994) 11 EIPR 494.

<sup>82</sup> In *Bongrain SA's TM* [2005] RPC 14, Jacob J stressed the public interest in freedom of action and healthy competition in holding a flower shape unregistrable for cheese.

<sup>83</sup> See 2.32.

<sup>84</sup> Note that s 13(1)(a) of the 1994 Act enables the applicant or proprietor to disclaim any right to the exclusive use of any specified element of the mark. Disclaimer is effected by notice in writing to the Registrar, who publishes it (r 24). Disclaimed elements enjoy no exclusivity,

features concerned do have a trade mark significance. Once a shape mark is found to pass the hurdle of s 3(2), it must still pass the normal<sup>85</sup> test of distinctiveness.<sup>86</sup> The ECJ considered this issue in relation to rectangular washing tablets in *Procter & Gamble v OHIM*,<sup>87</sup> and in relation to bottle shapes in *Develey Holding v OHIM*,<sup>88</sup> where the court indicated that, though the principles for ascertaining distinctiveness were the same for three-dimensional as for other marks, consumer perceptions might differ, making it more difficult for the applicant to establish distinctiveness.

## COMPOUND MARKS – SHAPES AND GENERALLY

**2.21** Even where all individual features are excluded, is it open to an applicant for registration to argue that the particular combination of features is capable of being distinctive? Cases on disclaimers show that a mark composed of commonplace elements may be registrable as a whole. Thus, in *Diamond T*,<sup>89</sup> the letter 'T' and the surrounding device of a diamond were disclaimed, but the mark as a whole was registered. It is submitted that where a combination of shape elements is technically or functionally necessary, it will not be registrable. But where there is freedom to use different combinations, could the whole be capable of registration? This argument was raised in *Procter & Gamble v OHIM*. The applicants complained that OHIM and the Court of First Instance had failed properly to consider the shape of their washing tablets as a whole. The ECJ rejected this plea, remarking that although the average consumer normally perceives a mark as a whole,<sup>90</sup> a trade mark office could and should examine each of the individual features of the mark in turn. However, overall impression is important.<sup>91</sup> This may be more than just the sum of its parts. Sometimes one hears talk of a designer's 'trademark style', suggesting that the designer uses a characteristic combination of features. But *Dyson*<sup>92</sup> shows that a design concept cannot be a 'sign', while *Whirlpool*<sup>93</sup> suggests that even where a combination of features is registered, there is no protection against stylistic imitation. Use of a compound mark may confer distinctiveness on its

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either in the context of infringement or in the context of blocking later applications: *CIFUENTES TM, General Cigar v Partagas* [2005] EWHC 1729 (Ch). See, further, 5.28.

<sup>85</sup> In *Linde*, joined cases C-53/01 to 55/01 [2003] ETMR 78 the ECJ stated that the standard of distinctiveness is the same for all marks.

<sup>86</sup> See 2.32ff.

<sup>87</sup> *Procter & Gamble Co v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* (C-473/01 P) [2004] ECR I-5173, [2004] ETMR 89; a Community trade mark case, following a decision to similar effect under the directive in *Henkel KGaA v OHIM* (C-456/01 P) [2004] ECR I-5089.

<sup>88</sup> (C-238/06) P [2007] ECR I-9375; [2008] ETMR 20.

<sup>89</sup> [1921] 2 Ch 583; (1921) 38 RPC 373.

<sup>90</sup> At paras 44 and 45. It is clear that these remarks apply to trade marks generally, including word marks.

<sup>91</sup> *Medion v Thomson Multimedia* (C-120/04) ECJ ('*Thomson Life*'), 6 October 2005.

<sup>92</sup> *Dyson Ltd v Registrar of Trade Marks* (C-321/03) [2007] ECR I-687; [2007] 2 CMLR 14; [2007] ETMR 34; [2007] RPC 27.

<sup>93</sup> *Whirlpool Corp v Kenwood Ltd* [2008] EWHC 1930 (Ch); [2009] ETMR 5; [2009] RPC 2.

elements.<sup>94</sup> The use of a compound mark by a single trader should be distinguished from the practice of 'co-branding', where the marks of different traders are combined for joint activity.<sup>95</sup>

## 'SUBSTANTIAL VALUE' GENERALLY

**2.22** The registration of shape marks consisting exclusively of signs which confer substantial value in use is expressly prohibited by s 3(2)(c). The same problem may arise, however, in relation to smell, taste or sound marks. The distinctive scent of upmarket toiletries may confer substantial value, as may the smell of instant coffee or the taste of a soft drink. These features are important elements of the products. Likewise, the opening bars of a musical work may be compelling and distinctive but they are usually the most significant part of the work itself. They may operate perfectly well as a trade mark for insurance services, but be less suitable as a 'jingle' for a classical radio station.

**2.23** In practice, the question as to whether the distinctive feature is a trade mark will be much affected by the way the goods or service has been advertised. If the feature is promoted as enhancing the functional or aesthetic qualities of the product, then it is unlikely to be accepted as a mark.<sup>96</sup> This can be regarded as a form of estoppel. Promotion of the feature as a distinguishing sign constitutes a self-serving statement, to which little weight would normally attach. However, it may be relevant in educating the public to recognise the feature as distinctive.<sup>97</sup> Such use may be taken into account by the Registry or court in deciding whether the sign is perceived as a trade mark, though *Bennetton v G-Star* shows the limitations of this approach.

## SUITABILITY FOR ADVERTISING

**2.24** A trader adopting a mark should consider all likely advertising media and in particular those likely to reach the target market. A good mark can be long-lived; in the classic situation the product acts as its own advertisement. This has been overtaken by hoardings, print media, sound broadcasting, television, mobile telephony, web advertising, etc. For some of these, a mark may be physically or morally<sup>98</sup> ill-suited.

**2.25** Conversely, an advertising technique may mature into a trade mark. It used to be doubted that advertising slogans were trade marks. UK registration

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<sup>94</sup> *Société des Produits Nestlé SA v Mars UK Ltd* (C-353/03), [2005] 3 CMLR 12, ECJ, [2005] ETMR 96.

<sup>95</sup> T Blackett and B Boad 'Co-Branding: the Science of Alliance' [1999].

<sup>96</sup> As with the triple headed shaver in *Philips v Remington* (C-299/99) [2002] ECR I-5475, [2002] ETMR 81 ECJ.

<sup>97</sup> US case-law stresses the education of the consumer, see, e.g. *Fabrication Enters v Hygenic Corp* 64 F 3d 53, 35 USPQ2d 1753 (2nd Cir, 1995).

<sup>98</sup> See 2.45.

was refused to the Kit-Kat slogan 'Have a break'.<sup>99</sup> The ECJ has held on a reference in this case that distinctiveness may be acquired by use in a composite phrase, such as 'Have a break – have a Kit-Kat'.<sup>100</sup> So we may expect to find 'Have a break' on the UK register in due course. However, even under the 1938 Act, slogans such as 'I can't believe it's yogurt'<sup>101</sup> were registered in the UK.<sup>102</sup>

## SUITABILITY FOR ENTERING ON THE REGISTER

**2.26** To be registrable as a mark, a sign must be capable of graphic representation.<sup>103</sup> This requirement ensures that the mark can be entered upon the register. Although 'register' suggests a huge leather-bound book, the register need not be kept in documentary form. The UK Trade Marks Registry (a division of the Intellectual Property Office) has a computerised register.<sup>104</sup> Section 63(1) of the 1994 Act defines 'register' and s 63(3) merely provides that it be kept in such manner as may be prescribed. This is done in r 46 of the Trade Marks Rules 2008,<sup>105</sup> which again states that the register need not be kept in documentary form.

**2.27** Words, devices, letters and numerals already have their graphical representation. They may be registered in general or in a specific typeface or colour.<sup>106</sup> Logos can be represented pictorially. Where packaging or product shapes are concerned, the representation may be achieved by drawings or photographs, often multiple views will be needed, and preferably accompanied by an appropriate description.<sup>107</sup> The Registry has indicated that representations up to A4 size can be accepted.<sup>108</sup> It appears that the UK Registry will not accept descriptions of shape signs<sup>109</sup> but not OHIM.<sup>110</sup> The difficulties of using descriptions are illustrated by applications to register the shapes of various

<sup>99</sup> [1993] RPC 217 (decided in 1983), and again in *Société des Produits Nestlé SA v Mars UK Ltd* [2003] ETMR 101 sub nom *Nestlé SA's Trade Mark Application (Have a break)* at [2004] FSR 2 CA.

<sup>100</sup> *Société des Produits Nestlé SA v Mars UK Ltd* (C353/03) [2005] 3 CMLR 12, ECJ, [2005] ETMR 96.

<sup>101</sup> [1992] RPC 533. Note that the requirement of distinctiveness will be absent where the slogan refers to the qualities of the service or goods: 'Where People Matter' ITMA Information, April/May 1994, p 1.

<sup>102</sup> In enacting the 1994 Act, Parliament rejected as unnecessary an amendment to the Trade Marks Bill which would have added 'slogans' to the list of signs in s 1: House of Lords Public Bill Committee Report, cols 10–11 (13 January 1994).

<sup>103</sup> Trade Marks Act 1994, s 1(1). A mark which does not satisfy s 1(1) cannot be registered (s 3(1)(a)).

<sup>104</sup> Known as OPTICS, for Office of Patents and Trademarks Integrated Computer Systems. There is also a database facility for devices dubbed TRIMS (Trade Marks Imaging System).

<sup>105</sup> SI 2008/1797, as amended by SI 2008/2300 (see Appendix 2 of this book).

<sup>106</sup> The UK IPO's *Manual of Trade Mark Practice*, ch 1, para 4.4.2 recommends stating the colour in words and defining by use of an internationally recognised colour identification system, such as 'Pantone', 'Focoltone', 'Munsell Color' or 'Toyo'.

<sup>107</sup> *Manual of Trade Mark Practice*, ch 1, para 4.4.4.

<sup>108</sup> Guidance notes for Form TM3, section 2.

<sup>109</sup> *Manual of Trade Mark Practice*, ch 1, para 4.4.4.

<sup>110</sup> *Antoni & Alison's Application* [1998] ETMR 460.



sweets as trade marks by Swizzel Matlow: 'chewy sweet on a stick' was held to be too vague,<sup>111</sup> whilst their attempt to describe their 'love heart' sweets would convey their appearance to those familiar with the products, but not to others.<sup>112</sup> The Appointed Person<sup>113</sup> stressed the need for clarity for third parties.

**2.28** The representation of colours, sounds, taste, smells and tactile marks may be more taxing on the applicant's powers of description. Precision could be attained by a highly technical formula but might not be comprehensible to those consulting the register. In *Sieckmann*,<sup>114</sup> it was held that the representation must be 'clear, precise, self-contained, easily accessible, intelligible, durable and objective'. The nature of the mark must be stated, be it a shape, colour, sound, etc.<sup>115</sup>

## Colours

**2.29** In *Ty-Nant*,<sup>116</sup> an elaborate technical method of identifying the colour cobalt blue was firmly rejected. Conversely, it may be difficult to identify a colour with adequate precision using words. However, there are colour standards which are almost universally recognised. The *Manual of Trade Mark Practice*<sup>117</sup> refers to the 'Pantone', 'Focoltone', 'Munsell Color' or 'Toyo' systems as suitable for reference use in colour mark applications and recommends also including a description of the colour.

## Sounds

**2.30** Sound marks frequently comprise snatches of music, which can be represented in musical staff notation.<sup>118</sup> This can be reasonably precise and is widely understood. Sound marks might also be represented in a technical or in a descriptive way. The notes 'GEC' played on chimes at a particular pitch and pace could be described as such. In *Shield Mark*,<sup>119</sup> the ECJ having held that sound marks are registrable in principle, went on to rule:

'Article 2 of Directive 89/104 must be interpreted as meaning that a trade mark may consist of a sign which is not in itself capable of being perceived visually, provided that it can be represented graphically, particularly by means of images,

<sup>111</sup> *Swizzel Matlow's Application (No 1)* [1998] RPC 244.

<sup>112</sup> *Swizzel Matlow's Application (No 2)* [1999] RPC 879; [2000] ETMR 58.

<sup>113</sup> Simon Thorley, QC.

<sup>114</sup> *Sieckmann v Deutsches Patent-und-Markenamt* (C273/00) [2002] ECR I-11737.

<sup>115</sup> *Shield Mark BV v Kist (t/a Memex)* (C283/01) [2004] All ER (EC) 277, [2005] 1 CMLR 41, [2004] Ch 97, [2004] ETMR 33, [2004] RPC 17, [2004] 2 WLR 1117, ECJ (sounds).

<sup>116</sup> *Ty-Nant* [1999] RPC 392, TMR; [2000] RPC 55, AP.

<sup>117</sup> Chapter 1, para 4.4.2.

<sup>118</sup> Such as the opening note of Beethoven's *Fur Elise* in *Shield Mark BV v Kist (t/a Memex)* (C-283/01) [2004] All ER (EC) 277, [2005] 1 CMLR 41, [2004] Ch 97, [2004] ETMR 33, [2004] RPC 17, [2004] 2 WLR 1117, ECJ.

<sup>119</sup> *Shield Mark BV v Kist (t/a Memex)* (C-283/01) [2004] All ER (EC) 277, [2005] 1 CMLR 41, [2004] Ch 97, [2004] ETMR 33, [2004] RPC 17, [2004] 2 WLR 1117, ECJ.

lines or characters, and that its representation is clear, precise, self-contained, easily accessible, intelligible, durable and objective. In the case of a sound sign, those requirements are not satisfied when the sign is represented graphically by means of a description using the written language, such as an indication that the sign consists of the notes going to make up a musical work, or the indication that it is the cry of an animal, or by means of a simple onomatopoeia, without more, or by means of a sequence of musical notes, without more. On the other hand, those requirements are satisfied where the sign is represented by a staff divided into bars and showing, in particular, a clef, musical notes and rests whose form indicates the relative value and, where necessary, accidentals.'

As outlined in the UK *Manual of trade marks practice*,<sup>120</sup> musical notation provides unambiguous representation, rendering timing and pitch intelligible, unlike a written description of the sound. A musical instrument may be specified. The use of a sonogram or waveform was briefly discussed in *Shield*,<sup>121</sup> but the court did not give a ruling. In *Edgar Rice Burroughs Inc v OHIM*,<sup>122</sup> an application to register Tarzan's yell, accompanied by a spectrogram, was rejected. Subsequently OHIM decided to accept sounds files, in formats such as MP3.<sup>123</sup>

## Smells

**2.31** In *Sieckmann*,<sup>124</sup> every imaginable method of representing a smell graphically was canvassed but rejected by the ECJ. Dr Sieckmann, as befitted his scientific and legal background as an IP attorney, identified his 'olfactory mark' by the pure chemical substance producing the characteristic smell – methyl cinnamate or cinnamic acid methyl ester, also giving the chemical's formula in symbols. He submitted an odour sample in a container. He stated that the scent was usually described as 'balsamically fruity with a slight hint of

<sup>120</sup> At ch 1, para 4.4.5. According to this, the UK registry has not taken a position on sonograms. In *Edgar Rice Burroughs Inc v OHIM* R 708/2006-4, an application to register Tarzan's yell, described in words and accompanied by a spectrogram, was refused for lack of proper graphical representation, but OHIM now accepts sounds files, for example in MP3 format. see S Yavorsky 'Ministry of Sound – OHIM and the Tarzan yell' [2008] Ent LR 63.

<sup>121</sup> The referring court had asked whether, in particular, the requirement of graphical representation would be satisfied if the sound or the noise is registered in one of the following forms:

- musical notes;
- a written description in the form of an onomatopoeia;
- a written description in some other form;
- a graphical representation such as a sonogram;
- a sound recording annexed to the registration form;
- a digital recording accessible via the Internet;
- a combination of those methods;
- some other form and, if so, which?

The UK Registrar 'has not taken a position on sonograms' according to the *Manual of Trade Mark Practice*, ch 1, para 4.4.5.

<sup>122</sup> R-708/2006-4.

<sup>123</sup> Regulation 2868/95 of 13 December 1995 implementing Regulation 40/94 on the Community trade mark (as amended) ('CTMIR') art 3(6). Decision No EX-05-3 of the President of the Office of 10 October 2005, see C Seville 'Trade Marks' [2008] ICLQ 955.

<sup>124</sup> *Sieckmann v Deustches Patent-und-Markenamt* (C-273/00) [2002] ECR I-11737.

cinnamon'. He identified laboratories where samples of the mark could be obtained, all to no effect. It seems that, unless and until there is a further ruling, no more smell marks can validly be registered in the EU.

## ABILITY TO DISTINGUISH

**2.32** Capability of distinguishing is the fundamental characteristic of a trade mark. Section 1(1) requires it and s 3(1)(a) forbids registration without it. The sign must be capable of identifying the goods or services as originating with a particular undertaking (the proprietor) and distinguishing them from others.<sup>125</sup> A mark may be distinctive by nature, or by 'nurture'.<sup>126</sup> Marks which are incapable of distinguishing, therefore, cannot be registered; ss 3, 4 and 5<sup>127</sup> ensure this. In particular, the absolute grounds for refusal under s 3(1)(c) and its proviso explore different situations in which a sign may lack distinctive character and be denied registration. Conversely, where evidence shows that a sign operates as a distinctive mark, it will generally be possible to register the mark. The spirit of the Directive and the 1994 Act was said to allow registration of marks unless prohibited.<sup>128</sup> However, after a very permissive set of decisions under the equivalent provisions of the Regulation, culminating in *Baby-Dry*,<sup>129</sup> the ECJ seems to have resiled from a presumption of registrability in favour of what Turner-Kerr has called a 'principle of availability'.<sup>130</sup> Without overruling *Baby-Dry*, the court has ruled that *Double-Mint*<sup>131</sup> was unregistrable even though its descriptive connotations were ambiguous and *Post-Kantoor*<sup>132</sup> likewise, notwithstanding the availability of other, perhaps more usual, descriptors. A similar principle underlay the UK Registry's practice of refusing to register common surnames by reference to frequency of appearance in telephone directories. This practice, however, came in for criticism in *Nichols* and is no longer used.<sup>133</sup> The 'absolute grounds' are recognised as overlapping<sup>134</sup> and each protects an aspect of the public

<sup>125</sup> *Electrocoin Automatics Ltd v Coinworld Ltd* [2004] EWHC 1498; [2005] ETMR 31.

<sup>126</sup> *Id* by virtue of use: AD 2000 [1997] RPC 168, as in *OHIM v Celltech R&D Ltd* (C-273/05 P) [2007] ECR I-2883.

<sup>127</sup> 'Absolute grounds for refusal of registration' (s 3); 'specially protected emblems' (s 4); and 'relative grounds for refusal of registration' (s 5).

<sup>128</sup> White Paper 'Reform of Trade Mark Law' (1990) Cm 1203, paras 2.06 and 3.07-3.09.

<sup>129</sup> For babies' nappies or diapers, *Procter & Gamble v OHIM* [2001] ECR I-6251.

<sup>130</sup> P Turner-Kerr 'Trade Mark Tangles: Recent Twists and Turns in EC Trade Mark Law' [2004] EL Rev 345.

<sup>131</sup> (*OHIM*) v *Wm Wrigley Jr Co* (C-191/01 P) [2004] 1 WLR 1728; [2004] All ER (EC) 1040; [2003] ECR I-12447; [2005] 3 CMLR 21; [2004] ETMR 9; [2004] RPC 18.

<sup>132</sup> *Koninklijke KPN Nederland NV v Benelux-Merkenbureau* (C-363/99) [2006] Ch 1; [2005] 3 WLR 649; [2005] All ER (EC) 19; [2004] ECR I-1619; [2005] 2 CMLR 10; [2005] CEC 216; [2004] ETMR 57, ruling that: 'The practice of a trade mark registration authority which concentrates solely on refusing to register "manifestly inadmissible" marks is incompatible with article 3 of Directive 89/104.'

<sup>133</sup> *Nichols plc v Registrar of Trade Marks* (C-404/02), [2004] ECR I-8499, [2005] RPC 12; see *Manual of Trade Mark Practice*, ch 3 Examination Guide, heading 'Surnames, Forenames and Full Names'.

<sup>134</sup> Especially in decisions of the UK courts such as *Procter & Gamble Ltd's Trade Mark Applications* [1999] RPC 673; *Electrocoin Automatics Ltd v Coinworld Ltd* [2005] ETMR 31;

interest.<sup>135</sup> The next section analyses reasons why a sign may lack distinctiveness on a temporary or a permanent basis. The mark is always assessed, of course, in relation to the goods or services for which registration is sought.<sup>136</sup>

## NON-DISTINCTIVE SIGNS

**2.33** Section 3 of the 1994 Act, Art 3 of the Directive and Art 7 of the Regulation, refers to absolute grounds for refusal to register 'signs'. In each of these equivalent provisions, indent (a) refers to signs (signs which do not satisfy the requirements of s 1 in the 1994 Act; 'signs which cannot constitute a trade mark' in the Directive and Regulation). Leaving aside problems of non-sign and capacity for graphical representation, is there a class of 'sign' which cannot be a 'trade mark' in law, even if it otherwise satisfies the requirements of s 1? Such as York for trailers, which was held under the Trade Marks Act 1938 to be incapable of registration in law, albeit 100% distinctive in fact?<sup>137</sup> The ECJ ruled otherwise in *Philips v Remington*,<sup>138</sup> thus leaving s 3(1)(a) and its equivalents with no separate function to perform as regards distinctiveness.<sup>139</sup> In the sections that follow, 'sign' will be used in relation to candidates for registration as trade marks. In the writers' view, non-distinctive signs<sup>140</sup> fall logically into five categories, covering both 'absolute' and 'relative' grounds for refusal of registration.

### The sign is incapable of conveying information

**2.34** A short, isolated straight line or the single letter (and indefinite article) 'a' simply cannot carry a distinctive message. 'White' noise would be too complex to operate as a sound mark. Section 3(1)(b) prohibits registration of signs which are devoid of any distinctive character. However, this is subject to the proviso that the mark can be registered on proof of distinctiveness acquired through use. In the past, evidence of use has been accepted as evidence of distinctiveness. Does the proviso require proof of recognition of the mark as well? Common sense suggests that for a borderline mark, evidence of actual

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*Bongrain SA's Trade Mark Application* [2004] [2005] RPC 14, CA. See, further M Handler 'The Distinctive Problem of European Trade Mark Law' [2005] EIPR 306.

<sup>135</sup> *Linde AG v Deutsches Patent-und-Markenamt* [2003] RPC 45 ECJ.

<sup>136</sup> *Procter & Gamble Co v OHIM (C-473/01 P)* [2004] ECR I-5173, [2004] ETMR 89, citing *Linde*, para 41, and *Koninklijke KPN Nederland (C-363/99)*, para 34. See also *Philips v Remington (C299/99)* [2003] 2 WLR 294, [2003] RPC 2.

<sup>137</sup> [1984] RPC 231.

<sup>138</sup> *Koninklijke Philips v Remington (C-299/99)* [2002] ECR I-5475; [2002] ETMR 81 ECJ. Despite the ECJ's holding in *Philips* that the indents are independent, they clearly address overlapping public interest concerns: M Handler 'The distinctive problem of European trade mark law' [2005] EIPR 306.

<sup>139</sup> On s 3(1)(a) case-law, see C Colston & J Galloway 'Modern Intellectual Property Law' (Routledge, 3rd edn, 2010) at pp 608–609.

<sup>140</sup> Note that in s 3 of the 1994 Act, Art 3 of the Directive and Art 7 of the Regulation, indent (a) refers to relative ground of refusal of 'signs', whereas the remaining indents refer to 'trade marks'. In this chapter, 'signs' shall be used throughout.

distinctiveness is desirable. For a 'stronger' mark, evidence of use may suffice to put its registrability beyond doubt. Secondly, is it necessary to show that the mark has become distinctive in the UK, or will proof of distinctiveness through use abroad be adequate? Evidence of use abroad, especially in another member state of the EU, may be relevant to capability to distinguish, but could never be conclusive. Different linguistic and other conditions will pertain.<sup>141</sup>

**2.35** Past refusals to register which may exemplify this category included two- and three-letter combinations other than words.<sup>142</sup> The Registry now takes the view that two- and three-letter non-words may be registered, unless they would not be regarded as a trade mark by the average consumer. Nor is there a bar to registration of a single letter, but its use in combination with other features, such as colour, would assist.<sup>143</sup> Similar practices relate to numbers<sup>144</sup> and combinations of letters and numbers.

### The sign is descriptive, *ab initio*, of the product

**2.36** Section 3(1)(c) obliges the Registry to refuse to register marks which consist exclusively of signs which serve, in trade, to designate the kind ('frocks'), quality ('all wool'), quantity ('tonne'), intended purpose ('cat food'), value ('pound'),<sup>145</sup> geographical origin<sup>146</sup> ('Brighton' for rock), the time of production of goods or rendering of services ('24 hours'), or other characteristics of goods and services ('speedy', 'perfect'). This category is again subject to the proviso for acquired distinctiveness.<sup>147</sup> Dealing with the last examples first, UK law has traditionally been strict as to laudatory marks. In a classic case, registration was refused to 'Perfection'.<sup>148</sup> However, where words have been subtly rather than directly laudatory,<sup>149</sup> registration has been allowed.

<sup>141</sup> See *Ford-Werke* (1955) 72 RPC 191.

<sup>142</sup> *W&G* (1913) 30 RPL 661; IQ [1993] RPC 379. Monograms and other 'fancy' combinations were often registered, however.

<sup>143</sup> *Manual of Trade Mark Practice*, ch 3, heading 'Letters and Numerals'. *Letter K Trade Mark* [2001] ETMR 102 (Bundesgerichtshof) ('K' not necessarily devoid of distinctive character).

<sup>144</sup> *Caterham Car Sales & Coachwork Ltd's Application* [2000] ETMR 14 (OHIM Third Board of Appeal) ('7').

<sup>145</sup> Although 'Pound Puppies' was registered under the 1938 Act, [1988] RPC 530 (Board of Trade).

<sup>146</sup> The strength of a geographical objection will depend upon the size and importance of the geographical location and whether it does or could have a reputation for the product. The Registry has formulated guidelines, assessing whether the name is liable to be used as designating geographical origin and following the ECJ's ruling in *Windsurfing Chiemsee v Boots and Attenberger* (C-108/97 & 109/97) [2000] Ch 523; [2000] 2 WLR 205; [1999] ECR I-2779; [1999] ETMR 585: *Manual of Trade Mark Practice*, ch 3, heading 'Geographical Names'.

<sup>147</sup> Surprisingly descriptive words have been held to have acquired distinctiveness. *Manganin*, the name of an alloy, became distinctive of an applicant's products, [1967] RPC 271.

<sup>148</sup> *Crosfield's Application* [1910] 1 Ch 130; 26 RPC 561. In this case the judge recognised that a word could be simultaneously descriptive and distinctive. For a more recent example, see 'Bravo': *Merz & Krell v Deutsches Patent und Markenamt* (C-517/99) [2002] All ER (EC) 441, [2001] ECR I-6959, [2002] ETMR 21 ECJ.

<sup>149</sup> As in *Sheen* for sewing thread, (1936) 53 RPC 355, or *Chunky* for dog food, [1978] FSR 322.

**2.37** Marketing departments seem extraordinarily fond of descriptive marks.<sup>150</sup> This is understandable in the case of new products, where advertising has to create recognition of the product as well as the mark. Unfortunately, a descriptive mark may be taken as a mere product description, and fail to achieve distinctiveness even through use.<sup>151</sup> Another common ploy is to misspell or combine descriptive words, or to use foreign words.<sup>152</sup> In *Matratzen* the ECJ emphasised that understanding in the member state of registration is the determinant for national marks.<sup>153</sup> To date, the UK Registry has been quick to spot and refuse applications to register marks such as 'Soflens'.<sup>154</sup> Device marks have also been refused as descriptive, as in *Unilever*.<sup>155</sup> However, if it can be shown that the descriptive symbol or word refers to a distinctive feature of the goods or services, then it can be registered.<sup>156</sup> Descriptive words may be combined together in a distinctive way, although this was not the case in 'COLOR EDITION'.<sup>157</sup>

**2.38** Marks in this category range from direct and overt descriptions, for example Motor Lodge,<sup>158</sup> which are likely to fall foul of s 3(1)(c) to 'covert and skilful allusions'<sup>159</sup> which will not be caught. The latter type of mark, suggestive rather than descriptive of a product's qualities, can be very effective.

**2.39** If a mark in a foreign language or script<sup>160</sup> is descriptive in its own language, its registrability in the UK will depend upon the degree of recognition of the language or script in the relevant UK (residents of the UK are likely to be familiar with French, but not Lithuanian; Non-European languages such as Arabic may be familiar in the market for certain types of goods) and whether the language is customarily used for the products

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For an interesting and detailed analysis of the registration of laudatory marks in Canada, see RM Colbert and E Manolakis 'Laudatory Words in Trade Marks – are proper considerations being applied?' (1994) 10 CIPR 635.

<sup>150</sup> For cautionary examples from US case-law, see any edition of *Diamond Trade Mark Problems and How to Avoid Them*.

<sup>151</sup> As in 'Oven Chips': *McCain v Country Fair* [1981] RPC 69.

<sup>152</sup> A former requirement that foreign words or symbols be translated or transliterated has not been retained; presumably it is covered by the Registry's powers to call for translation of all or part of any document: Trade Marks Rules 1994, r 66.

<sup>153</sup> *Matratzen Concord AG v Hukla Germany SA* (C-421/04) [2006] ECR I-2303; [2006] CEC 621; [2006] ETMR 48.

<sup>154</sup> For contact lenses, [1976] RPC 694. See also *Orlwoola* [1910] 1 Ch 130; (1909) 26 RPC 683 and 850.

<sup>155</sup> Representation of striped toothpaste, [1984] RPC 155, and see [1987] RPC 13.

<sup>156</sup> *Blue Paraffin* [1977] RPC 473; *Unilever Ltd's (Striped Toothpaste No 2) TM* [1987] RPC 13.

<sup>157</sup> *Lancôme Parfums et Beauté & Cie SNC v OHIM* (C-408/08 P) [2010] ETMR 34, although both SPECIAL EFFECTS and its phonic equivalent SPECIAL FX achieved registration: *Special Effects Ltd v L'Oréal SA* [2007] EWCA Civ 1; [2007] ETMR 51; [2007] RPC 15.

<sup>158</sup> [1965] RPC 35.

<sup>159</sup> *Solio* [1898] AC 571; 15 RPC 476.

<sup>160</sup> See *Manual of Trade Mark Practice*, ch 3, heading 'Non English Words (Registrability of)', following *Matratzen*. Registry examiners may use the internet to ascertain whether there is a descriptive sense in the public domain. *Ruiz-Picasso and Others v OHIM – DaimlerChrysler (PICARO)* Case T-185/02 [2004] ECR II-1739 at paras 28–29 indicating that judicial notice may be taken, including information from generally accessible sources.

(eg French for beauty products). It will also depend upon the degree of descriptiveness of the mark's meaning.<sup>161</sup>

### The sign is misdescriptive of the product

**2.40** Section 3(3)(b) prohibits registration of marks which are of such a nature as to deceive the public, for instance as to the nature, quality or geographical origin of the product. Thus, 'babycare' would be misdescriptive of rat poison and 'all wool' deceptive if used in relation to synthetic fabrics. In *CFA Institute's Application*,<sup>162</sup> 'Chartered' in applicant's collective mark was held to be misdescriptive of its status, particularly among private investors, contrary to s 3(1)(b). Sometimes, however, a misdescription is so fanciful as to avoid deceptiveness. Thus, 'North Pole' for bananas or 'Sahara' for ice cubes would deceive nobody as to geographical origin.

### The sign was distinctive but has become descriptive

**2.41** Just as a descriptive sign can become distinctive through use as a trade mark, so a trade mark can lose distinctiveness through misuse as a product description. Such marks are said to have become 'generic'. Where a mark has been registered whilst distinctive, only 'generic' use in the trade is sufficient to invalidate it.<sup>163</sup> What if the mark is not already on the register, or registration is sought for further goods or services? Section 3(1)(d) denies registration to signs which have become customary in the current language or in the bona fide and established practices of the trade.<sup>164</sup> It is submitted that these two limbs are distinct;<sup>165</sup> currency in the language may be established by dictionary entries.<sup>166</sup> In *Matsushita* the UK Registry had found generic use in the trade of the phrase 'combi steam' on the internet; refusal of the application was upheld.<sup>167</sup>

<sup>161</sup> See, eg *Kiku* [1978] FSR 246, Japanese for 'Chrysanthemum'.

<sup>162</sup> *CFA Institute's Application; Opposition of the Chartered Insurance Institute*, Case O-315-06 [2007] ETMR 76 UK TM Registry, Allan James. No free-standing objection under s 3(1)(a).

<sup>163</sup> See **9.16**. *Hasbro Inc v 123 Nahrungsmittel GmbH* [2011] EWHC 199 (Ch); [2011] ETMR 25; [2011] FSR 21.

<sup>164</sup> *Björnekulla Fruktindustrier AB v Procordia Food AB* [2004] RPC 45, ECJ (6th Chamber) (C-371/02), in cases where intermediaries participate in the distribution to the consumer or the end user of a product which is the subject of a registered trade mark, the relevant circles whose views fall to be taken into account in determining whether that trade mark has become the common name in the trade for the product in question comprise all consumers and end users and, depending on the features of the market concerned, all those in the trade who deal with that product commercially.

<sup>165</sup> So that everyday language as well as trade usage counts.

<sup>166</sup> Dictionary editors should always be encouraged to refer to trade marks as such. Specific provision is made for this in Art 10 of the Regulation. A similar provision appeared in earlier drafts of the Directive (see, eg Art 4 of the amended proposal published at OJ [1985] (C-351/4)) but was omitted from the final text.

<sup>167</sup> *Matsushita Electric Industrial Co Ltd's Trade Mark Application* (No 2443998) O-363-09 App Person. And see *Telefon & Buch Verlagsgesellschaft v OHIM* Case T-322/03, [2006] ECR II-835 (weisse seiten ('white pages') customary for telephone directories).

## The sign calls to mind the goods or services of others

**2.42** Where the sign carries deceptive information as to the origin of the product, s 5 sets out the 'relative' grounds on which registration of a mark is to be refused. Fatal conflict can occur whether the prior mark is registered or not (s 6).

**2.43** Confusion with other marks may also lead to deception as to the nature of the product. In some cases, this could pose a danger to consumers. Thus, under the 1938 Act, an application to register 'Jardex' for disinfectant was refused by reason of a prior registration 'Jardox' for meat extract.<sup>168</sup> However, during the passage of the 1994 Act, it was indicated in Parliament that the Registry no longer had a direct consumer protection role.<sup>169</sup> Furthermore, it was noted that refusal to register would not, of itself, prevent use and concomitant deception of the public.<sup>170</sup> Consequently, the Registry no longer searches for or raises such 'danger' citations.<sup>171</sup>

**2.44** Also included in this category are cases where use of a sign suggests a connection with the Royal family, or resembles the Red Cross, a national flag or other state or international symbol, or contains an Olympic symbol. In these cases, registration is prohibited by ss 3(5), 4,<sup>172</sup> 5<sup>173</sup> and 58<sup>174</sup> and r 9. The prohibitions may be overcome by authorisation from the appropriate state, organisation or member of the Royal family; in the case of UK and national flags, the Registrar is arbiter (s 4(2)).

## INAPPROPRIATE SIGNS

**2.45** Where a mark is universally repellent, market forces will prevent its adoption. Sometimes, however, a 'bad' mark<sup>175</sup> will appeal to a target sector of the public. Section 3(3)(a) prohibits the registration of a trade mark which is contrary to public policy or to accepted principles of morality. Bearing in mind both the deregulatory intent behind the 1994 Act and the current social climate, this 'public order' exception is likely to be used sparingly. In the past, registration was refused to 'Hallelujah' for jeans;<sup>176</sup> at the time, it was felt that the mark had a powerful religious significance and was likely to offend but it is unlikely that the same decision would be reached today. However, 'Jesus' has more recently been refused registration,<sup>177</sup> as has 'Tiny Penis'.<sup>178</sup> In *Couture*

<sup>168</sup> (1945) 63 RPC 19.

<sup>169</sup> House of Lords, vol 550, no 10, col 752 (6 December 1993).

<sup>170</sup> House of Lords Public Bill Committee, cols 16-17 (13 January 1994).

<sup>171</sup> ITMA Information, January/February 1995, p 3.

<sup>172</sup> Royal arms, crown, flags, likenesses, etc; the union or national flags of the UK.

<sup>173</sup> The national emblems of Paris Convention countries.

<sup>174</sup> The names, abbreviations and emblems of international intergovernmental organisations of which one or more Paris Convention countries are members.

<sup>175</sup> Eg 'Opium' and 'Poison' for toiletries, 'Death' for cigarettes.

<sup>176</sup> [1976] RPC 605.

<sup>177</sup> *Basic Trademark SA's Trade Mark Application* [2005] RPC 25 AP.



*Tech Ltd's Application*<sup>179</sup> OHIM's Second Board of Appeal upheld a refusal to register the official symbol of the Soviet Communist party, on the basis that it would offend a significant proportion of the population of EU countries formerly under Soviet control. The Board commented that 'the organs of government and public administration should not positively assist people who wish to further their business aims by means of trade marks that offend against certain basic values of civilised society'.<sup>180</sup> A more general exclusion is contained in s 3(4): 'a mark shall not be registered if or to the extent that its use is prohibited in the UK by any enactment, rule of law or provision of Community law'.<sup>181</sup> 'To the extent that' suggests that a mark whose use was wholly prohibited by, say, obscenity laws could not be registered at all. Conversely, an otherwise unobjectionable mark might be refused registration for products where its use was restricted. To take an historical example, assume that deregulation of the financial services sector had not occurred in 1986. Building societies would not be permitted to provide estate agency services. Therefore, in this scenario, use by the 'Nationwide'<sup>182</sup> building society of its mark in relation to estate agency would be prohibited within the meaning of s 3(4), and the mark could not be registered for estate agency services. But this would not prevent its registration for, say, mortgage lending services.

## CHOOSING A MARK

**2.46** A mark needs to be chosen for its intrinsic and extrinsic qualities. It must convey information but not be descriptive of the product. Keating<sup>183</sup> categorises marks as:

- (a) coined (the most enduring);
- (b) fanciful;
- (c) suggestive; and
- (d) descriptive.

The last should be avoided. Which of the other categories is used depends very much upon the characteristics of product and market. An allusive mark may be

<sup>178</sup> *Ghazilian's Trade Mark Application* [2002] ETMR 57; [2002] RPC 33; Appointed Person.

<sup>179</sup> Case (R-1509/2008-2) [2010] ETMR 45 OHIM Second Board of Appeal, considering the 'Jesus' and 'Tiny Penis' decisions with approval.

<sup>180</sup> At para 73, citing from *Screw You* [2007] ETMR 7 OHIM First Board of Appeal.

<sup>181</sup> Eg a registration of 'Champagne' for a different beverage; its use would contravene Regulation (EEC) 823/87. See *Taittinger v Allbev* [1993] FSR 641 at p 672.

<sup>182</sup> See *Nationwide* [1987] FSR 579, where the building society sued in passing off shortly before liberalisation to restrain use of 'Nationwide' by estate agents. An interlocutory injunction was refused but undertakings from the defendants not to expand further were accepted.

<sup>183</sup> Author of *Franchising Adviser* (1987).

popular among young people, but its connotations may be liable to rapid change. A classical mark<sup>184</sup> may prove longer lasting; its allusions may be more obscure but less prone to change.

2.47 Before adoption of a new mark, a search of existing registrations and, if sufficiently far advanced to have been published, applications for marks on the UK or Community registers is essential. With a wider range of relevant prior matter than under the 1938 Act and a wider range of signs which can be protected, it was predicted that, under the 1994 Act regime, trade mark searching would be more significant<sup>185</sup> and become more widespread. Whilst the first prediction was arguably correct, the latter was certainly not. In principle, a trade mark search should help to indicate whether use of a mark is likely to infringe and whether registration is likely to be blocked by earlier marks; however, in practice, a number of limitations exist, in particular, the proper identification of earlier unregistered rights (ie rights arising from other intellectual property rights like copyright or unregistered marks protected under the law of passing off). Whether because of these limitations, the cost of searching, or a simple lack of public knowledge, the fact remains that, even today, trade mark searches are still not as widely conducted as they ought to be.

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<sup>184</sup> Eg those cited in Gredley 'Is your trade mark classic?' *Managing Intellectual Property*, June 1993, p 31.

<sup>185</sup> For comments on the effect of the 1994 Act provisions on conflicting marks, see Spencer 'European Harmonisation: Harmony – or confusion and conflict?' *Trademark World*, December/January 1993/94, p 23.

## CONFLICT WITH EARLIER MARKS

5.30 This involves:

- (a) a time dimension, to determine which marks are earlier or have 'priority' over the application;
- (b) rules as to which prior marks or other rights are taken into account;
- (c) rules for comparison of marks and products to determine whether the conflict will prevent registration; and
- (d) strategies for overcoming such conflict.

### 'Earlier trade mark' and the right of priority

5.31 The timing question is subject to the right of priority established by Art 4 of the Paris Convention on the protection of industrial property.<sup>123</sup> This gives a period of 6 months during which an international trade mark filing programme can be pursued country by country. Once a valid application has been filed in the applicant's 'home' country, it is given a 'priority date'. When applications are filed in other members of the Paris Union,<sup>124</sup> provided they are filed within the 6 months' 'priority interval', they will be assessed for conflict with earlier rights as at the priority date and not at the date when filing was actually effected. Section 35 of the 1994 Act gives effect to this system in the UK by allowing an applicant to claim priority from the earliest application made in a Paris Convention country,<sup>125</sup> provided the priority date does not predate the UK application by more than 6 months.<sup>126</sup> The significance of a priority claim is that the mark is vulnerable only to applications or registrations made before the 'priority date'. Nor is the application affected by any use of the mark in the UK between the two dates. Thus, a priority claim is advantageous to an applicant where the use is by a third party but it means that use by the proprietor during the interim period cannot affect registrability. This may be disadvantageous where the applicant needs evidence of use to support the application.<sup>127</sup> If it is sought to rely on a Convention priority, particulars must be given on the application form. If requested, additional documents must be filed; these do not need to be provided as a matter of course.<sup>128</sup> Provided the UK application is for the same or a narrower specification of goods or services

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<sup>123</sup> See Chapter 15 (Paris Convention).

<sup>124</sup> Of countries which have acceded to the Paris Convention. See [www.wipo.int/treaties/en/ip/paris/index.html](http://www.wipo.int/treaties/en/ip/paris/index.html) for further information about the Paris Convention and a list of members of the Paris Union, which is updated regularly to take account of new accessions.

<sup>125</sup> Priority for the Channel Islands, colonies and other territories is dealt with in s 36.

<sup>126</sup> In accordance with Paris Convention, Art 4. If the first application has failed without being used for priority, a second application date from the same country may be used: s 35(4).

<sup>127</sup> See 5.15–5.20.

<sup>128</sup> Sections 35 and 36; r 6; Work Manual, ch 3, heading 'Priority claims – International Convention (I.C.) priority claims', point 1.

as the earlier Convention application, the whole will enjoy the earlier priority date. It is also possible to have one or more partial priority claims within a single application.<sup>129</sup>

### Kinds of 'earlier trade mark'

**5.32** The 'earlier trade marks' which can block a later application are defined in s 6. First, there are UK registrations and applications with an earlier filing<sup>130</sup> or priority<sup>131</sup> date, similar Community trade mark registrations or applications<sup>132</sup> and UK registrations or applications resulting from a Madrid Protocol filing.<sup>133</sup> Secondly, there are Community trade marks which have a valid claim to 'seniority', from an earlier UK mark or international filing designating the UK. Under Arts 34 and 35 of the Regulation, if the proprietor of a national registration applies for and registers a Community trade mark, he can let the national registration lapse but retain equivalent rights in the state of registration.<sup>134</sup> Lastly, 'earlier trade mark' includes a mark which is entitled to protection as a well-known trade mark under Art 6*bis* of the Paris Convention<sup>135</sup> or under Art 16 of the WTO TRIPs (Trade-Related Aspects of Intellectual Property Rights) Agreement. Protection must be afforded to such marks even where they are not registered. In practice, it is likely that many of the marks which would qualify for this category are already registered in the UK.

**5.33** The mark with the earlier priority date will form the basis for opposition to that with the later priority date.<sup>136</sup> However, if the conflicting marks happen to have the same priority date, there may be cross-opposition. If neither mark is opposed, both will proceed to registration in the normal manner.<sup>137</sup>

**5.34** The effect of an earlier registration endures for a year after its expiry, unless it can be shown to have been out of use for at least the preceding 2 years.<sup>138</sup> The effect of an application is subject to its maturing into a

<sup>129</sup> Paris Convention, Art 4F refers specifically to multiple priorities in the case of patent applications; this special mention is required because of the requirement of unity of invention. It is submitted that Paris envisages multiple priorities generally. Work Manual, ch 3, heading 'Priority claims – International Convention (I.C.) priority claims', point 2 refers.

<sup>130</sup> See 5.6 (filing date).

<sup>131</sup> See 5.31 (priority date); Work Manual, ch 3, heading 'Priority claims – International Convention (I.C.) priority claims'.

<sup>132</sup> See Chapter 14 (Community trade mark). Note that the Community may be designated in an international application under the Madrid system (Chapter 16).

<sup>133</sup> Chapter 16 (Madrid).

<sup>134</sup> The number of such claims remain modest: Max Planck Institute for Intellectual Property and Competition Law Munich 'Study on the Overall Functioning of the European Trade Mark System' February 2001, para 4.80.

<sup>135</sup> See, further, 7.32–7.34 (ss 56 and 57 of the 1994 Act) and 12.29–12.36 (well-known trade marks).

<sup>136</sup> Section 6(2).

<sup>137</sup> Work Manual, ch 3, heading 'Priority claims' at point 4 'Marks with the same priority/filing date'.

<sup>138</sup> Section 6(3).

registration (s 6(2)). What if the earlier mark is registered but not used? Section 100 states that if any question of use of a registered mark arises in civil proceedings, it is for the proprietor to show what use has been made of the mark. Section 6A<sup>139</sup> puts use in issue in opposition proceedings; where opposition is based upon an earlier mark the opponent is required to file a statement of use, unless it can be shown to be well known.<sup>140</sup>

### Examples of potential conflict

**5.35** On 31 January 2011, Albert applies to register 'Grit' for men's toiletries. A search reveals the following, all applications or registrations in the name of third parties:

- (a) a UK registration filed on 31 October 2009 of 'Grid' for aftershave;
- (b) Cecilia filed in France to register 'Gritt' for soap. On 28 September 2010 she applied to the International Bureau under the Madrid Protocol, designating the UK;
- (c) a UK application dated 1 March 2010 to register 'Gryt' for toiletries; fees were not paid and the application is deemed abandoned;
- (d) a Community trade mark application filed on 1 February 2011 claiming priority from a Convention filing in Australia on 30 October 2010, 'Gritty' for talcum powder.

All except 'Gryt' are earlier marks within the meaning of s 6; subject to registration, in the case of the applications.

**5.36** Where an earlier mark is not registered, a proprietor of goodwill with 'passing-off rights' may prevent the later registration under s 5(4)(a). In *Saxon TM*<sup>141</sup> Laddie J stated that in respect of s 5(4)(a):

'... the question to be asked is whether any normal use by the proprietors or either of them of the mark as registered for any of the goods or services in respect of which it is registered would be liable to be prevented by passing off proceedings brought by any other person.'

<sup>139</sup> Added to the 1994 Act by the Trade Marks (Proof of Use, etc) Regulations 2004, SI 2004/946, in force from 5 May 2004.

<sup>140</sup> Section 6A as further emended by the Trade Marks (Earlier Trade Marks) Regulations 2008, SI 2008/1067, which also applied the use requirement to Community and international registrations.

<sup>141</sup> *Saxon Trade Mark* [2003] FSR 39, sub nom *Byford v Oliver* [2003] EMLR 20 Ch D. For a discussion of the partnership aspects of this case, see P Woolf 'Musicians and Their Assets' [2003] Ent LR 90. Note that goodwill may persist even if trade mark registrations are revoked for non-use: *Group Lotus Plc v 1Malaysia Racing Team SDN BHD* [2011] EWHC 1366 (Ch).

Other 'rules of law' which might be invoked to prevent registration of a later mark include malicious falsehood,<sup>142</sup> the Consumer Protection from Unfair Trading Regulations 2008<sup>143</sup> and the Business Protection from Misleading Marketing Regulations 2008.<sup>144</sup> It is interesting to speculate whether a registration which is proceeding because of consent by the earlier proprietor<sup>145</sup> might nonetheless be blocked on this ground. Earlier rights of copyright, design right or registered designs are catered for in s 5(4)(b).<sup>146</sup> In *Nellie the Elephant*<sup>147</sup> the applicant for invalidity was able to show that their copyright in the song of that name pre-dated the application to register the trade mark, but the challenge to the mark failed because use of the title could not be restrained as an infringement of copyright.

5.37 Section 5 prohibits registration over earlier rights in various circumstances. Section 5(4), considered in the last paragraph, deals with the relative grounds of refusal where the right is not an 'earlier trade mark'. Section 5(4) has its counterparts in passing off, infringement of copyright and so forth. Sections 5(1)–(3) govern the conflict between a trade mark application and earlier trade marks. They have their counterpart in the infringement sections of the 1994 Act, s 10(1)–(3) and their equivalents in the Directive and Regulation. These provisions and the cases decided under them set out the ground rules for comparison of marks and products.

## COMPARISON OF MARKS, GOODS AND SERVICES

### The 1994 Act, Directive and Regulation

5.38 The 1994 Act, the Directive and the Regulation all share a very attractive feature. The rules for comparing marks and products for the purpose of assessing relative grounds for refusal of registration are identical with the rules for assessing infringement of a registered mark. The equivalent provisions of the three legislative instruments are shown in Table 5.1. A more detailed 'concordance' is given at the end of Arnold J's judgment in *Hasbro Inc v 123 Nahrmittel GmbH*.<sup>148</sup>

<sup>142</sup> See 3.24–3.36.

<sup>143</sup> SI 2008/1277, reg 5 of which prohibits misleading actions in relation to consumers.

<sup>144</sup> SI 2008/1276, reg 3 of which prohibits misleading advertising to traders.

<sup>145</sup> See 5.59.

<sup>146</sup> Copyright in a pictorial mark was invoked in *Karo Step* [1977] RPC 255 and *Griggs v Evans* [2004] FSR 31, [2005] EWCA Civ 11. For an Australian perspective, see D Lyons 'Copyright in Trade Marks' [1994] 1 EIPR 21.

<sup>147</sup> *Animated Music Ltd's Trade Mark; Request for a Declaration of Invalidity by Dash Music Co Ltd* [2004] ECDR 27 TMR.

<sup>148</sup> [2011] EWHC 199 (Ch); [2011] ETMR 25; [2011] FSR 21.

**Table 5.1: Equivalent provisions giving rules of comparison**

| <i>Legislation</i> | <i>Relative grounds</i> | <i>Infringement</i> |
|--------------------|-------------------------|---------------------|
| 1994 Act           | s 5                     | s 10(1)–(3)         |
| Directive          | Art 4                   | Art 5               |
| Regulation         | Art 8                   | Art 9(1)            |

**5.39** This means that infringement cases, especially where references are made under Art 5 of the Directive or Art 9 of the Regulation to the ECJ, are highly relevant to registration and to cancellation of registered marks. The converse also holds true, especially since the ECJ and the Court of First Instance hear appeals from the OHIM. There is a rich and interchangeable case-law.<sup>149</sup> We shall gather indicative cases together in the following paragraphs. We shall refer primarily to the sections of the 1994 Act, but increasingly the courts and UK Registry refer directly to the articles and recitals of the Directive. Community trade marks are examined and infringed under the Regulation.

## COMPARISON OF MARKS AND PRODUCTS UNDER THE 1994 ACT

**5.40** The legislation has a hierarchical scheme which is outlined in Table 5.2. First, one considers whether there is identity of signs and of the relevant goods or services as between the mark in suit and the earlier mark or alleged infringement. In this case, s 5(1) or 10(1) applies. If there is incomplete identity, one then considers whether, because of the combination of identity and/or similarity, there exists a likelihood of confusion of the relevant public. If not, there may still be refusal or infringement if the mark has a reputation and certain effects are shown to be likely. In trying to compare signs and products in this way, the courts and registries have generated useful case-law on comparing signs and products.

**Table 5.2: Comparisons of relative grounds for refusal (s 5) and infringement (s 10) – relevant subsections of the 1994 Act**

| <i>Marks/signs</i>     | <i>Identical</i> | <i>Similar</i>  | <i>Dissimilar</i> | <i>With a reputation</i> |
|------------------------|------------------|-----------------|-------------------|--------------------------|
| <i>Goods, services</i> |                  |                 |                   |                          |
| identical              | s 5(1), 10(1)*   | s 5(2), 10(2)** | –                 | s 5(3), 10(3)***         |

<sup>149</sup> *ARTHUR ET FELICIE LTJ Diffusion SA v Sadas Vertbaudet SA* (C-291/00) [2002] ETMR 40; [2003] FSR 1 shows that equivalent provisions are to be interpreted uniformly.

| <i>Marks/signs</i> | <i>Identical</i>    | <i>Similar</i>      | <i>Dissimilar</i> | <i>With a reputation</i> |
|--------------------|---------------------|---------------------|-------------------|--------------------------|
| similar            | s 5(2),<br>10(2)**  | s 5(2),<br>10(2)**  | –                 | s 5(3), 10(3)***         |
| dissimilar         | s 5(3),<br>10(3)*** | s 5(3),<br>10(3)*** | –                 | s 5(3), 10(3)***         |

\* Where signs and products are identical, protection is said to be ‘absolute’, although a test of effect on the functions of the mark has crept into European jurisprudence.<sup>150</sup>

\*\* Likelihood of confusion to be shown.

\*\*\* Additional elements to be shown: reputation of mark, use involves detriment/unfair advantage, lack of due cause.

### How to compare marks/signs

5.41 The ECJ gave important guidance on this in *Sabel v Puma*.<sup>151</sup> It was given for the purposes of assessing confusion, because their ‘leaping cat’ devices were not identical.<sup>152</sup> However, it is submitted that the rule is of general application. The comparison of signs involves a ‘global appreciation’, comparing them visually, aurally and conceptually from the viewpoint of the average consumer of the type of goods or services in question.<sup>153</sup> That average consumer was said normally to perceive a mark as a whole and not to analyse its various details. The average consumer is deemed to be reasonably well informed, reasonably observant and circumspect but in the marketplace, consumers confronted with one sign would imperfectly recall the other.<sup>154</sup>

<sup>150</sup> Originating with *Arsenal Football Club plc v Reed* (C-206/01) [2002] ECR I-10273; [2003] ETMR 19 at [51], found also in *Adam Opel AG v Autec AG* (C-48/05) [2007] ECR I-1017; [2007] ETMR 33 at [18]–[22] and *Céline Sàrl v Céline SA* (C-17/06) [2007] ECR I-7041; [2007] ETMR 80 at [16]. In *L’Oréal SA v eBay International AG* [2009] EWHC 1094 (Ch); [2009] ETMR 53; [2009] RPC 21 at [300]–[306] Arnold J, analysing the cases, expressed the view that this requirement adds nothing to the other tests for infringement under Art 5(1)(a). See, also, Bonita Trimmer ‘An increasingly uneasy relationship – the English courts and the European Court of Justice in trade mark disputes’ [2008] EIPR 87.

<sup>151</sup> *Sabel BV v Puma AG, Rudolf Dassler Sport* (C-251/95) [1997] ECR I-6191; [1998] 1 CMLR 445; [1998] ETMR 1; [1998] RPC 199.

<sup>152</sup> Applicant Sabel’s showed a cheetah whilst opponent Dassler’s showed a puma.

<sup>153</sup> The consumer’s level of attention is likely to vary according to the category of goods or services in question: Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819 at para 26. In considering composite marks, the overall impression on the consumer must be considered: *Medion AG v Thomson Multimedia Sales Germany & Austria GmbH* (C-120/04) [2005] ECR I-8551.

<sup>154</sup> *Lloyd Schuhfabrik Meyer v Klijsen Handel BV* [1999] ECR I-3819; [1999] ETMR 690; [2000] FSR 77, ECJ.



**5.42** This did not represent a departure from earlier UK case-law. In *Pianotist*,<sup>155</sup> the following approach to the comparison of word marks was recommended:

‘You must take the two words. You must judge them, both by their look and by their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods. In fact, you must consider all the surrounding circumstances; and you must further consider what is likely to happen if each of those trade marks is used in a normal way as a trade mark for the goods of the respective owners of the marks.’

Although marks are invariably compared side by side by the Registry or court, in reality customers’ recollection may be imperfect. Thus, the concept or idea of a mark was recognised as an important factor.<sup>156</sup> Marks should be considered as a whole, although elements common to the trade would be given less weight than other, more distinctive features.<sup>157</sup> The first syllables of words tend to be more prominent than later syllables.

### How to compare goods and services

**5.43** As far as the comparison of goods or services under s 10 was concerned, Jacob J elaborated an earlier UK case-law<sup>158</sup> in *British Sugar v Robertson*<sup>159</sup> with the following list of relevant factors:

- (a) the respective uses of the respective goods or services;
- (b) the respective users of the respective goods or services;
- (c) the physical nature of the goods or acts of service;
- (d) the respective trade channels through which the goods or services reach the market;<sup>160</sup>
- (e) in the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves; and
- (f) the extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance, whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

<sup>155</sup> (1906) 23 RPC 774.

<sup>156</sup> Eg the idea of a cat in *Taw v Notek* (1951) 68 RPC 271.

<sup>157</sup> ‘Kleenoff’ – *Bale & Church v Sutton* (1934) 51 RPC 129.

<sup>158</sup> *Jellinek’s case (Panda)* (1946) 63 RPC 59.

<sup>159</sup> *British Sugar plc v James Robertson & Sons Ltd* [1996] RPC 281.

<sup>160</sup> See, also, *El Corte Inglés v OHIM* (T-443/05) [2007] ECR II-2579; [2007] ETMR 81.

These factors were cited without disapproval in *Canon Kabushiki Kaisha v Metro Goldwyn Mayer Inc.*<sup>161</sup> In that case the French Government had argued that factors to be taken into account should include the nature of the goods or services, their intended destination and clientele, their normal use and the usual manner of their distribution. The ECJ summed up these approaches as including, inter alia, the nature of the goods or services, their end users and their method of use and whether they are in competition with each other or are complementary.<sup>162</sup> For retail services the UK Registry also consider whether it is normal for the kinds of goods to be brought together and whether there is an 'own brand'.<sup>163</sup>

### Are these comparisons independent?

**5.44** Jacob J in *British Sugar* thought so.<sup>164</sup> However, the ECJ in *Canon Kabushiki Kaisha v Metro Goldwyn Mayer Inc.*<sup>165</sup> held that similarity of marks and similarity of products may interact<sup>166</sup> and the fame of the mark could affect the probability of confusion under ss 5(2) and 10(2).<sup>167</sup> In *Ferrero spA v OHIM*<sup>168</sup> the Court of Justice of the European Union (CJEU – formerly the European Court of Justice or ECJ) ruled that the 'reputation of the earlier mark and the similarity between the goods respectively covered by the marks at issue—even if those factors may be taken into consideration in order to assess likelihood of confusion—d[id] not affect the assessment of the similarity of the signs',<sup>169</sup> although in the global assessment of similarity of signs, a low degree of similarity between the marks might be offset by the strong distinctive character of the earlier mark and similarity of products.<sup>170</sup> Likewise, the fact that there was a 'family' of marks was relevant only when one came to assess

<sup>161</sup> (C-39/97) [1998] All ER (EC) 934; [1998] ECR I-5507; [1999] 1 CMLR 77; [1999] ETMR 1; [1999] FSR 332; [1999] RPC 117.

<sup>162</sup> See n 161 at para 23. See, also Work Manual, ch 3, heading 'Notification (Section 5: Relative Grounds)', paras 2 and 3.

<sup>163</sup> Work Manual, ch 3, heading 'Retail, wholesale and shopping centre services'.

<sup>164</sup> *British Sugar plc v James Robertson & Sons Ltd* [1996] RPC 281.

<sup>165</sup> (C-39/97) [1998] All ER (EC) 934; [1998] ECR I-5507; [1999] 1 CMLR 77; [1999] ETMR 1; [1999] FSR 332; [1999] RPC 117.

<sup>166</sup> Interaction was contemplated in a somewhat rambling series of preambles to the Directive: 'Whereas the protection applies also in the case of similarity between the mark and the sign and the goods or services; whereas it is indispensable to give an interpretation of the concept of similarity in relation to the likelihood of confusion; whereas the likelihood of confusion, the appreciation of which depends on numerous elements and, in particular, on the recognition of the trade mark in the market, of the association which can be made with the used or registered sign, of the degree of similarity between the trade mark and the sign and between the goods or services identified, constitutes the specific condition for such protection.'

<sup>167</sup> See 5.47–5.50. The notion of interdependency in the confusion enquiry – a low degree of similarity between products being offset by a high degree of similarity between the marks and vice versa – was said in *Anco Inc v OHIM* (T-385/09) [2011] ETMR 37 to be expressly referred to in recital 8 of the Regulation.

<sup>168</sup> Case (C-552/09) P [2011] ETMR 30, upholding a decision that 'TiMi KINDERJOGHURT' was not similar to KINDER.

<sup>169</sup> At [68].

<sup>170</sup> Canon, n 165 at para 19; *Lloyd Schuhfabrik Meyer v Klijsen Handel BV* [1999] ETMR 690 at para 21.

confusion. The preferable view seems to be that comparisons of signs and of products are conducted separately, but their interdependence and other factors may be considered in gauging the likelihood of confusion.

### Identical marks and identical products

**5.45** Section 5(1) prohibits the registration over an identical earlier mark for identical goods or services. This prohibition is 'absolute' in the sense that no confusion need be shown, likewise for infringement under s 10(1). In these provisions, does 'identical' mean identical in every respect<sup>171</sup> – visually, aurally and conceptually? In *Arthur et Felicié*<sup>172</sup> the ECJ ruled that 'identical' has to be strictly construed and in a global appreciation. Thus, 'Scarlet Rain' would not be identical to 'Scarlett Reign', nor 'Swallow Hole' by 'Swallow Whole'. Although phonetically identical, the spelling and ideas of these respective marks are different. The application of these criteria can be seen in *Premier Brands UK Ltd v Typhoon Europe Ltd*:<sup>173</sup> visually 'Typhoon' was distinguished somewhat from 'Typhoo' by the final 'n'; aurally the marks were virtually identical, given the English tendency to slur words. Conceptually, however they were distinct, 'Typhoon' being a dictionary word and 'Typhoo' being invented. A very 'global' approach was taken in *Viagra/Viagrene*,<sup>174</sup> the court noting that the defendants adopted not only a closely similar name for its beverage to that of the claimant's impotency pill, but their product echoed the colour and shape of the pills and claimed aphrodisiac effects.

**5.46** Given that identity of all three aspects is required, how identical is identical? Again the perception of the average consumer is important. He would be unlikely to spot the difference between 'Origin' and 'Origins' side by side, let alone apart.<sup>175</sup> What account should be taken of any additional matter used by the defendant in conjunction with the mark as registered? Traditionally, UK trade mark law had disregarded additions, at least where they did not swamp the identity of the mark in suit.<sup>176</sup> A similar approach was taken under the 1994 Act in *British Sugar*<sup>177</sup> and *Decon Laboratories v Fred Baker Scientific*.<sup>178</sup> In due course that question of identity came to the attention of the ECJ in *Arthur et Felicié*.<sup>179</sup> Although 'identical' had to be

<sup>171</sup> Parliament wished to avoid lawyers 'stumbling' over this point: *Hansard* (House of Lords), vol 552, no 46, col 731 (24 February 1994).

<sup>172</sup> *LTJ Diffusion SA v Sadas Vertbaudet SA* (C-291/00) [2003] ECR I-2799; [2003] ETMR 83; [2003] FSR 34.

<sup>173</sup> [2000] ETMR 1071; [2000] FSR 767. See, also *Hasbro v 123 Nahrungsmittel* [2011] ETMR 25; [2011] FSR 21 (visual difference meant PLAY-DOH and PLAY-DOUGH not identical).

<sup>174</sup> *Pfizer Ltd v Eurofood Link (UK) Ltd* [2001] FSR 3; [2000] ETMR 896.

<sup>175</sup> In *Origins Natural Resources Inc v Origin Clothing Ltd* [1995] FSR 280 the application for summary judgment was in fact granted under s 10(2).

<sup>176</sup> So, eg, 'Ivory' was not too close to 'Ivy': *Goodwin v Ivory Soap* (1901) 18 RPC 389.

<sup>177</sup> *British Sugar plc v James Robertson & Sons Ltd* [1996] RPC 281.

<sup>178</sup> [2001] ETMR 46; [2001] RPC 17: all the defendants' marks were 'Decon' plus suffix. The suffixes referred to the nature and quality of the goods and could not distinguish them from the proprietor's.

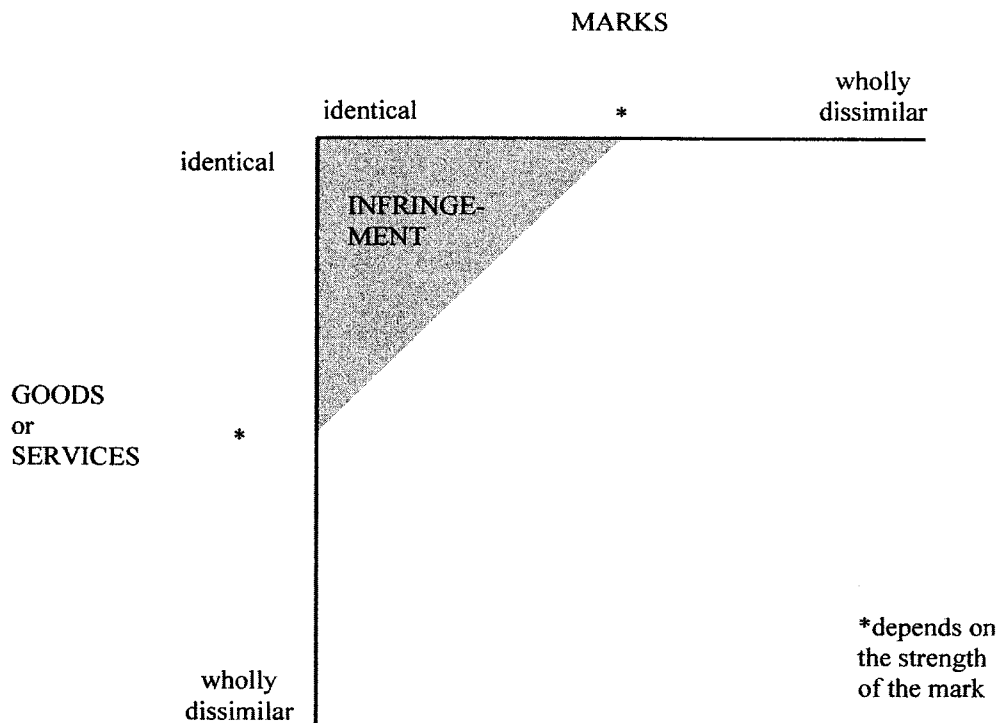
<sup>179</sup> *LTJ Diffusion SA v Sadas Vertbaudet SA* (C-291/00) [2003] ECR I-2799; [2003] ETMR 83; [2003] FSR 34.

strictly construed, in view of imperfect recollection insignificant differences between the sign and the trade mark might go unnoticed by an average consumer and so would not affect identity.<sup>180</sup>

**Identical or similar marks – identical or similar products**

5.47 Sections 5(2) and 10(2) provide that where the mark and sign and/or the respective goods or services of the plaintiff and defendant are not identical but merely similar, infringement is based on the likelihood of confusion on the part of the public, which ‘includes the likelihood of association’. Confusion means that the public will think that there is some sort of trade connection between the suppliers of the goods or services in question.<sup>181</sup> As mentioned above, comparison of marks may interact with comparison of products to produce a likelihood of confusion. The distinctiveness or strength of the mark will also be relevant. Figure 5.2 shows the way in which similarity of marks and products may interact for the purposes of s 10(2).

**Figure 5.2: Comparison of marks interacts with comparison of products**



5.48 As mentioned above, the likelihood of confusion must be gauged as to the relevant public – those who are likely to buy or use the goods or services in question are the proper group for which to estimate whether confusion is likely.<sup>182</sup> He is to be regarded as reasonably well informed and reasonably

<sup>180</sup> At para 53.

<sup>181</sup> *Canon Kabushiki Kaisha v Metro Goldwyn Mayer Inc* (C-39/97) [1998] All ER (EC) 934 at para 52.

<sup>182</sup> See 5.43.

observant and circumspect.<sup>183</sup> More metaphysical has been the question of 'likelihood of association': is it merely a factor in establishing confusion, or does it take the arena of conflict beyond mere confusion? Association being a Benelux concept, it is not surprising that resolution came on a reference to the ECJ from that regional trade mark system in *Marca Mode v Adidas*.<sup>184</sup> If association was an alternative to confusion, then for a highly distinctive mark<sup>185</sup> – such that the defendant's use of a similar sign would almost inevitably bring the claimant's to mind – classical confusion need not be shown. The ECJ rejected this approach. The UK Registry's approach to European jurisprudence on the issue of confusion was approved by Arnold J in *Och-Ziff Management Europe Ltd v OCH Capital LLP*<sup>186</sup> and applied in the context of infringement by Floyd J in *Hasbro v 123 Nahrungsmittel*.<sup>187</sup> In summary:

- confusion assessed globally, taking account of all relevant factors;
- through the eyes of the average consumer (reasonably well informed, circumspect and observant; rarely has chance to make direct comparisons but must rely upon the imperfect recollection; his/her attention varies according to the category of product; normally perceives a mark as a whole);
- visual, aural and conceptual similarities of marks normally assessed by reference to overall impressions; only when all other components of complex mark are negligible is it permissible to make comparison solely on basis of dominant elements;
- nevertheless, overall impression conveyed to relevant public by a composite trade mark may, in certain circumstances, be dominated by one more of its components;
- an element corresponding to an earlier mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element;
- lesser degree of similarity between marks may be offset by greater degree of similarity between goods, and vice versa;
- greater likelihood of confusion where earlier trade mark has a highly distinctive character, either per se or through use;

<sup>183</sup> See, also, C-210/96, *Gut Springenheide GmbH v Oberkreisdirektor des Kreises Steinfurt-AMT für Lebensmittelüberwachung* [1998] ECR I-46577.

<sup>184</sup> *Marca Mode CV v Adidas AG & Adidas Benelux* (C-425/98) [2000] All ER (EC) 694; [2000] ECR I-4861 [2000] 2 CMLR 1061; [2000] ETMR 723 2000.

<sup>185</sup> Intrinsically or with acquired reputation.

<sup>186</sup> [2010] EWHC 2599 (Ch); [2011] ETMR 1 at [72]–[74].

<sup>187</sup> [2011] EWHC 199 (Ch); [2011] ETMR 25 at [195].

- mere association, in the strict sense that later mark brings earlier mark to mind, is not sufficient;
- reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association; and
- if association between marks causes public wrongly to believe that the goods or services come from the same or economically linked undertakings, there is a likelihood of confusion.

**5.49** Two final questions on s 5(2) or 10(2) – first, can confusion work both ways? ‘Reverse confusion’, where the public think that the claimant’s products are connected with the defendant rather than vice versa, is actionable passing off.<sup>188</sup> It is submitted that the ECJ’s comments on confusion in *Canon*<sup>189</sup> are apt to describe reverse as well as classic confusion:

‘The risk that the public might believe that the goods/services in question come from the same undertaking or, as the case may be, from economically-linked undertakings, constitutes a likelihood of confusion.’

Secondly, is there a requirement of effect on the functions of the trade mark, as has been held for s 5(1) and 10(1)? Not surprisingly, this has been held to be the case.<sup>190</sup> In fact it seems inevitable that the presence of confusion will affect the core, distinguishing, function of the trade mark.

### **Marks with a reputation – identical, similar or dissimilar products**

**5.50** This is the sphere of ss 5(3) and 10(3). Section 5(3) states that:

‘(3) A trade mark which is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a Community trade mark, in the European Community) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.’

Article 10(3) is couched in similar terms for infringement. Evidence of confusion is not required, although it is submitted that a mark can only be ‘similar’ to the registered trade mark if it calls it to mind in some way. This has been confirmed by the European Court in terms of a ‘link’ in the mind of relevant public.<sup>191</sup> Additional elements have to be established for the sections to

<sup>188</sup> *Provident Financial plc v Halifax Building Society* [1994] FSR 81; *Bristol Conservatories* [1989] RPC 455.

<sup>189</sup> *Canon Kabushiki Kaisha v Metro Goldwyn Mayer Inc* (C-39/97) [1998] All ER (EC) 934.

<sup>190</sup> *O2 Holdings Ltd v Hutchison 3G UK Ltd* (C-533/06) [2008] ECR I-4231; [2008] 3 CMLR 14; [2008] ETMR 55; [2008] RPC 33.

<sup>191</sup> *Adidas-Salomon AG v Fitnessworld Trading Ltd* (C-408/01) [2004] Ch 120; *Intel Corp Inc v CPM United Kingdom Ltd* (C-252/07) [2008] ECR I-8823; [2009] ETMR 13; *L’Oréal SA v*

take effect: reputation, lack of due cause and unfair advantage or detriment to the mark. These have been described as 'cross-pollination' provisions.<sup>192</sup>

**5.51** These provisions were amended in 2004 by reg 7(2)(b) of the Trade Marks (Proof of Use, etc) Regulations 2004.<sup>193</sup> Prior to that, and in accordance with optional Art 5(2) of the Directive, these provisions only applied when the goods or services were dissimilar. This resulted in what was described as a 'logical lapse' – infringement and blocking rights could be stronger against dissimilar products than against similar under ss 5(2) or 10(2).<sup>194</sup> Norman argued that this problem had been solved by the cases on the interdependence of comparisons. However, another problem remained; in the absence of confusion, where use related to identical or similar goods, a mark with a reputation could not be protected from damage, especially generic use. In *Davidoff v Gofkid*<sup>195</sup> and *Adidas-Saloman v Fitnessworld Trading*,<sup>196</sup> the ECJ developed a fascinating line of authority – that Art 5(2) of the Directive should not be interpreted literally, but rather so as to give effect to the intention of the Community legislator in protecting trade marks within the Community. Since all member states had implemented Art 5(2), this could be done without undermining harmonisation. *Davidoff* indicated that member states could and *Adidas* that they should extend the protection of Art 5(2) to identical and similar products. However, as Norman points out, this left apparent disharmony between the Directive and the Regulation, which has been eliminated in the codification of these instruments.

**5.52** The UK Registry does not examine applications under s 5(3); it has always been left to proprietors of any earlier marks with the requisite reputation to make out the grounds in opposition proceedings. So it will be up to the owners of such marks to keep a watch on the register and to oppose later applications where appropriate. The date at which conflict is assessed is the filing date, or the priority date, if different.<sup>197</sup>

**5.53** The meaning of 'reputation' was considered in *General Motors v Yplon*.<sup>198</sup> Its territorial extent can be limited to a substantial part of the territory of a member state. As far as degree of recognition is concerned,

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*Bellure NV* (C-487/07) [2000] ECR I-5185; [2009] ETMR 55); *Antartica Srl v OHIM* (C-320/07 P) [2009] ECR I-28; See, also, *Virgin Enterprises Ltd v Casey* [2011] EWHC 1036 (Ch); [2011] ETMR 35 at [26].

<sup>192</sup> *Electrocoin Automatics v Coinworld* [2005] ETMR 31; [2005] FSR 7.

<sup>193</sup> SI 2004/946.

<sup>194</sup> H Norman 'Davidoff v Gofkid: Dealing with the Logical Lapse or Creating European Disharmony' [2003] IPQ 342, citing WR Cornish *Intellectual Property: Patents, Copyright, Trade Marks and Allied Rights* (4th edn, 1999) at para 17.102.

<sup>195</sup> (C-292/00) [2003] 1 CMLR 35 ECJ.

<sup>196</sup> [2004] 1 CMLR 14.

<sup>197</sup> See 5.31 (priority).

<sup>198</sup> Case C-375/97 [1999] ECR I-5421 in relation to the Directive and similarly for the Regulation in *PAGO International GmbH v Tirolmilch Registrierte Genossenschaft mbH* (C-301/07) [2009] ECR I-9429; [2010] ETMR 5.

‘reputation’ connotes that the mark must be known by a significant part of the public interested in the products or services which it covers.

**5.54** ‘Without due cause’ was interpreted by Neuberger J in *Premier Brands v Typhoon Europe*.<sup>199</sup> These words, ‘somewhat opaque in their effect’, govern both use of the mark and the unfair advantage or detriment. They are directed to the defendant’s need to use rather than to his honesty or good faith. Following the Benelux decision in *Lucas Bols*,<sup>200</sup> Neuberger held that there would be due cause if the defendant were:

‘... under such a compulsion to use this very mark that he cannot honestly be asked to refrain from doing so regardless of the damage the owner of the mark would suffer from such use, or that the user is entitled to the use of the mark in his own right and does not have to yield this right to that of the owner of the mark.’

Thus taking a stance similar to the Benelux Court of Justice in *Claeryn*.<sup>201</sup> As for burden of proof, according to *Premier Brands* and *Intel*<sup>202</sup> it is not for the claimant/opponent to show lack of due cause, but for the defendant/applicant to show cause. It is difficult to imagine due causes which are not provided as express defences to infringement, outlined in Chapter 8.

**5.55** ‘Unfair advantage’ has been described as ‘intended to encompass instances where there is clear exploitation and free-riding on the coattails of a famous mark or an attempt to trade upon its reputation’.<sup>203</sup> In *L’Oréal v Bellure*,<sup>204</sup> the ECJ characterised the purpose of such conduct – to profit from a transfer of the image of that mark to its own goods, without paying any financial compensation and without being required to make efforts of its own in that regard. Furthermore:

‘As regards the concept of “tak[ing] unfair advantage of ... the distinctive character or the repute of the trade mark”, also referred to as “parasitism” or “free-riding”, that concept relates not to the detriment caused to the mark but to the advantage taken by the third party as a result of the use of the identical or similar sign. It covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation.’

<sup>199</sup> [2000] FSR 767; considered by the *Singapore Court of Appeal in Novelty Pte Lts v Amanresorts Ltd* [2009] SGCA 13; [2009] FSR 120.

<sup>200</sup> [1976] IIC 420 at 425 ‘Claeryn’/‘Klarein’.

<sup>201</sup> See A Kamperman Sanders ‘Some frequently asked questions about the Trade Marks Act 1994’ [1995] 2 EIPR 67.

<sup>202</sup> *Intel Corp Inc v CPM United Kingdom Ltd* (C-252/07) [2008] ECR I-8823; [2009] ETMR 13; [2009] RPC 15; ECJ.

<sup>203</sup> *Monopole SpA v OHIM* (T67/04), CFI, 25 May 2005, citing the opinion of Jacobs A-G in *Adidas; L’Oréal SA v Bellure NV* (Case C-487/07) [2010] All ER (EC) 28; [2009] ECR I-5185; [2010] RPC 1; [2009] ETMR 987 at [41].

<sup>204</sup> (Case C-487/07) [2010] All ER (EC) 28; [2009] ECR I-5185; [2010] RPC 1; [2009] ETMR 987 at [41]. For judicial regret at this characterisation, see Jacob LJ in *L’Oréal SA v Bellure NV* (No 2) [2010] EWCA Civ 535; [2010] RPC 687; [2010] ETMR 824, CA.



The claimant or opponent must establish at least a serious likelihood of a future risk, not merely a hypothetical risk, of unfair advantage (or detriment).<sup>205</sup> This requires evidence of an actual or likely change in the economic behaviour of the average consumer of the goods or services for which the earlier mark was registered consequent on the use of the later mark. 'Unfair advantage' might be made out where a defendant unfairly takes advantage of a plaintiff's advertising campaign by using the mark.<sup>206</sup> In *Adidas*<sup>207</sup> the ECJ postulated an example following Schechter<sup>208</sup> – Rolls Royce would be entitled to prevent a manufacturer of whisky from exploiting the reputation of the Rolls Royce mark in order to promote his brand. The court opined that there was no significant difference between taking unfair advantage of the repute and of the distinctive character of the mark.

**5.56** The next two alternatives, detriment to the distinctive character or to the repute of the mark, closely resemble two of the forms of dilution<sup>209</sup> by blurring and by tarnishment recognised in the USA<sup>210</sup> and elsewhere. Langvardt has pointed out<sup>211</sup> that lessening of distinctiveness is most likely where the defendant uses the mark in a trade mark sense.<sup>212</sup> Prejudice to reputation usually operates by the trade mark becoming associated in customer's minds with the defendant's deleterious use.<sup>213</sup> These parallels were explored by the ECJ in *Adidas*.<sup>214</sup> Again, it is necessary to establish at least a serious likelihood of such damage occurring.<sup>215</sup>

**5.57** Three classic examples of US dilution cases may be used to illustrate dilution. The first is *Godiva/Dogiva*,<sup>216</sup> in which use of 'Dogiva' on dog treats was enjoined as eroding the distinctiveness of the mark 'Godiva' for chocolates. This may be likened to the fear in Intel that use of INTEL-PLAY would undermine the distinctiveness of the INTEL mark. References have been made

<sup>205</sup> *Intel Corp Inc v CPM United Kingdom Ltd* Case C-252/07 [2009] ETMR 13, point 6 of ruling. At point 5 the court opined that the evidence cited in the reference (huge reputation of unique mark plus bringing to mind) would not of itself support a finding of unfair advantage.

<sup>206</sup> For further examples of 'free-riding' from German case-law and economic and legal arguments against the practice, see M Lehmann 'Unfair use of and damage to the reputation of well-known marks, names and indications of source in Germany. Some aspects of law and economics' (1986) 17 IIC 746.

<sup>207</sup> *Adidas-Salomon AG v Fitnessworld Trading Ltd* (C408/01) [2003] ETMR 91.

<sup>208</sup> F Schechter, 'The rational basis of trademark protection' [1927] Harv LR 813, also cited in *Interflora Inc v Marks & Spencer Plc* (C-323/09) [2012] ETMR 1; [2012] FSR 3.

<sup>209</sup> See S Maniatis 'Dilution in Europe' in H Hansen (ed) *International Intellectual Property Law and Policy* (2002) ch 43.

<sup>210</sup> From Frank I Schechter 'The rational basis of trademark protection' [1927] *Harvard Law Review* at 813ff.

<sup>211</sup> 82 TMR 671 at 697.

<sup>212</sup> Eg *Godiva/Dogiva Grey v Campbell Soup Co* 231 USPQ 562 (C D Cal 1986). See I Simon 'Nominative use and honest practices in industrial and commercial matters – a very European history' [2007] IPQ 117.

<sup>213</sup> As in *Dallas Cowboys Cheerleaders v Pussycat Cinema* 604 F 2d 200, 203 USPQ 161 (2nd Cir, 1979).

<sup>214</sup> *Adidas-Salomon AG v Fitnessworld Trading Ltd* (C408/01) [2003] ETMR 91.

<sup>215</sup> *Intel Corp Inc v CPM United Kingdom Ltd* Case C-252/07 [2009] ETMR 13.

<sup>216</sup> *Grey v Campbell Soup Co* 231 USPQ 562 (CD Cal, 1986).

to the CJEU as to whether the use of keyword INTERFLORA in advertising by a rival supplier of flowers would diminish the distinctiveness of the mark.<sup>217</sup> In *Dallas Cowboys Cheerleaders*,<sup>218</sup> the plaintiffs' uniforms were used as costumes for the participants in a rude film. This was enjoined as detrimental to the plaintiffs' reputation in the appearance of their costumes. In a number of cases involving luxury goods,<sup>219</sup> the ECJ has held that selling outside their top-market distribution networks could damage the reputation of a mark. By contrast, in *Monopole SpA v OHIM*, the Court of First Instance held that the mark 'Spa' would not be tarnished by activities carried on under the 'Spa-Finders' mark.<sup>220</sup> Lastly, in *Lexis/Lexus*,<sup>221</sup> it was alleged that use of 'Lexus' on Toyota motor cars would dilute the distinctiveness of 'Lexis' for legal information services. This was held improbable, given the specialist nature of the market for 'Lexis'. One can see similar considerations at play in Intel.

**5.58** UK cases on ss 5(3) and 10(3) include the *Viagra* case, *Pfizer v Eurofoods*,<sup>222</sup> *Sheimer* where an application to register VISA for condoms was rejected after opposition from the credit card company<sup>223</sup> and *MERC*,<sup>224</sup> where the use of the motor mark was not restrained in relation to clothes. In *MERC*<sup>225</sup> Pumfrey J recommended:

'... just to follow the section ... remembering Jacobs A.G.'s warning that it is concerned with actual effects, not risks or likelihoods. The enquiry is as follows.

- (1) Does the proprietor's mark have a reputation? If so,
- (2) is the defendant's sign sufficiently similar to it that the public are either deceived into the belief that the goods are associated with the proprietor so that the use of the sign takes unfair advantage of the mark, or alternatively causes detriment in their minds to either (a) the repute or (b) the distinctive character of the mark, or
- (3) even if they are not confused, does the use of the sign nonetheless have this effect, and
- (4) is the use complained of nonetheless with due cause. Detriment can take the form either of making the mark less attractive (tarnishing, to use Neuberger J's word) or less distinctive (blurring). On this analysis, VISA is of course a case of tarnishing.'

<sup>217</sup> *Interflora Inc v Marks & Spencer plc* [2010] EWHC 925 (Ch), notwithstanding the ECJ's ruling in *Google France Sarl v Louis Vuitton Malletier SA & ors* (conjoined cases C-236/08 to 238/08) [2011] Bus LR 1; [2011] All ER (EC) 411; [2010] ETMR 30; [2010] RPC 19.

<sup>218</sup> 604 F 2d 200, 203 USPQ 161 (2nd Cir, 1979).

<sup>219</sup> *SA v Christian Dior Couture SA* (C-59/08) [2009] ETMR 40 and citations; in the instant case whether the resale of de luxe corsetry by licensees to discount stores was detrimental to 'luxury' aura and therefore infringement a matter for the national court to decide.

<sup>220</sup> (T-67/04).

<sup>221</sup> *Mead Data Central v Toyota Sales USA Inc* 875 F 2d 1026 (2nd Cir, 1989).

<sup>222</sup> *Pfizer Ltd v Eurofood Link (UK) Ltd* [2001] FSR 3; [2000] ETMR 896.

<sup>223</sup> *CA Sheimer (M) SDN BHD's Trade Mark Application* [2000] RPC 484; cf 'Ever-Ready' *Oasis Stores Ltd's TM Application* [1999] ETMR 531; [1998] RPC 631.

<sup>224</sup> *DaimlerChrysler AG v Javid Alavi* [2001] RPC 42; [2001] ETMR 98; Baloch 'Confused about Dilution' [2001] EIPR 427.

<sup>225</sup> At para 88.

In *Intel-play*<sup>226</sup> it was held that dilution by blurring would occur if the defendant's 'Intel-play' were used on unsophisticated goods, given that Intel was distinctive of 'high-quality, hi-tech products with a national and international reputation'.

## OVERCOMING THE OBSTACLES – RELATIVE GROUNDS

**5.59** Taking the last point first, where an earlier mark causes a relative objection,<sup>227</sup> a number of options are open. The most powerful option is to obtain the consent of the earlier mark's proprietor,<sup>228</sup> because the Registrar has no discretion to deny the application if consent is given.<sup>229</sup> However, obtaining the consent may prove a challenge and open a 'Pandora's box' of problems if the earlier proprietor takes objection. Alternatively, the later applicant could seek assignment,<sup>230</sup> surrender,<sup>231</sup> revocation<sup>232</sup> or invalidation<sup>233</sup> of the earlier trade mark. If these strategies are unavailable, the conflict might be resolved by amending the application or the earlier mark to narrow the specification of goods or services of the application.<sup>234</sup> This can be done by 'positively limiting' the specification or by adding an exclusionary phrase 'not including (specific goods)'.<sup>235</sup> The application could<sup>236</sup> also be withdrawn. Withdrawal is usually preferable to refusal; third parties may interpret a Registry refusal as indicating weakness in the applicant's position and cite the decision at some inconvenient moment. If the applicant has used the mark honestly in the UK for a number of years, it may be open to apply for registration as an honest concurrent user under s 8.<sup>237</sup>

### Honest concurrent user

**5.60** This is now of relevance in opposition proceedings on relative grounds<sup>238</sup> which may be overcome where the applicant has made honest concurrent use of a mark.<sup>239</sup> This provision was introduced to compensate in part for the rigour

<sup>226</sup> *Intel Corp Inc v Sihra* [2004] ETMR 44 Ch D.

<sup>227</sup> Which can now only arise under opposition from the proprietor of an earlier mark.

<sup>228</sup> Trade Marks Act 1994, s 5(5). See 'What is a Coexistence agreement?' at [www.ipo.gov.uk/pro-types/pro-tm/pro-t-dispute/pro-t-coexist.htm](http://www.ipo.gov.uk/pro-types/pro-tm/pro-t-dispute/pro-t-coexist.htm).

<sup>229</sup> An attempt to retain the discretion formerly enjoyed by the Registrar over this aspect of practice was soundly rejected by Parliament: House of Lords Public Bill Committee, col 16 (13 January 1994). However, it was valuable in protecting the public from dangerous confusion. See, e.g. *Univer TM* [1993] RPC 239.

<sup>230</sup> See Chapter 11 (assignment).

<sup>231</sup> In whole or in part under s 45 (surrender).

<sup>232</sup> In whole or in part under s 46, see 9.12–9.17 (revocation).

<sup>233</sup> In whole or in part under s 47, see 9.6–9.11 (invalidity).

<sup>234</sup> Under s 39(1); see 5.26.

<sup>235</sup> Work Manual, ch 3, heading 'Disclaimers and limitations (wording of)'. See 5.29 (limitation).

<sup>236</sup> Under s 39(1).

<sup>237</sup> See 5.60–5.62.

<sup>238</sup> See Work Manual, ch 3, heading 'Honest concurrent use'; *Roadrunner Trade Mark* [1996] FSR 805.

<sup>239</sup> Section 7; practice under s 7 follows that under s 12(2) of the 1938 Act. Note the section limb

of relative examination by the UK Registry when the 1994 Act was passed.<sup>240</sup> In member states of the Community where no relative examination is carried out, a mark may be registered notwithstanding prior conflicting registrations. If the earlier proprietor acquiesces for 5 years in the use of the later registered mark, the earlier proprietor loses the right to challenge the later registration or to oppose further use of the later mark, unless he can show it was applied for in bad faith.<sup>241</sup> Although examination on relative grounds was abolished by the Trade Marks (Relative Grounds) Order 2007<sup>242</sup> the continuing availability of opposition proceedings in the UK favours retention of honest concurrent use. In *Efax Ltd v Protus IP Solutions Inc*<sup>243</sup> an unsuccessful attack was made on the vires of the honest concurrent use provisions. Note that honest concurrent user of itself does not provide a defence to trade mark infringement,<sup>244</sup> unless and until the concurrent mark is registered. Once that is achieved, the proprietor can avail himself of the defence under s 11.<sup>245</sup>

**5.61** The criteria for registration of an honest concurrent user were considered in *Pirie's* application.<sup>246</sup> Relevant factors are:

- (a) the length of use (usually 2–3 years at least);<sup>247</sup>
- (b) the volume of use and area of trade;
- (c) the honesty of the concurrent user (knowledge of the earlier registration being pertinent but not conclusive);<sup>248</sup>
- (d) the presence or absence of actual confusion;<sup>249</sup>

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of s 12(2), which gave a discretion to allow concurrent registration in 'special circumstances' other than honest concurrent use, was repealed by the 1994 Act. See, also, *Budejovicky Budvar v Anheuser-Busch* (C-482/09) [2011] ECR I-0000, which appears to recognize a concept akin to honest concurrent use in European trade mark law.

<sup>240</sup> *Hansard* (House of Lords) vol 553, no 55, col 72 (14 March 1994).

<sup>241</sup> Section 45. The Court of Appeal referred questions on acquiescence to the European Court in *Budejovicky Budvar Narodni Podnik v Anheuser-Busch Inc* [2009] EWCA Civ 1022; [2010] RPC 7; a case where two registrations were effected on the same day under the honest concurrent use provisions. The Advocate-General's opinion was published in February 2011: (C-482/09) Unreported.

<sup>242</sup> SI 2007/1976, in force from 1 October 2007 in relation to applications published on or after that date: Art 5. Art 4 provides for search and notification, Art 3 having removed the effect of s 37(2) of the Act. Art 2 ensures that the Registrar refuses marks on relative grounds only in opposition proceedings.

<sup>243</sup> [2007] RPC 26.

<sup>244</sup> *Origins Natural Resources Inc v Origin Clothing Ltd* [1995] FSR 280 Ch D, cf suggestion in *Nucleus Trade Mark* [1998] RPC 233 TMR.

<sup>245</sup> See 8.13.

<sup>246</sup> (1933) 50 RPC 147.

<sup>247</sup> Just under 3 years in *Buler* [1975] RPC 225. In the case of a mark with high exposure, the period may be less. Of course if the use is not established, the claim will fail: *Nutritive Trade Mark* [1998] RPC 621 TMR.

<sup>248</sup> *Bali TM* [1978] FSR 193.

<sup>249</sup> Not necessarily fatal to the later applicant: *Buler* [1975] RPC 275.

- (e) the degree of likely confusion; and
- (f) whether that is tolerable to the public.

Although this list provides useful guidance, in *Budweiser*<sup>250</sup> the Court of Appeal pointed out the dangers in seeking to apply them as decisive factors in every case, quoting with approval a passage from *Kerly*:<sup>251</sup>

‘The discretion of the tribunal is unfettered and concurrent registration may be allowed even when the probability of confusion is considerable. Every case has to be determined on its own particular merits and circumstances.’

**5.62** As regards the combined effects of common law and statute under ss 5(4) and 7 of the 1994 Act, Geoffrey Hobbs QC, sitting as the Appointed Person in *Croom’s TM*<sup>252</sup> stated:

‘the rights of the rival claimants fall to be resolved on the basis that within the area of conflict:

- (a) the senior user prevails over the junior user;
- (b) the junior user cannot deny the senior user’s rights;
- (c) the senior user can challenge the junior user unless and until it is inequitable for him to do so.’

## OPPOSITIONS AND OBSERVATIONS

**5.63** Once the Registry has decided to accept an application, it is published in the *Trade Marks Journal*.<sup>253</sup> Interested parties then have 2 months<sup>254</sup> in which to file opposition to registration or to make informal observations to the Registrar.<sup>255</sup> It is at this stage that objections based on earlier marks registered for dissimilar goods or services, well-known marks and honest concurrent user may arise. Anyone may oppose registration.<sup>256</sup> Opposition is filed on form TM7, together with a statement of the grounds on which the opposition is based<sup>257</sup> and a statement of use of marks relied upon (if these have been registered for 5 years or more and are therefore vulnerable to revocation).<sup>258</sup>

<sup>250</sup> *Budweiser Trade Marks* [2000] RPC 906 CA.

<sup>251</sup> *Kerly’s Law of Trade Marks* (12th edn, 1986) para 10–18.

<sup>252</sup> *Croom’s Trade Mark Application* [2005] RPC 23.

<sup>253</sup> Section 38(1); r 16. The rules on opposition were overhauled in 2004 by the Trade Mark (Amendment) Rules 2004, changes now incorporated into the Trade Mark Rules 2008.

<sup>254</sup> Rule 17(2), extendible to 3 months by filing e-form TM7a: r 17(3) and (4). A would-be opponent who misses the deadline will have to seek a declaration of invalidity of the mark once registered: see Chapter 9. See Tribunal Practice Note (TPN) 4/2010 (trade marks): Opposition Proceedings: Calculation of the opposition period.

<sup>255</sup> Section 38(2) and (3); r 1.

<sup>256</sup> For opposition practice in the Registry, see ‘How to oppose an application’ and links at [www.ipo.gov.uk/pro-types/pro-tm/pro-t-object/pro-t-oppose-apply.htm](http://www.ipo.gov.uk/pro-types/pro-tm/pro-t-object/pro-t-oppose-apply.htm).

<sup>257</sup> Rule 17(5).

<sup>258</sup> Rule 17(5) and see Chapter 9.

## Chapter 13

# TRADE MARKS AND EUROPEAN UNION LAW

### INTRODUCTION

**13.1** Trade mark law, like other areas of intellectual property law,<sup>1</sup> has been influenced profoundly by the European Union (EU). A programme of intellectual property measures designed to hasten the single market in the wake of the Single European Act<sup>2</sup> was based on the premise that disparities in national laws impeded the free movement of goods and services.<sup>3</sup> Free movement is one of the cornerstones of the EC Treaty, now revised and renamed the Treaty on the Functioning of the European Union (TFEU) by the Lisbon Treaty.<sup>4</sup> The free movement principle<sup>5</sup> has been held to affect the exercise of trade mark rights,<sup>6</sup> along with competition laws governing restrictive practices<sup>7</sup> and abuses of dominant position.<sup>8</sup>

**13.2** In 1980 proposals for a Trade Mark Harmonisation Directive were published<sup>9</sup> and considered subsequently by the Economic and Social Committee and the European Parliament.<sup>10</sup> After further deliberation the

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<sup>1</sup> For other areas see AEL Brown 'Post Harmonisation Europe – United, Divided or Unimportant?' [2001] IPQ 275; G Tritton *Intellectual Property in Europe* (3rd edn, 2008). Useful tables showing the progress of EU legislation are published monthly in EIPR. The Europa website maintains lists of intellectual property laws and other materials with legal effect which can be accessed from [http://ec.europa.eu/internal\\_market/top\\_layer/index\\_52\\_en.htm](http://ec.europa.eu/internal_market/top_layer/index_52_en.htm) by following the links to 'copyright' or 'industrial property'.

<sup>2</sup> For an index and links to treaties see [http://europa.eu/abc/treaties/index\\_en.htm](http://europa.eu/abc/treaties/index_en.htm). For commentary, see, eg, J Steiner, L Woods *EU Law* (OUP, 10th edn, 2009); or P Craig, G de Búrca *EU Law* (OUP, 5th edn, 2011).

<sup>3</sup> See Second Recital to the Trade Marks Harmonisation Directive 2008/95/EC and to the Community Trade Mark Regulation (EC) 207/2009.

<sup>4</sup> In 2008, the UK Foreign and Commonwealth Office helpfully published 'A Comparative Table of the Current EC and EU Treaties as Amended by the Treaty Of Lisbon' Cm7311, available at [www.official-documents.gov.uk/document/cm73/7311/7311.asp](http://www.official-documents.gov.uk/document/cm73/7311/7311.asp).

<sup>5</sup> And is covered by Arts 34-36 (formerly Arts 28-30 of the EC Treaty, Arts 30-36 of the EEC Treaty) for goods and Art 56 (formerly Art 49 of the EC Treaty, Art 59 of the EEC Treaty) for services.

<sup>6</sup> See P Koutrakos 'In Search of a Common Vocabulary in Free Movement of Goods: The Example of Repackaging Pharmaceuticals' [2003] EL Rev 53; C Stothers *Parallel Trade in Europe: Intellectual Property, Competition and Regulatory Law* (2007).

<sup>7</sup> Article 101 of the TFEU – formerly Art 81 of the EC Treaty, Art 85 of the EEC Treaty.

<sup>8</sup> Article 102 of the TFEU – formerly Art 82 of the EC Treaty, Art 86 of the EEC Treaty.

<sup>9</sup> Proposal from the Commission [1980] OJ C351/1; revised proposal at [1985] OJ C351/4.

<sup>10</sup> European Parliament [1983] OJ C307/66 and [1988] OJ C309, 5 December 1988; Economic and Social Committee [1981] OJ (C-310/22).

proposals came to fruition as the First Council Directive ('the Directive').<sup>11</sup> The purpose of the Directive was to 'approximate', that is to say, harmonise the national trade mark laws of the EU member states. Article 16(1) of the Directive required the member states to introduce legislation with the object of fulfilling its specific requirements. A codified version incorporating minor amendments was promulgated in 2008.<sup>12</sup> Many of the Directive's provisions, and hence the equivalent provisions of the Trade Marks Act 1994, have been subject to interpretation by the Court of Justice of the European Union (CJEU, or ECJ) and the Court's rulings have been noted in earlier chapters.

**13.3** The Directive was followed in 1994 by the creation of the unitary Community Trade Mark (CTM) system under Community Trade Marks Regulation (EC) 40/94 ('the Regulation') (considered in more detail in Chapter 14). Again, this has been reissued in a codified form as Reg (EC) 207/2009.<sup>13</sup> Despite suggestions that (harmonised) national trade mark laws and systems are now unnecessary,<sup>14</sup> registration statistics suggest that national and Community systems will co-exist for the foreseeable future, not least because linguistic differences between member states render some marks unsuitable for Community-wide use.<sup>15</sup> Linguistic differences may also cause apparent non-uniformity in the application of the harmonised national laws to specific marks in different member states. The European Commission has commissioned a study of the functioning of the European trade mark system,<sup>16</sup> including the relationship between Community and national systems, and in May 2011 indicated its intention to introduce legislation to modernise the system.<sup>17</sup> This will be considered further below; here it may be noted that the Max Planck study states that 'coexistence between the supranational CTM system and the national trade mark systems is one of the basic principles of

<sup>11</sup> Trade Marks Harmonisation Directive (EEC) 89/104, promulgated on 21 December 1988. For the significance of preparatory materials for the interpretation of EC legislation, see S Schonberg and K Frick 'Finishing, Refining, Polishing: On the Use of Travaux Préparatoires as an Aid to the Interpretation of Community Legislation' [2003] EL Rev 149.

<sup>12</sup> Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks (Codified version) [2008] OJ L299/25 ('the Directive').

<sup>13</sup> Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community Trade Mark (codified version) [2009] OJ L78/1 ('the Regulation').

<sup>14</sup> H Laddie 'National IP Rights: A Moribund Anachronism in Federal Europe' [2001] EIPR 402. 'But if it be true that it makes sense to have, in substance, the same I.P. diet, what is the justification for splitting it into national helpings?'

<sup>15</sup> Note also that, in the USA, state-level registration or deposit systems for marks still exist alongside the federal system, e.g. Art 24 of the General Business Law (NY), ch 6-2, General Laws of Rhode Island 1956, etc. Furthermore, some enterprises simply have neither the requirement nor the desire for any protection beyond a national registration.

<sup>16</sup> 'Study on the Overall Functioning of the European Trade Mark System', presented by the Max Planck Institute for Intellectual Property and Competition Law, 8 March 2011, available, with annexes, from [http://ec.europa.eu/internal\\_market/indprop/tm/index\\_en.htm](http://ec.europa.eu/internal_market/indprop/tm/index_en.htm) ('Max Planck Study' hereafter).

<sup>17</sup> Commission Communication of 24 May 2011 COM(2011) 287 final 'A Single Market for Intellectual Property Rights: Boosting creativity and innovation to provide economic growth, high quality jobs and first class products and services in Europe', para 3.2: 'Modernisation of the trade mark system in Europe'.

European trade mark law'.<sup>18</sup> The continued existence of national offices is seen as important for Small and Medium-Sized Enterprises (SMEs); evidence submitted to the study suggests that larger enterprises, especially foreign and multinational ones are abandoning national or BeNeLux offices in favour of the CTM system.<sup>19</sup>

**13.4** In addition to the member states, the EU itself is party to the WTO Trade-Related Aspects of Intellectual Property Rights (TRIPs) Agreement.<sup>20</sup> Thus, TRIPs can influence interpretation of Community law and the ECJ/CJEU has jurisdiction to interpret it.<sup>21</sup> However, in proceedings before the CJEU, TRIPs has not been not given direct horizontal effect as between litigants.<sup>22</sup> Other aspects of European law, such as the Convention on Human Rights,<sup>23</sup> and the Charter of Fundamental Rights<sup>24</sup> may also influence the acquisition, enjoyment and enforcement of trade mark rights in the EU.

## IMPLEMENTATION OF THE DIRECTIVE AND ENFORCEMENT OF TRADE MARK RIGHTS IN OTHER EU MEMBER STATES

**13.5** The Directive governs the definition and registrability of marks, the grounds for refusal of registration, for revocation and invalidity. It also touches upon licensing and sets out exhaustive criteria for infringement. However, the Directive does not purport to affect registry or court procedures, or national rules as to ownership.<sup>25</sup> Likewise, it leaves member states free to recognise rights acquired by use, save where they interact with registered marks and to protect marks by national rules as to unfair competition, civil liability and consumer protection.

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<sup>18</sup> Ibid Max Planck Study, Part VII – Conclusions, para 43.

<sup>19</sup> Max Planck Study, Part II 'Fact finding' para 1.22.

<sup>20</sup> See [www.wto.org/English/docs\\_e/legal\\_e/27-trips\\_01\\_e.htm](http://www.wto.org/English/docs_e/legal_e/27-trips_01_e.htm) and Chapter 15.

<sup>21</sup> *Parfums Christian Dior v Tuk* (joined cases C-300/98 and C-392/98) [2000] ECR I-11307, [2001] ETMR 26, [2001] ECDR 12. The CJEU may also consider whether an envisaged international agreement is compatible with the EU treaties: Art 218 of the TFEU (formerly Art 300 of the EC Treaty).

<sup>22</sup> Case C-53/96 *Hermes* [1998] ECR I-3603; Case C89/99 *Schieving-Nijstad VOF v Groeneveld* [2001] ECR I-5851, [2001] 3 CMLR 44, [2002] ETMR 4, [2002] FSR 22 (provisional measures). See also *Azrak-Hamway* [1997] RPC 134, where the UK IPO declined to give direct effect to TRIPs; T Cottier and KN Schefer 'The relationship between World Trade Organisation law, national and regional law' [1998] JIEL 83.

<sup>23</sup> T Pinto 'The influence of the European Convention on Human Rights on intellectual property rights' [2002] EIPR 209; P Torremans *Intellectual Property and Human Rights* (Wolters Kluwer, 2008).

<sup>24</sup> Charter of Fundamental Rights of the European Union, Art 17(2) states that intellectual property shall be protected. Protocol to the Lisbon Treaty contains a derogation from the Charter for the UK and Poland.

<sup>25</sup> Article 6 of the Directive. Article 245 of the TFEU (formerly Art 295 of the EC Treaty) provides that the Treaty is without prejudice to national systems of property ownership.



**13.6** Member states were required to implement the Directive by 31 December 1992. Although many states failed to meet the deadline,<sup>26</sup> each of the pre-Enlargement member states did eventually introduce trade mark legislation which took the Directive into account, although the Max Planck study suggests that ‘differences in understanding and practical implementation’ have led to divergence.<sup>27</sup> Member states acceding by way of the Enlargement of the EU in May 2004<sup>28</sup> were required to accept and conform to the ‘acquis’ of pre-existing Community law.<sup>29</sup> The Max Planck report concludes that the optional provisions, which were incorporated into the Trade Marks Act UK, should be made mandatory for all member states.<sup>30</sup> It further recommended the introduction of new provisions to bring national law into line with the Community Trade Mark Regulation in relation to certain proprietary aspects, such as licensing, transfer, rights in rem, levy of execution, insolvency proceedings and the protection of collective marks.<sup>31</sup>

**13.7** Thus, in theory, one may expect convergence, assisted in areas of difficulty by decisions of the CJEU.<sup>32</sup> The Court can become seised of trade mark issues by way of reference under Art 267 of the TFEU<sup>33</sup> from national courts and in review of decisions under the Regulation. As noted in Chapter 5, the substantive provisions of the Regulation and Directive are often identical, so a ruling of the CJEU on interpretation of the Directive also serves to clarify the law under the Regulation, and vice versa. A significant stage towards

<sup>26</sup> In the event of failure to implement a directive, the European Commission may bring proceedings against the member state in default before the CJEU. The legitimacy of implementation may also be raised by parties to litigation, as in *Oakley Inc v Animal Ltd and Ors, The Secretary of State for Trade and Industry* [2005] EWCA Civ 1191 CA (Civ Div) (a reference to the ECJ from the High Court – (C-267/05) – was withdrawn and deleted from the ECJ’s register of pending cases as of 7 February 2006).

<sup>27</sup> Max Planck Study, Part III ‘Legal analysis’, para 1.19 and Part V p 213ff.

<sup>28</sup> The Accession Treaty for the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia was signed at Athens, 16 April 2003; that for Bulgaria and Romania on 25 April 2005 and for Croatia on 9 December 2011 (subject to referendum and ratifications, Croatia is expected to join the EU on 1 July 2013).

<sup>29</sup> The OHIM website has useful information on Enlargement and links to key documents: [http://ec.europa.eu/enlargement/index\\_en.htm](http://ec.europa.eu/enlargement/index_en.htm). See, also, A Folliard-Monguiral, D Rogers ‘The Community Trade Mark and Designs System and the Enlargement of the European Union’ [2004] EIPR 48. These authors deal in some detail with transitional provisions. The effect of Enlargement on the Community trade mark system is considered in Chapter 14.

<sup>30</sup> Max Planck Study Part VII ‘Conclusions’ at para 5.

<sup>31</sup> At para 8.

<sup>32</sup> For this reason, Parliament was inclined to follow the wording of the Directive. House of Lords Public Bill Committee, col 11 (13 January 1994).

<sup>33</sup> Formerly Art 234 of the EC Treaty. In principle the court rules on the interpretation of the Treaty and legislation thereunder, while national courts apply the ruling to the facts. For comment on the blurring of this distinction see C Worth and K Warburton ‘ECJ v National Courts: The Division of Powers after Clinique’ [1994] 6 EIPR 247. See, also, H Norman ‘Perfume, Whisky and Leaping Cats of Prey. A UK Perspective on Three Recent Trade Mark Cases before the European Court of Justice’ [1998] EIPR 306 for comment on the ‘open-ended nature of the [ECJ]’s pronouncements’. This makes it possible for national courts to apply the guidance in accordance with national notions of, for example, consent to marketing. However, in some cases, the UK courts have applied the rulings reluctantly. See, eg, *Arsenal v Reed* [2003] EWCA Civ 696; *L’Oréal v Bellure* [2010] EWCA Civ 535.

approximation of the trade mark laws of the member states has, therefore, been concluded. The Max Planck study has commented on the vital role of the Court in this process.<sup>34</sup>

**13.8** During the process of implementing the Directive, several member states also took the opportunity to amend their civil procedure as it related to trade mark infringement. Thus, new investigative measures to obtain information prior to action and interlocutory injunctions were introduced in Spain.<sup>35</sup> France opened up infringement actions to exclusive licensees and clarified the law relating to temporary injunctions in trade mark cases.<sup>36</sup> Oppositions were introduced in France, and in Germany were postponed until after registration.<sup>37</sup> Italy's reform of civil procedure relating to the preliminary stages of trade mark infringement proceedings was considered to improve matters for trade mark proprietors.<sup>38</sup>

**13.9** However, all member states had to reconsider their civil procedure as it relates to enforcement of trade marks and other forms of intellectual property right in the light of the IP Enforcement Directive (EC) 2004/48,<sup>39</sup> by the implementation date of 29 April 2006.<sup>40</sup> At the time of writing the European Commission is engaged in a review of the Enforcement Directive, an exercise somewhat vitiated by failure of many member states to meet the implementation deadline.<sup>41</sup> A directive on aspects of mediation in civil and commercial matters was passed in 2008.<sup>42</sup>

**13.10** In the sphere of criminal enforcement of trade marks, further strengthening has also been suggested: in July 2005 the European Commission proposed a Directive and framework Decision<sup>43</sup> to strengthen criminal

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<sup>34</sup> At 5.1(1)(a)(2).

<sup>35</sup> N Jenkins 'Pre-action Proof of Facts and Preliminary Measures under the New Spanish Industrial and Intellectual Property Acts' [1993] 9 EIPR 347. Spain amended its trade mark law in 1988.

<sup>36</sup> C Le Stanc 'The enforcement of trade mark rights in France' [1994] 8 EIPR 352. France's new trade mark law came into effect in 1992.

<sup>37</sup> M Fammler 'The new German Act on marks: EC harmonisation and reform' [1995] 1 EIPR 22.

<sup>38</sup> M Franzosi and G de Sanctis 'Intellectual and industrial property litigation in Italy: a change for the better' [1994] 9 EIPR 392.

<sup>39</sup> Directive (EC) 2004/48 Of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights [2004] OJ L195/16. Note that unfair competition was excluded from the ambit of this instrument.

<sup>40</sup> Article 20. Implementation in the UK was achieved by the Intellectual Property (Enforcement, etc) Regulations 2006, SI 2006/1028, in force from 29 April 2006.

<sup>41</sup> Thus giving less experience from tardy member states. See [http://ec.europa.eu/internal\\_market/iprenforcement/directives\\_en.htm](http://ec.europa.eu/internal_market/iprenforcement/directives_en.htm) and especially the Commission's report COM(2010) 779 final and SEC(2010) 1589 final.

<sup>42</sup> Directive 2008/52/EC of 21 May 2008 on certain aspects of mediation in civil and commercial matters.

<sup>43</sup> Proposal for a European Parliament and Council Directive on criminal measures aimed at ensuring the enforcement of intellectual property rights and Proposal for a Council Framework Decision to strengthen the criminal law framework to combat intellectual property offences, Brussels, 12 July 2005, COM(2005) 276 final.

measures for protection of intellectual property. At the same time, the Summit of the G8 group of countries at Gleneagles<sup>44</sup> also agreed an action to reduce counterfeiting and piracy.<sup>45</sup> The proposed criminal enforcement directive ran into objections from the European Parliament and procedural difficulties connected with the 'pillars' of the EC, which assigned intellectual property and criminal matters to different areas of competence (since dismantled, with transitional provisions, by the Lisbon Treaty). An amended proposal in 2006 likewise did not mature into legislation.<sup>46</sup> The Commission's Communication in 2009 referred to the establishment of an 'Observatory' on counterfeiting and piracy, the need to improve administrative co-operation across Europe and the encouragement of voluntary arrangements between stakeholders.<sup>47</sup> The Commission has observed that the civil enforcement direction is 'the cornerstone of the EU's contribution to the fight against counterfeiting and piracy',<sup>48</sup> but also remarked that it 'continues to believe that Member States need to put in place effective criminal law measures'.<sup>49</sup> The EU has expressed support for the plurilateral Anti-Counterfeiting Trade Agreement (ACTA), Art 23 of which requires criminal measures to be available at least for 'wilful trademark counterfeiting or copyright or related rights piracy on a commercial scale'.<sup>50</sup>

**13.11** Although trade mark registration procedures are not affected by the Trade Marks Harmonisation Directive, a parallel development may ultimately lead to a worldwide harmonisation. A diplomatic conference of the World Intellectual Property Organisation (WIPO) concluded a Trademark Law Treaty to this end.<sup>51</sup> Furthermore, the Max Planck study noted that variations in procedure exist as between different national offices. It proposed increased

<sup>44</sup> 6–7 July 2005. For a convenient table of existing criminal measures in the UK, see the UK Intellectual Property Office's 'Guide to Offences' at [www.ipo.gov.uk/ipenforce/ipenforce-resources/ipenforce-offenceguide.htm](http://www.ipo.gov.uk/ipenforce/ipenforce-resources/ipenforce-offenceguide.htm).

<sup>45</sup> Reducing IPR Piracy and Counterfeiting through Effective Enforcement; noted at [www.ipo.gov.uk/policy-notice-g8.htm](http://www.ipo.gov.uk/policy-notice-g8.htm).

<sup>46</sup> COM(2006) 168 of 26 April 2006.

<sup>47</sup> 'Enhancing the enforcement of intellectual property rights in the internal market' COM(2009) 467 final.

<sup>48</sup> Commission Communication COM(2008) 465/3 at 5.1; see, also Commission Communication COM (2011) 287 'A Single Market for Intellectual Property Rights – Boosting creativity and innovation to provide economic growth, high quality jobs and first class products and services in Europe' at para 3.5; available at [http://ec.europa.eu/internal\\_market/copyright/docs/ipr\\_strategy/COM\\_2011\\_287\\_en.pdf](http://ec.europa.eu/internal_market/copyright/docs/ipr_strategy/COM_2011_287_en.pdf).

<sup>49</sup> COM (2008) 465/3 at para 5.1.

<sup>50</sup> As regards support, see <http://ec.europa.eu/trade/creating-opportunities/trade-topics/intellectual-property/anti-counterfeiting>. For the final text of ACTA, see [http://trade.ec.europa.eu/doclib/docs/2011/may/tradoc\\_147937.pdf](http://trade.ec.europa.eu/doclib/docs/2011/may/tradoc_147937.pdf). Eight states signed ACTA on 1 October 2011 – United States, Australia, Canada, Korea, Japan, New Zealand, Morocco, and Singapore, but not the EU. On 26 January 2012, the EU and 22 member states signed the treaty; at the time of writing the European Parliament was due to consider the issue in June 2012 before ratification could take place: see [www.bbc.co.uk/news/technology-16757142](http://www.bbc.co.uk/news/technology-16757142). An idea of the scale of criminal activity in the field of intellectual property in the UK can be gained from the IP Crime Group's annual report for 2010/11, available at [www.ipo.gov.uk/ipcreport10.pdf](http://www.ipo.gov.uk/ipcreport10.pdf).

<sup>51</sup> WIPO Trademark Law Treaty, adopted at Geneva on 27 October 1994 and Regulations there

co-operation between the Office of Harmonisation in the Internal Market (OHIM) and the national trade mark registries and transfer from OHIM to national registries of a proportion for renewal fees to support their work.

## THE LAW MAKING INSTITUTIONS

13.12 At this point, a brief outline of the European Union's law making framework may be helpful.

- (a) *The European Commission* is the administrative body which initiates law proposals. It has been chiefly responsible, insofar as intellectual property matters are concerned, for enforcing European competition law. Now, as discussed below, much of this has been devolved to national courts and national competition authorities under Regulation (EC) 1/2003.<sup>52</sup>
- (b) *The Council of Ministers* makes law either in the form of Regulations which bind all member states automatically without further implementing measures, or Directives which become binding once national legislation has been passed to implement them. The Council is composed of the relevant ministers from member states, depending upon the legislation proposed, and is assisted by a permanent committee of Heads of Mission and Deputy Heads of Mission (ie member state civil servants acting in a quasi-ambassadorial role) named CoRePer from the French '*Comité des Représentants Permanents*'. CoRePer has numerous sub-committees and working parties of civil servants scrutinising proposed legislation.
- (c) *The European Parliament* is a body of directly elected MEPs whose powers have increased from scrutinising and making recommendations on Commission proposals to a more active legislative role;<sup>53</sup> the extent of its legislative power depends upon the legislative procedure concerned.
- (d) *The legislative procedure* depends upon which provision of the Treaty empowers the European legislator. The EC Treaty provided for the 'co-operation procedure'<sup>54</sup> under Art 252, which applied to economic and monetary union; and the 'co-decision procedure'<sup>55</sup> under Art 251, which

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under. See [www.wipo.int/treaties/en/ip/tlt](http://www.wipo.int/treaties/en/ip/tlt). The Treaty has entered into force; the UK acceded on 1 August 1996 and as of December 2011 there were 49 contracting parties. See, further, Chapter 15.

<sup>52</sup> Council Regulation (EC) No 1/2003 of 16 December 2002 on the implementation of the rules on competition laid down in Arts 81 and 82 of the Treaty [2003] OJ L1/1. For the text of Reg 1/2003, implementing Reg (EC) No 773/2004 and related documents, including the 2009 report on the functioning of Reg 1/2003, see <http://ec.europa.eu/competition/antitrust/legislation/regulations.html>.

<sup>53</sup> Under the 'consultation procedure' used for taxation and similar matters, the European Parliament's views must be considered by the Council but not necessarily followed.

<sup>54</sup> See helpful diagram in TC Vinje 'Harmonising Intellectual Property Laws in the European Union: Past, Present and Future' [1995] EIPR 361.

<sup>55</sup> See diagram in TC Vinje 'Harmonising Intellectual Property Laws in the European Union: Past, Present and Future' [1995] EIPR 361.

examination on relative grounds in favour of provision of a search (a practice shared by Denmark), 12 national offices do examine ex-officio on relative grounds.<sup>71</sup>

**13.15** It is increasingly to the CJEU which one must turn for interpretation of the harmonised framework of European law. Initially, cases which involved trade marks alone were rarely heard at the ECJ, which concerned itself primarily with issues which impacted on national trade mark rights on account of the provisions in the Treaty relating to the free movement of goods.<sup>72</sup> Now, because of the CJEU's dual role in deciding references on the interpretation of the Directive and appeals from OHIM under the Regulation, it has developed a rich trade mark jurisprudence, which is considered throughout this book under the substantive issues concerned. Brief details of some of the main issues decided to date are given in the next section.

## SOME ISSUES IN THE DIRECTIVE AND REGULATION ON WHICH THE ECJ/CJEU HAS COMMENTED

### 13.16

- (a) The relevant public, in whose eyes marks are assessed, consists of average consumers, reasonably well-informed, observant and circumspect: *Lindel/Winward/Rado/DPMA*;<sup>73</sup> *Libertel*;<sup>74</sup> *Postkantoor*.<sup>75</sup>
- (b) Non-traditional signs such as colours and non-visual marks may be registered if, and only if, they can adequately be recorded on the register and they serve to distinguish the applicant's goods from others: *Libertel/Shield*;<sup>76</sup> *Sieckmann*;<sup>77</sup> *Blue & Yellow*.<sup>78</sup>
- (c) In order to be registered validly, shapes must not be objectionable under Art 3(1)(e)/Art 7(1)(e) and must be distinctive: *Philips v Remington*; *Linde*.
- (d) Slogans may be registered if they perform the distinguishing function, otherwise not: *Have A break*;<sup>79</sup> cf *Das Prinzip Der Bequemlichkeit*.<sup>80</sup>

<sup>71</sup> Bulgaria, Cyprus, Czech Republic, Estonia, Finland, Greece, Ireland, Malta, Poland, Portugal, Slovakia and Sweden: Max Planck study, Part II, paras 1.42–1.43.

<sup>72</sup> These issues are considered at 13.17–13.25.

<sup>73</sup> Joined cases C53, 54, 55/01; [2003] ECR I-3161.

<sup>74</sup> *Libertel Groep BV v Benelux-Merkenbureau* (C-104/01) [2003] ETMR 63 (colour orange).

<sup>75</sup> 'Postkantoor' *Koninklijke KPN Nederland NV v Benelux-Merkenbureau* (C-363/99) [2004] ETMR 57.

<sup>76</sup> *Shield Mark BV v Kist* (C-283/01) [2004] ETMR 33 (sound mark).

<sup>77</sup> *Sieckmann v Deutsches Patent-und-Markenamt* (C-273/00) [2003] ETMR 37 (olfactory mark).

<sup>78</sup> *Hiedelberger Bauchemie GmbH's TM Application* (C-49/02) [2004] ETMR 99 (combination of colours).

<sup>79</sup> (C-353/03) *Société des Produits Nestlé SA v Mars UK Ltd* [2005] 3 CMLR 12, [2005] ETMR 96.

<sup>80</sup> *Erpo Möbelwerk GmbH v OHIM* (T-138/00) *Das Prinzip der Bequemlichkeit TM* [2002] ETMR 39, [2005] EIPR N30.

- (e) The general standard of distinctiveness is not unduly high but there is no presumption in favour of registration; rather there is a balance with the principle that non-distinctive signs should be free for others to use: *Windsurfing Chiemsee v Boots*;<sup>81</sup> *Doublemint*;<sup>82</sup> *Bravo*;<sup>83</sup> *SATI*;<sup>84</sup> *New Born Baby*.<sup>85</sup>
- (f) Geographical names are registrable so long as they do not refer to the nature or quality of the goods for which application has been made and if the place has no reputation in the particular goods or services: *Windsurfing Chiemsee*.<sup>86</sup>
- (g) Marks should not be registered if deceptive for the products in question, or significantly offensive or objectionable on public policy grounds: *Postkantoor*;<sup>87</sup> *Fuhrer*;<sup>88</sup> possibly the official euro symbol.<sup>89</sup>
- (h) Marks may be registered for retail services, in which case it is not necessary to specify the services in detail but rather the goods to which those services relate: *Praktiker*.<sup>90</sup>
- (i) For relative grounds of refusal and for assessing infringement, marks should be compared by way of a 'global appreciation' of visual, aural and conceptual aspects of the marks: *Sabel v Puma*;<sup>91</sup> *Lloyd Schuhfabrik*.<sup>92</sup> Additions render marks non-identical if they go to distinctive character: *Arthur et Felicié*.<sup>93</sup>

<sup>81</sup> *Windsurfing Chiemsee v Boots* (C-108/97) [2000] Ch 523; [2000] 2 WLR 205; [1999] ECR I-2779; [1999] ETMR 585.

<sup>82</sup> (C-191/01 P) *OHIM v Wrigley* [2004] ETMR 9.

<sup>83</sup> *Merz & Krell v Deutsches Patent-und-Markenamt* (C-517/99) [2002] All ER (EC) 441; [2001] ECR I-6959; [2002] ETMR 21.

<sup>84</sup> *SatellitenFernsehen GmbH v OHIM* (T-323/00) [2003] ETMR 49.

<sup>85</sup> *Zapf Creation v OHIM (T-140/00) New Born Baby TM* [2002] ETMR 10.

<sup>86</sup> C-108/97 and 109/97 [2000] Ch 523; [2000] 2 WLR 205; [1999] ECR I-2779; [1999] ETMR 585. The ECJ also give guidance on how to show that a geographical mark had acquired a distinctive character by virtue of its use. It is interesting to speculate in the light of this decision whether there will be future attempts to bring invalidity proceedings against early acceptances of geographic names by OHIM, e.g. Registration No 207886 for 'Wimbledon'.

<sup>87</sup> *Koninklijke KPN Nederland NV v Benelux-Merkenbureau* (C-363/99) [2004] ETMR 57.

<sup>88</sup> J Phillips and I Simon 'No Marks for Hitler: A Radical Reappraisal of Trade Mark Use and Political Sensitivity' [2004] EIPR 327; CPL van Woensel 'At your Local Store: Legal Means Against Commercial Exploitation of Intolerable Portrayals' [2005] EIPR 37.

<sup>89</sup> In *Travelex Global and Financial Services Ltd (Formerly Thomas Cook Group Ltd), Interpayment Services Ltd v Commission of the European Communities* [2003] ETMR 90 CFI (5th Chamber) (T-195/00), the claimants sued claiming that in adopting the euro symbol, the Community had adopted a symbol too close to its registered device mark. The action was dismissed by the CFI.

<sup>90</sup> C-418/02, ECJ, 3 September 2005.

<sup>91</sup> *Sabel BV v Puma AG, Rudolph Dassler Sport* (C251-95) [1998] ETMR 1, [1998] RPC 1991.

<sup>92</sup> *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BC* (C-342/97) [1997] ETMR 690.

<sup>93</sup> *LTJ Diffusion SA v Sadas Vertbaudet SA* (C-291/00) [2003] ETMR 83.

- (j) Where two trade marks are conceptually similar, mere association is not enough to show that there is a likelihood of confusion: in determining whether there is a likelihood of confusion account must be taken of the perception of marks in the mind of the average consumer who does not make a detailed analysis thereon: *Sabel v Puma*.<sup>94</sup> This reasoning was followed in the comparison of 'Lloyd' and 'Loint's' for footwear<sup>95</sup> in which the ECJ advocated making a global assessment and taking all relevant factors into account; making a finding on the basis of aural similarity alone was not sufficient.
- (k) The strength of a mark may make confusion likely over a wider range of products. For example, it is appropriate to take into account inherent distinctive character together with evidence of reputation when assessing whether goods or services are similar and a likelihood of confusion exists: *Canon/Cannon*.<sup>96</sup>
- This was a departure from the UK's hitherto objective analytical approach<sup>97</sup> and has forced the UK to accept that marks which have acquired a reputation will attract enhanced protection.
- The effect of the decisions in *Sabel* and *Canon* has to introduce greater uncertainty into the issue of whether marks are confusingly similar; a new test depending partly on the degree of inherent distinctiveness of the earlier mark and any acquired reputation has been born.
- (l) A trade mark should be protected against unfair advantage or damaging use for similar and dissimilar products alike: *Davidoff v Gofkid*,<sup>98</sup> *Adidas-Salomon v Fitnessworld*.<sup>99</sup>
- (m) An unauthorised party may use another's trade mark in advertising where services provided in connection with the genuine goods are being provided only so long as the reputation of the trade mark is not damaged thereby and no false impression of a trade connection between the unauthorised party and the trade mark owner is given: *BMW v Deenik*.<sup>100</sup>

<sup>94</sup> [1998] RPC 1991. It should be noted that the ECJ has not by means of *Sabel and Puma* set out what 'likelihood of confusion' means; it has simply stated what appears to be the obvious, namely that all the circumstances surrounding the case must be taken into account, echoing *Pianotist Co's Application* [1906] 23 RPC 774.

<sup>95</sup> *Lloyd Schuhfabrik*, n 92 above.

<sup>96</sup> *Canon Kabushiki Kaisha v Metro-Goldwyn-Meyer Inc (C-39/97)* [1998] ETMR 366, [1999] RPC 117.

<sup>97</sup> Eg *Treat*; *British Sugar plc v James Robertson & Sons Ltd* [1997] ETMR 118, [1996] RPC 281.

<sup>98</sup> C-292/00 [2003] ECR I-389, [2002] ETMR 99, [2003] FSR 4.

<sup>99</sup> [2004] FSR 21; [2004] Ch 120; [2004] 2 WLR 1095. Sections 5(3) and 10(3) of the Trade Marks Act 1994 have been amended accordingly.

<sup>100</sup> (C-63/97) [1999] ETMR 339. However, is any unauthorised use of a trade mark inherently capable of damaging its reputation?

- (n) Meaning of 'reputation' (Art 5(2)). A mark must be known to a significant proportion of the relevant sector of the public in order to have a reputation.<sup>101</sup>
- (o) Internet advertising using the trade mark as keyword renders the advertiser liable if it would be difficult or impossible for the average internet user to ascertain the origin of the goods.<sup>102</sup>
- (p) Where the operator of an electronic marketplace participates actively in advertisers' use of trade marks and reasonably well-informed and observant internet users cannot ascertain the commercial origin of the goods, the operator may be liable for infringement as well as the advertiser: *L'Oréal v eBay International*.<sup>103</sup>
- (q) The Court's rulings where the mark is used to refer to the trade mark proprietor's goods have created confusion and complexity: *Adam Opel v Autec*;<sup>104</sup> *O2 v Hutchinson*.<sup>105</sup>
- (r) These cases and others where the court has used a 'functional' approach to double identity infringement have made such protection less 'absolute': *Arsenal v Reed*.<sup>106</sup>

## FREE MOVEMENT AND COMPETITION RULES

**13.17** Trade marks do not prevent the marketing or movement of goods or services as such, but the existence of a strong brand may constitute a significant barrier to a newcomer wishing to compete.<sup>107</sup> Trade mark registrations can be renewed indefinitely, so any effect on competition can be long-lasting. It is not surprising therefore, that the ECJ and Commission's earliest judgments were somewhat hostile<sup>108</sup> to the territorially divisive nature of national marks and

<sup>101</sup> *General Motors v Yplon* (C-375/97) [1999] ECR I-5421.

<sup>102</sup> *Die BergSpechte Outdoor Reisen und Alpinschule Edi Koblmuller GmbH v Guni* (C-278/08) [2010] ETMR 33.

<sup>103</sup> *L'Oréal SA v eBay International AG* (C-324/09) [2011] ETMR 52; [2011] RPC 27.

<sup>104</sup> *Adam Opel AG v Autec AG* (C-48/05); [2007] ECR I-1017.

<sup>105</sup> *O2 Holdings Ltd v Hutchison 3G UK Ltd* (C-533/06) [2008] ECR I-4231; [2008] 3 CMLR 14 ECJ (1st Chamber). The Max Planck study has recommended clarification of Art 5(1) of the Directive and Art 9(1) of the Regulation: Part VII – Conclusions, para 62 and also that infringement include the ingredient that use is to distinguish goods or services: para 61.

<sup>106</sup> *Arsenal Football Club plc v Reed* (C-206/01) [2003] Ch 454.

<sup>107</sup> It is also thought that so-called 'cluttering' of the Register, whereby unused marks prevent others from registering can have an anti-competitive effect. The cure for this probably lies mainly in procedures for cancellation, but the Max Planck study has recommended abolishing the system whereby marks in up to 3 classes can be registered for a single fee, replacing it with a system of fees for each additional class? See para 67, 83–85, rejecting for the moment the possibility of requiring a declaration of use for renewals: para 84.

<sup>108</sup> See J Flynn 'Intellectual Property and Anti-Trust: EC Attitudes' [1992] EIPR 49. For subsequent swings of attitude, see J Phillips 'Pariah, Piranha or Partner? The New View of Intellectual Property in Europe' [1998] IPQ 107.



## Chapter 14

# THE COMMUNITY TRADE MARK

### BACKGROUND AND IMPLEMENTATION

**14.1** The idea of a single, unitary Community trade mark system was conceived in the 1960s. Preliminary proposals were prepared in 1964<sup>1</sup> and published in 1973,<sup>2</sup> though ensuing legislation was a long time coming. In 1980, proposals for a Community Trade Mark Regulation were published.<sup>3</sup> However, not until the principle of harmonisation was accepted and implemented could the creature in the shape of the present Community trade mark be born.

**14.2** On 20 December 1993, the European Council issued Council Regulation (EC) 40/94 ('the Regulation') on the Community trade mark (CTM) which came into force on 15 March 1994. It established a unitary system for registration of marks throughout the European Community and signalled the Commission's objective of preventing trade mark owners partitioning the European market by adopting different trade marks for different countries and, thereby, thwarting the concept of a single market as originally envisaged by the Treaty of Rome.<sup>4</sup> It was replaced by Council Regulation 207/2009 of 26 February 2009 ('the CTMR') which came into force on 13 April 2009 and is supported by Commission Regulation 2868/95 of 13 December 1995 (Implementing Regulation, 'the Rules'), which has been amended from time to time.<sup>5</sup>

**14.3** The CTMR is independent of the Trade Marks Harmonisation Directive ('the Directive') and is binding on all EU member states.<sup>6</sup> The Commission

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<sup>1</sup> By a Trade Mark Working Group convened in 1961. More recently, the Max Planck Institute for Intellectual Property and Competition Law Munich were commissioned to produce a 'Study on the Overall Functioning of the European Trade Mark System', delivered in early 2011 and available at [http://ec.europa.eu/internal\\_market/indprop/docs/tm/20110308\\_allensbach-study\\_en.pdf](http://ec.europa.eu/internal_market/indprop/docs/tm/20110308_allensbach-study_en.pdf) ('Max Planck Study'). Some of its conclusions and recommendations will be noted in this chapter. Adoption of its recommendations to extend harmonisation of national trade mark rights and to bring them even more into line with the Community Trade Mark Regulation – Part VII, paras 5 and 8 – would reduce the differences between Community and national trade mark systems.

<sup>2</sup> By HMSO in unofficial translation. See Memorandum on the creation of an EEC Trade Mark 1976, *Bulletin of the European Communities*, Supplement 8/76, paras 3–6.

<sup>3</sup> In the *Bulletin of the European Communities*, Supplement 5/80.

<sup>4</sup> As in *Centrafarm BV v American Home Products Corporation* Case 3/78 [1978] ECR 1823.

<sup>5</sup> For the Regulation and a codified/annotated version of the Rules, see the Office for Harmonisation in the Internal Market (Trade Marks & Designs) (OHIM) website at <http://oami.europa.eu/ows/rw/pages/CTM/legalReferences/regulations.en.do>.

<sup>6</sup> Under Art 249 (formerly Art 189) of the EC Treaty, legislation in the form of a regulation

pursued the double objective of harmonising national laws and creating a CTM registration system to a single goal: the convergence of trade mark law throughout Europe under the jurisdictional control of the European Court of Justice (ECJ) which is the ultimate arbiter in Europe of legal dispute whether approached by a national court or a Community Trade Mark Court.<sup>7</sup> As the recitals to the Regulation makes clear, an orderly expansion of the European single market was envisaged. We shall examine how the CTM system dealt with enlargement of the Community at 14.83.

## CO-EXISTENCE, CONVERSION AND SENIORITY – INTRODUCTION

14.4 The CTM system has three distinctive features by which it relates to the registration systems of member states: co-existence, conversion and seniority. These are considered in more detail below. Briefly, *co-existence* of a CTM with national or regional registrations<sup>8</sup> is permitted; this requires specific provisions to ensure that proceedings for infringement of a CTM do not conflict unduly with proceedings relating to equivalent national marks, which may or may not be in common ownership. Secondly, there may be localised prior rights which for some reason have not prevented registration of the Community mark; these may be exercised (subject to acquiescence). On the other hand, if a localised prior right or other ground of objection results in failure of a CTM application, then *conversion* comes into play: the CTM application can be converted into a bundle of national applications for unaffected parts of the Community and keep the same priority date. Lastly, *seniority* is a mechanism whereby earlier national registrations<sup>9</sup> can be tacked onto a later Community application or registration, to be renewed and enforced along with the CTM.

## IMPLEMENTATION IN THE UK

14.5 In the UK it was s 52 of the Trade Marks Act 1994 ('the 1994 Act') which empowered the Secretary of State to implement measures so that the Regulation (EC) 40/94 might become operative. In particular, she or he may make provision with respect to:

- (a) applying for CTM registration via the UK Patent Office (now UK Intellectual Property Office or IPO);<sup>10</sup>

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requires no additional national legislation to implement it since it is directly applicable throughout the member states and, therefore, has uniform effect.

<sup>7</sup> See, for designation at member state level, 14.64–14.66.

<sup>8</sup> Belgium, the Netherlands and Luxembourg ('Benelux') have a regional trade mark system.

<sup>9</sup> Of the same mark for the same products and in the same ownership.

<sup>10</sup> Section 52(2)(a). See 14.33–14.42.

- (b) the procedures for determining the invalidity or liability to revocation of the registration of a trade mark from which a CTM claims seniority;<sup>11</sup>
- (c) conversion of a CTM;<sup>12</sup>
- (d) designation of UK courts to have jurisdiction over CTM matters.<sup>13</sup>

All measures have since been implemented.

**14.6** It is to be noted that the effect of the Regulation is to subsist as an alternative system for the registration of trade marks across the member states rather than as a replacement for national law and procedures.

## UNITARY NATURE

**14.7** The CTM was designed to be an indivisible entity, having equal effect throughout the whole Community.<sup>14</sup> It can be registered,<sup>15</sup> assigned, surrendered or revoked only for the whole Community.<sup>16</sup> This, one of its key attractions, is also a fundamental weakness; registration must be available in all member states in order for the right to be granted, which means effectively that no opposition based on a prior right must succeed, and the owner of a CTM must accept that he cannot in future divide it territorially between assignees.<sup>17</sup> Since its coming into being, it has been accepted universally that use in one member state is sufficient to maintain the unitary right.<sup>18</sup> However, doubt has been cast on this position by the Benelux Office for Intellectual Property

<sup>11</sup> Section 52(2)(b). See 14.35–14.39.

<sup>12</sup> Section 52(2)(c). See 14.51–14.53.

<sup>13</sup> Section 52(2)(d). See 14.64.

<sup>14</sup> At January 2012 the Community consisted of Austria, Belgium, Bulgaria, Cyprus (Greek part), Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovenia, Slovakia, Spain, Sweden and the UK. Croatia is due to join on 1 July 2013.

<sup>15</sup> At OHIM, in Alicante. OAMI, an alternative frequently seen, is the Spanish acronym for OHIM.

<sup>16</sup> This posed problems when assimilating new EU members into the CTM system. At the second meeting of the OAMI Trade Mark Group on 26 April 1999 (as reported in the INTA Bulletin, 15 May 1999, vol 54, no 10) the President of OHIM stated the Office's priorities in the event of Enlargement as:

(1) Maintenance of the unitary character of the CTM.

(2) Extension of the principles of the CTM to new states whilst respecting their national laws.

(3) The date of accession should be the criterion for implementation of the CTMR.

(4) The present language regime should stay.

See also Pretnar 'Is the Future Enlargement of the European Union an Immediate Issue for the Community Trade Mark System?' [1997] EIPR 185 and reply by Tatham at [1997] EIPR 267.

<sup>17</sup> The acknowledgement of the ECJ in *Ideal Standard* [1995] ECR I-2789; [1995] FSR 59 that the right to exercise national trade mark rights is by nature territorial means that trade mark owners whose businesses are by nature geographically fragmentary may not regard the CTM as an attractive option.

<sup>18</sup> As set out in the Joint Statements established by the European Commission and European Council in relation to the CTM Regulation and discussed in the Max Planck study, n 1 above.

(BOIP), in the *Onel* case, who decided recently that use in one member state only is insufficient.<sup>19</sup> Although the Hungarian Trade Marks Office has already followed the decision in one case,<sup>20</sup> the decision is otherwise criticised heavily, including by OHIM.<sup>21</sup> Notwithstanding this, it is interesting to speculate as the Community expands its membership whether the ECJ will in the future find it necessary to look to assessing genuine use more by market share in the whole Community than by activity in one jurisdiction.

## ACHIEVEMENTS TO DATE

**14.8** There is no doubt that the CTM system has been popular and that OHIM in the first years of operation received substantially more applications than was originally anticipated. OHIM's business plan envisaged 15,000 applications in its first year but received 40,000.<sup>22</sup> Its 100,000th application was received in January 1999. Since 1998, the number of applications has grown year on year, save for in 2008 when the figure dropped by just 0.5% over the previous year. In 2011, 105,000 applications were filed (the highest annual figure since the introduction of this system) and by the end of that year 1,030,307 applications had been received in total since 1994 of which 792,000 had been accepted and registered. Naturally, OHIM was overwhelmed by the early popularity of the CTM. One casualty of the volume of applications to process was the suspension of examination of seniority claims.<sup>23</sup>

**14.9** In view of the need for a CTM to be available for registration in all member states, it was commonly believed at the outset that the majority of applications would face oppositions. In reality, however, about 24% of applications published in Bulletins 1/97 to 84/98 were opposed.<sup>24</sup> The overall figure fell to just under 20% in the period 2005–09; the majority of oppositions

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The Study concludes that 'genuine use' should be assessed without regard to political boundaries, so that use in more than one member state should not necessarily be required: Part VII, paras 27–33.

<sup>19</sup> Decision No 2004448 of 15 January 2010, *Leno Merken BV v Hagelbruus Bekeer bv* [2010] ETMR 21. See [www.boip.int/pdf/opposition/BBIE\\_OMEL-ONELenglish.pdf](http://www.boip.int/pdf/opposition/BBIE_OMEL-ONELenglish.pdf); on appeal the District Court of the Hague referred several questions to the ECJ: decision of 1 February 2011, case 200.057.983/01).

<sup>20</sup> 1 February 2011, No. M0900377. See E Bolton 'Defining Genuine Requirements of an Expanding European Union' at [www.wipo.int/edocs/mdocs/modocs/en/wipo\\_ipr\\_ge\\_11\\_topic3.pdf](http://www.wipo.int/edocs/mdocs/modocs/en/wipo_ipr_ge_11_topic3.pdf).

<sup>21</sup> Pending a possible appeal of this decision, OHIM – applying the principle of the unitary character of the CTM – continues to consider that boundaries of Member States should not play a part in assessing genuine use within the EU single market. See Bolton, *ibid.*, at para 8.

<sup>22</sup> See the OHIM website at [http://oami.europa.eu/ows/rw/resource/documents/OHIM/statistics/ssc009-statistics\\_of\\_community\\_trade\\_marks\\_2011.pdf](http://oami.europa.eu/ows/rw/resource/documents/OHIM/statistics/ssc009-statistics_of_community_trade_marks_2011.pdf) for statistics.

<sup>23</sup> Communication No 1/97 of the President of the Office of 17 June 1997, OJ No 9/97, p 751. The examination of seniority claims was resumed in May 2000. See 14.35–14.39 for the current situation.

<sup>24</sup> OAMI Trade Mark Group Meeting of 26 April 1999 reported in ECTA OHIM Link Report No 29 of 28 June 1999. This figure was still high compared with the percentage of applications opposed in the UK.

continuing to be settled rather than proceeding to a judgment.<sup>25</sup> Fewer applications than expected were opposed in the early years of the system, it is assumed, because a large percentage of those applications were of a consolidating nature and simply replicated earlier national rights, claiming seniority from them. The CTM system has proved particularly popular with UK applicants but less so with some other EU-based applicants: between 1996 and 2010, US applicants accounted for around 20% of filings, followed by German applicants at 18%; 11% of applications originated from the UK, well ahead of Spain, Italy and France's 7–8% share each and Japan's 2%. In 2011, Germany headed the table of applicants at 18%, forcing the US into second place with 13% which was presumably a reflection of the weak US economy. The number of applications from China has remained at 1% or less.<sup>26</sup>

**14.10** In 2006 the first CTMs became due for renewal. In that year 72% of the registrations eligible for renewal were renewed but the proportion has dropped steadily year on year to 52% in 2011. This might reflect difficult economic times, or given that new filings continue to rise, that trade mark owners are rejuvenating their trade mark portfolios.<sup>27</sup> Comparable renewal figures for UK registrations in the period 2006–09 rose year on year from 69% to 95%.<sup>28</sup>

## RELATIONSHIP OF THE CTM SYSTEM WITH UK LAW

**14.11** The ideal of the CTM registration system eventually replacing the national route to registration may have been present in the minds of some of those who conceived the idea of a unitary system. However, it seems likely that there will always be a co-existence, not least since some marks will not be available for use and registration throughout the member states,<sup>29</sup> and since replacement is a Eurocentric view; other regions in the world do not necessarily wish to incur the cost and risks associated with obtaining CTM registrations.<sup>30</sup>

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<sup>25</sup> See [http://oami.europa.eu/ows/rw/resource/documents/OHIM/statistics/ssc009-statistics\\_of\\_community\\_trade\\_marks\\_2011.pdf](http://oami.europa.eu/ows/rw/resource/documents/OHIM/statistics/ssc009-statistics_of_community_trade_marks_2011.pdf).

<sup>26</sup> Ibid.

<sup>27</sup> Ibid.

<sup>28</sup> See [www.ipo.gov.uk/about-facts0809.pdf](http://www.ipo.gov.uk/about-facts0809.pdf). In 2010 the percentage dropped to 86%: [www.ipo.gov.uk/about-facts0910.pdf](http://www.ipo.gov.uk/about-facts0910.pdf).

<sup>29</sup> See also Joly 'Can the Community Trade Mark Succeed National Trade Marks in the European Union?' *Trademark World* (1997) 101, pp 25–7; the Max Planck Study (n 1 above) envisages that the two systems will continue to exist in parallel, performing 'important complementary functions': Part VII, para 18.

<sup>30</sup> Eg Australia's key trading partner in Europe is the UK. Hence the UK national system remains the most attractive to Australians; between 1996 and 2008 there were 6,200 CTM applications from Australia, averaging 480 per annum. Applications (including additional classes) to the UK from Australian applicants averaged 1,200 a year between 2006 and 2009 inclusive of UK designations via the Madrid Protocol. See [www.ipo.gov.uk/about-facts0809.pdf](http://www.ipo.gov.uk/about-facts0809.pdf). Figures for 2010 show that the Madrid system was popular with Australian applicants: see [www.ipo.gov.uk/about-facts0910.pdf](http://www.ipo.gov.uk/about-facts0910.pdf).

**14.12** Articles 110 and 111 of the CTMR recognise that notwithstanding the grant of a CTM, the existence of prior national rights may prevent its use throughout the entire Community. Those rights are defined in Arts 8 and 53(2).

**14.13** The importance of ensuring compatibility with existing laws led to Art 32 declaring that a CTM application shall be deemed equivalent to a national filing. This enables a CTM application to be used as the basis for a priority claim. The principle manifests itself elsewhere in the shape of the conversion mechanism providing for national applications to be born out of the spent shell of a failed CTM application,<sup>31</sup> and also in infringement being governed by national law.<sup>32</sup>

**14.14** The definition of a trade mark, the criteria for registration, duration, renewals, restoration, restrictions on amendment of applications and marks, the rules of comparison for infringement, defences to infringement, arrangements for surrender and the grounds of revocation or invalidity closely parallel those of the Directive and hence of the 1994 Act. Some features specific to the CTM are:

- (a) prior to amendment of the Regulation in 2004<sup>33</sup> there were significant restrictions as to who could apply for a CTM;
- (b) absolute grounds will block registration even if they pertain only in part of the Community;<sup>34</sup>
- (c) bad faith is not mentioned in the absolute grounds for refusal but appears as an absolute ground of invalidity in Art 52;
- (d) earlier trade marks or applications which can block a later Community application comprise<sup>35</sup> CTMs, marks registered in member states or the Benelux, international registrations having effect in a member state or the Community and well-known marks within the meaning of Art 6*bis* of the Paris Convention;
- (e) the proprietor of rights acquired by use can oppose a CTM only if his mark is 'of more than mere local significance',<sup>36</sup>

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<sup>31</sup> Article 112.

<sup>32</sup> Article 14 provides for the complementary application of national law, whilst Art 101 determines which is applicable law in litigation, usually that of the member state where the Community Trade Mark Court in question has its seat. Transactions are governed by the national law of the proprietor's member state of seat, domicile or establishment, or if none, Spain: Art 16.

<sup>33</sup> See 14.22–14.23.

<sup>34</sup> Article 7(2).

<sup>35</sup> Article 8(2).

<sup>36</sup> Article 8(4); the owner of the local rights will have a defence to infringement in that area under Art 111 and may be able to oppose use of the CTM if national law permits.

- (f) an opponent must have standing and may oppose only on relative grounds,<sup>37</sup> but any person may make observations objecting to registration on absolute grounds;<sup>38</sup>
- (g) there is a specific provision to restrain the use of CTMs in dictionaries without indicating their trade mark status;<sup>39</sup>
- (h) a proprietor may oppose use of a mark registered in the name of his agent or representative;<sup>40</sup>
- (i) use in part of the Community will be sufficient to maintain the mark on the register in the event of a non-use attack;<sup>41</sup>
- (j) invalidity can be based on a right of personal portrayal;<sup>42</sup>
- (k) there is provision for Community collective marks,<sup>43</sup> but not certification marks;<sup>44</sup>
- (l) a CTM or application may be converted into one or more national trade mark applications.<sup>45</sup> This is convenient where an application is refused by virtue of a successful opposition based on an earlier national or Benelux registration;

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<sup>37</sup> Article 41 spells out the classes of prior right owner who are able to oppose.

<sup>38</sup> Article 40.

<sup>39</sup> Article 10.

<sup>40</sup> Article 11.

<sup>41</sup> Article 15 refers merely to 'genuine use in the Community', but the statement for inclusion in the minutes of adoption of the Regulation reads:

'The Council and the Commission consider that use which is genuine within the meaning of Article 15 in one country constitutes genuine use in the Community.'

However, see 14.7 regarding the *Onel* decision.

OHIM refer to 'genuine and effective use' in a single member state at [www.oami.eu.int/en/mark/role/raisons.htm](http://www.oami.eu.int/en/mark/role/raisons.htm).

<sup>42</sup> Article 53.2(b). The possibilities for preventing use by a right to a name, copyright or industrial property right are also listed in Art 53 as grounds of invalidity, but do not appear under relative grounds for refusal. They do not appear to be available for opposition, but only cancellation, which is to be regretted. However, Art 8 was amended by Regulation (EC) 422/2004 to refer to Community law, so that earlier Community rights, such as Community designs, may found opposition as well as validity.

<sup>43</sup> Articles 66–74. By the end of December 2011, 1,151 such applications had been registered. See [http://oami.europa.eu/ows/rw/resource/documents/OHIM/statistics/ssc009-statistics\\_of\\_community\\_trade\\_marks\\_2011.pdf](http://oami.europa.eu/ows/rw/resource/documents/OHIM/statistics/ssc009-statistics_of_community_trade_marks_2011.pdf).

<sup>44</sup> See 12.8. 'Community guarantee-marks' were included in earlier drafts, see, eg, Art 86 of the proposal published at *Bulletin of the European Communities*, Supplement 5/1980, p 18. It is clear from a statement prepared for inclusion in the minutes of adoption of the Regulation that collective marks are not intended to include certification marks:

'... the Council and Commission consider that a collective mark which is available for use only by members of an association which owns the mark is liable to mislead within the meaning of Article 66(2) [now Art 68(2)] if it gives the impression that it is available for use by anyone who is able to meet certain objective standards.'

<sup>45</sup> Articles 112–14.

- (m) there is no equivalent in the Directive to s 10(6) of the 1994 Act on comparative advertising.<sup>46</sup>

## THE COMMUNITY TRADE MARKS OFFICE AND MACHINERY

**14.15** Council Regulation (EC) 40/94 created a Community Trade Marks Office ('the Office'),<sup>47</sup> which is located in Alicante, Spain. It is an EC body with legal personality,<sup>48</sup> and subject to legal control by the EC Commission<sup>49</sup> where not under the general jurisdiction of the ECJ.<sup>50</sup> The Office has a President, two Vice-Presidents and an administrative board. Its work is carried out<sup>51</sup> by examiners, opposition divisions, an administration of trade marks and a legal division, cancellation divisions and boards of appeal. These carry out their work under Implementing Regulation (EC) 2868/95, as amended,<sup>52</sup> Fees Regulation (EC) 2869/95<sup>53</sup> and Regulation (EC) 216/96 on the rules of procedure of the Boards of Appeal. The Office has published Guidelines to its proceedings, and a Manual of trade marks practice ('OHIM Manual') which are regularly updated on its website.<sup>54</sup> It has a staff of about 700 and an annual income of over €180m.<sup>55</sup>

**14.16** The Office publishes the *Community Trade Marks Bulletin*, which advertises CTM applications for opposition purposes and an Official Journal

<sup>46</sup> Partly because the UK's attitude to comparative advertising as being acceptable in principle differed from most other European countries' approaches, but also because the European Comparative Advertising Directive was under consideration. This came into force on 26 May 2008 as the Comparative Advertising Directive 2006/114 and repealed the Misleading Advertising Directive 84/450 and also Directive 97/55. The UK implemented 2006/114 as the Business Protection from Misleading Marketing Regulations 2008 (SI 2008/1276) (see 7.54). Directive (EC) 97/55 was adopted on 6 October 1997 with an implementation date of April 2000. See Fletcher, Fusing and Indraccolo 'Comparisons and Conclusions: Welcome Clarification From the European Court of Justice on the Interpretation of the Comparative Advertising Directive' [2003] EIPR 570.

<sup>47</sup> Article 2. The Office also administers Community Registered Designs, see D Musker, *Community Design Law – Principles and Practice* (2003).

<sup>48</sup> Article 115.

<sup>49</sup> Article 122; the internal market directorate of the Commission has responsibility for OHIM.

<sup>50</sup> The power of the Court to review decisions of the boards of appeal is spelled out in Art 65.

<sup>51</sup> Articles 130–37.

<sup>52</sup> Commission Regulation (EC) 2868/95 of 13 December 1995 implementing the Regulation, amended by Commission Regulation (EC) 782/2004 and Commission Regulation (EC) 1041/2005. A consolidated version is published on the OHIM website: <http://oami.europa.eu/en/mark/aspects/reg/reg4094.htm>.

<sup>53</sup> As amended by Regulations (EC) 782/2004, (EC) 1041/2005 and (EC) 1687/2005.

<sup>54</sup> See <http://oami.europa.eu/ows/rw/pages/CTM/legalReferences/guidelines/OHIMManual.eu.do>. Users of the CTM system should take care to use the OHIM Manual rather than the Guidelines as the most up-to-date point of reference.

<sup>55</sup> See <http://oami.europa.eu/ows/rw/pages/OHIM/institutional/institutional.eu.do> and Decision No ADM-11-26 of 10 May 2011 concerning the internal structure of the Office at <http://oami.europa.eu/ows/rw/pages/CTM/legalReferences/decisionsPresident.en.do>.



(‘OJ OHIM’) which contains notices and general information on a variety of issues.<sup>56</sup> Other publications and notices appear from time to time.<sup>57</sup>

## Legal representation

**14.17** Representation before the Office is not mandatory<sup>58</sup> but, where a legal entity is neither domiciled in nor has a real and effective industrial or commercial establishment in the Community, it must be represented before the Office.<sup>59</sup> For entities either domiciled in or having the requisite business establishment an employee may act.<sup>60</sup>

## Languages

**14.18** The Office works in five languages:<sup>61</sup> English, French, German, Italian and Spanish. Official publications appear in the five languages but each entry in the Register is made in all the EU official languages.<sup>62</sup> The accession of Bulgaria to the EU in 2008 means that the EU now works in three different alphabets.

**14.19** An application for registration may be filed in any of the EU official languages, but the applicant must nominate a second language which must be chosen from amongst the five working languages. Where no third party becomes involved in proceedings all communications with the Office are made in the primary chosen language. However, an opposition may be filed in the second language as may subsequent revocation or invalidity action. There is scope for the parties to proceedings to choose any official Office language, subject to the detailed rules contained in Art 119.<sup>63</sup>

**14.20** There are occasions when for tactical reasons an applicant may choose to file in a language other than his own. For example, if a UK applicant wanted to ensure that any opposition was conducted in English (perhaps if opposition from a known source was anticipated) he might choose to file his application in, say, Finnish, Finnish not being one of the five working languages. Such tactical language choosing needs approaching with great caution, however,

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<sup>56</sup> Article 89. The Bulletin is published daily online. See <http://oami.europa.eu/ows/rw/pages/CTM/CTMBulletin.eu.do>. The journal has been available online since January 2007. See <http://oami.europa.eu/ows/rw/pages/OHIM/OHIMPublications/officialjournal.en.do>.

<sup>57</sup> Eg *OAMI News*.

<sup>58</sup> Article 92

<sup>59</sup> Article 92(2).

<sup>60</sup> Article 92(3).

<sup>61</sup> Article 119.

<sup>62</sup> Article 120.

<sup>63</sup> See *Salomon SA v Hubert Schurr GmbH & Co KG* (Decision No 6/1997 of the Opposition Division of 17 December 1997, ruling on opposition No B 2784); the opponent filed its opposition in French without a translation into either German or English (these being the two languages nominated by the applicant) within the prescribed period. OHIM ruled the opposition inadmissible: [1998] OJ OHIM 653.

since all non-contentious communications with the Office (including the registration certificate) would be conducted in Finnish.

**14.21** English has so far proved to be the most popular language of applications and oppositions. About 40% of applications filed between 1996 and 2011 claimed English as their first language and over 50% their second.<sup>64</sup> It is believed that most oppositions continue to be filed in English.

## OBTAINING A REGISTRATION

### Who is entitled to own a registration?

**14.22** Article 5 states that: 'Any natural or legal person, including authorities established under public law, may be the proprietor of a Community trade mark.' This is a welcome liberalisation; prior to amending Regulation (EC) 422/2004 there was an elaborate definition, which caused a number of problems. For example, legal entities emanating from the Channel Islands were not entitled to own a CTM,<sup>65</sup> non-Paris Union and non-WTO applicants had to show that their country accorded reciprocal trade mark protection to nationals of all EC member states.<sup>66</sup>

**14.23** It is unclear whether Art 3 actually permits entities without legal personality (eg UK partnerships) to own a registration. Article 3 of the Regulation is headed 'Capacity to act' and states:

'For the purpose of implementing this Regulation, companies or firms and other legal bodies shall be regarded as legal persons if, under the terms of the law governing them, they have the capacity in their own name to have rights and obligations of all kinds, to make contracts or accomplish other legal acts and to sue and be sued.'

OHIM announced its intention to accept applications from English partnerships.<sup>67</sup> It has been suggested that registration must be applied for in the names of all members of the partnership.<sup>68</sup> However, OHIM follows the UK model of accepting applications in the partnership name and, in the opinion of the writers, this is the correct method of filing, especially in the light of the decision in *Saxon*.<sup>69</sup>

<sup>64</sup> See [http://oami.europa.eu/ows/rw/resource/documents/OHIM/statistics/ssc009-statistics\\_of\\_community\\_trade\\_marks\\_2011.pdf](http://oami.europa.eu/ows/rw/resource/documents/OHIM/statistics/ssc009-statistics_of_community_trade_marks_2011.pdf).

<sup>65</sup> Any application filed by such an entity was suspended at OHIM. Jersey amended its laws to extend the protection of CTMs to its territory: Trade Marks (Jersey) Law 2000; and the Regulation was amended by Regulation (EC) 422/2004 of 19 February 2004 to correct this anomaly. It has been possible since 1 June 2006 to re-register a CTM in Guernsey.

<sup>66</sup> Article 5(1)(d), as amended by Council Regulation (EC) 3288/94, and 5(3).

<sup>67</sup> *OAMI News*, 3–1998, at 2–3, cited by Humphreys 'Territoriality in Community Trade Mark Matters: The British Problem' [2000] EIPR 405.

<sup>68</sup> RE Annand and HE Norman, *Guide to the Community Trade Mark* (1998) p 21.

<sup>69</sup> *Saxon TM* [2003] FSR 39. See, also UK Registry's Practice Amendment Notice PAN 2/04 'Trade Marks Owned by Partnerships' at [www.ipo.gov.uk/t-pan-204.htm](http://www.ipo.gov.uk/t-pan-204.htm).

## Representation

**14.24** Although any person may *apply* to register a CTM at OHIM, natural or legal persons not having domicile, their principal place of business or a real and effective industrial or commercial establishment in the Community must appoint a qualified representative<sup>70</sup> to act in all other matters before OHIM.<sup>71</sup> See Art 92 generally for rules in connection with representation, and Art 93 outlining criteria under which OHIM will enter a person on the official list of professional representatives.<sup>72</sup>

## What can be registered as a CTM?

**14.25** To secure a registration, the following must be present:

- (a) a registrable mark; this in turn presupposes a sign,<sup>73</sup> which:
  - (i) functions as a trade mark;
  - (ii) is capable of being distinctive;
  - (iii) can be represented graphically; and
  - (iv) is not prohibited from registration on either absolute or on relative grounds;<sup>74</sup>
- (b) an applicant with a stated name and address and having an authorised representative;
- (c) stated goods and/or services, in a specified class or classes;
- (d) a request for registration is made;
- (e) together with payment of fees.

A representation of the mark must be submitted at the appropriate point in the application form.

**14.26** The meaning of 'sign', the emphasis on distinguishing function and so forth are the same as in the Directive; cases on both have been considered in earlier chapters. Some details are given below of practical aspects at OHIM.

**14.27** So long as the terms of the CTMR are met an OHIM examiner's function is to assist applicants to obtain registration.<sup>75</sup> This represents a sea

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<sup>70</sup> Article 92(2).

<sup>71</sup> A legal practitioner, qualified in trade mark law in a member state and having a place of business within the Community, or some other professional recognised by OHIM whose name and qualifications appear in a list maintained by OHIM.

<sup>72</sup> OHIM Manual at Part A, Section 5; discusses professional representation: [http://oami.europa.eu/ows/rw/resource/documents/CTM/legalReferences/partasection5\\_profrep.pdf](http://oami.europa.eu/ows/rw/resource/documents/CTM/legalReferences/partasection5_profrep.pdf).

<sup>73</sup> Article 4. Cf the 1994 Act, s 1(1).

<sup>74</sup> See Chapter 5.

<sup>75</sup> OHIM's original Guidelines Concerning Proceedings (Trade Marks and Design) (of the Office

change from the UK Registry's historic approach which championed its position as 'guardian of the Register' and was perceived thereby as reluctant to register.<sup>76</sup> The UK Registry's position has itself changed in recent years (assisted no doubt by 'competition' from Alicante), but appears to have set its registrability standard above that of OHIM; most UK practitioners can by now cite examples of marks refused registration in the UK but which have been accepted by OHIM.<sup>77</sup> Nevertheless, OHIM examiners are reminded that Art 7 'is a European provision and has to be interpreted on the basis of a common European standard. It would be incorrect to apply different standards of distinctiveness, based on different national traditions, or to apply different, that is more lenient or stricter, standards on the breach of public order or morality, depending on the country concerned.'<sup>78</sup>

### 'Capable of being represented graphically'

**14.28** The need for graphic representation of a mark is chiefly to assist others in being able to determine the extent of the right granted, but also to ensure an accurate description of the mark when either OHIM or third parties wish at a later date to locate confusingly similar marks in a search. For refusal of an application on the basis of lack of graphic representation see *Antoni & Alison's Application*<sup>79</sup> and the *Sieckmann* criteria set out in the *Cinnamon Smell* case.<sup>80</sup> DaimlerChrysler's car seat mechanism application for a tactile mark failed to secure a filing date<sup>81</sup> and the Tarzan Yell sound mark application with graphic representation in the form of a sonogram was rejected.<sup>82</sup>

### 'Capable of distinguishing'

**14.29** For UK practitioners used traditionally to a relatively thorough UK Trade Mark Registry Work Manual, OHIM's initial Examination Guidelines

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for the Harmonisation in the Internal Market) were issued by Decision of the President of the Office on 28 October 1996 and came into force on 1 November 1996 as published in OJ OHIM 9/96 p 1324. The Guidelines have been augmented continually and the most up-to-date version may be inspected on the OHIM website: [http://oami.europa.eu/ows/rw/resource/documents/CTM/legalReferences/partb\\_examination.pdf](http://oami.europa.eu/ows/rw/resource/documents/CTM/legalReferences/partb_examination.pdf).

<sup>76</sup> On merits of such approach, see Davis 'To Protect or Serve? European Trade Mark Law and the Decline of the Public Interest' [2003] EIPR 180.

<sup>77</sup> Eg one of the authors', CTM Reg No 191833 as against UK TM App No 2108578 Cat's Head device for pet food.

<sup>78</sup> OHIM Manual, Examination Part B at para 7.1.3. Though note in OHIM BoA Decision R 20/97-1 'X-tra' trade mark that 'even if the competent authorities in one or more Member States, or a fortiori in non-member countries, had held the mark to be sufficiently distinctive, the same findings would not necessarily have been reached by the Examiner at the Office, who must in each case make his own assessment as to the existence of absolute grounds of refusal'.

<sup>79</sup> *Antoni & Alison's App* (OHIM BoA) [1998] ETMR 460 in which the mark given was 'the vacuum packing of an article of clothing in an envelope of plastic'.

<sup>80</sup> Case C-273/00 *Ralf Sieckmann v Deutsches Patent-und Markenamt* [2003] ETMR 37; [2003] RPC 38. The Max Planck Study (n 1 above) somewhat delphically recommends that the requirement for graphical representation be deleted from the CTMR but that the level of security provided by *Sieckmann* be retained: Part VII, para 59.

<sup>81</sup> Decision R 1174/2006-1 *DaimlerChrysler AG*.

<sup>82</sup> Decision R 0708/2006-4 *Edgar Rice Burroughs Inc*.

were regarded as sparse. However, as practice has evolved, so OHIM has provided more assistance in the form of its Examination Manual, amended periodically and available online.<sup>83</sup> There is now guidance inter alia on the registrability of marks consisting of one or two words, misspellings, slogans, shapes (including UFOs),<sup>84</sup> colours and a recent thorough exposition on state flags and symbols.<sup>85</sup>

**14.30** Although OHIM might be forgiven for not wanting to have appeared too dogmatic in its infancy in laying down apparently strict criteria for registrability (after all, it needed to attract applicants and compete not only with established national filing systems but also the Madrid system), the effect of the 'blank sheet of paper' approach adopted made it very difficult for applicants and representatives to know how high the registrability hurdle had been set. This led to many 'testing of the water' applications. Would the UK Registry have followed OHIM's example and accepted *Swiss Formula* in respect, inter alia, of cosmetic and hygiene preparations for registration?<sup>86</sup> It should be noted, however, that OHIM objections to applications based on absolute grounds have remained at 8–10% since the introduction of the CTM.<sup>87</sup>

### *Absolute grounds for refusal*

**14.31** In addition to refusing under Art 7 signs which do not conform to the requirements of Art 4, trade marks which are devoid of distinctive character and trade marks which are considered descriptive, or otherwise have some pertinent meaning for the goods or services in question, as outlined in the preceding paragraphs, OHIM will refuse to register:

- (a) trade marks which consist of terms customary to the trade,<sup>88</sup> for example, 'Network' for computers;
- (b) signs which consist of the shape which results from the nature of the goods themselves (an egg box or a toothbrush) or the shape of goods which is necessary to obtain a technical result (the shape of an electric plug with no stylisation), or the shape of goods which gives substantial value to the goods;<sup>89</sup>

<sup>83</sup> The Manual Concerning Proceedings Before the Office for Harmonization in the Internal Market (Trade Marks and Designs) Part B Examination. See <http://oami.europa.eu/ows/rw/pages/CTM/legalReferences/guidelines/OHIMManual.en.do>. It was last updated in February 2011.

<sup>84</sup> Unidentified filing date-seeking objects. Ibid at para 7.6.2.

<sup>85</sup> Ibid at para 7.8.3.

<sup>86</sup> See Application No 149914. Probably not: the UK Registry would not be persuaded by one of these authors (admittedly under the Trade Marks Act 1938) that the mark was registrable for cosmetics and other goods in Class 3 even after filing substantial evidence of use.

<sup>87</sup> For a list of refused marks, searchable on various criteria, see OHIM's website at [http://oami.europa.eu/ows/rw/resource/documents/OHIM/statistics/ssc009-statistics\\_of\\_community\\_trade\\_marks\\_2011.pdf](http://oami.europa.eu/ows/rw/resource/documents/OHIM/statistics/ssc009-statistics_of_community_trade_marks_2011.pdf).

<sup>88</sup> Article 7(1)(d).

<sup>89</sup> Article 7(1)(e). In the case of giving 'substantial value', does the shape of the product have 'eye

- (c) trade marks which are contrary to public policy or to accepted principles of morality;<sup>90</sup>
- (d) trade marks which are inherently deceptive, for example, as to nature, quality or geographical origin;<sup>91</sup>
- (e) national emblems, flags, armorial bearings, official signs, hallmarks and other symbols of intergovernmental organisations, unless the applicant has permission;<sup>92</sup>
- (f) badges, emblems and escutcheons other than those covered by Art 6bis of the Paris Convention and which are of particular public interest, unless the applicant has permission;<sup>93</sup>
- (g) marks for wines or spirits containing a geographical indication which do not have that origin;<sup>94</sup>
- (h) marks which contain or consist of a designation of origin or a geographical indication registered in accordance with Council Regulation (EC) No 510/2006 protecting agricultural products and foodstuffs.<sup>95</sup>

### *Evidence of use*

**14.32** Notwithstanding prima facie unregistrability under Arts 7(1)(b), (c) and (d) if the applicant can demonstrate that the trade mark has acquired

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appeal' such that the consumer purchases it primarily for that reason? It is interesting that OHIM will accept applications to register the shape of food products and perfume or shampoo bottles, despite the fact that it is often the shape which is attractive to a purchaser, especially children, in the case of food products. See Registrations Nos 234476, 297671 and 473983 for three-dimensional shapes of perfume or cosmetics bottles, together with accepted Application No 635706 of Beaute Prestige International for a bottle in the shape of a female figure. See Registrations Nos 324673 and 364083 for three-dimensional chocolate shapes in the name of Kraft Jacobs Suchard SA, together with accepted Application No 609875 of Kellogg Company for a biscuit shape. See OHIM Manual, Examination Part B at para 7.8.2. See Chapter 2 also.

<sup>90</sup> Article 7(1)(f). OHIM Manual, Examination Part B at para 7.8.1 states only that offensive, blasphemous or racially derogatory matters are unacceptable; marks 'in poor taste' are not disbarred. It is suggested that European society being predominantly liberal and tolerant will facilitate the registration of trade marks which may be disbarred in other jurisdictions. See Case R 495/2005-G *Kenneth (SCREW YOU trade mark)* [2007] ETMR 7 and Case R111/2002-4 *Dick Lexic Ltd (DICK & FANNY trade mark)*. See also *Basic Trademark SA's TM* [2005] RPC 25 (App Person) (the mark in question being 'Jesus').

<sup>91</sup> Article 7(1)(g). OHIM Manual, Examination Part B at para 7.8.2. In assessing whether customers are deceived or misled OHIM should 'use the criterion of the presumed expectations of an average consumer who is reasonably well informed and reasonably observant and circumspect'. Opinion of Advocate General Jacobs in C-87/97 (*Cambazola*).

<sup>92</sup> Article 7(1)(h). See Chapter 15.

<sup>93</sup> Article 7(1)(i).

<sup>94</sup> Article 7(1)(j).

<sup>95</sup> Article 7(1)(k).

distinctiveness by virtue of its use, registration will be permitted.<sup>96</sup> OHIM provides only very general comments on the type of evidence which should be submitted, but presentation must be in a format which is acceptable to the relevant national authority (eg statutory declaration or witness statement in the UK)<sup>97</sup> and evidence from independent sources carries particular weight. Further, unlike in the UK, evidence can be filed at the appeal stage,<sup>98</sup> and may be taken into account if pertaining to the period after the application's filing.<sup>99</sup>

## THE APPLICATION PROCESS

**14.33** Classification of goods and services is made according to the Nice System. The 9th edition came into force on 1 January 2007 and was adopted by OHIM on that day. OHIM developed a listing of goods and services called 'Euronice', which has blossomed into an online resource called EUROCLASS.<sup>100</sup> Where applicants use descriptions of goods or services from the database, they will be accepted by OHIM. Multi-class applications are permitted; the application fee (currently €1050 (€900 if the application is filed electronically<sup>101</sup>) is in respect of an application claiming up to three classes. Each additional class attracts a fee of €150. An optional extra fee of €120 is payable in order to receive the results of national searches. All but 10 jurisdictions have now opted out of the possibility of providing these.<sup>102</sup> OHIM too provides a search report listing earlier CTMs of potential relevance to the application. OHIM permits wide specifications of goods and/or services even where it is clear that the applicant is unlikely to trade in all the claimed goods or provide all the claimed services<sup>103</sup> and considers that the class heading covers

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<sup>96</sup> Article 7(3). The mark must be distinctive throughout the member state(s) to which the objection applies. Trade marks which consist of or contain English words are at a disadvantage when compared with words of other languages given the knowledge of English throughout the Community. This was illustrated in CF1 Case T-435/07 *New Look Ltd v OHIM (NEW LOOK trade mark)* [2008] ECR II-296. There is also a particular difficulty for single colour or three-dimensional trade marks for which evidence may need to be gathered from all member states, or at least from representative regions of the entire Community. This difficulty may worsen as the Community expands. See Case T-28/08 *Mars, Inc v OHIM (BOUNTY trade mark)* [2009] ECR II-106. The Max Planck Study (n 1) recommended the adoption of a less compartmentalised approach: Part VII, para 81.

<sup>97</sup> OHIM Manual, Examination Part B at paras 8.12.1 and 8.12.2. See OHIM circular letter of 15 March 1999 to International Non-Governmental Organisations (eg as reproduced in *CIPA Journal*, May 1999) and OHIM's Practice Note 'Evidence of Use' of 1 March 1999 which appears on its website.

<sup>98</sup> *Baby-Dry* (Case T163/98 of 8 July 1999 on appeal from Case R35/1998-1 of 31 July 1998).

<sup>99</sup> See Case T-365/06 *Compagnie des bateaux mouches v OHIM (BATEAUX MOUCHES trade mark)* [2008] ECR II-00310.

<sup>100</sup> See <http://oami.europa.eu/ec2>.

<sup>101</sup> Fees and arrangements for their payment were revised as from 1 May 2009. See Commission Regulation (EC) 355/2009 amending previous fee Regulations, available on the OHIM website at <http://oami.europa.eu/ows/rw/pages/CTM/feesPayment/listfees.en.do>.

<sup>102</sup> Austria, Czech Republic, Denmark, Finland, Greece, Hungary, Lithuania, Poland, Romania and Slovak Republic.

<sup>103</sup> Article 26(1)(c). Filing class headings is permitted; if 'all goods in Class X' are filed OHIM converts this to the class heading. See OHIM Manual, Examination Part B at para 3.3.

**14.84** In brief summary, these difficulties were addressed as follows:<sup>265</sup>

- (a) CTMs were extended automatically to the new member states;<sup>266</sup>
- (b) in the face of this, earlier rights in the accession countries which were acquired in good faith enjoy the protection of Arts 12, 110 and 111 of the Regulation;
- (c) CTM applications filed before the accession date, 1 May 2004, were examined under the old rules: thus applications as well as registrations were 'grandfathered', to use the President's terminology;
- (d) to prevent misuse of this in the period immediately before accession, CTM applications filed between 1 November 2003 and 30 April 2004 could be opposed on the basis of earlier rights in the new member states under Art 142a(3) of the Regulation;
- (e) OHIM services were extended into the new languages (right to apply in own official language, availability of classification guides, staffing of the Office, etc).

**14.85** Following the success of the strategy to deal with enlargement in 2004 OHIM adopted the same approach at the accession of Bulgaria and Romania in 2007. As at January 2012, Croatia, the Yugoslav Republic of Macedonia and Turkey are negotiating to join the EU. Other potential future candidates include Albania, Bosnia and Herzegovina, Kosovo, Iceland, Montenegro and Serbia.

## **ADVANTAGES AND DISADVANTAGES OF THE CTM SYSTEM VIS-À-VIS THE NATIONAL FILING ROUTE**

**14.86** The CTM system is not suitable for recommendation to all business undertakings, particularly small, geographically restricted ones. For those, where the effort and cost of maintaining registered protection across all the member states could outweigh the benefits of the system, a traditional route to registration via the national offices or the Madrid systems (see Chapter 16) may be more appropriate. The key criteria to consider are the extent of geographical protection required and the cost of securing and maintaining a unitary right. The following overview of the strengths and weaknesses of the CTM system will give further pointers.

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<sup>264</sup> Note that this is not a defence but a means to concurrent registration and indirectly to the defence of s 11(1). See 5.60–5.62.

<sup>265</sup> Communication No 05/03 of the President of the Office of 16 October 2003 concerning the enlargement of the EU in 2004, available at <http://oami.europa.eu/en/office/aspects/communications/05-03.htm>.

<sup>266</sup> The right to claim seniority under Arts 34 and 35 was also extended to new states, and the right to convert an unsuccessful application into a bundle of national applications.



| <i>Characteristics of the CTM system</i>  | <i>Comparison with national rights</i>  |
|---|---|
| One application process leading to a unitary right.   | Separate applications process following national laws and practice.   |
| Cost effectiveness begins once two countries would have been claimed as individual national rights.                                       | Securing 24 national (and one Benelux) registrations would be significantly more expensive than a single CTM.                 |
| Use in one member state only maintains the unitary right (see 14.7).  | Use of each national registration needed to maintain its continued registration.  |
| Existence of a CTM registration may be used to prevent later use and registration of a confusingly similar mark in all or part of the EU. | Existence of a national right has no effect beyond the state's borders (but can be used as a basis on which to oppose a CTM). |
| One central renewal only required.  | Separate renewals required.   |
| Concept of seniority provides for consolidation of national rights into one unitary right.  | Need to maintain separate national rights.  |
| Central assignment and licence recordal.  | Separate assignment and licence recordal requiring separate procedures.   |
| Availability of conversion process to extend CTM application to a string of national applications.  | No provision to extend beyond national right (subject to Madrid system).  |
| Lack of relative grounds examination leaves a perpetual question over a CTM's validity vis-à-vis earlier rights.                          | Better presumption as to validity in countries which have retained relative grounds examination.                              |
| One language (but designating a second).  | Need to work in the national language.  |
| Automatic expansion to include future member states.  | National registration will remain static, geographically.   |
| The CTM may be designated as a jurisdiction in an International Registration.   | Each national jurisdiction may be designated individually.  |
| OHIM notifies the owner of a CTM if a later CTM application is filed which could conflict with the registered CTM.                        | Only the UK in the Community notifies existing trade mark owners of a later conflicting application.                          |

| <i>Disadvantages of the CTM system</i>   | <i>Comparison with national rights</i>  |
|--|---|
| Registration process slower than in some countries (e.g. UK).  | Registration process quicker in some countries.   |
| If opposition is encountered, application costs can mount rapidly, particularly where translations are required, and, if successful, the CTM will fail entirely, the losing party being liable for the successful party's costs. | Opposition to a national registration has no repercussions beyond national boundaries.        |
| A CTM can be assigned only as a geographical entity.   | National rights can be assigned individually.   |
| Successful revocation or invalidity action leads to loss of unitary right.   | Successful revocation or invalidity actions leads to loss of national right only.             |
| Must be available for registration throughout the EU.  | Being unavailable for registration in one territory has no bearing on availability elsewhere. |
| A CTM may be assigned for the entire EU only.  | National registrations may be assigned individually.  |