

HOW FAMOUS ARE YOU? MANGO vs MANGO - PROTECTION FOR MARKS WITH REPUTATION IN THE COMMUNITY

Provision is made in both the United Kingdom Trade Marks Act and the CTM Regulation to protect marks that have a reputation. The owner of a trade mark that has a reputation may prevent the registration (and use) of a later mark that is either identical or similar to their trade mark, and may do so in respect of all goods and services, even if not similar to those of the prior rights owner.

Before OHIM, this protection arises under Article 8(5) of Regulation No 40/94. The trade mark owner must show that they have a reputation either in the Community or at a national level in one or more EU states. Further, they must establish that use of the later mark would be without due cause, and would take unfair advantage of, or be detrimental to, the distinctive character or repute of the earlier trade mark. The purpose of this provision, interestingly, is not to extend the notion of likelihood of confusion to unrelated goods and services, but rather to protect the trade mark's image per se and prevent it from being abused.

This section is potentially advantageous to an opponent because, in establishing detriment or dilution, it is sufficient to file arguments showing that it is a reasonable inference from known consumer or market behaviour. The evidence should focus on the likely extent of such damage, taking into account that it may not consist of substantial factual data about actual dilution or detriment, because the assessment is whether or not it could cause harm.

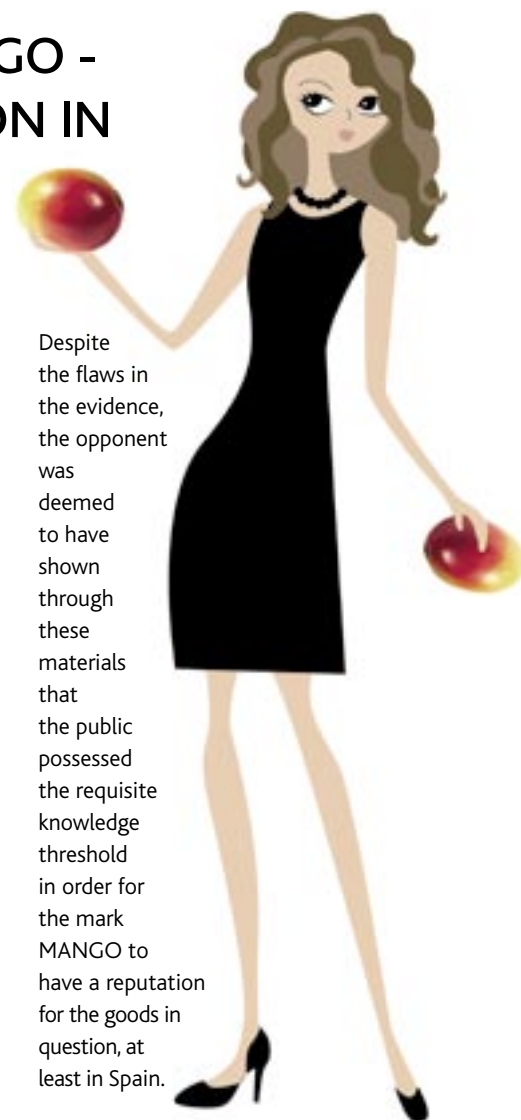
In a recent decision before the First Board of Appeal at OHIM, titled *Mango Sport System S.R.L. Socio Unico Mangone Antonio Vincenzo v Diknah S.L.*, the applicant applied to register the word MANGO as a CTM in Class 9 for protective helmets for various purposes. The application was opposed under Article 8(5) of the Regulation on the basis of a registered Spanish MANGO word

mark in Class 25, the opponent also claiming that their mark was widely used on clothing (which was aimed at fashion-conscious women in Spain) and that they had a reputation in their mark.

The opposition was initially successful and the applicant appealed, arguing in particular that the opponent had not proved the notoriety of its mark and that the alleged association with the earlier mark would confer no advantage on the applicant because the earlier mark did not have an attractive luxury persona, nor did it have a recognised brand image for safety or sports activities. Therefore, they could not be taking advantage of the opponent's reputation in the MANGO name.

The Appeal was dismissed by the First Board of Appeal. The Board considered the mark MANGO to be completely arbitrary and fanciful in relation to the goods in question, and thus highly distinctive. The applicant's mark was identical, and therefore there was a greater risk that unfair advantage would be taken of these rights by the applicant if it was allowed to use and register as proposed.

The opponent had provided survey evidence that was criticised by the Appellant on the basis that they had not outlined the objectives of the survey, nor had they explained the sampling techniques. The opponent also provided revenue statistics (which contained errors), details of promotional expenditures for advertising in well-known fashion magazines and statements from Spanish financial newspapers and other magazines that attested to the significant sales revenues achieved in previous years. Further the opponent's MANGO mark had an extensive and important physical presence throughout Spain due to the existence of numerous retail outlets under the mark in every major Spanish town and city.



Despite the flaws in the evidence, the opponent was deemed to have shown through these materials that the public possessed the requisite knowledge threshold in order for the mark MANGO to have a reputation for the goods in question, at least in Spain.

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The Board of Appeal held, importantly, that an earlier mark can be attractive to the consumer and enjoy a reputation for everyday goods such as mid-price fashion clothing, and that Article 8(5) is not confined in its scope to protecting marks for luxury goods.

Therefore, the possibility that the applicant's MANGO mark might take unfair advantage of the opponent's mark could not be ruled out. The opponent's mark was aimed at fashion-conscious women who took pride in their appearance. These consumers may also want to carry out a sporting, leisure or DIY activity in which protective helmets are worn, and may well match their leisure accessories to their normal MANGO clothing. In doing so,

they may choose to wear co-ordinating "protective headgear", such as that offered by the applicant.

The identity of the applicant's mark with the opponent's mark would allow the applicant to make a substantial saving on any investment in promotion and publicity of its own goods since it would be able to free-ride on the opponent's reputation in Spain and derive an unfair advantage. This resulted from the association the public would make to the earlier reputed mark.

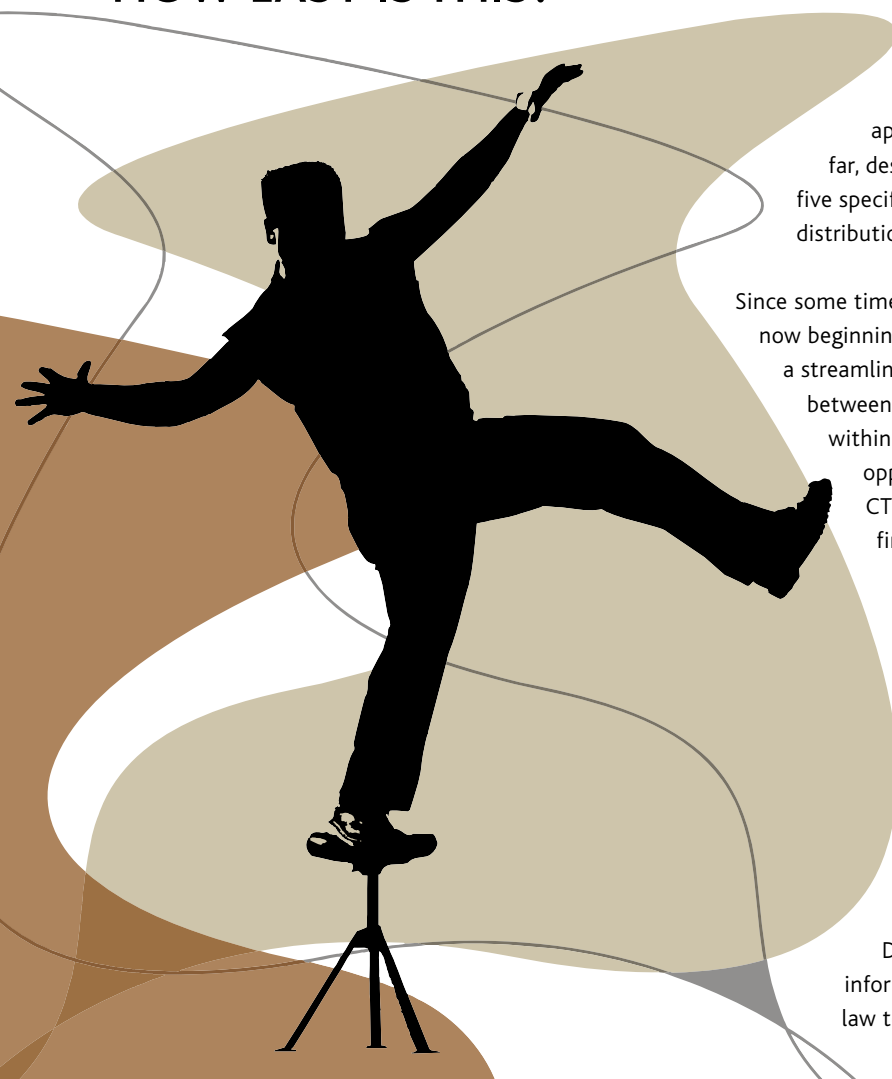
Overall, the identity of the marks, the complementary nature of the goods, the fact that MANGO was highly distinctive for the goods concerned and the extensive nature of the reputation of the opponent's mark throughout Spain meant that unfair advantage within the meaning of Art 8(5)

was established.

Such a result was also fair in OHIM's view because the reward for the costs of promoting, maintaining and enhancing a particular trade mark should belong to the owner of the earlier trade mark in question.

The case is therefore of particular interest because it suggests that any economic advantage deriving from an association with the earlier "reputed" mark is questionable, even where the later mark is not likely to be used for goods or services which would clearly tarnish the opponent's mark by association (cf. the HOLLYWOOD case, where a mark for tobacco was successfully opposed by the prior rights owner for chewing gum because of the possible detriment to the HOLLYWOOD brand image from being associated with tobacco goods).

INVALIDATING COMMUNITY REGISTERED DESIGNS - HOW EASY IS THIS?



It is now 18 months since the launch of the Community Registered Design, and OHIM reports that there has been significant uptake for the system, with almost 90,000 applications to register designs filed since April 2003. So far, design applications appear to be drawn predominantly from five specific industries, namely furnishings, packaging, clothing, fluid distribution equipment and household goods.

Since some time has elapsed since the launch of the system, we are also now beginning to see the first invalidation cases. OHIM have introduced a streamlined invalidation procedure, to avoid unnecessary exchanges between the parties. Decisions in such cases are issued on average within six months. It will be remembered that there is no opposition to the Community Registered Design (unlike the CTM), and accordingly the invalidation process is a third party's first opportunity to object.

Thirteen cases have been decided so far with the Community Registered Design (CRD) being declared invalid in nearly two thirds of these cases. Some useful pointers have emerged:

One important ground for invalidity applies where the Community Registered Design is found to conflict with a prior design. Proving the existence and scope of the earlier right is key to a successful challenge.

Conflict is deemed to arise where Community Registered Design does not produce a different overall impression on the informed user from that created by the prior design. In the case law to date, OHIM have established that the informed user will

REVOCATION PROCEEDINGS BEFORE THE UK TM OFFICE & OHIM - HOW FAR ARE THEY PREPARED TO CUT DOWN CLAIMS?

The monopoly right afforded to the proprietor of a trade mark registration is not infinite in scope or duration; the basic rule is "use it or lose it" and European law has uniform provisions allowing a third party to challenge a registration (through revocation or cancellation action) for non-use, usually after the mark has been registered for five years.

Before that period has elapsed, there is a relatively relaxed attitude to the scope of an applicant's claim; there is no requirement to prove "intent to use" when a Community Trade Mark is filed, hence the common use of International Class headings. In the UK, the applicant should have at least a contingent intent to use his mark in relation to the goods/services for which he has filed it, although this issue is rarely put to the test.

Until recently, it had been understood that after the five year "grace period", trade mark owners who did not use their mark (or

fully demonstrate such use) in relation to certain categories of goods or services, would risk losing their monopoly right for these categories.

With the increasing number of new trade mark applications, the potential for conflict with or citation of existing marks also increases and a more liberal approach to "non-use" could result in creation of an artificial barrier to competition by preventing registration and use of marks where no commercial conflict exists in practice, but where the earlier right is still kept on record for a broad wording.

Recent case law suggests however that both the UK and Community Trade Mark Offices and Courts may be willing to be more generous than expected, and to retain specifications covering broader "categories" of goods/services, exemplified by the items where actual use is shown.

The case law of the UK High Court and Court of Appeal as well as the EU Court of First Instance was recently reviewed by the Appointed Person – Geoffrey Hobbs QC – and its effects summarised in the "WISI" decision of 12 September 2005 (O-251-05).

The key determinants of the approach in deciding what should be retained in the specification, following examination of the evidence, now seem to be the following:

"The correct starting point consists of the list of articles for which the proprietor has in fact used the mark. In arriving at a fair specification it is necessary to hold the balance between the legitimate interests and requirements of the proprietor and those of other traders and the public by not allowing the proprietor to retain a specification of goods which confers wider protection than can properly be said to be warranted by the evidence of use." (Paragraphs 24-26 *Decon Laboratories Ltd v Fred Baker Scientific Ltd* [2001] RPC 293).

assess the overall impression created by the design, taking into consideration the limitations to the freedom of the designer, and consequently weighing the various design features. He or she will pay more attention to similarities of non-essential features, and dismiss the similarities of necessary ones.



Thus, in a decision involving comparison of two designs for seating (stools), OHIM's Invalidity Division took less

account of similarities in the shape of the seat and the back of the stools than those concerning the foot rest and the support of the back, which were considered to be the most important elements for the informed user in this business area (case number: ICD 000000024).

Similarly, in a case involving comparison of ceiling lights, the Invalidity Division focused on elements which were not dictated by technical characteristics designed to assist the distribution of light, and instead looked at the appearance



of the external casing, which was considered sufficiently different (in the case of the contested design)

from the earlier design for there to be no substance to the claim for invalidity (case number ICD 000000032).

Several cases have also focused on the evidential requirements needed to prove that the prior design relied upon was indeed in existence prior to the filing of the Community Registered Design.



In the case of *Leng-D'or S.A v. Frito Lay Trading Company*, OHIM rejected materials from the search

engine www.archive.org, relied on as evidence that web pages showing the earlier design in use were made available at the public at the relevant date, because OHIM felt that such web pages could have been subsequently added to the archive or modified. This case had involved

a challenge to a Community Design Registration for snack foodstuffs, showing four views of a distinctive "waffle" shape, where the applicant for invalidity had claimed that this shape was in common use prior to the filing of the Registered Community Design claim (case number ICD 000000735).

We therefore advise parties who may wish to document their claim to rights in an earlier design, to ensure that they are keeping careful contemporary records to support their claims.

Notwithstanding the fact that some of the Registered Community Designs obtained have failed to survive an invalidity challenge, the system overall still provides a very cheap and efficient way of asserting rights in shapes and packaging which might otherwise not qualify for trade mark protection. It should also be remembered that some of the initial RCD filings were highly speculative and related to designs which were, in fact, clearly anticipated by the competition; it is therefore unsurprising that some have now been struck down!

"[...] it must not, however, result in the proprietor of the earlier trade mark being stripped of all protection for goods which, although not strictly identical to those in respect of which he has succeeded in proving genuine use, are not in essence different from them and belong to a single group which cannot be divided other than in an arbitrary manner." (Paragraph 46, ALADDIN case, Reckitt Benckiser (Espana) SL v OHIM 14 July 2005).

The Appointed Person in WISI concluded that "According to this approach, fair protection is to be achieved by identifying and defining not the particular examples of goods for which there has been genuine use, but

the particular categories of goods they should realistically be taken to exemplify." (Paragraph 15, WISI case).

In reaching the final specification it is also important to take into account the perceptions of the average consumer of the goods in question. In the TYPHOON decision, the Judge suggested that it would not be appropriate to cut down a registration for "containers" to "red boxes" where the use related only to such items, since most consumers would still see this as being a use for containers generally.

Whilst these guidelines may appear straight

forward, an element of subjectivity is necessarily involved in the interpretation of what items should be included in a "category" and what the "perception of the average consumer" would be. This inevitably results in legal uncertainty as to the resulting scope of specifications following revocation proceedings. It could also affect opposition proceedings, where earlier registrations are put to proof of use, if a similar approach is taken.

The three recent decisions below illustrate how varied the end result can be, OHIM apparently being much more generous than the UK office/tribunals:

Case/Mark	Original Specification	Use Shown on:	Restricted Specification allowed after challenge
WISI UK O-251-05 Decision of the Appointed Person 12.9.05	Electrical and electronic apparatus and instruments	Television transmission and reception apparatus	Apparatus and instruments for receiving transmitting, amplifying, processing and measuring television signals, apparatus and instruments for receiving transmitting, amplifying, processing and measuring radio frequency signals, apparatus and instruments for satellite receiving systems; fibre optical transmission and receiving apparatus; directional video and audio systems for monitoring and security purposes; parts and fittings for the aforesaid goods.
BARONI UK O-291-05 Decision of the Registrar 27.10.05	Edible Oils; olive oil; preserved, dried and cooked fruits and vegetables; jellies, jams and fruit sauces; meat extracts	Olive oils	Olive oils
KAMA SUTRA OHIM Rev 712C Decision of the Cancellation Division 21.02.05	Bleaching preparations and other substances for laundry use; cleaning, polishing and scouring and abrasive preparations; soaps; perfumery, essential oils, cosmetics, hair lotions; dentifrices	Essential oils, bath salts, bath gels, body powders, body balms	Perfumery, soaps and cosmetics.

Obviously, if the more generous approach endorsed in "WISI" is now followed by the UK/CTM authorities, it is good news for existing trade mark owners, since the monopoly given by their registration will be broader, even where limited use has occurred.

For new applicants facing a conflicting earlier right and considering non-use revocation proceedings, the picture is not so rosy as specifications may not be sufficiently restricted to avoid a conflict, even where non-use is demonstrated.

COMPARING MARKS – HOW CLOSE IS CLOSE?

MEDION AG vs THOMSON

Assessing likelihood of confusion with earlier trade mark rights has always been a complex exercise; a particularly difficult area relates to adoption of a new mark combining an earlier registered trade mark with added matter which may create a different overall impression. This will almost certainly prompt a challenge from the prior rights owner – which is not always successful.

Thus, the UK Trade Mark Registry have allowed COMFORT & JOY side-by-side with a prior registration of JOY, and AUDI-MED side-by-side with AUDI, for example. On the other hand, the UK Courts found that the mark HARIBO-HALLOWEEN was an infringement of a prior registration of HALLOWEEN.

The matter was obviously a candidate for a referral to the ECJ and in perhaps one of the most important decisions handed down in 2005, the European Court has now considered whether such a likelihood of confusion exists when a composite mark is adopted by a company and contains their own company name combined with an earlier registered trade mark owned by a third party, even if that is not the most dominant feature.

This case was referred to the ECJ following litigation which began in the German Courts. The plaintiff, Medion, the proprietor of a German Trade Mark for the word LIFE in respect of electronic devices, objected to

Thomson's adoption and use of THOMSON LIFE for the identical goods. In First Instance proceedings before the Dusseldorf Regional Court, Medion's case was rejected on the ground that there was no likelihood of confusion. They appealed to the High Regional Court in Dusseldorf seeking to restrain Thomson from using THOMSON LIFE for television sets, cassette players, CD players and hi-fi systems.

Rather than upholding the lower court's decision or, indeed, simply deciding that a likelihood of confusion did exist, the Higher Regional Court referred the following question to the European Court of Justice:

Where the goods and/or services in question are identical, is there a likelihood of confusion on the part of the public, where the contested sign is composed by juxtaposing the company name of another and a registered mark which has normal distinctiveness which still has an independent distinctive role in the composite mark?

Whilst the question posed by the German Courts related to use of a company name

as part of a composite mark the ECJ's judgement clearly goes broader than that in their response.

The ECJ concluded that there may indeed be a likelihood of confusion where an earlier sign is taken and juxtaposed with the company name of another where the earlier sign still retains an independent distinctive role therein, even if it is not the most dominant feature overall.

There are indications in the ECJ's judgement which will act as useful guidelines for trade mark owners and practitioners in the future. The Court decided that despite the fact that the average consumer perceives a mark as a whole and does not divide it up into its constituent elements, and even if the overall impression is dominated by one particular element (for example THOMSON in the mark THOMSON LIFE), it is still quite possible that the earlier registered mark can retain an independent distinctive role in the composite sign.

In such a case the use of the composite sign may lead the relevant public to believe that the goods or services in question derive, at the very least, from companies which are linked, economically. On this basis, a likelihood of confusion will be established.

The key question that must now be answered to establish whether a likelihood of confusion arises

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in a situation such as this is as follows:

Does the earlier mark still have an independent distinctive role in the composite mark irrespective of whether it is or is not the dominant element?

If the answer to this question is, "yes" then, following this judgement, a likelihood of confusion (and thus infringement) will have been established.

It will be interesting to see how the German Courts interpret the ECJ's judgement with regard to the specific facts of the LIFE vs THOMSON LIFE case, since the matter has been remitted to them for a decision on the merits.

Whilst it should be noted that the ECJ's decision is limited to those cases where the goods and/or services are identical, the adoption of any mark which includes an earlier registered mark owned by a third party is now even more risky as a consequence of the ECJ's findings, irrespective of the fame, notoriety or dominance of any additional constituent elements in the new mark.

STOP PRESS:

The UK Trade Mark Office have already taken note of this decision and are preparing to amend their Work Manual guidelines to reflect the judgement.



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