

## TRADE MARK NEWSLETTER

THRESHOLD FOR ACQUIRED DISTINCTIVENESS  
TAKES ON A NEW LOOK

The European Court of First Instance (CFI) has issued a Decision which, if followed in future cases, will significantly increase the level of distinctiveness which must be shown where the CTM applied for consists of ordinary English words which are, at first glance, devoid of distinctive character.

In a case involving the high street clothing and fashion accessory retailer New Look Limited, the CFI held that distinctiveness acquired through use must be shown not only in the native English speaking member states of the EU (i.e. the UK and Ireland), but also in other EU states where the English meaning of the mark would be readily understood by the consumer. Consequently, applicants facing a distinctiveness objection at the CTM Office are likely to be required to prove that the mark has become distinctive through use not just in the UK and Ireland (as has traditionally been the case), but also in countries such as the Netherlands, the Scandinavian countries, Cyprus and Malta, where consumers are regarded as having a good knowledge of the English language.

In this case, New Look Limited applied to register the mark NEW LOOK as

a Community Trade Mark for various goods and services in classes 3, 4, 9, 11, 14, 16, 18, 20, 25, 26, 28, 35 and 36. The goods included clothing, jewellery and cosmetics and were all targeted at the general public.

The CTM Examiner refused the application in respect of some of the classes of goods (including those for clothing, jewellery and cosmetics) on the grounds that the mark NEW LOOK lacks distinctive character and also consists exclusively of an indication which may serve to designate a characteristic of the goods, namely that the goods would enable the consumer to enjoy a 'new appearance'. New Look submitted evidence to try to show that the mark had acquired distinctiveness through use within the EU, but the CTM Examiner maintained the objection based on Article 7 CTMR on the grounds that the evidence was not sufficient.

New Look appealed to the CTM Office's Board of Appeal, but the Board agreed with the Examiner and refused the application. The Board referred to established case law which states that the distinctiveness of a mark should be considered both in respect of the goods/services in the application and from the

point of view of the relevant consumer. The Board held that the relevant consumer included consumers within the EU who were (a) native English speakers and (b) those who understood basic English. It was the reference to (b) which became the most important aspect of the case because, traditionally, distinctiveness has generally had to be shown only in the UK and Ireland for similar cases

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involving marks with a meaning in the English language.

New Look appealed to the CFI on the grounds that the Board had erred in requiring evidence of distinctiveness in member states outside the UK and Ireland. New Look argued that it is required to show evidence of distinctiveness only in a 'substantial part' of the EU and that, where a mark is a word mark in English, it can be devoid of distinctive character only in the UK and Ireland since these are the only two member states in which English is the native language.

The CFI rejected the Appeal, finding that a mark must be refused registration if it lacks distinctiveness in any part of the EU. A mark must, therefore, be distinctive throughout the EU and not just a substantial part of it. The CFI held that a basic level and knowledge of English could be attributed to consumers in the Netherlands, Finland and the Scandinavian countries "at the very least". It was also reasonable to expect this list to be extended to include countries such as Cyprus and Malta in which English is also reasonably well known. The CFI agreed with OHIM that the relevant public in these countries would understand the meaning

of the mark and would not regard the words NEW LOOK as an indicator of trade origin. New Look had failed to submit evidence of distinctiveness in Finland, the Scandinavian countries and the Netherlands and, as a result, had failed to prove that the mark was distinctive in all parts of the EU. Consequently, the CFI found that the Board had been correct to reject the application and New Look's appeal was dismissed.

This case has significantly increased the extent of evidence required to overcome an objection that an English word mark lacks distinctiveness. If businesses are considering applying to register ordinary English words as a Community Trade Mark, they will need to be ready to submit evidence that the mark has become distinctive through use not only in the UK and Ireland, but also in the Netherlands, the Scandinavian countries and potentially also Cyprus and Malta. It is reasonable to assume that the more readily understood the mark, particularly by non-English consumers, the stronger the evidence of acquired distinctiveness will need to be. If ever there was a reminder that it is quicker and less burdensome to register a distinctive mark, this case is it!

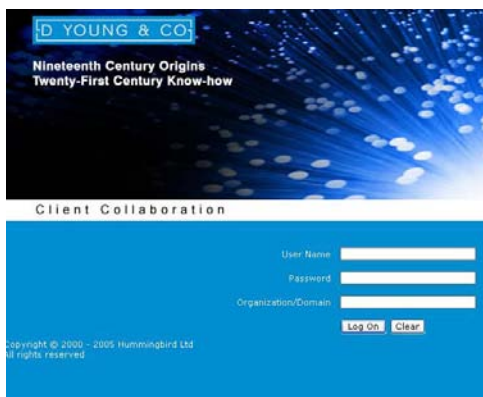
## CLIENT COLLABORATION: A NEW LOOK D YOUNG & CO SERVICE FOR TRADE MARK OWNERS

The NEW LOOK decision above highlights the importance of being able to provide quality evidence either to overcome an objection that a mark lacks distinctiveness or to succeed in oppositions. D Young & Co has developed and is now offering to clients a secure and user-friendly web-based service that enables both internal and external users to share access to documents and other evidence which can form a resource for such cases.

Client Collaboration allows users to upload large amounts of materials to be stored in permanent folders by date, geographical area or type. Alternatively, Client Collaboration can be used to store all case related materials such as emails,

official letters and even invoices. Simply by logging on, users can add to, amend or retrieve the relevant information quickly and easily.

For trade mark disputes, having access to such database evidence can make the difference between winning and losing a case. Some clients simply do not have the facilities to retain large amounts of documentation, and for others, the burden on them to find relevant evidence at short notice will be reduced. Client Collaboration is a flexible, user-friendly solution that saves the client time and costs. Should you wish to find out more, please contact your usual D Young & Co attorney who will be happy to help.



*D Young & Co's Client Collaboration tool, as shown above and left, can store large amounts of documentation and material allowing users to quickly and simply retrieve relevant information.*

# THE IMPORTANCE OF “GENUINE USE” TO MAINTAIN MARKS

Two recent decisions from the European Court of Justice have underlined the need for trade mark owners to satisfy the “genuine use” requirement, while highlighting the fact that a trade in goods and services may come in a variety of forms.

The first decision concerned revocation proceedings against Austrian trade marks owned by a not-for-profit association (The Bundesvereinigung Kameradschaft ‘Feldmarschall Radetzky’), which had registered a number of trade marks for services in classes 37, 41 and 42.

The principal objective of the association was to preserve military tradition through memorial services and remembrance services or military reunions and to arrange for the upkeep of war memorials. Additionally, it took part in charitable work, including fundraising and distributing donations to the needy.

The association had registered a number of figurative and word marks (some being representations of badges of honour) for the relevant services and these were now challenged by a third party (The Radetzky Orden) on the grounds that no genuine use had occurred.

The examples of use provided by the trade mark proprietor showed that the marks were printed on invitations to their events, on stationery and correspondence, as well as being worn as orders/decorations by participants in such events (who would also typically wear them when they were engaging in fundraising).

Pointing out that it was not decisive of the question of genuine use whether the trade mark proprietor offered their goods/services on a

non-profit making basis, the ECJ again emphasised that the *raison d’être* for using a mark is to create or preserve an outlet for goods or services.

Accordingly if the mark is not used in a manner which is designed to promote this purpose then the test of “genuine use” cannot be satisfied. Not charging for goods or services is not an automatic indication that the use is not “genuine” however.

One relevant factor is clearly the extent to which such use may be considered “external”; in this case the challenger had sought to argue that the use of the proprietor’s marks was made at purely private events and ceremonies and did not constitute a genuine use in the association’s relations with the public. The key factor was whether any “public and external use” had occurred and the matter was referred by the ECJ back to the Austrian Courts for a final determination on this point following their ruling on the principle.

Nevertheless the ECJ also ruled that *“a trade mark is put to genuine use where a non-profit making association uses the trade mark in its relations with the public, in announcements of forthcoming events, on business papers and on advertising material and where the association’s members wear badges featuring that trade mark when collecting and distributing donations”*

This appears to be a fairly detailed finding which perhaps strays into the question of factual determination; presumably the Austrian court could still find that none of these activities



had occurred or, possibly not on a scale which could constitute genuine public or external use.

Nevertheless the implication is that the association’s marks are likely to survive the non use challenge in this case.

By contrast, a further referral from the Austrian Courts involving use of a trade mark for promotional goods resulted in a ruling by the ECJ that this could not be genuine use of the mark for those goods.

In that case, the trade mark owner was conducting a routine trade in the sale of clothing but was also using the registered mark for alcohol free drinks. These were being handed out as free gifts in order to promote the clothing. There was no separate trade in alcoholic drinks on the part of the trade mark owner.

Approving the test applied by the ECJ in the Radetzky case, the European Court held that “genuine use” must be made in order to create or preserve an outlet for the goods or services that bear

# RCD APPLICATIONS: KEEP THEM FREE OF OTHER PEOPLE'S TRADE MARKS!

the sign, and that the distribution of promotional items as a reward for the purchase of other goods, and to encourage the sale of the latter, did not satisfy the test.

There are, of course, policy implications behind such an approach; the ECJ is keen to ensure that the Community Trade Mark Register does not remain the preserve of marks which are no longer in genuine use and is alert to prevent businesses from adopting strategies designed to extend their monopoly rights without objective commercial justification.

This second ruling thus makes it clear that "promotional use" for other goods or services does not satisfy the "genuine use" test, and is a welcome clarification. However, it is still possible to make broad claims when filing a Community Trade Mark, since there is no need to prove that the applicant has a bona fide intent to use the mark for all of the goods/services claimed at the outset.

Whether this latter position is maintained by OHIM or the ECJ in future is an open question; it seems unlikely that the issue will willingly be put to the test by users of the system who are currently benefiting from this liberal approach.

Some recent decisions from the European Designs Registry (OHIM) have reminded users of the need to avoid incorporating other people's trade marks in your Registered Community Design (RCD) applications.

An RCD application is not substantively examined by OHIM, and it is only after registration that validity may be challenged by a third party who files an application for a declaration of invalidity. One of the possible grounds is that the RCD in question incorporates an earlier trade mark which is effective in one or more member states of the EU and which conflicts with some or all of the design features of the RCD.

Last November, the Invalidity Division at OHIM gave consideration to RCD No. 807847-0001 which, as permitted by the modern European design law, was for a "graphic symbol" (i.e. a logo) which prominently incorporated the word "Vitec". The word "Vitec" was, however, already registered as a trade mark by a third party, specifically as an International registration designating various states of the EU. The owner of the trade mark complained that the RCD incorporated a word whose use he is entitled to prohibit on the ground that there would be a likelihood of confusion with his trade mark. The Invalidity Division agreed and

the RCD was declared invalid.

In December, the Invalidity Division had to consider an RCD in which the earlier trade mark was incorporated in a registered design relating to a manufactured 3-D product rather than a 2-D graphic symbol. Specifically, RCD No. 794870-0004 protected a shoe and the side of the shoe was shown as having a stylised "H" in a contrasting colour. There was an earlier Community trade mark for a similar stylised "H". Prompted by this clash, the owner of the RCD tried to amend the RCD to re-establish its validity by removing the depiction of the stylised "H" from the side of the shoe. Amendment is allowed in invalidity proceedings but there must be "identity of design" between the original and amended designs. Unfortunately, the "H" was a prominent feature of the design of the shoe and the Invalidity Division held that the proposed amendment would change the identity of the design, and thus amendment was not allowed and the RCD was declared invalid.

We therefore recommend that, before filing an RCD application, it is wise to review the design and consider whether it incorporates somebody else's earlier trade mark. If necessary, remove the conflicting features before filing the RCD application as deletion may well be impossible after registration has occurred.





# UK INTELLECTUAL PROPERTY OFFICE ANNOUNCES CONSULTATION ON TRADE MARK FEES

OHIM recently announced a 40% reduction in their official fees, to take effect from 1 May 2009. This will mean the abolition of registration fees and a reduction in the basic application fee.

Following suit, on 9 March 2009 the UK Intellectual Property Office (IPO), through a public consultation, announced a review of its trade mark fees and services. This has been prompted by the falling demand for trade mark applications in the UK and should maintain UK registrations as a competitive option.

A range of options, including a reduced fee package and new support services, aims to help businesses register marks more easily and affordably in the UK. Despite the proposed 15% reduction seeming relatively low in comparison with the OHIM fee reduction, there could be further benefits such as an option to pay part of the fees up front rather than in full.

David Lammy, Minister of State for Intellectual Property, said:

*"In the current economic climate, there is a risk that businesses will not protect their Intellectual Property, which will harm both those businesses and UK competitiveness in the longer term. The consultation looks at measures which will help businesses to continue to register intellectual property rights in a downturn and continue to meet the needs of all customers."*

The initiatives under discussion include:

- Introduction of a new 'early assistance' service for new trade mark applicants, including the opportunity to discuss the examination report with Examiners over the telephone
- Provision of an e-filing discount for marks which are filed electronically
- A reduction of opposition fees.

The proposed measures take into account a recent market research exercise conducted by the UK Intellectual Property Office. It is claimed that they will make it

easier to deal with the Office without any compromise on quality and could lead to further fee reductions once the Office's work related processes have been streamlined.



## D YOUNG & CO TRADE MARK GROUP NEWS



We are pleased to announce that Vivienne Coleman has been appointed a Partner in the firm.

Vivienne began her career in trade marks at INTA in New York as assistant to the Executive Director. She joined D Young & Co in 2005 and has over 17 years experience in private

practice in the UK working for a broad range of clients, including SMEs and multinationals in various sectors - with a particular emphasis on pharmaceuticals and consumer goods, as well as media, communications and entertainment businesses.

Vivienne specialises in handling UK and CTM oppositions, and advises clients on worldwide trade mark portfolio management, and securing trade mark rights for exploitation through licensing/merchandising.



We are also pleased to announce that, having been successful in her final examinations, Gemma Williams has been appointed an Associate in the firm.

Gemma holds a BA (Hons) degree in Legal Studies from the University of Greenwich, London and worked within the BP plc Group Trade Marks Department before joining D Young & Co in 2007.

Gemma is experienced in all aspects of trademarks, including trade mark searching, filing and prosecution and handles all types of trade mark prosecution, portfolio management and research.

For more detailed profiles of Vivienne and Gemma please visit our website: [www.dyoung.com/people/trademark.htm](http://www.dyoung.com/people/trademark.htm).

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## INTA ANNUAL MEETING

16-20 MAY 2009

Members of the D Young & Co Trade Mark Group will be attending the 131st INTA Annual Meeting in Seattle, USA.

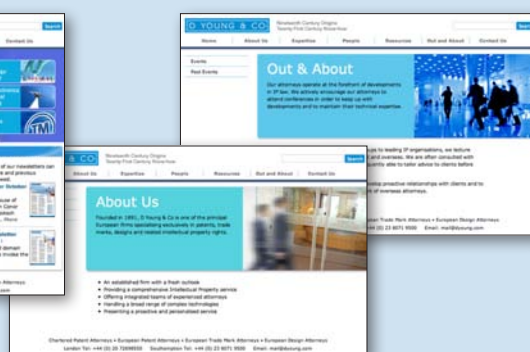
## ECTA ANNUAL MEETING

24-27 JUNE 2009

Jeremy Pennant will be attending the 28th ECTA Annual Conference in Vilnius, Lithuania.

For more details of these and other events attended by D Young & Co attorneys, please visit our website:

[www.dyoung.com/out\\_and\\_about/events.htm](http://www.dyoung.com/out_and_about/events.htm)



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To subscribe to the D Young & Co trade mark newsletter please contact Mrs Rachel Daniels, Business Development Manager, at our Southampton office address (see details, below), or by email at [rjd@dyoung.co.uk](mailto:rjd@dyoung.co.uk)

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