

REGISTRY PRACTICE - CLASS 42 BREAKS UP

Brand owners who have traditionally filed trade mark applications encompassing a broad range of services in Class 42, should note that as from 1 January 2002, protection is likely to prove more expensive. The International classification of goods and services is being restructured with Class 42 being divided into four separate classes. Legal services will remain in Class 42, as will research and design relating thereto (including the design and development of computer hardware and software). Class 43 will cover services for providing food and drink and temporary accommodation. Class 44 will be used for medical services, veterinary services, hygienic and beauty care for human beings or animals as well as agriculture, horticulture and forestry services. Class 45 will cover personal and social services rendered by others to meet the needs of individuals and security services for the protection of property and individuals.



Applicants seeking to protect more than one of the above categories are advised to file their applications before the end of 2001. From 1 January 2002 additional class fees will be required for each extra class.

CTM CASE LAW UPDATE

Decisions on the registerability of Community trade marks are being handed down by OHIM almost daily. Recently the trend has been to accept marks which the UK Trade Mark Registry will refuse as lacking in distinctiveness. This more liberal approach has now been endorsed by the European Court of Justice (ECJ) in BABY-DRY.

The BABY-DRY Decision

In a judgment dated 20 September 2001, the European Court of Justice ("ECJ") has rendered its first decision on distinctiveness under the Community Trade Mark Regulation.

The case involved The Procter & Gamble Company's claim to register BABY-DRY as a trade mark for nappies and disposable diapers.

The Community Trade Mark Office objected to the mark as descriptive (for nappies which keep babies dry) and, accordingly, non-distinctive. Procter & Gamble appealed the case on two grounds, the first relating to a procedural point, namely the failure on the part of OHIM to allow them time to put in evidence of use of their mark. This point was decided in their favour by the European Court of First Instance in an earlier decision.

The European Court of First Instance upheld OHIM's view of BABY-DRY as lacking distinctiveness on a preliminary assessment (i.e. without the benefit of evidence of use). This decision has now been overturned by the European Court of Justice, in a judgment to be welcomed by all trade mark owners because of its basic common sense and simplicity.

The ECJ followed the recommendation of its Advocate General in finding that BABY-DRY was not solely descriptive of the goods applied for (although it clearly alluded to some potential characteristics of the product).

The test, as outlined by the ECJ, was whether the word combination could be viewed as a "normal way of referring to the goods or of representing their essential characteristics in common parlance".

"BABY-DRY" was considered an unusual juxtaposition and not a familiar expression in the English language. Instead, describing "BABY-DRY" as a "lexical invention", the Court considered that it bestowed distinctive power on the mark and was accordingly registrable.

The Court looked at the underlying rationale for the tests for registration in Article 7 of the Community Trade Mark Regulation and concluded that the purpose of the prohibitions on descriptive marks and other trade marks which were devoid

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of distinctive character was to prevent registration where the term in issue was no different from the usual way of designating the relevant goods or services (or their characteristics). Thus, an application to register "NAPPY" for the applicant's goods would clearly have failed, as would an application for the term "absorbent". However, the Court considered that BABY-DRY was a long way from such clear descriptive nouns or adjectives.

The consequence of this decision for trade mark owners should be a further relaxation of the OHIM practice on distinctiveness. Although considered more liberal than corresponding national practice in some EU member states (in particular, the UK), there has been a recent tendency on the part of OHIM Examiners to adopt UK attitudes to "descriptive" marks. It is hoped that the BABY-DRY case will mark a move back towards a more liberal interpretation of distinctiveness at Community level. Equally, since this decision is binding on all EU members, the UK Trade Mark Registry will have to revisit their attitudes to distinctiveness as well.

Case Reference C-383/99P dated 20 September 2001

Judgment available on ECJ website
(<http://europa.eu.int/jurisp/cgi-bin/ge>)

Other recent cases on distinctiveness which have gone to the European Court of First Instance are summarised below:

EASYBANK

EASYBANK was initially refused by OHIM as being descriptive and devoid of any distinctive character. An appeal to the Board of Appeal was dismissed; however, a further appeal to the Court of First Instance led to the decision being overturned and the mark being accepted. Whilst the court accepted the mark contained a descriptive element, they held that "the link between the meaning of the term EASYBANK and the services capable of being provided by an on-line bank, is too vague and indeterminate to confer a descriptive character on that term in relation to those services".

DOUBLE MINT

An application to register DOUBLE MINT in relation to chewing gum was initially held descriptive and unregistrable. Once again the Board of Appeal upheld the Examiner's decision but a further appeal to the Court of First Instance led to the earlier decision being overturned. The court held that the word "double" when combined with the word "mint" has two distinct meanings for potential consumers. Therefore since there are a number of meanings for the composite term, the mark DOUBLE MINT has no obvious descriptive function.

SQUATTERS' RIGHTS OR WRONGS - PROBLEMS IN CYBERSPACE

An extreme case of cybersquatting came before the High Court in the United Kingdom earlier this year when the well known retailer, Marks & Spencer plc took action against Craig Cottrell, an individual who registered several domain names similar to those used by Marks & Spencer. Mr Cottrell also set up "fake" M & S websites. Internet customers then found the sites crashed as soon as they entered their credit card details which were subsequently used by Mr Cottrell to purchase various other goods. Initially, M & S obtained a court order against Mr Cottrell not to infringe their trade marks or copyright and to transfer various domain names. Unabashed, Mr Cottrell continued his activities and went on to register further Marks & Spencer domain names.



Mr Justice Lightman, in perhaps one of his easier decisions, was not impressed by Mr Cottrell's conduct or his activities and as a result he was sentenced to twelve months imprisonment.

Case Comment

Whilst the facts of the case are perhaps more suited to the tabloid newspapers, a serious issue did arise from Justice Lightman's decision. He addressed the responsibilities of domain name registrars and questioned whether they have the right to hide behind their policy of "first come, first served". He categorically stated that it was not safe for domain name providers to assume that they have no responsibility to monitor where court orders prohibiting use of certain domain names by individuals are being broken by new domain name registrations. US courts have shied away from imposing any obligation on domain name registrars; however, it is to be hoped that Nominet in the UK and the other bodies around the world which issue domain names will be reluctant to continue allowing individuals such as Mr Cottrell to register clearly infringing domain names.