



FULL TEXT

APPLICATION PROCEDURE: WORD MARKS; DESIGN MARKS, 3D MARKS, GIS TO FILE OR NOT TO FILE – ANSWERS FROM THE OHIM

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SUMMARY

This paper looks at a small cross-section of recent cases that have come before the Boards of Appeal in order to identify some of the common pitfalls that applicants encounter as well as decisions that have been more fortuitous from the applicant's perspective. Although registration of many different types of trade mark are applied for at OHIM, this paper concentrates on the main ones: (1) word marks, (2) design marks, (3) 3-D marks and (4) marks containing geographical indications.

Consideration is given to the absolute grounds objections most commonly raised for the particular type of trade mark application in question. While all four types of sign may fall foul of Article 7(1)(b) and (c) CTMR, word marks may also raise issues of public policy or morality (Article 7(1)(f) CTMR), design marks may encroach on protected heraldry (Article 6ter of the Paris Convention), 3-D marks often trace a blurred line, skirting around the thorny issue of dual protection alongside design rights, patents and even copyright and thus are potentially objectionable under the three branches of Article 7(1)(e) CTMR, finally, geographical indications most commonly arise in a trade mark context in the world of wines and spirits and bring into play some of the lesser known provisions such as Article 7(1)(j) CTMR .

INTRODUCTION

Imagination is named as the sixth of the 16 Laws of Success; without it enterprise will not prosper as it should (Napoleon Hill, *The Law of Success*, available at http://ebookey.org/The-Law-of-Success-In-Sixteen-Lessons-2-Volume-Set-FACSIMILE-by-Napoleon-Hill_68886.html). Yet being imaginative or creative with trade mark registration is not a legal requisite. Novelty, creativeness and inventiveness may be what are needed either to get or maintain a design, copyright or patent on the register but trade mark law makes no such demands. In the Orwellian world of trade marks, all forms of trade mark are equal in theory but some are more equal than others in practice because consumer perception may not be the same (Case C-64/02 P *OHIM v Erpo Möbelwerk* [2004] ECR I-10031, paragraph 34). For example, getting a slogan or shape mark on the register is often nothing short of a Herculean task. Demonstrating a 'certain originality or resonance' (judgment of 21 January 2010 in Case C-0398/08 P 'Vorsprung durch Technik',) can be a way forward for such marks, rather than embarking on the rocky road of showing acquired distinctiveness through use.

But weak trade marks are popular with applicants. The traditional view is that marks that are highly suggestive of the products or services they seek to cover incur less expense in marketing. The register authority is enjoined by the Court of Justice to be thorough and rigorous in its examination of absolute grounds. Applicants have to tread a fine line between marks that are so suggestive as to be descriptive and those where the descriptive nature of the sign in relation to the goods and services for which registration is sought is not directly and immediately perceivable.



In addition the sign chosen must act as an identifier of commercial source and further obstacles posed by possible technical functions, geographical references and heraldry (to name but a few) may lie in the path to registration. The result is a 'cat and mouse' game between the register authority and applicants. Some blatantly unregistrable marks slip through the net and find their way onto the register while other, more meritorious ones have to fight every inch of the way and may fall prey to an arguably overzealous examination. Does this mean that the system is unfair?

The problem is the subjective element of trade mark law. It is not mathematics. Regulations, case law and guidelines are intended to help examiners to be as objective and predictable as possible but they can never totally exclude any human element in interpretation. In the vicarious world of perception through the eyes of another, protecting public interest and balancing competition with the granting of monopoly rights, it is hardly surprising that 100% predictability is not possible. But trends are present and these are what will be looked at by both applicants and examiners.

With 23 official languages of the EU (and soon to be 24 with the membership of Croatia), it is increasingly hard to spot 'offenders'. Additional complication is given by the use of neologisms and incorrect grammar, which may well not save the sign from being immediately and directly understood by the relevant public as descriptive term for the goods and services in question.

Applicants in the EU unwisely favour the use of the stars of the European flag in their design marks. With so many fields of European business and everyday life being regulated by EU directives and regulations, it is becoming increasingly harder not to find a link (in the sense of an implied guarantee or endorsement) between the EU and certain goods and services where the European flag (or elements thereof) are used as part of the design mark. Additionally, distinctive character may be a problem where combinations of colours are concerned and showing acquired distinctiveness EU-wide is a hard task.

A highly conservative approach continues to be taken in relation to 3-D marks, although in exceptional circumstances the applicant might meet with success (see Freixenet cases). Article 7(1)(e)(iii) CTMR has been ruled on by the Boards (see Eames Chair case) but it remains to be seen what interpretation the General Court makes.

Finally, Article 7(1)(j) CTMR can require interpretation in the light of Article 24(5) of the TRIPS Agreement, where good faith use of a G.I. in a trade mark predates the protection of the G.I. itself. In all cases, the Boards must ensure that a good measure of common sense is applied to avoid possible iniquities.



1. WORD MARKS

More than 2500 decisions are taken by the Boards of Appeal every year. Of the cases dealing with absolute grounds, word marks make up an important percentage. This type of mark often touches ordinary language, using descriptive prefixes, Americanisms, laudatory terms, and offensive words.

(a) Descriptive prefixes

With environmental issues constantly being referred to by the media, law-makers and regulatory bodies, it is perhaps little wonder that applicants wish to give 'green' credentials to their marks. One rather risky method is to use the prefix 'ECO'.

In its decision of 10 January 2012 (R1595/2011-2), the Second Board had to rule on the

ECOBLOC

descriptive character of the semi-figurative mark for a variety of goods including machinery and engines as well as their parts, together with incubators. Clearly, the alleged descriptiveness of the mark has to be examined for each and every one of the goods and services for which protection is sought, unless those goods and services belong to a general category for which the sign has been found to be descriptive.

The Board held first of all, that in the context of the goods in question, regardless of the misspelling, the word 'BLOC' would be understood as 'BLOCK' by a sizeable proportion of the relevant public who would replace it with the word 'BLOCK' relating to an 'engine block'. Therefore, with respect to 'machines; machine tools; motors and engines not for land vehicles; heavy agricultural implements', the expression 'ECOBLOC' would be perceived as an indication seeking to inform consumers that those machines and implements were fitted with an ecological engine block. Similarly, as regards 'bearings for machines; spark plugs; glow plugs for diesel engines; machine coupling and transmission components, not for land vehicles', the sign would inform consumers of the intended purpose of these goods (i.e. to be incorporated into ecological engine blocks). Consequently, the sign was found to describe in a simple and direct manner these characteristics of the relevant goods and it was further held that the graphic aspect of the sign would not alter that conclusion. However, in relation to 'incubators', since the Board was unaware of any 'incubators' operating with an internal combustion engine, there was held to be an insufficiently direct and specific relationship between the sign and the goods in question to uphold a finding of descriptiveness. The sign was allowed to continue the registration process for those latter goods.

The dangers of the all-pervading nature of the prefix 'ECO' were confirmed by the General Court in its judgment of 15 January 2013 in Case T-625/11, BSH Bosch und Siemens v OHIM, 'ecoDoor', in relation to materials for 'doors' and in Case T-328/11, 'EcoPerfect', where both Article 7(1)(b) and (c) CTMR.

What these cases demonstrate is that very general prefixes are dangerous. They can convert almost any word with which they are combined to a potentially descriptive sign, simply because their application is so generalized in ordinary language. While this combination may sometimes not be sufficiently direct and immediate for the purposes of Article 7(1)(c) CTMR, it may still be inadequate for indicating commercial origin and thus fall foul of Article 7(1)(b) CTMR.



(b) Americanisms

What happens today the other side of the Atlantic comes to Europe in an ever increasingly short period of time. In the field of new technology, US English terminology leads the way. Sometimes the terminology is not yet widespread in Europe (and would only be known to professionals); this is enough to make it descriptive in relation to goods or services it covers.

In Case R2320/2011, 'RETURN PATH', the examiner had determined the sign to be descriptive and non-distinctive for *inter alia* Class 9, 35 and 38 (all concerning email). According to the 'itv online dictionary', the expression refers to the means by which an interactive TV viewer transmits information to the broadcaster. It uses a modem and a telephone line just like email. The Board held that although the dictionary in question is an online US-based publication, it is compiled using an impressive array of publications (some of which originate in or at least cover the EU). It does not appear to be a dictionary that can be modified by users. In any event, the first language of telecommunications is undoubtedly US English and thus professionals in the telecommunications would be aware of the close nexus between the words of the sign and the services it sought to cover. The decision of the examiner was thus upheld.

In these types of cases, the fact that the sign has even been registered in the United States is not a persuasive reason for allowing registration at OHIM. This argument is frequently evoked but is nearly never able to turn a negative decision into a positive one at OHIM. Trade mark law in the US is not the same as in Europe and the registration practice the other side of the Atlantic appears (to European eyes at least) to be far more liberal than ours.

(c) Neologisms or incorrect grammar

EU trade mark law has traditionally made reference to 'ordinary parlance' in the context of Article 7(1)(c) CTMR. One defence that is frequently invoked before the Office is that the sign for which registration is sought is not a correct use of grammar or is a neologism and should therefore be registered.

In Case T-294/10 of 11 April 2013, 'Carbon Green', the General Court upheld the view of the Board that the sign would be perceived as descriptive of reclaimed rubber and other recycled carbonaceous products, since 'Green' brings ecology to mind and 'Carbon' provides information on the nature of the goods, even though the sign as a whole would not be used in ordinary English. The obviousness of the meaning of the whole was sufficient to prevent the sign from proceeding to registration.

In its decision of 27 January 2012, R1363/2011-2 EFFET MIRACLE, the Board was faced with a somewhat similar situation. In this case the applicant claimed that, contrary to the view taken by the examiner, the expression 'EFFET MIRACLE' deviated from the normal grammatical rules of the French language, since the grammatically correct phrase would be 'EFFET MIRACULEUX'. The Board none the less took the view that, taken as a whole, the expression 'EFFET MIRACLE' would be understood immediately and without hesitation by a French speaking public as referring to the surprising effectiveness of the goods in question (in so far as they would, *inter alia*, enhance the appearance of the face and skin (cosmetic goods), or diffuse an agreeable or appealing scent (perfumery goods)). It is therefore an expression which is merely an ordinary message about something that is very commonplace, requires no interpretation, does not set off a cognitive process in the minds of the relevant public and, as a result, cannot be distinctive. Moreover, the Board determined that a sign may be laudatory where it extols not only the specific qualities which are directly attributable to the goods that it covers, but also their abstract qualities. Given the clearly descriptive character of the sign, no conclusion whatsoever could be drawn from any previous CTM registrations relied upon by the applicant and alleged to be similar, especially since none of them contained an identical reproduction of the sign in question.



Finally, in line with the usual stance taken by the Boards and the Court, it was held that the fact that the competent French authorities had registered the trade mark at issue is also irrelevant. There is abundant and settled case law to the effect that ‘the legality of the decisions of the Office must be assessed solely on the basis of the relevant Community legislation and not on the basis of the decisions of a Member State’. The appeal was therefore dismissed.

What comes out of these cases is that invented terms or incorrect grammar will not prevent the sign from being considered descriptive and lacking distinctive character where the obviousness of that descriptive meaning is still present. The fact that applicants may have managed to obtain a registration in their home country, while it will be considered among other factors, will not bind the Board and will often not be given much weight where there is judged to be an immediate and direct descriptive character to the sign.

(d) Descriptiveness for trade circles

A sign may not be descriptive of certain goods in Europe but if it is elsewhere then this is likely to be known by trade circles. This will often be enough to ‘kill off’ any chance the sign may have of being registered.

In its decision R1095/2011-5 SHARBATI, the Fifth Board found the sign to be descriptive of a particular type of Indian wheat and flour. Although there was no evidence that the sign was known as a descriptor by the general public in Europe, the Board pointed out that it does not have to be already descriptive in the EU; it is enough that it ‘may serve’ such ends in the future for Article 7(1)(c) CTMR to apply. Furthermore, the Board emphasized that for a sign to be rejected as descriptive, it would be decisive first and foremost whether trade circles are aware of that term.

Considerations of ‘trade process’ have also been taken into account in the General Court’s recent decision of 29 November 2012 in Case T-171/11, ‘Clamplex’. The Court found that where the sign applied for has a descriptive character in relation to the end product, the descriptive character also extends to the intermediate goods.

These cases suggests that the Boards will need to take a wide view of descriptive character, looking at matters known to trade circles and examining the products claimed that are used in the production process of finished goods also appearing on the list.

(e) Laudatory slogans

It has long been the case that an advertising slogan can lack distinctive character, even if it contains only an imprecise message on quality (see, for example, T-242/02, TOP, para. 95 and T-424/07, OPTIMUM, para. 26 and Joined Cases T-582/11 and T-583/11, ‘PREMIUM L’ and ‘PREMIUM XL’).

Sometimes the message is more blatant and can be descriptive as well. For example, in its decision – R 609/2012-2 – of 25 January 2013, the Second Board found that the word sign ‘SOFT’N FRESH’ referred to desirable and sought after qualities of yeast and other bread-making ingredients.

On the other hand, the message can be more subliminal, introduce humour or otherwise make the consumer have to think a little. In deciding Case R2197/2011-2 of 11 May 2012 on the registrability of the slogan ‘WE RESTORE, YOU RECOVER’ for services in Classes 37 and 42, the Second Board noted that the slogan had a double meaning: on one level it might ambiguously suggest the restoring, for example, of a carpet which is returned to the customer to ‘re(-)cover’ his or her floors.



However, on another level, the play on words is obvious and suggests, instead, the relief of the customer after having possession once again of his or her restored carpet or upholstery. This linguistic trick was found to be surprising and unexpected.

Furthermore, the mark was also held not to be without elegance, given the clever inversion of subject from 'we' to 'you', the alliteration of the letter 'R' in 'RESTORE' and 'RECOVER', and the change in meter between the primary and secondary clause, all of which combined to lend a degree of euphony to the mark. The Board allowed the slogan to proceed further in the registration process because, although the existence of the characteristics mentioned above would not be a necessary condition for establishing distinctive character, it would be likely to demonstrate such character.

(f) Offensive marks

With 23 official languages of the EU (set to become 24 on 1 July 2013 with the membership of Croatia), language becomes a real issue. What works in one Member State or linguistic area might not work in another. Apart from considerations of words being too difficult or awkward to pronounce for non-native speakers, a word chosen or used in a sign might be perfectly innocent in one country but highly offensive in another.

In its decision of 1 June 2012 – R 254/2012-2 – CURVE 100, the Board was faced with the problem that 'CURVE' was a highly offensive word in the Romanian language relating, among other things, to a woman of loose morals or female genitalia. The Board held that:

'it is not because the goods "fireplaces" are unrelated to the sex industry or to the notion of a "slut", that the Romanian public will view the mark as a non-offensive English word, as the applicant has argued. If the mark had contained a clearly foreign, for instance English, element, which it does not contain, the public possibly might have been deemed to view the mark applied for as non-offensive' (para. 26 of the decision).

The Board, therefore, found Article 7(1)(f) CTMR to apply and rejected the CTM application. What this case demonstrates is the need to take great care in checking the meaning of words throughout the EU. The mark may have been able to have been saved, had the applicant made it clear that 'CURVE' was being used as an English word (for example, 'WINDING CURVE 100')

(g) Problem of geographical scope of objection

As a general rule, Community word marks are only objectionable in the linguistic zone of the language in which they are written, so that if the applicant is able to demonstrate that his mark has acquired distinctive character through use (Article 7(3) CTMR), the mark may none the less proceed to registration. Although that situation is fairly straightforward for most languages, it is not always clear-cut for English.

The globalization of the economy has consolidated English as a world vehicular language. A corollary of this is that most school children in the EU learn English at school. It follows that if an English word is 'basic' then it should be understood beyond the borders of the UK, Ireland and Malta (the three countries which have English as an official or co-official language). Both the Court and OHIM have some difficulty with this. Questions arise as to what is 'basic' and who understands English? Sometimes it has been assumed that basic English (and perhaps more) can be understood in the Netherlands, the Nordic countries and Germany.

In its judgment in Case T-412/11 and T-426/11, 'TRANSCENDENTAL MEDITATION', the General Court approved the approach of the Board of Appeal in requiring evidence of proof of acquired distinctiveness to go beyond the English-speaking part of the EU.



In this case, the sign 'TRANSCENDENTAL MEDITATION' was found to lack inherent distinctive character in virtually the whole of the EU because it was so close to the equivalent terms in other languages as to make it readily understandable to native speakers of those other languages.

A similar problem arose in Case R1709/2011-2 BATEAUX-MOUCHES (FIG. MARK) of 9 October 2012, in which the Board held the mark to be descriptive and non-distinctive with regard to certain Class 39, 41 and 43 services for French-speaking consumers. Article 7(3) could not be applied *inter alia* because of the applicant's failure to show acquired distinctiveness in Belgium and Luxembourg (i.e. the remainder of the French-speaking area of the EU). The case is currently on appeal to the General Court.

The BATEAUX-MOUCHES case underlines the importance of showing acquired distinctiveness throughout the linguistic area in question. French, English and German are not just spoken in the EU in France, UK and Germany. Applicants would sometimes do well to remember that fact when trying to demonstrate acquired distinctiveness and not just concentrate on their home market.

2. DESIGN MARKS

(a) Images of basic shapes

A design mark is basically a figurative mark, that is, a mark that is either composed exclusively of graphic features or is a combination of word elements and graphic components (a complex mark). These kinds of mark can be used to 'save' a word element that would otherwise be totally descriptive or completely lack distinctive character, provided that the graphic or figurative elements are not themselves a simple geometric shape or some other feature that is so banal as to lack distinctive character. 'Designs' are specifically recognized by Article 4 CTMR as being potential material for obtaining a CTM.

In Case R 936/2012-5 of 4 February 2013 — DEVICE OF A TENNIS RACKET, the Board found the following mark to be completely devoid of distinctive character:



Neither the racket itself nor the 'X' design in the racket's strings was distinctive. The racket was banal and the design in the strings could be perceived as an indication of 'X marks the spot'. On the other hand, it can sometimes be difficult to determine what constitutes a 'basic shape'.



In Case R0698/2012-2 - DEVICE OF INVERTED U – , the Second Board annulled the examiner's decision that had found the sign to be a mere variation of a basic shape commonly used on goods and services (including children's books and protective sleeves for ebook readers). The Board held that such a conclusion was not a well-known fact and it was highly arguable that the shape was banal since the examiner had struggled to find a consistent designation (demonstrated by the inconsistent terminology he had used, referring variously to 'an inverted letter U', a 'symbol', and a 'simple geometric shape'). The examiner had also recognized that the mark was not a 'real character' and had, therefore, suggested inadvertently that it was to some degree fanciful. The Board therefore allowed the mark to continue the registration process.



What these cases demonstrate is the need for a design mark to depart from the norms of the sector and have some fanciful element to it. Banality is fatal and simple geometric shapes are best avoided if applicants want a smoother passage through the OHIM registration process.

(b) Use of the EU flag

Giving kudos to the image of a mark is a desirable marketing tool. A number of cases have come before the Boards, and some have ultimately gone before the General Court, involving the use of the EU flag (or part of it) in figurative marks.



The cancellation applicant claimed that the mark had been registered in breach of Article 7(1)(h) CTMR and Article 6*ter* of the Paris Convention because it was an imitation of the emblem of the European Union. The goods and services covered were foodstuffs, alcoholic and non-alcoholic drinks, advertisement and business affairs, education and entertainment, provision of food and drink and of temporary accommodation. The Board held that it is sufficient to determine that a single element of the mark represents an emblem or an imitation thereof from a heraldic point of view; it is not necessary to examine the overall impression produced by the mark (judgment of 16 July 2009, C-202/08 and C-208/08, 'RW feuille d'érable', para. 59). The yellow stars were found to be an imitation of the stars of the EU flag, even though there were only 11 of them (as opposed to the 12 in the EU flag). In the Board's view, the verbal element would be perceived as covering the twelfth star. Accordingly, the mark would inevitably suggest to the relevant public that the CTM proprietor had some sort of official status within the European institutions or, at the very least, that it had been approved or sponsored or otherwise supported by the European Union. That perception would also be reinforced by the use of the word 'EUROPEAN'.

Even use of black and white stars in a trade mark is a bad idea. In Case T-413/11, *Welte-Wenu GmbH v OHIM*, 15 January 2013, the General Court confirmed the applicability of Article 7(1)(h) CTMR and Article 6*ter* Paris Convention for a design mark incorporating black and white stars into a logo which had been registered for driveshafts and driveshaft spare parts for vehicles. The stars amounted to a heraldic imitation of the flag of Council of Europe/EU, since consumers would not necessarily notice the colour of the stars. Given that numerous EU directives apply to this sector, the public could perceive a connection between the goods and the EU or some sort of approval or warranty from the latter.

(c) Patterns or colour combinations

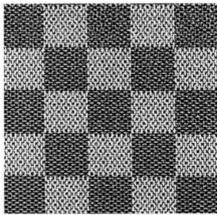
Signs consisting of combinations of colours in a flag design will often have difficulty overcoming objections based on lack of distinctive character. In its decision of 19 July 2012 – R 2417/2011-

5 – BLUE-GREEN; BLACK (COLOUR MARK) , the Fifth Board held that the mere positioning of one colour on top of another colour in 50:50 proportions did not, on its own, render the mark distinctive.



For the types of goods at issue (motor driven gardening tools) there is not always a clear top and bottom part and consumers would in any case see just two colours, not unusual in the specific context of these goods, placed one on top of the other. They would not acknowledge the set of colours as a sign distinguishing the commercial origin of the goods. Moreover, registration of the colour combination at issue for a single undertaking would tend to prohibit other competing undertakings from using any combination of black and teal blue, despite the colours being 'practical' and therefore in demand for these types of goods. The Board was not swayed by evidence that the mark had been registered in Germany.

Simple patterns fare little better than simple colour combinations. In its decision of 16 May 2012 – R 1854/2011-1 – DEVICE OF A CHEQUER-BOARD PATTERN (FIG. MARK)



the Board held that the sign lacked distinctive character for bags and cases in Class 18. It was banal in the extreme:

' [being] very simple and contain[ing] no element capable of individualizing the contested sign so as not to appear as a common and basic chequer-board pattern. On the contrary, for all the products concerned, it will be perceived, at most, as a mere variant of a basic chequer-board pattern which is commonly used for a variety of goods incorporating leather or other fabrics, including the goods at hand. Contrary to the position defended by the CTM proprietor, the 'woven' structure, assuming that it will catch the consumer's attention and be memorized, is not capable of conferring distinctive character to the contested sign overall. In the absence of any particular characteristic or other distinctive features, the average consumer will merely see in the contested sign a simple decorative element applied on the surface of the goods concerned or a particular fabric used for the manufacture of such goods and will not attribute trade mark significance to it. Therefore, at its filing date (i.e. 4 January 2008), the contested sign could not, *per se*, fulfil the essential function of identifying the commercial origin of the goods concerned' (paragraph 48 of the decision).

The bottom-line is that these types of sign need to stand out from the crowd to achieve registration or show that they have acquired distinctiveness through use.



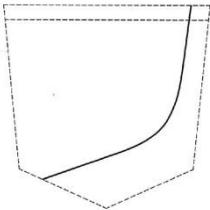
In Case R2244/2010-2 (blue and black colour mark), a combination of colours was allowed to continue the registration process by virtue of the Board's decision that Article 7(3) CTMR applied. In that case, 20 years continuous use had been shown as well as a market survey conducted in seven countries (France, Germany, Italy, the Netherlands, Poland, Spain and the UK). In addition, there were impressive sales figures, testimonials from the Swedish Trade Council and other relevant evidence demonstrating that the mark was used and recognized for seals by cable and pipe experts in the shipbuilding, rail and wind power sectors.

Clearly, the major difficulty of showing acquired distinctiveness is one of expense. For these types of mark the acquired distinctiveness will have to be shown throughout the EU, although it is not necessarily to use the same type of evidence. In other words, an applicant does not need to produce 27 (or 28) individual surveys, evidence can be an assortment of items covering the whole of the EU.

In addition, the narrower the market sector and the relevant public, the easier it will be to show acquired distinctiveness through use.

(d) Jean pocket stitching

Despite numerous decisions of the Boards of Appeal, and a judgment of the General Court (Case T-388/09 of 28 September 2010), the Boards continue to receive cases involving applications to register stitching patterns on jean back pockets. The latest addition to this plethora of cases is the decision of 24 September 2012 – R 920/2012-4 – DEVICE OF STITCHING ON A POCKET



The sign was quickly dispatched by the Forth Board, referring to all the previous decisions on similar matters that proved, in its view, the banality of such a sign.

Position marks are always difficult to get on the register because they are more properly protected as design rights rather than trade marks. It might be possible to obtain registration by using Article 7(3) CTMR but the problems of an EU-28 market make this a difficult and expensive task.

3. 3-D marks

(a) Problem

Although the shape of goods is recognized by Article 4 CTMR as being potential material for obtaining a CTM, registering the shape of a product as a three-dimensional mark is an uphill struggle. In most cases, such marks are unlikely to get of the CTM register because either they will be deemed to lack distinctive character, or they will be judged to be contrary to the provisions of Article 7(1)(e) CTMR.

(b) Packaging

The situation in relation to the application of Article 7(1)(b) CTMR is as described in the foregoing sections of this paper. Often objections concern packaging that is sought to be registered as a 3-D mark. The Board's approach is that in such a situation one must look at overall impression deriving from the constituent parts to see whether they are capable of indicating commercial origin (Case R784/2012 of 6 March 2013).

Another key point is that the shape of the packaging should not assume that which is common place for the particular type of goods which it contains. In its decision R1572/2011-1 of 03/08/2012 - SHAPE OF A TUB (3D MARK), the Board found that the tub in question was the usual shape for packaging of medicine and crèmes. The white label bearing a red strip is also a basic feature, just as the colour light grey which is a common background colour. The ruffles and the clip merely facilitate to open the tub.

The application lacks distinctive character as the relevant consumer will perceive the form and design of the package as decorative elements and not as a sign indicating the origin of the product.



Fig 11

The white label bearing a red strip was simply a basic feature, just as the colour light grey which is a common background colour. The ruffles and the clip merely facilitated the opening of the tub. In the Board's view, none of these elements or its combination diverged sufficiently from commonplace designs of tubs regarding the goods at stake. Accordingly, the application lacked distinctive character as the relevant consumer would perceive the form and design of the package as decorative elements and not as a sign indicating the origin of the product.

On the plea of acquired distinctiveness, the Board agreed with the applicant that the term 'SUDOCREM' and the shape sign at hand could achieve acquired distinctiveness through use even if they are used together. However, there was found to be no indication that the consumer did indeed perceive the contested CTM as a trade mark. On the contrary, the material provided confirmed that the consumer would most likely perceive the word 'SUDOCREM' as the brand and would perceive the application at hand just as common packaging.

On the other hand, the Board cannot assume that a frosted bottle design would always be identified in terms of commercial origin by its label (Joined Cases C-344/10 P and C-345/10 P, Freixenet SA v. OHIM). Such assumptions must be proved by evidence on which the applicant has had a chance to defend himself.



As has been seen, a possible objection based on the provisions of Article 7(1)(b) CTMR may be overcome by showing acquired distinctiveness through use. Nevertheless, it should be borne in mind that showing acquired distinctiveness for a shape mark is very hard. Not least, because in principle the acquired distinctiveness must be shown throughout the EU, that is, in each and every Member State.

It may well be considered that the EU-27/8 standard of proof is overly burdensome. In its judgment of 24 May 2012 in Case C-98/11 P Chocoladefabriken Lindt & Sprüngli AG v OHIM, the Court of Justice states that

'It would be excessive to require that proof of acquired distinctiveness be adduced for each Member State taken individually' (paragraph 63).

This implies that requiring evidence of acquired distinctiveness through use in each and every Member State may be unreasonable. However, this suggestion is only made obiter dictum and for the time being the Boards of Appeal are applying the stricter, traditional approach.



That stricter approach was recently approved by the General Court in its judgment of 29 January 2013, in Case T-25/11, 'Tile cutting machines', in which acquired distinctiveness had only been shown in Spain, Portugal, UK, Poland and France and was therefore insufficient.

Showing acquired distinctiveness through use is not an option for Article 7(1)(e) CTMR. No matter how widely recognized a shape mark may be, if it falls foul of Article 7(1)(e) CTMR it cannot achieve registration.

(c) Applying Article 7(1)(e) CTMR

The provisions of Article 7(1)(e) CTMR prohibit registration of the following:

- (e) signs which consist exclusively of:
 - (i) the shape which results from the nature of the goods themselves; or
 - (ii) the shape of goods which is necessary to obtain a technical result; or
 - (iii) the shape which gives substantial value to the goods;

The thinking behind this is that such shape signs would more properly be protected by other forms of IP rights such as patents, designs or even copyright. Allowing such signs to enjoy trade mark rights would effectively amount to granting, in perpetuity, a monopoly right to a trader over a particular shape. It circumvents the time limited nature of the other forms of IP right mentioned above and creates an anti-competitive situation which risks distorting the internal market.

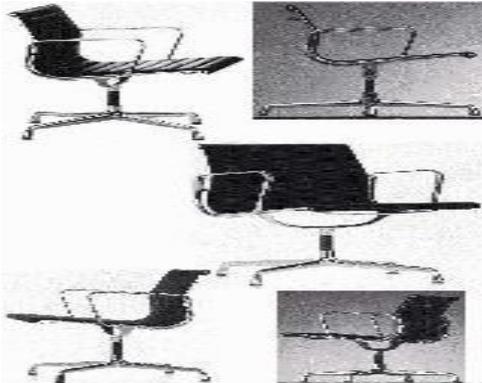
The cases which have most concerned the Boards, and ultimately the General Court, have tended to concentrate on the alleged technical result of the shape (Article 7(1)(e)(ii) CTMR).

In its judgment of 19 September 2012 in Case T-164/11, Reddig GmbH v OHIM, the Court held a 3D registered CTM for knife handles and knives to be invalidated under Article 7(1)(e)(ii) CTMR.



The Court agreed with the Board that the shape in question was technically causal of, and sufficient to obtain, the intended technical result, even if that result could be achieved by other shapes using the same or another technical solution. The essential characteristics of the shape correspond to a technical function of the product. The Court confirmed that trade mark law should not be used to perpetuate patents. Here there was an expired US patent and the Court emphasized that the existence of a patent was 'practically irrefutable evidence that the characteristics which it discloses or claims are functional'. In particular it considered that the angle between the blade and the handle was technically designed to facilitate precision cutting and that the screw was to enable the shell to be opened and the blades to be accessed. Accordingly, the most important elements of the sign were judged to be exclusively functional and the remaining, ornamental features were found not able to constitute essential characteristics of the trade mark.

An interesting scenario is the allegation that it is the shape that gives substantial value to the goods (Article 7(1)(e)(iii) CTMR). In Case R 486/2010-2 – Shape of a Chair, the Board had to rule on the validity of the shape of the Eames chair (see images below), which was registered as a CTM.



This registration was attacked in invalidity by a competitor, who argued that the shape of the chair was what conferred value on the goods. This chair had previously been protected by copyright and the competitor wished to be able to produce, unhindered, lookalike chairs at a significantly lower price. The Board, however, was persuaded by the evidence submitted (which included extracts from wide circulation international magazines showing celebrities such as Madonna sitting on one of these chairs) that the primary appeal to consumers was the fame of the designers and the prestige of owning such a chair. Therefore, the substantial value of the chair was not its aesthetic look. Accordingly, the Board confirmed the dismissal of the invalidity declaration. The case has since been appealed and is currently awaiting judgment.

The scope of application of Article 7(1)(e)(iii) CTMR has also been the subject of a preliminary reference from the Netherlands. It will be interesting to see what answers are given and, one suspects, that the Eames chair case will not be decided until the Court of Justice has given those answers.

It should also be noted that despite the recommendation of the Max Planck Institute that Article 7(1)(e)(iii) CTMR be removed, that recommendation has not been taken up in the Commission's proposed amendment of the CTMR.

4. Geographical Indications

(a) Article 7(1)(c) CTMR

Article 7(1)(c) CTMR prohibits registrations of signs that consist exclusively of signs or indications which may serve in trade to designate geographical origin. If the geographical origin indicated by the sign is directly related to the goods, there is a problem.



In a recent case of the Fifth Board, R 1118/2012-5 – CAMBRIA, **C A M B R I A** it was held that use of the Latin name for Wales in respect of building materials (in particular, stone products) was descriptive, since Wales is well known for its slate. The indication of geographic origin was further assisted in that case by use of the Welsh dragon in the sign applied for, together with the verbal element.

On the other hand, if the geographic origin indicated has no relation to the place where the goods are in fact produced, the sign may be misleading or deceptive. In Case R697/2008/1, the First Board held that the sign 'MÖVENPICK OF SWITZERLAND' was misleading for chocolate that was in fact produced in Germany.



What comes out of these cases is that the geographical reference should be fanciful. For example, chocolates called 'BALI' would not be problematic under Article 7(1)(c) CTMR because Bali is not known for chocolate. It is also unlikely that such a brand would be found to be deceptive or misleading.

(b) Geographical indications and wine

The alcoholic beverages sector is particularly sensitive to indications of geographical origin.

Article 7(1)(j) CTMR specifically prohibits trade marks for wines and spirits from using protected geographical indications when the wines and spirits in question do not have that geographic origin. However, if the trade mark use of that indication predates the protection of the geographical indication it may not be objected to under these provisions.

In Case R0130/2009-2 CHATEAU TANUNDA, the Second Board decided to allow registration of the sign, despite the fact that TANUNDA appeared in the Bilateral Agreement between the EC and Australia on Trade and Wine (OJEC No L 86/79 of 31 March 1994). It nonetheless was not a protected geographical indication in Australia and did not appear on the Australian Register of Protected Names. Moreover, the Board noted that Article 24(5) TRIPs states that 'where rights to a trademark have been acquired through use in good faith ...before the geographical indication is protected in its country of origin..., [this] shall not prejudice eligibility for ...registration of the trademark ..., on the basis that such a trademark is identical with, or similar to, a geographical indication'. Since 'CHÂTEAU TANUNDA' had been continuously used in good faith as a trade mark in Australia for wine for at least 10 years prior to the Bilateral Trade Agreement entering into force, the European Community should not object to a registration of this term simply because it was similar to or identical to a geographical indication appearing in that agreement. Moreover, CHÂTEAU TANUNDA was described from independent evidence as an 'icon of the Barossa Valley' and one of Australia's first vineyards, dating from 1890. In the space of almost 120 years of continuous operation, the name CHÂTEAU TANUNDA has achieved iconic status in the Australian wine industry. Furthermore, a new Bilateral Treaty had been signed between the EU and Australia and was shortly to enter into force; there was no longer any reference to TANUNDA in that Agreement. In the light of these arguments, the Board considered that it is not appropriate to apply Article 7(1)(j) CTMR to the contested CTM application.

Tricky issues arise where geographical indications concern rivers that flow through a number of countries.

In Case R0822/2010-2, the Board had to rule on the registrability of the sign 'VAL DUNĂ', as a CTM for Romanian applicants. The problem was that three geographical indications originating from Hungary exist, all containing the word 'Duna'. The term 'DUNA' in those geographical indications simply refers, in Hungarian, to the Danube. Similarly, the term 'DUNĂ' in the mark for which protection was sought could also be construed as an indirect reference to the Danube in the Romanian language. In fact, according to the Romanian National Office of Vineyard and Wine Products, the VAL DUNA trade mark is merely the abbreviation of the Romanian words 'Valurile Dunării' ('Waves of the Danube'). However, that reference to the Danube was found to be far from being obvious for even Romanian speakers, let alone other language speakers. The Danube river is more than 3000 km long and traces its path through Germany, Austria, Hungary, Romania and Bulgaria. All these Member States produce wine and have done so for centuries. It is only natural that some of their geographical indications would incorporate references to the Danube. Consequently, the Board considered that the existence of the abovementioned geographical indications could not justify the application of Article 7(1)(j) CTMR in the circumstances of this case and annulled the decision of the examiner.

The Boards have tried to take a common sense approach to these cases, where national sensibilities can be involved and underlying wrangling can go back decades, if not centuries. Applicants should take great care to avoid using protected geographic indications when branding their wine, unless the wine actually comes from the particular area in question. Care must also be taken to ensure that any branding strategy does not make the wine label misleading or deceptive. As with objections under Article 7(1)(e) CTMR, breach of Article 7(1)(j) CTMR may not be cured by showing acquired distinctiveness through use. The overriding public policy interest is, on the one hand, to protect regional interests and, on the other, to shield the general public from being misled or deceived as to the origin of a particular wine.

(c) Designations of origin and geographical indications

Art. 7(1)(k) CTMR prohibits: 'trade marks which contain or consist of a designation of origin or a geographical indication registered in accordance with Regulation (EEC) No 2081/92 when they correspond to one of the situations covered by Article 13 of the said Regulation and regarding the same type of product, on condition that the application for registration of the trade mark has been submitted after the date of filing with the Commission of the application for registration of the designation of origin or geographical indication'.

A recent application of the provisions of this article occurred in Case R 659/2012-5 concerning the following sign:



The mark was applied for sausage meat products (excluding Parma ham). While not doubting the public's ability to distinguish between Prosciutto Parma ham (a protected G.I.) and sausage meat, the Board considered that the public could nevertheless believe that the same pigs were used to make both kinds of meat. Sausage meat and Parma ham are potentially both pork products. Accordingly, the public could be misled and the CTM applicant, by referring to 'Parma' was in a position to free-ride on the reputation of the famous ham of that name.

This case demonstrates that the rights conferred under protected designations of origins and G.I.s can be interpreted widely and upheld to the full.

It is also interesting to note that in the proposal for amendment of the CTMR, drawn up by the European Commission, it is intended to streamline Article 7(1)(j) and (k) CTMR with the protection offered to G.I.s under the relevant EU Regulations dealing with that subject and to extend the grounds of refusal to cover protected traditional terms for wine and traditional specialities.



5. Conclusion

The greatest number of absolute grounds objections continues to concern descriptive and non-distinctive word marks. Being imaginative and creative can help secure a registration, and acquired distinctiveness remains a possible (although expensive) option subject to geographic considerations. Design marks often get caught up in banality, using basic geometric shapes, simple colour combinations, or commonplace patterns. This makes it more difficult to apply Article 7(3) CTMR. Sometimes such marks use protected heraldry (such as the EU flag), which brings into play strict public policy considerations banning use of such emblems. Three-dimensional marks often trigger objections based on Article 7(1)(b) and (e) CTMR. Article 7(1)(e) CTMR is the most difficult of these because it does not allow Article 7(3) CTMR to 'cure' the absolute grounds objection. This is most often seen when technical function objections are raised. Finally, indications of geographic origin in the wine sector continue to be a thorny issue, in which national and regional sensibilities run high.