



FULL TEXT

APPLICATION PROCEDURE WORD MARKS, 3-D MARKS, DESIGN MARKS & GIS TO FILE OR NOT TO FILE – ANSWERS FROM THE INDUSTRY

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With 27 Global brands [with each annual sales of more than 50 Million Euros], 72 600 employees of 126 different nationalities, a presence in 130 countries and 5.8 Billion products manufactured, L'Oréal is the largest and leading beauty and cosmetics company in the world.

Most of you are probably familiar with some of our brands and products from our 5 Divisions:

The Luxury Division with brands such as Lancôme, Ralph Lauren, Kiehl's, Shu Uemura, Clarisonic, YSL Beauté, Giorgio Armani and which products are available mainly through a selective distribution, i.e. department stores, selective beauty stores, travel retail, own-brand boutiques and dedicated e-commerce websites.

The Consumer Products Division brands such as Maybelline, Essie, Garnier, SoftSheen Carson and L'Oréal Paris offer an extensive range of products from hair color to make-up and skin care and are distributed in mass retailing channels – hypermarkets, supermarkets, drugstores.

The Active Cosmetics Division gathers brands dedicated to skincare and dermo-cosmetic needs with La Roche Posay, Vichy, Roger & Gallet or Inneov are sold in healthcare outlets worldwide, including, pharmacies, drugstores, and medi-spas.

The Professional Products Division distributes its products in hairdressing salons worldwide under brands such as Redken, Kerastase, L'Oréal Professional.

Finally, **The Body Shop** which products are distributed mainly through a network of exclusive boutiques.

With a worldwide portfolio of more than 200 000 trade marks, our company is regularly acknowledged for being one of the top leading trade mark applicants in France but also in the EU. We cannot indeed stress enough the crucial, incredibly valuable and strategic role played by trade mark protection at L'Oréal and how much faith we put on the system, be it at National or EU level.

Being a leading brand owner, our first and foremost priority is obviously to ensure that trademarks are available and that we achieve the most accurate assessment of risks when clearing any new project.

The new or rather recent trend we observe, at least within our Group, is not related to the challenges of a swift and powerful enforcement of our Intellectual Property Rights, but the drawbacks and pitfalls we face when making the right call on the clearance of signs, in particular concerning trade marks.

We estimate that **1/3** of our Global IP Budget is spent on clearance, with an increase of **5%** every year, well above the prosecution costs.



With endless calls for strong innovation, shorter lifespan of some of our products and the constant business pressure to “outsmart” competition, there is no time to make “test” applications or have a “*let’s see what happens*” attitude. It is crucial to know from day one whether the project is viable or not and in this regard, the application procedure is of the utmost importance in building our strategy.

It can actually be quite exhausting and challenging to make an accurate and sensible risk assessment when you are asked to clear and secure every year hundreds of words, letters, numbers, logos, shapes, and devices ranging from institutional brands to new lines, product names, ingredients, packaging or taglines. Add to that the differences and variations observed in our everyday practice from the National Offices and OHIM and it becomes a trying but also fascinating game!

I would like to finish this introduction by taking you through a brief visual summary of the Community Trademarks in our portfolio. This is a good starting point to review the different issues arising for certain types of Marks, from (1) Word Marks, to (2) 3-D Marks, (3) Device / Figurative Marks as well as (4) Geographical Indications.

1. Word Marks

- **Taglines**

Taglines are a wonderful marketing tool.

We indeed tend to secure a registration for the taglines used to promote a new major launch such a perfume but also more institutional slogans to communicate around a brand’s motto [***Let’s Fight Against Boredom***], digital / social media initiatives [***From the Catwalk to the Sidewalk***] and employee incentives [***Beauty Shaker***].

However, a look at recent decisions certainly shows that case law around taglines and slogans is more and more consistent and a constant reminder that trade mark owners should not confuse a striking commercial weapon with an indication of commercial origin.

For that purpose, I had a quick review of the statistics on Darts IP. Out of nearly 570 decisions made at the European instances level on slogans, only **9%** were in the end ruled as being distinctive trade marks! Some examples very much in line:

For Gamers. By Gamers (R 2042/2012-4 of 1st March 2013).

“This expression will not be perceived as unusual by consumers, but rather as a promotional laudatory message to highlight the positive characteristic of the goods” (computer equipment).

Expanding the reach of surgery (R 1688/2012-5 of 1st February 2013).

“Words are juxtaposed in accordance with the rules of English grammar and transmit a direct message as a slogan”.

Faster. Better. Worldwide (R 1536/2012-1 of 15th January 2013).

This consistent practice has been once again ruled by the General Court very recently (Case T-126/12 of 6th June 2013): ***Inspired by Efficiency*** was applied for machine tools, cables and wires, transportation devices and services related to logistics and transportation. The GC upheld the previous findings from the Examiner and the Board of Appeal and confirmed this expression will be not be seen as surprising or strikingly memorable by the consumers but as a mere ordinary promotional slogan not able to function as a distinctive trade mark according to Article 7 (1) (b) .



Unless the tagline involves an inventive, unexpected arrangement, which, beyond the promotional meaning it conveys to consumers, also appears as an indication of the commercial origin of the goods and/or services, then it will clearly not meet the necessary requirements to be protected as a trade mark. In the end, we should probably acknowledge that not everyone can easily claim to be a **Vorsprung Durch Technik** virtuoso!

- **Morally Offensive Marks**

If, to overcome the banal features of taglines it's always good to go for play-on-words and show some sense of humour that doesn't mean that the trade mark cannot still be refused...based on Article 7 (1) (f) CTMR.

That's the unfortunate issue for **Fifty Shades of Fucked Up** which was refused by the Examiner in cl. 9, 16 & 41.

In a similar manner, the CTM **Knockoff** which was filed in cl. 3, 9 & 25 probably went too far on the provocation side considering the goods claimed!

In the decision regarding trade mark **How to make money selling drugs** in class 41 (R 2052/2011-5, 11/05/12) was not refused by the Board of Appeal based on Article 7 (1) (f) CTMR but on the principle of 7 (1) (b).

Regarding 7 (1) (f) and contrary to the Examiner's position, the BoA considered that "*the average consumer would not interpret such trade mark in a literal manner*" because of the services covered by such. The trade mark was indeed filed in class 41 to refer to a documentary film on the subject of the illicit trade in illegal drugs and the efforts of the authorities and police to prevent such illegal sales. Taking into account the goods covered, the BoA ruled that "*the consumer would see the expression **How to make money selling drugs** as the title of the documentary and not a set of instructions on how to best make a profit from the sale of illegal substances*".

- **Laudatory, Suggestive, Evocative, Allusive v. Non Distinctive, Descriptive Marks.**

This is probably, at L'Oréal at least, the most frustrating and disheartening area. How to reach a reliable rationale?

It is indeed very difficult to walk a fine line between non distinctive/descriptive marks and those which will in the end be granted protection. And that thin line seems to be more and more unpredictable.

As Advocate General Jacobs said 10 years ago in his opinion in the Doublemint case, "*it seems obvious that there is no clear-cut distinction between indications which designate a characteristic and those which merely allude suggestively to it. There is no precise point at which a term suddenly switches from one category to the other, but rather a sliding scale between two extremes and an element of subjective judgment will often be required in order to determine which extreme a term is closer*".

As we said before, making the correct risk assessment and clearing a new trade mark is one of the most difficult tasks today especially when we face overfilled trade mark registers.

So when we run into some decisions that are not consistent, it is of course frustrating.



In our industry, in particular in relation with make-up, hair care or skin care/cosmetics, it is a given that the message conveyed by the trade mark shall in a way be immediately understandable by the consumers. And that's of course when issues arise.

We indeed navigate in a choppy sea of laudatory messages, evocative terms, and neologisms and sometimes, clearly, the result at the application procedure level seems pretty much a lottery.

Even if European instances are not bound by previous decisions, a consistent, reliable and established course of action is more than needed.

In light of some decisions, and because of the inherently "*subjective judgment*" in the examination process, there is always the feeling that in the end, the decision could have gone either way. For instance, **Effet Miracle** being refused as a valid trade mark whereas **Miracle Repair** has been accepted ; **Everstrong** accepted but **Eversleek** falling to the Article 7 (1) (b) & (c).

Neologisms are a tricky one.

Even if per se, they are supposed to be coined, invented words, and therefore cannot automatically be considered as being descriptive, we observe they can easily be written off in light to Article 7 (1) (b) & (c).

- **Medigym** in class 10 (Case T-33/12 of 8th February 2013) where the General Court confirmed that, since it was the mere association of two descriptive words with the obvious, immediately comprehensible connotation of medical gymnastics, it could not be registered as a trade mark.
- Case T-415/11 of 8th November 2012 - **Nutriskin Protection Complex** where the GC confirmed that there was no real difference between the coined word **Nutriskin** and the sum of the two descriptive words Nutri and Skin and reached the conclusion that the sign was descriptive as one of the possible meanings of such sign was that of a product or a complex/ingredient aimed at protecting the skin by nourishing or nursing.
- Case T-427/11 of 21st February 2013 - **Bioderma** in classes 5, 9, 10 & 20. The trade mark was rejected on the basis of Articles Article 7 (1) (b) & (c) for all goods covered except "dietetic substances adapted for medical use" in class 5.

On the contrary, trade marks such as **Skindation, Foamceutic, Cleanicals, Magimorphose, Vitaboost, Chromaceutic, Megalicious, Miracurl** have all been accepted.

Same goes for odd or slightly unusual combinations such as **Le Smart Stick, Spray-a-Porter, Breakthru, Texture Phix, Sorbet de Blush** which have also been deemed distinctive and granted protection.

Play-on-words, as long as they show a minimum degree of fancifulness and imagination, such as **Blackbuster, Black Booster, Mani Many More** [mani as in manicure], are also accepted as trade marks.

Laudatory messages will, more often than not, not resist the examination process.

I have reviewed the recent refusals from the European instances in class 3 and clearly, when the perception of high quality, high value, and clear characteristics of the mark is immediate for the consumer, the mark is rejected.

Some examples of refusals from the European instances in class 3:

Caviar Nails, Posh, Ultra Defense, Belle et Pétillante, Quest for the best, Migliore, Positively Radiant, Elixir de vida, Super Mega.



Examples that clearly speak louder than rules.

The conclusion that can be drawn from recent decisions is that there seems to be an over protection of weak marks that should probably never have been granted protection in the first place.

Without interfering with my fellow speakers from the Part II session today, some trade mark owners can count themselves very lucky. However, it then notably leads to worrying decisions in the daunting world of likelihood of confusion.



2. 3-D Marks

Generally speaking, in our industry, the application procedure is quite straightforward when it comes to 3-D Marks. These are, in the end, one of the most obvious and eye-catching “window” of our innovation and creativity and we thrive around them.

The shape, the specific outlines of a fragrance bottle or high end, innovative cosmetic products are indeed of the utmost importance. The uniqueness of such trade marks is key to the desirability and impact they will have on consumers.

More often than not, companies will work with Designers to bring such distinctive features into reality. As you can see from the examples from the examples on the screen, companies in our industry tend to have somewhat an easy life when facing the examination stage. These 3-D Marks all share in my opinion striking features departing significantly from the norm of our industry to fulfill the requirements of a trade mark.

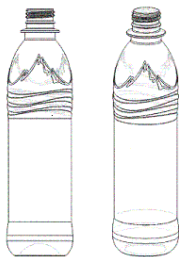
The reality is however quite different when it comes for instance to the food & beverage or fashion industries where it seems increasingly difficult to pass beyond Article 7 (1) (b) CTMR.

Everyone is probably more than familiar with the “*chocolate bunnies*” case (C-98/11P of 24th May 2012 – ***Shape of a bunny made of chocolate with a red ribbon***) by which the Court of Justice confirmed the accurate previous findings from the OHIM and General Court as regards the fact that the shape of Lindt’s bunny was devoid of any distinctive character and did not sufficiently differ from the shapes commonly used in the chocolate industry and did not alter the perception of the average consumer.



More recently, in two cases concerning bottles of mineral water, the General Court upheld the previous Board of Appeal's decision which concluded that said 3-D Marks lacked distinctiveness:

- In Case T-347/10 of 19 April 2013 – **Shape of a bottle with relief-like depiction of three mountain summits**: the General Court confirmed that the combined common overall shape of the bottle and the upper lines representing Peak Mountains would indeed be perceived as usual characteristics by consumers.



- In Case T-178/11, Voss of Norway v. OHIM & Nordic Spirit of 28th May 2013 – **Shape of a Bottle**, following the declaration of invalidity filed by Nordic Spirit. The GC upheld the findings from the Board of Appeal (which had previously annulled the Cancellation Division's decision) and stated that “*the perfect cylindrical shape of the applicant's bottle, although somewhat original, cannot be regarded as departing significantly from the norms and customs of the sector*” to reach the conclusion that such “*trade mark was a mere variant of a basic shape of packaging for those goods*”.



In two other cases closer to our industry (T-409/10 & T-410/10 both ruled on 22 March 2013 – **Shape of a handbag**) Bottega Veneta intended to protect the shape of a handbag but also the specific “*plaited surface of braided leather*”.



However, the General Court upheld the previous findings from the Examiner and the Board of Appeal in the sense that the shape lacked distinctiveness. Moreover, since the applicant did not define or very carefully specify that the features of the leather were part of the trade mark for which the protection was sought, the Board of Appeal could not take such argument into consideration at the latter stage.



The last two decisions I wanted to mention regarding 3-D Marks are the ones from the Board of Appeal (R 1780 & R 1784/2012-2 of 6 March 2013) where the BoA found that the shape [basically identical in both cases but under different colours] had a minimum degree of distinctiveness, due mainly to the small circle in the middle which would enable consumers to perceive the packaging as an indication of origin. I am personally a bit sceptical with this outcome.



Overall, it shows how difficult it can be in some sectors to convince that such 3-D Marks clearly depart from the common impression left on the consumer.

We cannot say that the path of **acquired distinctiveness through use** for 3-D Marks is a better option considering the ratio so far. It looks indeed as a doomed exercise to try to convince the European instances that the conditions of Article 7 (3) CTMR are met.





In the case regarding **Kit Kat / Shape of a chocolate bar** (R 0513/2011-2 of 12th November 2012), the Board of Appeal acknowledged that the evidence submitted by Nestle prove that *“the mark has been used in almost the totality of the EU's territory, covering the market of fourteen of the fifteen Member States that formed the EU at the relevant point in time”* and therefore, as a consequence of such use, *“almost 50% of the general public of the EU taken as a whole identifies as first option the CTM proprietor as the business origin of a product with the shape of the mark”*.

The BoA indeed emphasised that the figures equalled to a top-of-mind recognition of the CTM proprietor as the business origin of the goods and therefore, such 3-D Mark had managed to acquire a distinctive character in a substantial part of the EU territory where it was non distinctive ab initio.

3. Figurative / Design Marks

It is quite a constant trend to conclude that signs which primarily serve a decorative purpose or featuring simple and ordinary geometrical shapes are devoid of distinctive character.

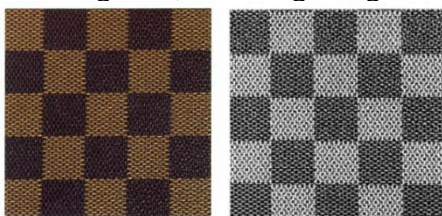
When it comes for instance to a simple pattern or a piece of fabric, how can those be measured as being a distinctive feature of the sign?

Recent decisions especially in the fashion industry lead the path to a strict on figurative signs.

As in the *“tartan cases”* (T-326/10, T-327/10, T-328/10, T-329/10, T-26/11, T-31/11, T-50/11 & T-231/11 – **Coloured checked pattern**) all jointly ruled on 19th September 2012, the General Court confirmed the previous findings to refuse registration to the figurative trade marks you can see below, representing different combinations of coloured tartan patterns.



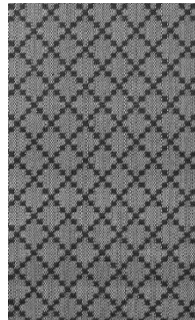
This is very much in line with the Board of Appeal previous decision regarding the Louis Vuitton **chequer-board pattern** (R 1855/2011-1 of 4th May 2012 & R 1854/2011-1 of 16th May 2012) which is now before the CJEU. In both decisions, the BoA indeed considered that *“it cannot seriously be denied that the chequer-board pattern [...] is a basic and banal figurative feature composed of very simple elements. It is therefore not surprising, contrary to the allegations of the CTM proprietor, that this device has been commonly used for a long time with a decorative purpose in relation to various goods, including the goods designated in class 18”*.



The same reasoning was followed in Vans **side swoosh line** case (R 0860/2012-5 of 14th November 2012): *“because graphic lines and stripes are commonly used on clothing, footwear and goods in Classes 18 and 25 for decorative purposes, they would be seen as ordinary by the relevant public and would probably not be remembered. The public [...] will perceive them not as a distinguishing sign but rather as a merely decorative feature”*.



Therefore, a sign which is very simple, be it for instance a line, a circle, a rectangle is not *per se* capable of conveying a strong indication of origin and consumers will not consider them as a trade mark unless it has acquired distinctive character through use which as you all know is an Herculean task to say the least.



4. Geographical Indications

Relationship between Trademarks and Geographical Indications has always been a tricky one.

In our industry, attracting consumers through escapism, wonderful scents coming from far away, references to idyllic places is nothing new but part of this industry marketing “codes”.

It does not mean of course that all these names will fall foul under the specific provisions protecting Geographical Indications or under for instance Articles 7 (1) (b) & (c) CTMR.

If the geographical name chosen is not covered by a specific protection or if it is imaginative and the public may not reasonably expect such place to be known for the goods for which registration is sought, then trade mark protection will be granted.

- **Champagne**

However, there have been some well documented cases in the past 20 years notably around **Champagne**.

Champagne / YSL Case (Paris Court of Appeal, 15th December 1993) by which the Court of Appeal upheld the previous findings cancelling the registration and preventing any further use of the appellation of origin for a perfume. YSL subsequently changed the name to Yvresse.



Royal Bain de Champagne / Caron Case which went all the way through the French Cour de Cassation in 2004 which upheld the findings from the Court of Appeal cancelling Caron's registrations from 1923 & 1941. We have to say that it was quite daring from Caron considering the shape of the bottle...The perfume is now called Royal Bain de Caron.



More recently, CTM applications **Champagne Powder** in class 3 and **Champagne Therapie** in classes 3 & 5 were both withdrawn, no doubt after cease and desist letters sent by the CIVC, the trade association safeguarding the appellation of origin.

- **Other cases**

Another example of the consequences of the difficult relationship between trade marks and GIs: the CTM for **Vanille Havana** from L'Artisan Parfumeur in class 3 was withdrawn following an opposition filed by the Empresa Cubana de Tabaco and the perfume is now named Absolument Vanille.



We can easily picture the pressure felt by trade mark owners facing cease and desist letters, opposition proceedings or infringement claims.

The last one I wanted to comment is not a EU decision but comes from the UK Trademark Office following the Opposition filed by the Minister for Economic Development States of Jersey against Chanel in relation with its UK trade mark application **Jersey** on the grounds of **Articles 7 (1) (b) & (c) CTMR**.



In its decision of 29th April 2013, the UK IPO considered that:

- The UK average consumer will associate Jersey with one of the Channel Islands and will not assimilate that name with the fabric “linked” to Coco Chanel;
- Even if such association with Coco Chanel was made, that knowledge “*would not automatically displace the geographical significance of the word Jersey in the average consumer’s mind*”.
- The trade mark registration is therefore rejected since “*Jersey consists exclusively of a sign or indication which may serve, in trade, to designate the geographical origin of the goods. It is a geographical name [...] which must, in the public interest, remain available to those undertakings to indicate the geographical origin of their goods*”.

Before concluding this session and giving the floor to my fellow speakers, a few final words, one to be observe carefully being the question: How do we move forward within the Union following IP Translator?

How can we ensure that as trade mark owners and trade mark practitioners we are able to anticipate the degree of protection and a consistent interpretation from Trade mark Offices and Courts when facing future conflicts and when it’s time to enforce trade mark rights?

Despite the willingness to coordinate and find a harmonised understanding, we can anticipate future headaches and clearly the interpretation of class headings will probably have huge consequences in potential opposition, cancellation, infringement procedures.

Consistency and a harmonised approach should be hugely encouraged.

I am also sure we are all eager to appreciate the positive steps to be foreseen hopefully in a very near future with the revised legislative package, be it (1) the changes expected in the fees structure, (2) the up-front payment of the filing fees to put an end to “test / speculative” applications, (3) the new definition around the “*graphic representation*” of trade mark.

Trade marks shall indeed live with their time and embrace for instance the new developments of this digital era.