

In *Universal Display Corp v Office for Harmonisation in the Internal Market* (OHIM) (Case T-435/11, May 2 2012), the General Court has upheld a decision of the Second Board of Appeal of OHIM to refuse to register the word mark UNIVERSALPHOLED.

In September 2009 Universal Display Corp obtained an international registration designating the European Union for the word 'UniversalPHOLED' for the following goods in Class 1 of the Nice Classification: "chemicals for use in the manufacture of organic light-emitting devices and other organic electronic devices".

In January 2010 the OHIM examiner refused protection of the international registration on the grounds of descriptiveness and lack of distinctiveness pursuant to Articles 7(1)(b) and (c) of the Community Trademark Regulation (40/94) (now the Community Trademark Regulation (207/2009)).

The applicant appealed against the decision. The Second Board of Appeal rejected the appeal in May 2011 on the basis that:

- the mark was composed of two descriptive English words: 'pholed', which was descriptive of the goods applied for, and 'universal', which was descriptive of the all-round application of the goods;
- and the public would consider the mark as a description of the materials used in the manufacture of the goods.

The applicant filed an appeal to the General Court.

The General Court first considered the descriptiveness of the mark pursuant to Article 7(1)(c) of the regulation. It confirmed that the relevant public consisted of English-speaking specialist consumers, since the mark comprised two English words.

The General Court reaffirmed the requirement for a sufficiently direct and specific association between the mark and the goods which would mean that the relevant public might perceive the mark as a description of the goods or their characteristics.

The General Court then considered each of the two components of UNIVERSALPHOLED in turn. With regard to 'universal', the court considered that this would be understood to mean that the goods were fit for general or universal use. With regard to 'pholed', the court accepted that it was an acronym for 'phosphorescent light emitting diode'.

The applicant sought to challenge the court's conclusions in relation to 'pholed', alleging that it had coined the term. However, the court, confirming the decision of the Board of Appeal, considered that:

- the applicant had failed to demonstrate any IP rights in the word 'pholed'; and
- the applicant's purported reputation as a leader in the field did not mean that it had any exclusive right to use the word and was not a guarantee that the term was distinctive.

The General Court then considered UNIVERSALPHOLED as a whole and concluded that the combination of 'universal' and 'pholed' would lead the relevant public to consider that it described the materials used in the manufacture of phosphorescent organic light-emitting diodes which have a universal application.

The applicant sought to challenge this conclusion. In its view, the relevant public would consider that the mark as a whole designated diodes produced by it, given that the 'universal' component was part of its company name. In refuting this challenge, the General Court stated as follows:

- 'Universal' is a common descriptive word with a clear and specific meaning. When used in conjunction with a technical term or a designation, the mark would be perceived as meaning that the goods were universally compatible with various applications in the field.
- A compound mark which has descriptive elements will be descriptive, unless there is a perceptible difference between the compound word and the mere sum of its parts. A "perceptible difference" is present where the mark creates an impression sufficiently far removed from the impression created by the mere combination of meanings lent by the separate components, with the result that the mark is more than the sum of its parts. In the case in point, the combination of 'universal' and 'pholed' (each of which, in isolation, was descriptive of the type and nature of the goods) was also descriptive of the type and nature of the goods as a whole.
- The combination of 'universal' and 'pholed' complied with grammatical and syntactical rules and was not unusual in English, even though it does not appear as such in dictionaries.

The applicant also submitted that UNIVERSALPHOLED was not descriptive of the goods because light-emitting diodes are not chemical substances and are therefore covered by Class 9, not Class 1. The General Court rejected this submission for two reasons:

- Chemical substances (eg, phosphorus) are used in the manufacture of light-emitting diodes, even though the diodes themselves are not a chemical substance.
- Notwithstanding the above, the application specifically concerned chemical substances used to manufacture light-emitting diodes.

The applicant further submitted that, due to its leading reputation in the field, the relevant public would establish a link between 'universal' and 'pholed' and believe that the goods bearing the mark were manufactured by the applicant. The General Court rejected this submission on the basis that the applicant had not proven any acquired distinctiveness of the compound mark.

The applicant also sought to rely on an existing portfolio of trademarks containing the word 'universal' and on the principle of equal treatment. The General Court emphasised that:

- decisions to register a Community trademark must be based on the regulation, not the previous practice of the Boards of Appeal; and
- the principle of equal treatment must be applied in a manner that is consistent with the principle of legality (ie, a person may not rely on an unlawful act in support of his/her claim).

Therefore, the applicant could not rely on OHIM's previous decisions, as to do so would be inconsistent with the principle of legality.

The General Court did not consider the distinctiveness of the mark in any detail given that the mark was not registrable due to descriptiveness under Article 7(1)(c).

There is a body of case law showing that tribunals often commit an error of law in their assessment of a compound word. Whilst it is usual for a tribunal to examine the component elements of a compound word as a step in its analysis, it is the assessment of the whole word which truly matters, as the General Court reiterated in the case in point. The underlying principle behind this approach is that the average consumer normally perceives a word as a whole and does not analyse its constituent parts. Not surprisingly, the

General Court has reaffirmed that the obligation to assess a compound word as a whole applies when Article 7(1)(c) of the regulation is being considered.

Contact

Ellie Forrest-Charde

Associate

T +44 207 655 1144

E ellie.forrest-charde@squiresanders.com

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