

The General Court (GC) has confirmed a decision of OHIM's First Board of Appeal (BoA), concerning a CTM registration for the following mark:



(EDS mark) covering transmission shafts for vehicles, machines and terrestrial vehicles in classes 7 and 12, which was found to be invalid under Art 7(1)(h) CTMR. The GC confirmed the BoA decision that the EDS mark was a heraldic imitation of the emblem and flag of the European Union:



The GC found that, following Case T-127/02 *Concept/OHIM (ECA)*, Art 76 CTMR was not an obstacle to the consideration of well-known facts or common knowledge in proceedings where they were not submitted as concrete evidence. It was found that OHIM should interpret EU law, including Directives, and EU jurisprudence as common knowledge, as envisaged by the judgment in the above case.

The application for a declaration of invalidity was initially refused by OHIM's Cancellation Division, but this decision was overturned by the BoA. The BoA found that the EDS mark had been registered contrary to Article 6 *ter* of the Paris Convention and was invalid. The EDS mark was a heraldic imitation of the emblem and flag of the European Union, and would suggest to the public that there was a connection between the products bearing the EDS mark and the European institutions. The GC emphasised the distinction to be made between the different tests to be applied when assessing heraldic imitation under Art 7(1)(h) CTMR, and a likelihood of confusion under Art 8(1)(b) CTMR, namely that the former requires an assessment of whether the mark is a heraldic imitation of the sign or emblem at issue, and if it is, whether the

public would make a connection between goods or products bearing a mark and the organisation represented by the emblem or flag in question, and whether they would be misled about the origin or qualities of the products or services bearing the mark. In contrast, the latter requires a global comparison of the marks and an assessment whether the relevant public would believe that goods and/or services bearing the mark would believe that they originated from economically linked undertakings.

Welte-Wenu (WW) unsuccessfully appealed against the decision of the BoA to the GC on the following grounds:

1) Violation of Article 55(2) Regulation 40/94, Art 76 Regulation 207/2009 and Art. 37(b)(iv) Regulation 2868/95

When the European Council (EC) initially filed an application for a declaration of invalidity of the EDS registration, the evidence submitted by the EC was not pertinent. The EC had not demonstrated that the relevant public would establish a link between the goods covered by the registration and the EU, and the application for a declaration of invalidity was refused by OHIM's Cancellation Division.

The EC appealed to the BoA and submitted further evidence, annexing the Automotive Directive 2007/46 concerning the approval of motor vehicles, trailers, and components, to support its appeal. The EC argued that because the European institutions regulated motor vehicles and their components, they were clearly involved with the motor industry, and that this was sufficient for the public to make a connection between the registered mark and the EU flag and emblem. The BoA accepted that the general public would be misled by this registration, as it would believe that the protected goods originated from the European Institutions or that their quality was in some way guaranteed by them.

WW alleged this was contrary to Art 55 Community Regulation 40/94 and Art 37(b)(iv) Community Regulation 2868/95 as the evidence was not presented at the same time as the application for a declaration of invalidity was filed at OHIM's Cancellation Division, and the BoA was only entitled to make a decision based upon the evidence, facts, and arguments submitted by the parties to the initial application (under Art 76 CTMR). Therefore, WW argued that this supplemental evidence could not be taken into account by the BoA.

The EC submitted that, following ***Concept/OHIM (ECA) T-127/02, Rec. para II-1113*** (ECA), Art 76 CTMR was not an obstacle to the consideration of common knowledge, even where it was not initially submitted as part of the evidence. It argued that the Automotive Directive was common knowledge, and therefore could be taken into account. Whilst the Automotive Directive was only presented to the BoA within the EC's grounds of appeal, and had been referred to incorrectly by the EC, the GC found that this was not a bar to the Automotive Directive being taken into consideration. It was accepted by the GC that the Automotive Directive would be considered as the type of common knowledge envisaged by the ECA judgment, and therefore could be taken into account.

The GC found that the Automotive Directive was not evidence, but instead was proof of the applicable law, and would be pertinent to the interpretation of Art 7 CTMR. In addition, whilst the Directive was not concerned with intellectual property law, it was still an element of EU law. As OHIM is a European institution, it is governed by, and therefore could not ignore, EU law, such as the Automotive Directive.

The GC therefore refused this ground of appeal, finding that the BoA had not erred procedurally in taking into account the Automotive Directive.

2) Violation of Art 7(1)(h) CTMR and Art 6 *ter* Paris Convention

WW did not contest the finding that the mark was a heraldic imitation of the EU flag and emblem. Instead it argued that the public would not make a connection between products bearing the EDS mark and the EU flag and emblem, and even if any connection were made, it would not mislead the public into believing that the EU in some way endorsed or guaranteed the quality of the products bearing the EDS mark.

First, WW argued that the Automotive Directive, which indicated that the EC was concerned with the regulation of vehicles and their components, came into force in 2007, five years after the registration of the EDS mark. WW argued that the EC could not invalidate a trade mark registration on the grounds that its activities had expanded to encompass the products covered by its trade mark after the mark had been registered.

The GC held this argument to be invalid, as the Automotive Directive replaced Directive 70/156/CEE which dealt with the reception of motor vehicles and their parts into the EU. Therefore, the European institutions had been concerned with the regulation of motor vehicles and parts prior to, and at the time of registration of the EDS mark.

Second, WW argued that the public would not make a connection between the EDS mark and the emblem and flag of the EU. It argued that the consumers of the goods (transmission shafts) bearing its EDS mark were automotive professionals, and not the general public. Products bearing the EDS mark would be chosen and installed by an automotive professional who would be aware that the products originated from WW and were not in any way related to the European institutions. WW argued that the Automotive Directive would not lead to a different conclusion, as the Directive concerns vehicle manufacturers and provides for the issuance of paper certificates, and does not relate to the packaging or marking of automotive products.

The GC did not accept this argument. Whilst products bearing the EDS registration would primarily be installed and chosen by the professional public, it is clear that the general public would have an interest in the spare parts installed in their vehicles, and the EDS mark would appear on packaging, receipts, and brochures that would be available to the general public. Therefore, any link made between products bearing the EDS mark and the EU emblems had to be considered from the perspective of the general public.

The GC also stated that Art 6 *ter* included the possibility that the public would be misled on the grounds that it would appear that the EU endorsed or guaranteed the quality of the products bearing the mark, and not simply that the products or services originated from a European institution.

The GC then clearly distinguished between the determination of a likelihood of confusion under Art 8(1)(b) CTMR and the test for demonstrating that a trade mark contravened Art 6 *ter* (1)(c) Paris Convention. The latter required that the public would make a connection between the mark and the emblem in question, and would be misled as to the origin of the products or services bearing the mark. This was particularly pertinent to the consideration of heraldic imitation. WW's argument that a global appreciation of the EDS mark, including the cross and verbal elements, had to be considered when assessing whether the public would make a connection between products bearing the EDS mark and the EU emblem and flag was not pertinent. The elements of the mark, other than the ring of stars, were not sufficient to exclude the fact that the public would make a connection between the EDS registration and the European institutions. The fact that the additional verbal and device elements of the mark in the view of the public, directly related to the products for which the mark was registered, merely strengthened the argument that the distinctive element of the mark was the ring of stars, which was a heraldic imitation of the earlier European emblem and flag. This would therefore cause the public to make a connection between the registration and the European Institutions, and believe that products bearing the EDS mark were in some way endorsed by the European institutions.

The GC confirmed that the BoA was right to find that registration of the EDS mark was contrary to Art 7(1)(h) CTMR, as it was a heraldic imitation of the EU flag and emblem, and would lead to the public making a connection between products bearing the EDS mark and the EU emblem and flag.

The GC rejected WW's appeal, and confirmed that the EDS registration was invalid.

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