



LUXEMBOURG COURTS CONTINUE TRADEMARK SCRUTINY

Since December 2009, the European Court of First Instance has been known as the General Court. But the name change has not altered the pace at which decisions issue from the General Court and European Court of Justice, say Chris McLeod and Florian Traub.

In *Agencja Wydawnicza Technopol sp. zo.o. v. OHIM*, the then Court of First Instance (CFI) upheld the Office of Harmonisation for the Internal Market's (OHIM) refusal of figurative marks that incorporated the numbers 100 and 300 respectively, printed in a bubble typeface with a yellow strip above the relevant number and a red ribbon below. Each application covered goods and services in classes 16, 28 and 41. Agencja also applied for registration of the marks 150, 250, 350, 1000, 222, 333 and 555 for goods in class 16.

In considering whether the relevant public would perceive a sufficiently direct link between the numbers and the goods, the CFI noted that the numbers alluded to a quantity such as the number of pages or works, an amount of data or the number of puzzles in a collection or, in respect of the 1000 mark, the ranking of items referred to in them. The association would be immediate for the relevant public and taken into consideration by the average consumer when making a purchase.

As a result of this decision, there is always a risk that an application will be refused if it comprises a number and the risk is even greater if that number is a round figure (such figures often being used for model or product numbers for goods as well as advertising their ranking).

In *Iranian Tobacco v. OHIM*, the General Court was asked to decide on formal issues of European trademark law. It confirmed that there is no requirement for an applicant seeking to revoke a Community trademark (CTM) registration on the ground of non-use to demonstrate an interest in acting. At most, it requires the applicant to be a natural person or a legal entity with the capacity to sue. In contrast, applications for revocation on relative grounds can only be brought by trademark owners or licensees who have their own interest in challenging the mark.

In *Media-Saturn-Holding GmbH v. OHIM*, the General Court upheld an OHIM Board of Appeal decision refusing the registration of an application for Best Buy and a device for goods and services in 25 classes on grounds of non-distinctiveness.

The General Court stated that the public would exclusively consider the expression as an indication of the advantageous relationship between quality and price, and not as the indication of the commercial origin of the goods and services. The rectangle used in the application as a device element was a simple geometric shape, which only highlighted the commercial nature of the message and did not give additional distinctive character insofar as the presentation of a slogan was made to attract visually the attention of the public.

This decision is not surprising and follows the reasoning of the General Court in *Best Buy Concepts Inc. v. OHIM*, confirming that a promotional message framed in a rectangle does not have sufficient distinctive character to be a badge of origin.

In *Enercon GmbH v. OHIM*, the General Court upheld a decision of OHIM's Board of Appeal that there was a likelihood of confusion between the marks 'Enercon' and 'Transformers Energon'. Enercon was filed in connection with goods in *inter alia* classes 16, 18, 24, 25, 28 and 32, but was rejected following an opposition by Hasbro Inc. Hasbro claimed a likelihood of confusion with its earlier word CTM registration for Transformers Energon in relation to identical products in the same classes.

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The court looked at the distinctive and dominant elements of the marks and held that the board was correct in finding that neither the 'Transformers' nor the 'Energon' element in the earlier Transformers Energon mark was dominant or more distinctive than the other. Enercon's attempts to argue that Transformers was the dominant element of Transformers Energon because of its font and larger size was not accepted by the court.

The General Court took the opportunity in this case to reiterate that in assessing confusion, the comparison must be made by examining each of the marks as a whole, rather than just taking one element of a composite mark and comparing it with another mark.

In *PromoCell bioscience alive GmbH Biomedizinische Produkte v. OHIM*, the General Court upheld OHIM's refusal to register the word mark 'SupplementPack' on the grounds that it lacked distinctive character.

The court ruled that the unusual way of writing SupplementPack (resulting from the fact that the two words were juxtaposed without spaces and that each of the two juxtaposed words began with a capital letter) did not amount to evidence of any creative aspect capable of rendering the mark distinctive. The court further held that the mark SupplementPack enabled the relevant public to discern immediately, and without any further reflection, a specific and direct connection with the chemical and pharmaceutical preparations covered by the application.

The General Court went on to dismiss PromoCell's argument that the US Patent and Trademark Office had allowed the registration of the mark in the United States. The court reiterated that decisions of other trademark authorities were not binding on it and that OHIM had no discretion to make decisions on the basis of anything apart from Community Trade Mark Regulation (40/94) (now Community Trade Mark Regulation (207/2009)).

In *Lancôme parfums et beauté & Cie SNC v. OHIM*, the European Court of Justice (ECJ) dismissed an appeal against a decision of the General Court and upheld an application for a declaration of invalidity of the CTM 'Color Edition' on the grounds that it was descriptive and devoid of any distinctive character. The application for a declaration of invalidity had been filed by a law firm, which did not disclose its client.

First, the ECJ ruled that the applicant for a declaration of invalidity on absolute grounds does not need to have a personal interest in relation to the application. The only requirement is that the action is introduced by a natural or legal person, or any groups or bodies that have the capacity to sue and be sued. Only invalidity actions based on relative grounds have to be filed by trademark owners, owners of earlier rights or licensees.

With respect to Lancôme's claim that the application by a law firm was incompatible with the role of the legal profession, the ECJ found that this plea amounted to a separate ground of appeal. Since that plea was not raised before the General Court, the ECJ held that this ground of appeal was inadmissible and had to be disregarded.

Furthermore, with respect to whether the word sign Color Edition was devoid of distinctive character, the ECJ found that, as a general rule, the mere combination of elements, each of which is descriptive of characteristics of the goods or services in respect of which registration is sought, itself remains descriptive unless it creates an impression that is sufficiently far removed from that

produced by the combination of those elements. The ECJ upheld the General Court's findings that the word sign Color Edition was composed exclusively of indications that may serve to designate certain characteristics of the goods in question.

In *Européenne de traitement de l'information (Euro-Information) v. OHIM*, the General Court overturned OHIM's Board of Appeal decision that the mark 'Euro Automatic Cash' was devoid of distinctive character for a range of goods and services in classes 9, 35, 36, 37, 38 and 42, many of which had a financial nature.

Considering the meaning of the words, the court concluded that the relevant consumer would consider the mark to refer to an automatic direct payment in euros or to automatically obtaining euros in cash. Unsurprisingly, it added that the fact that the mark could have two meanings did not preclude its refusal, because only one meaning has to be descriptive in order for this to be applicable, and reiterated that OHIM was not obliged to consider all of the goods and services covered by an application but only each category thereof.

However, the General Court felt that the board had acted incorrectly because it was not apparent that the mark was bound to all of the goods and services to the same extent. For example, the expression 'Euro Automatic Cash' was in the court's view connected *a priori* to cash machines but clearly not in a direct and concrete manner to legal services in class 42. Accordingly, the court had to conclude that the board of appeal had contravened the requirements for refusal on absolute grounds because it had not examined each category of goods and services in accordance with the settled case law.

In *Mirto Corporación Empresarial, SL v. OHIM*, the General Court confirmed OHIM's earlier decisions rejecting the opposition to a CTM application by Magificio Barbara Srl for 'Mirtillino' in a stylised font on the basis of an earlier word mark registration of 'Mirto' for mainly identical goods in classes 3, 18 and 25.

In comparing the marks, the court agreed with OHIM's assessment that the marks were conceptually dissimilar to the average consumer. Visually, the court ruled that the marks had a low degree of similarity, partly because of the stylised font of the later mark. Phonetically, the three additional syllables in the word Mirtillino distinguished it from Mirto even if the first syllable was what most attracted the attention of the average consumer. Further, the unitary character of Mirtillino could not be deconstructed into two elements with a distinct conceptual content, mitigating the effect of the first syllable 'mir' in the pronunciation of Mirtillino.

Although the marks may have appeared on first consideration to be similar, the court unusually went into a very substantial and specific analysis of the similarity of the marks and goods and of the likelihood of confusion in order to reach its conclusion that there was no likelihood of confusion.

In *Esotrade, SA v. OHIM*, the General Court dismissed an appeal against a decision of OHIM's second Board of Appeal to uphold a decision of OHIM's Opposition Division in favour of the opponent, Antonio Segura Sánchez.

Esotrade had applied to register for the class headings in classes 14, 18 and 25, a word and device mark containing the word 'YoKaNa' in a stylised font below a circle, the mark as a whole being in the colour red. The application was opposed in classes 18 and 25 by Sánchez on the basis of his earlier CTM registration of the word 'Yokono' in conjunction with a star device. OHIM concluded that there was a likelihood of confusion between the conflicting signs.

The General Court agreed with OHIM, ruling that the word elements of the marks did not have a different overall effect on the consumer because the differences in pronunciation were too small, the marks were visually distinguishable despite phonetic similarity and were somewhat similar conceptually because they evoked an Asiatic origin with the combination of the letters Y, K and N, and the red circle in the opposed mark evoked the Japanese flag, whilst the star in the earlier mark evoked the Chinese flag.

This case confirms the secondary nature of logo elements when compared to word elements and the relative isolation within which CTMs are compared. Where the word elements bear this degree of similarity and have no meaning to EU consumers, the marks are generally likely to be held to be similar.

The above decisions give some examples of how the Luxembourg courts continue to contribute to an increased consistency in applying the Community Trademark Regulation. This is important for users of the CTM system, which again enjoyed great popularity in 2009 (88,191 CTM applications were filed in 2009). Bearing this in mind, the number of appeals brought against decisions of OHIM's Boards of Appeal (207 in 2009) is relatively small. Nevertheless, practitioners will continue to look out for new developments in judgments of the General Court and the European Court of Justice in the future.

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