

A nighttime photograph of a city street. The street is illuminated by numerous warm-toned streetlights, creating a bokeh effect. Long, curved light trails from vehicles are visible on the road. On the left and right sides, there are trees decorated with strings of white lights. The overall atmosphere is festive and urban.

K&L GATES

**TRADEMARKS
AND UNFAIR COMPETITION**

QUARTERLY BULLETIN

3/2016 (22)

IN THIS ISSUE

INTRODUCTION	5
---------------------------	----------

LEGISLATION	6
--------------------------	----------

PL: Cheaper trademark and industrial design protection in Poland	6
--	---

CASE LAW	8
-----------------------	----------

EU: Importance of renown and proof thereof.....	8
---	---

EU: Ruling of the EU General Court on the trademark “Fitness”	9
---	---

EU: Descriptive nature of a trademark	12
---	----

EU: Actual use of a trademark as a necessary element for protection of a mark	13
---	----

PL: Good custom and public order and trademarks.....	15
--	----

EU: VOGUE vs. VOGUE – Decision of the EUIPO Board of Appeal.....	16
--	----

EU: Refusal to register a trademark due to its descriptive nature – decision of the EUIPO Board of Appeal in the case of the mark “ekantor.pl”	18
---	----

UK: Use of the name associated with the business.....	19
---	----

FR: The French Supreme Court refuses to cancel a trademark for lack of any fraudulent intent and absence of misappropriation of customers	20
--	----

IT: The Court of Appeal of Milan asks the CJEU to rule on “repair clause” provided under Article 110 of EU Regulation 6/2002.....	22
--	----

OTHER ISSUES 23

PL: Acquired distinctiveness as a condition for granting protection to a trademark.....23



We would like to wish our Readers all of the best for the New Year.

K&L Gates IP Team

INTRODUCTION

It is my pleasure to welcome you to the latest bulletin from the field of trademarks. As in every quarter, we present the most interesting news in an engaging, easily understandable manner.

In this issue, we focus on the most important rulings issued recently by the General Court. I recommend in particular the article on the proof of the reputation of an earlier mark, in which the General Court presented a very interesting interpretation of Article 8 (5) of Regulation No. 207/2009. Also especially worth reading are the articles on the descriptive nature of trademarks (using the examples “Fitness” and “RESCUE”) and the rules for proving whether they are descriptive.

Our regular team of writers has been joined by our colleagues from London, Paris and Milan.

On behalf of the entire team, I wish you a fruitful read. I also encourage you to share your opinions and reflections with us, and to address our authors with any questions you may have.

Have a healthy, happy and prosperous New Year 2017!

Oskar Tułodziecki



LEGISLATION

PL: CHEAPER TRADEMARK AND INDUSTRIAL DESIGN PROTECTION IN POLAND¹

Michał Ziótkowski

Changes have been introduced in the system of fees for the submission and protection of trademarks and industrial designs with the Polish Patent Office (“PPO”).

On October 6, 2016, an amendment of the Regulation of the Council of Ministers on fees relating to the protection of inventions, utility models, industrial designs, trademarks, geographic designations and topographies of integrated circuits of September 8, 2016 was published. That amendment entered into force upon the lapse of seven days following that date of publication, that is, on October 14, 2016.

Charge for each class

A rule has been introduced making it possible for a fee to be paid only for a single class of goods or services for which a trademark is submitted. Previously, the basic fee for a trademark application to the PPO immediately covered three classes of goods or services from the Nice Classification, even if the applicant was only interested in protecting goods or services from just one class. A new table of fees introduces this long-awaited change by having different fees for those entities seeking trademark protection for a single class of goods in the Nice Classification and those seeking protection for a larger number of classes.

Lower official fees

The existing basic fee for filing a domestic trademark for goods or services from three classes of the Nice Classification used to be 550 zlotys. This has been amended such that the basic fee for a single class is now 450 zlotys, or 400 zlotys for an electronic filing, plus, where broader protection is sought, 120 zlotys for each additional class. This means that the fee for filing a mark for goods or services belonging to only one class is now lower, but the fee for an application concerning a larger number of classes is now higher. When making an application for protection in three Nice Classification classes, the official fee is 690 zlotys for a paper application and 640 zlotys for an electronic submission. Where the result of the PPO’s assessment of a trademark application is favorable, the applicant will be called on to pay the fee for the first 10-year period of protection, in the amount of 400 zlotys for each class of goods or services. The new table of fees (unlike the previous table) does not provide for an increased rate for protection covering more than three classes of the Nice Classification.

Concerning industrial designs, the application fees have been maintained at the current level, but the fees for protection have been reduced. The fee for the first five-year period of protection of a design is now 150 zlotys, for the second period 250 zlotys, for the third 500 zlotys, for the fourth 1,000 zlotys, and for

1) This article also appeared in a shortened version entitled “Cheaper trademark protection” on November 2, 2016 in the newspaper Rzeczpospolita. It was written by trademark attorney Michał Ziótkowski.



the fifth 2,000 zlotys. Industrial designs are protected for up to 25 years following the date of application, with protection divided into five-year periods.

Transitional provisions

The transitional provisions of the Regulation require some attention. In accordance with Article 2 paragraph 1 of the Regulation, the existing regulations continue to apply to one-time fees collected for applications, and other actions taken before the Regulation entered into force. In accordance with Article 2 paragraph 2, however, the provisions of the Regulation do not apply to periodic fees whose payment due date fell before the Regulation's entry into force, or to periodic fees paid earlier on the basis of the old provisions. Moreover, the provisions of the Regulation do not apply to periodic fees whose amount was defined in a summons or decision on granting an exclusive right issued before the new Regulation entered into force.

Summary

The proposed changes in the official fees for trademark applications may lead to an increase in the popularity of registrations with the PPO, though the changes will be most significant only for entities beginning their economic activity that do not yet offer

a wide range of goods or services. The change in fees will really only be important for entities seeking protection for goods or services in a single class of the Nice Classification. The trademark application for a larger number of classes will in fact be somewhat more expensive than it has been. At the same time, the fees will be cheaper for 10-year protection periods for trademarks and five-year protection periods for industrial designs.

SOURCE

www.uprp.pl; www.rp.pl

For further information
please contact:

Michal.Ziolkowski@klgates.com

CASE LAW

EU: IMPORTANCE OF RENOWN AND PROOF THEREOF

Oskar Tułodziecki

In a ruling of September 1, 2016, the EU General Court invalidated a ruling of the European Union Intellectual Property Office (“EUIPO”) Board of Appeal in a case begun by a submission for the registration of a trademark “showing an animal from the cat family leaping”. The applicant was the Italian company Gemma Group Srl with its registered office in Cesarola AUSA. An opposition was lodged by Puma SE with its registered office in Herzogenaurach, Germany.

The applicant submitted the following figurative mark for registration:



for machines for processing wood, aluminum, and PCV.

The plaintiff based its argumentation on two earlier international trademarks:



Those marks were registered for numerous types of goods in general use, including bags, clothing, accessories, footwear, toys, and sports equipment.

In addition, Puma SE raised the argument of the renown of its marks in all EU member states and for all goods covered by the registration. The opposition was based mainly on the renown of those marks. In accordance with Article 8 paragraph 5 of Regulation No. 207/2009, a trademark similar to an earlier renowned mark is not registered if the unjustified use of that mark would result in undue benefits being reaped, or would harm the distinctiveness or renown of the earlier mark.

The opposition was dismissed by the Opposition Division, whose ruling was later upheld by the EUIPO Board of Appeal. It should be added that certain pieces of the plaintiff’s evidence was submitted in languages other than the language of the proceedings, and was therefore not admitted by the Opposition Division. The plaintiff also submitted rulings confirming the renown of the marks by the industrial property authorities of a number of countries, but the Board of Appeal found that rulings that constitute official assessments of evidence cannot fully replace the evidence itself. The plaintiff also referred to a number of EUIPO decisions upholding the renown of the marks, pointing to established case law. Still, the Board of Appeal did not confirm the renown of the marks, and reached the conclusion that this was not necessary. In the EUIPO’s opinion, even if the marks were deemed as enjoying renown, the conditions of Article 8 paragraph 5 would not be fulfilled.

The complaint to the EU General Court was based on an infringement of the principle of certainty



concerning the law and good administration, and on an infringement of Article 8 paragraph 5 of Regulation No. 207/2009. The complaint stated that, in other registration cases pending before the EUIPO, the same documentation was deemed sufficient for ascertaining and confirming the renown of the marks in question.

The General Court did not agree with the first claim made in the complaint, and referred to the refusal to accept documents drawn up in languages other than the language of the proceedings. The Court found that, even if such documents had been accepted in other proceedings, this had been an infringement of the law having no bearing on the assessment of the situation in the current case. However, the Court ruled differently in respect of the lack of confirmation of renown. It found that, if the EUIPO wishes to depart from existing practice in how it makes rulings, it must state the reasons why a factual determination of renown is no longer significant. The Court noted that the official rulings in industrial property cases invoked by the plaintiff contain numerous facts

referring to renown, and these cannot be totally ignored in the decision-making process. The most important conclusion of the ruling is the view that the conditions provided in Article 8 paragraph 5 are not fully autonomous when establishing or confirming the renown of earlier marks; of particular importance is the degree of intensity of that renown. Intensity is of fundamental significance when evaluating the harm referred to in that provision, in the context of the connection between marks, which is significant to an evaluation of the other conditions of Article 8 paragraph 5. For this reason, the Court invalidated the decision of the EUIPO Board of Appeal.

SOURCE

www.curia.europa.eu

For further information
please contact:

Oskar.Tulodziecki@klgates.com

EU: RULING OF THE EU GENERAL COURT ON THE TRADEMARK “FITNESS”

Aleksandra Stachera

On November 20, 2001, Société des produits Nestlé SA made an application to the EUIPO for a word EU trademark, “FITNESS.”

The goods for which the application was made belong to classes 29, 30, and 32, and include milk, cream

corn, and still and aerated water. On May 30, 2005, that mark was registered as a EU trademark.

On September 2, 2011, the plaintiff, European Food SA, brought an application for invalidation of the right to the disputed mark, for the reasons that it is



of a descriptive nature only and lacks distinctiveness. The Cancellation Division dismissed the application in its entirety. On December 16, 2013, the plaintiff appealed to the EUIPO against that decision by the Cancellation Division, but that appeal was also dismissed.

The Board of Appeal found that, during the proceeding on the trademark invalidation, the burden of proof concerning the contested trademark's lack of distinctiveness, or its being of a descriptive nature only in the meaning of Article 7 paragraph 1 b) and c) of Regulation No. 207/2009, lay with the party moving for invalidation. The Board added that the relevant date to which all evidence should refer was the day on which the contested trademark was filed, that is, November 20, 2001.

In respect of the descriptive nature of the mark, the Board of Appeal found that most of the evidence presented before the Cancellation Division stemmed from the period of time after the relevant date, or concerned the territory of Romania before that country's accession to the European Union. In respect of extracts from dictionaries on the word "fitness," the Board found that, as perceived by consumers in 2001, that word did not describe any inseparable characteristic of the goods concerned. It also found that, in relation to those goods, the word "fitness" is suggestive and evokes vague associations. As a result, in the Board's opinion, the evidence presented by the Cancellation Division was not sufficient to demonstrate that the contested trademark was merely descriptive. Further, other evidence submitted to the Board of Appeal for the first time was dismissed, and not taken into consideration.

The Board of Appeal also found that, because the content of the word "fitness" evokes associations and

is not unambiguous, it is capable of identifying the goods which the contested trademark refers to, and therefore, of distinguishing those goods from those of other businesses. The Board found, as a result, that the plaintiff had not shown the mark to be devoid of distinctiveness.

The plaintiff turned to the EU General Court to have that decision invalidated or changed, and the mark invalidated. The plaintiff claimed, among other things, that there had been, ex officio, a failure to assess the facts of the case providing absolute grounds for invalidation. The EUIPO had not only failed to carry out such an assessment ex officio, but had also refused to consider evidence submitted by the plaintiff. The plaintiff also showed that Article 37 b) subpt. (iv) of Regulation 2868/95 does not stand in the way of a party seeking an invalidation submitting additional evidence.

The Court found (case file No. T-476/15) that it results from Article 76 paragraph 1 of Regulation No. 207/2009 that, when considering the grounds for a refusal, EUIPO Boards of Appeal are obliged to evaluate the facts of the case ex officio in order to ascertain whether a trademark filed provides grounds for a refusal to register as defined in Article 7 of the Regulation. However, in a proceeding concerning the invalidation of a right to a mark, it cannot be expected that the EUIPO will, ex officio, again conduct an expert assessment of the factual circumstances that could lead to the application of absolute grounds for a refusal to register.

From the provisions of Article 52 and 55 of Regulation No. 207/2009, it results that the right to a EU trademark is deemed valid as long as it is not invalidated by the EUIPO as a result of a proceeding on the invalidation of that right. Such a mark benefits



from the presumption of validity, which is a logical consequence of the evaluation made by the EUIPO when considering an application for registration. This presumption of validity is limited, however, by the obligation of the EUIPO provided in Article 76 paragraph 1 of Regulation No. 207/2009 to assess ex officio important factual circumstances that could lead to the application of absolute grounds for a refusal to register to EUIPO experts conducting, or in the case of an appeal, Board of Appeal experts conducting, an analysis of the submission of a EU trademark as part of the procedure for the registration of a given mark.

However, in a proceeding concerning the invalidation of the right to a mark, given that a registered EU trademark benefits from presumed validity, the party moving for invalidation must provide the EUIPO with concrete circumstances which can refute that validity. It therefore results that, contrary to the claims of the plaintiff, during the proceeding on the invalidation of the right to the mark the Board of Appeal was not obliged to reassess ex officio important circumstances that could lead to the application of absolute grounds for a refusal to register as defined in Article 7 paragraph 1 b) and c) of Regulation No. 207/2009.

Secondly, despite the absence in this case of an obligation to evaluate the factual circumstances ex officio, the Court stated that the Board of Appeal had the right to hold that the evidence provided by the plaintiff for the first time at the appeal stage had been submitted in delay, as the EUIPO held.

In this respect, the Court invoked Article 76 paragraph 2 of Regulation No. 207/2009, pursuant to which the EUIPO may refuse to consider facts or evidence not presented by the interested party within the proper time period.

It results from the above that the EUIPO has a certain amount of discretion on whether to admit certain evidence only when that evidence is submitted in delay. If, however, the evidence is submitted within the proper time frame, the provision does not grant the EUIPO any discretionary authority permitting it not to consider the evidence. It results from this opinion of the Court that the Board of Appeal acted contrary to the law when it found that the evidence submitted by the plaintiff for the first time in the proceeding before the Board of Appeal should not be admitted for having been submitted late. In the case at hand, therefore, it cannot be ruled out that the Board of Appeal's improper refusal to admit evidence may have affected the ruling handed down on the contested decision, because this concerned evidence related to the relevant date, that is, the date of application of the mark for registration.

For these reasons, the EU General Court invalidated the contested decision.

SOURCE

www.curia.europa.eu

For further information
please contact:

Aleksandra.Stachera@klgates.com



EU: DESCRIPTIVE NATURE OF A TRADEMARK

Daria Golus

On November 29, 2007, Bach Flower Remedies Ltd submitted an application for the registration of the word EU trademark “RESCUE.” On December 4, 2008, the trademark was registered for products from classes 3 (inc. sanitary preparations, soaps, perfumes, essential oils, cosmetics, hair care lotions), 5 (inc. pharmaceutical, medical and veterinary preparations, sanitary preparations for medical purposes, dietetic substances adapted for medical or veterinary use), 30 (inc. coffee, tea, cocoa and artificial coffee, sugar, honey, molasses, yeast, baking powder, salt, spices, ice), 32 (inc. agricultural, horticultural and forestry products, raw and unprocessed grains and seeds, malt), and 32 (inc. mineral and aerated waters and other nonalcoholic drinks, fruits drinks and fruit juices, syrups, and other preparations for making beverages). On March 13, 2012, Durapharma ApS submitted an application for the partial invalidation of the registration of the mark “RESCUE.” On October 25, 2013, the Cancellation Division ruled that the registration of the disputed trademark was invalid due to the mere descriptive nature of the mark and its lack of distinctiveness in relation to the goods for which it was granted protection. For trademarks should not be registered where they “consist solely of designations or indications that in trading can serve only to identify the type, quality, amount, purpose, value, geographic origin or production time of goods or services, or other properties of goods and services.”

Bach Flower appealed against that decision, but the First Board of Appeal upheld it. The Board found that the relevant group of consumers was the

English-speaking public within the European Union. It upheld the position of the Cancellation Division that there was a direct connection between the word “rescue” and a “return to proper condition or health” among consumers in English-speaking countries. Therefore, the Board found, the trademark is descriptive in nature in relation to the goods for which it was granted protection. The Board did not find that the mark had acquired secondary distinctiveness. It ruled that the relevant area included not only Great Britain. The Board of Appeal dismissed the appeal by Bach Flower, and the case went before the European General Court (T-337/15).

Bach Flower claimed that the Board of Appeal had used too wide a definition of the word “rescue.” The Board had used the definition contained in the Oxford English Dictionary, in accordance with which “rescue” means “save,” “bring help” or “save someone by helping them; bring relief.” Bach Flower claimed that, in everyday usage, “rescue” is used in the meaning of “save.” The General Court did not share that view. It found that the word “rescue” does not only mean “save from danger” but is also associated with “bring relief, help.”

Bach Flower claimed it was incorrect to ascribe a descriptive character to the mark in relation to goods belonging to classes 3, 30, 31, and 32. In its opinion, the products in those categories have no association with bringing relief or saving, because then they would belong to class 5. The Court rejected that argument, explaining that the Nice Classification is only administrative in nature. The fact that certain



goods are placed in different classes does not mean that they are not similar to each other, and vice versa – goods belonging to the same class may not be similar. In order to determine whether a mark is descriptive, it is necessary to ascertain how that mark is perceived and specifically what goods or services it concerns. The Court then demonstrated that it is possible for the word “rescue” to be descriptive in nature for the goods in question.

Bach Flower argued that Great Britain constitutes the territory in which it should be tested whether the mark had acquired distinctiveness as a result of use. The General Court pointed out that, in accordance with case law, the acquisition of distinctiveness through use should be demonstrated for that part of the European Union in which the mark had no such primary character (*Chokoladefabriken Lindt & Sprungli v OHIM*). Further, the acquisition of secondary distinctiveness should take place before the application for registration of the mark is made (*Schunk v OHIM*). In this connection, and given the fact that the Board of Appeal examined the descriptive nature of the mark taking account of its meaning in

English, and deemed the relevant public to be the average English-speaking person, which Bach Flower did not contest, the relevant group of consumers exists within an area greater than the territory of Great Britain. The relevant area is every EU country in which the English language is an official language, and possibly those countries in which English is widely known, e.g., Denmark.

In view of the above, the EU General Court upheld the position of the Board of Appeal and ruled that the trademark in question is descriptive in nature in relation to the goods for which it had been registered, and that the registration had been rightly invalidated.

SOURCE

www.curia.europa.eu

For further information
please contact:
Daria.Golus@klgates.com

EU: ACTUAL USE OF A TRADEMARK AS A NECESSARY ELEMENT FOR PROTECTION OF A MARK

Daria Golus

On April, 14 2016, the EU General Court issued a ruling on a trademark in a case between Henkell & Co. Sektkellerei KG and EUIPO, with Ciacci Piccolomini d’Aragona di Bianchin Societa Agricola appearing as an intervening party. On May 14, 2012,

Henkell had filed an opposition to the registration of the trademark “PICCOLOMINI,” filed by Ciacci Piccolomini, with Henkell referring to an earlier, similar word trademark, “PICCOLO,” registered on August 14, 2001 for alcoholic drinks.



On November 28, 2012, the intervening party submitted an application on presenting evidence of the actual use of the earlier trademark. Protection of an earlier trademark is justified only when that mark is actually used. Pursuant to Article 42 paragraph 2 of Regulation No. 207/2009, upon a motion by a submitting party, the owner of an earlier mark is obliged to present evidence that, within the five years prior to the publication of the application, the earlier trademark has actually been used in the European Union or in a member state in which the mark is protected, or that grounds exist that justify the lack of use of the mark. In accordance with case law, the actual use of a trademark occurs when the mark is used in order to guarantee the identity of a given product or service. The company, Henkell, presented evidence of the use of the word trademark “PICCOLO” within the territory of various member states, and of the mark “PIKKOLO” (pronounced identically) in Germany and Austria. The Opposition Division found that evidence convincing, and ruled completely in favor of Henkell.

In response, Ciacci Piccolomini launched an appeal against that decision to the EUIPO, which ruled in favor of the appeal and overturned the decision of the Opposition Division. The EUIPO found that Henkell had not provided sufficient evidence of the actual use of the earlier trademark. Finally, the case went before the EU General Court.

The Court considered whether the earlier mark had been actually used as a trademark, or only in a way that was descriptive in nature. The Court found that the word “PICCOLO” had not been used as a trademark. This conclusion was motivated by the size of the word and how it was placed on product packaging. The word was merely a supplementary, secondary element of the packaging. In contrast to

the word “Henkell,” the word “PICCOLO” did not draw consumers’ attention to itself, and did not stand out on the packaging. Furthermore, it was written in a small font and located on the neck of the bottle and next to the description of the type of wine, e.g., “trocken” or “dry,” depending on the language version. In this last connection, the Court held that the word “PICCOLO” was descriptive, indicating that the volume of the bottle was small. On invoices as well, the word “PICCOLO” usually appeared after the specification of the type of wine (e.g., “dry”), and was often abbreviated to “picc.,” which also suggests that the word is only descriptive.

In conclusion, the EU General Court dismissed the complaint of Henkell & Co. Sektkellerei KG as groundless.

SOURCE

www.curia.europa.eu

For further information
please contact:

Daria.Golus@klgates.com



PL: GOOD CUSTOM AND PUBLIC ORDER AND TRADEMARKS

Daria Golus

In ruling VI SA/Wa 479/16, the Provincial Administrative Court in Warsaw dismissed a complaint by the Fundacja “Zakochana Warszawa” against a decision of the Patent Office of the Republic of Poland refusing to grant a protection right over the word trademark “LE BORDEL ARTISTIQUE” (No. Z 425063) designated for goods and services in classes 9, 16, 25, 35, 41, and 45 of the Nice Classification.

Pursuant to Article 131 paragraph 1 pt. 2 IPL (currently, Article 129¹ paragraph 1 pt. 7), “a protection right shall not be granted for a designation that is contrary to public order or good custom.” The word “bordel,” which evokes a direct phonetic association with the word “burdel” [English “bordello” or “brothel”], was deemed contrary to good custom and public order.

The applicant claimed that the phrase “artistic bordello” has no negative connotations, and emphasized that the media does not use alternative expressions or avoids the word “bordel” when using the name “LE BORDEL ARTISTIQUE.” The applicant accused the officials who considered its application of having acted subjectively when assessing whether the trademark infringed good custom when they were obliged to evaluate that circumstance objectively. The plaintiff pointed out that, in Polish, “burdel” also means “mess” and “disorder.” “LE BORDEL ARTISTIQUE,” therefore, means “artistic disorder.” Fundacja “Zakochana Warszawa” stated that, by

connecting the words “bordel” and “artistique,” consumers would not associate the word “bordel” with a brothel. The foundation also argued that, these days, the Polish word “burdel” is not considered very vulgar.

The Provincial Administrative Court rejected that line of argument. It held that the PPO had rightly found that the trademark was contrary to both public order and good custom. The PAC invoked the argument that “burdel” has two meanings – “brothel” and “mess.” These meanings result as well from the opinion of the Council for the Polish Language, and from public perception. The Court found, therefore, that the argument of Fundacja “Zakochana Warszawa” on the social acceptance of its artistic activities under that mark was groundless. It held that reception in the artistic sphere is something quite different than the registration of a trademark for identifying goods in business activity. Further, basing a decision on how a single social group perceives a mark would lead to relativity, and would contradict the general nature of the provisions on public order and good custom. The Court found that the PPO had rightly referred to constitutional norms and the principles resulting from international agreements when assessing an infringement of those provisions. Those norms comprise part of the public order, and so that reference was fully justified. The Court also pointed out that the refusal to register in no way infringes the principle of free speech, because it only results in the absence of protection over a given



designation under industrial property law, while the use of the designation is still allowed.

Fundacja “Zakochana Warszawa” also attempted to obtain protection for the word trademarks “POŻAR W BURDELU” [English “Fire in the Brothel”] (No. Z 425061) and “BURDEL ARTYSTYCZNY” [English “Artistic Brothel/Mess”] (No. Z 425062), but both the PPO and, thereafter, the Provincial Administrative Court in Warsaw (rulings VI SA 477/16 and VI SA 478/16, respectively) treated those marks similarly. In all three cases, a refusal to register the trademarks

was issued due to their being contrary to public order and good custom.

SOURCE

www.orzeczenia.nsa.gov.pl

For further information
please contact:

Daria.Golus@klgates.com

EU: VOGUE VS. VOGUE – DECISION OF THE EUIPO BOARD OF APPEAL

Ewelina Madej

On February 21, 2003, the company Lighthouse Trademarks, S.L. applied for the registration of the word-figurative designation shown below as a EU trademark for goods and services from classes 25 (inc. underwear, clothing, sporting goods, swimsuits), 35 (inc. advertising and business services on the market for corsets and underwear), and 39 (inc. transport, packaging, storage, and distribution of underwear) of the Nice Classification.



On February 3, 2004, the company Advance Magazine Publishers Inc. (“AMP”) filed an opposition to the application of the above trademark for all of the goods and services listed. The opposition was based on previously registered trademarks, namely, the word EU trademark VOGUE EUTM 183756 registered for goods and services in classes 9, 16, 25, and 41 of the Nice Classification, and the EU trademark VOGUE EUTM 8531435 registered for goods in class 14 of the Nice Classification. The Opposition Division found that a likelihood of consumers being misled exists solely in relation to goods identical to those of AMP belonging to class 25 of the Nice Classification. AMP questioned that decision in an appeal lodged on May 4, 2016. In that appeal, among other claims, the company stated that some of the contested services belonging to class 35 should be deemed similar to AMP goods



(“clothing”) from class 25. The contested services belonging to class 35 expressly refers to “clothing,” and those services should not be considered abstractly as “advertising and business services, import-export, representation and information and consulting services related to sales.”

Ultimately, the EUIPO Board of Appeal (R 842/2016-4) partially overturned the contested decision and refused to register the contested trademark in respect of some of the services specified in class 35 of the Nice Classification. The contested EU mark was thereby registered solely for some of the services in class 35 (advertising and business services on the market for corsets and underwear; information and consulting services related to sales of the above products, including through global computer networks) and for services in class 39.

The EUIPO Board of Appeal compared the two marks on the visual, phonetic, and conceptual levels. It found that the designations are highly similar visually, differing only by two additional graphic elements – a rectangular frame and delicate

stylization in the contested mark. Those elements are not distinctive, however. The dominant element of the contested mark is the word “VOGUE.” Phonetically, the two marks are identical.

Furthermore, it was found that the disputed services in class 35, that is, “import-export, representation and exclusive representation” are similar to the goods of AMP in class 25. The remaining disputed services are not similar to the goods and services of AMP. In this case, there is a likelihood of consumers being misled regarding goods and services identical or similar to those of AMP.

SOURCE

euiipo.europa.eu

For further information
please contact:
Ewelina.Madej@klgates.com



EU: REFUSAL TO REGISTER A TRADEMARK DUE TO ITS DESCRIPTIVE NATURE – DECISION OF THE EUIPO BOARD OF APPEAL IN THE CASE OF THE MARK “EKANTOR.PL”

Piotr Wenski

In a decision of October 19, 2016 in case No. R 2147/2015-5, the EUIPO Fifth Board of Appeal dismissed an appeal by the company Ekantor.pl sp. z o.o. sp. k. against a decision on refusing to register the following word-figurative trademark:



An application for the registration of the above mark in relation to class 36 (inc. currency exchange services, currency brokerage services, financial operations) was submitted to the EUIPO in March 2015 by the Polish company Ekantor.pl sp. z o.o. sp. k. In a decision of August 27, 2015, the EUIPO refused to register the mark due to its lack of distinctiveness and its descriptive nature.

In its appeal, Ekantor.pl sp. z o.o. sp. k. argued that the designation submitted constitutes a fanciful composition consisting of both a word element and

a graphic element. That composition, in the opinion of the appellant, cannot in principle be deemed void of distinctiveness, for the combination of the two elements is definitely more complex, characteristic and distinctive than either single element. In addition, the stylized letter ‘e’ on a light blue disk and surrounded by a line of white dots was claimed to be the mark’s most characteristic feature determining its distinctiveness.

The EUIPO Fifth Board of Appeal found that the refusal to register was justified, and dismissed the appeal. It pointed out, firstly, that the mark submitted contains word elements that have meaning in the Polish language. The meaning of “ekantor” will therefore, in the view of the Board of Appeal, be understood by Polish-speaking consumers as an “internet currency exchange” or “place where you can exchange currency online.” For this reason, the Board of Appeal found that the designation informs the target group of consumers about the type and origin of the services for which the designation was submitted. Therefore, it is merely descriptive in nature, which rules out the possibility of its being registered as a trademark.

The Board of Appeal also showed that – contrary to the claims of the appellant – the fact that the



designation consists of both a word and a graphic element does not in itself attest to the existence of distinctiveness. It was pointed out that, in case law of the EU General Court, the presentation of a word as a figurative mark or in connection with other nondistinctive graphic elements does not endow a mark with distinctiveness. It was also shown incidentally that, in the case of the mark submitted, even the stylized letter 'e,' whose significance was highlighted in the appeal, could be perceived by some consumers as a euro coin. This only reinforces the descriptive nature of the mark, not its distinctiveness.

In view of the above circumstances, the EUIPO Fifth Board of Appeal upheld the decision on a refusal to register the designation.

SOURCE

www.euipo.europa.eu

W celu uzyskania dalszych informacji prosimy o kontakt z:
Piotr.Wenski@klgates.com

UK: USE OF THE NAME ASSOCIATED WITH THE BUSINESS

Briony Pollard

The recent UK High Court case, *Millen v Karen Millen Fashions Ltd* [2016] EWHC 2104 (Ch) (16 August 2016), involving Karen Millen, a British women's clothing retailer, holds valuable lessons for lawyers drafting and negotiating sale and purchase documentation, and particularly, restrictive covenants which concern the seller's ability to use their name for future projects.

Goodwill

For the purchaser of a business, the goodwill, and name associated with that goodwill, is a key asset of the business. As such, a purchaser will look to ensure that the person, whose name is attached to the goodwill, cannot simply sell the business and create a new, and potentially competing, business and use his/her name in relation to it. The effect would be that the goodwill

attaching to the name would be diverted into the new business, rather than the business that is sold.

The Karen Millen dispute

In 2004, Karen Millen, the individual behind the Karen Millen brand, sold her business to an Icelandic consortium. Unsurprisingly, the purchase documentation contained a number of restrictive covenants relating to Ms. Millen's use of her own name, or any other confusingly similar name in connection with any similar or competing business, following the sale.

Ten years later, Ms. Millen applied to the UK High Court for a declaration that using her name, "Karen Millen", in respect of homewares, and "Karen" in respect of any goods or services would not be



a breach of the 2004 purchase contract. Predictably, the party who purchased the Karen Millen business in 2004 sought an injunction to prevent her from using these names.

The UK High Court held that the declarations Ms. Millen sought were not sufficiently clearly defined and Ms. Millen could not use her own name in a new sector. Nor could she use the name “Karen” in potentially competing sectors. The Court found that that Ms. Millen’s name had become linked to the goodwill of the business which was sold in 2004. So that when consumers saw the brand “Karen Millen” they associated it with the Karen Millen business rather than the individual. As such, the objective purpose of the restrictive covenants was to prevent a competing business from causing confusion and detriment to goodwill of the Karen Millen name vis-à-vis the Karen Millen business.

Lessons

For lawyers drafting and negotiating sale and purchase documentation, careful thought should be given to how the seller of the business uses their name and how their name is associated with the business. Further, it is important for the lawyers to consider the scope and enforceability of any restrictive covenants placed on the seller, and the potential use of their name going forwards, particularly in light of any future plans the seller and/or the purchaser may have.

For further information
please contact:
Briony.Pollard@klgates.com

FR: THE FRENCH SUPREME COURT REFUSES TO CANCEL A TRADEMARK FOR LACK OF ANY FRAUDULENT INTENT AND ABSENCE OF MISAPPROPRIATION OF CUSTOMERS

Claude Armingaud

In a decision dated 20 September 2016¹, the French Supreme Court (“Cour de Cassation”) refused to cancel a registered trademark requested by a company with a similar brand name, considering that the plaintiff did not demonstrate either any fraudulent intent, or any

misappropriation of customer through such trademark registration.

The French accounting firm Ethix owns two French trademarks “Ethix” and the domain name “ethix.fr”. On this basis, Ethix required the French company



“Ethix France” (“Ethix IT”), specialized in IT systems expertise, to amend its corporate name by removing the term “Ethix”. The two companies reached an agreement in 2009 and Ethix IT changed its corporate name to “Ethix Information Technology”.

Ethix, having discovered that Ethix IT had also subsequently filed a trademark application based on its new corporate identity, brought an action against the latter -based on article L.711-4 of the French Intellectual Property Code- to request the invalidation of the trademark registration, for infringement of its corporate name and its domain name as well as on the ground of unfair competition.

In a decision dated 25 November 2014, the Paris Court of Appeal dismissed all of plaintiff’s claims.

The Cour de Cassation confirmed the Paris Court of Appeal’s analysis and dismissed Ethix’s claims. Indeed, the Cour de Cassation highlighted that the settlement agreement between the two companies provided for the change of the corporate name of Ethix IT in order to avoid any confusion with Ethix’s prior trademarks and did not expressly exclude the possibility for Ethix IT to file a trademark application.

Therefore, the Cour de Cassation considered that the registration of the trademark “Ethix Information Technology” was not fraudulent and did not cause any breach to the settlement agreement, even if the company did not inform Ethix of such filing.

In addition, the Cour de Cassation held that Ethix IT, whose marketing used the customary English abbreviation “IT” for “Information Technology”, did not try to either divert Ethix’s customers, or take advantage of the latter’s reputation or investments. Therefore, the Cour de Cassation concluded that no unfair competition was characterized.

This decision confirms the bridge that can easily be made between trademark law and unfair competition, which is often reaffirmed by French jurisdictions, unlike copyright law whose distinction from unfair competition actions is strictly appreciated.

For further information
please contact:
Claude.Armingaud@klgates.com

1) French Court of Cassation, 20 September 2016, No. 15-11119



IT: THE COURT OF APPEAL OF MILAN ASKS THE CJEU TO RULE ON “REPAIR CLAUSE” PROVIDED UNDER ARTICLE 110 OF EU REGULATION 6/2002

Alessandra Feller and Alessia Castelli

Can someone lawfully reproduce a spare part for repair and/or replace purposes if this is aimed at restoring the original appearance of a complex product?

This is the question that different Italian courts tried to answer over the past years without coming to a uniform solution, so that the latest case led the Court of Appeal of Milan to ask the Court of Justice of European Union (“CJEU”) for a preliminary ruling on the interpretation of Article 110 of the EU Regulation 6/2002. Such clause provides for the exclusion of Community model and design protection for models and designs constituting a component part of a complex product for the purpose of its reparation so as to restore the original appearance of the complex product.

In Italy there exists a misalignment on the topic among some Italian courts of merits: on one side, the Court of Naples first stated that the “repair clause” should be applied in favor of a third party producing and marketing a look-alike rim for car tires. To the contrary, the Court of Milan excluded the application of the “repair clause” in a similar case and considered the third party as an infringer of the exclusive rights held by the car manufacturer. To argue its decision, the court of Milan stated that there would not exist any aesthetic complementarity between the rim and the relevant car. The defendant appealed the decision

and finally, in 2016, the Court of Appeal of Milan decided to suspend the proceedings and ask the CJEU for a preliminary ruling on the matter.

In particular, the Court of Appeal of Milan asked the CJEU whether Article 110 of the EU Regulation 6/2002 should be strictly interpreted and applied only to spare parts with tied form, so that to exclude its application to look-alike components that might be considered fungible and, if so, which measures should the non-original spare part producer adopt in order to ensure that its activity is lawful.

CJEU’s ruling will play an important clarifying role in aligning Italian internal judgment on similar cases.

For further information
please contact:
Alessandra.Feller@klgates.com
Alessia.Castelli@klgates.com

PL: ACQUIRED DISTINCTIVENESS AS A CONDITION FOR GRANTING PROTECTION TO A TRADEMARK¹

Michał Ziółkowski

In order for a trademark to carry out its function of identifying the origin of goods or services, it should be distinctive in nature. Not all marks possess primary distinctiveness. Some only acquire distinctiveness as a result of being used over a long period of time in trading. In this article, we present the most critical issues concerning the acquired distinctiveness of trademarks under Polish law, taking account of existing case law and recent changes in industrial property law²

1. Definition of a trademark

The Polish legislator formulated a definition of a trademark based on the normative definition initially found in Directive 89/104/EEC³ and later repeated in Directive 2008/95/EC⁴. Pursuant to Article 120 paragraph 1 IPL, a trademark may be any designation that can be presented in graphic form

if the designation lends itself to distinguishing the goods of one business from those of other businesses. In paragraph 2 of that Article, designations such as diagrams, drawings, ornaments, color compositions, spatial forms including the form of goods or packaging, as well as melodies or audio signals are listed, and these comprise an open catalog of trademarks that can be protected⁵. The examples provided in the list are only for the purpose of explaining the concept of a mark. The most important element in the definition of a trademark is the function it is to fulfill in trading⁶.

The Polish legislator defines the concept of a trademark in terms of distinctiveness as both an inherent quality and basic function. Another equally important criterion determining the ability of a given type of designation to act as a trademark subject to protection is that the designation must be capable of

1 This article was published in "Przegląd Prawa Handlowego" [Commercial Law Review] no. 6/2016, publ. Wolters Kluwer. It was written by trademark attorney Michał Ziółkowski.

2 The Industrial Property Law Act of 30 June 2000 (uniform text of Journal of Laws of 2013 item 1410 as amended), hereinafter the "IPL."

3 First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trademarks (OJEC L 40 of 1989 p. 1)

4 Directive of the European Parliament and of the Council 2008/95/EC of October 22, 2008 to approximate the laws of the Member States relating to trademarks (OJEC L 299 of 2008 p. 25), hereinafter "Directive 2008/95/EC."

5 More in M. Ziółkowski, Rodzaje znaków towarowych ze względu na ich percepcję zmysłami oraz przedstawialność w rejestrze (Types of Trademarks in terms of Sensorial Perception and Presentation in the Register), "Przegląd Prawa Handlowego" 2015/1 p. 54–58.

6 J. Mordwiłko-Osajda, Znak towarowy. Bezwzględne przeszkody rejestracji, [Trademarks. Absolute Obstacles to Registration] Warsaw 2009, p. 123; more in Ł. Żelechowski, Funkcje znaku towarowego a naruszenie prawa ochronnego na znak towarowy [Functions of a Trademark and Infringements of Trademark Protection Law] (pt. I), "Przegląd Prawa Handlowego" 2015/5, p. 4–13, (pt. II), "Przegląd Prawa Handlowego" 2015/6, p. 20–28; M. Kondrat, Ochrona znaków towarowych przed naruszeniami w Internecie [Protection of Trademarks against Internet Infringements], Warsaw 2008, s. 21–27.



being presented in graphic form⁷. The purpose of the condition of graphic representation is that the scope of the protection sought must result unambiguously from the presentation of a designation as contained in submission documentation⁸. The author of a mark should therefore create the mark such that its form attracts customers and is not prohibited by the legal order⁹.

2. Distinctiveness

Distinctiveness is of fundamental importance to the recognizability of a trademark in trading, and constitutes a basic condition for a protection right being granted for a trademark by the registration authority¹⁰. An exclusive right may be granted to a designation that has abstract distinctiveness or specific distinctiveness. Abstract distinctiveness exists when an abstract evaluation of a trademark, i.e., made apart from specific goods or services, is sufficient to distinguish goods or services, while specific distinctiveness exists when a trademark makes it possible to distinguish the goods or services for which it has been designated from those of other businesses.

A trademark is given the task of distinguishing in trading the goods or services of a given business from those deriving from other businesses. Designations that do not permit goods to be identified as originating from a particular source do not possess adequate distinctiveness. When evaluating distinctiveness, account must be taken of the characteristic form of the designation itself, for it is the form that ensures consumers make correct choices with regard to the origin of goods¹¹.

No unambiguous, precise legal definition of distinctiveness exists. That quality may be primary (resulting from the unique form or content of a mark) or secondary (acquired as a result of use in trading). Pursuant to Article 129¹ paragraph 1 pt. 2 IPL, no protection right can be granted to a mark devoid of the adequate hallmarks of distinctiveness. Primarily, what may be adequately distinctive for consumers is an appropriate style, lettering, color scheme, or arrangement of elements¹². Every sensorially perceptible designation that is to act as a trademark should possess distinctiveness. This can only be assessed in an individual case in relation to the goods or services which do or will bear the trademark¹³.

7 J. Sieńczyło-Chlabicz (ed.), *Prawo własności intelektualnej* (Intellectual Property Law), Warsaw 2011, p. 337–338.

8 E. Wojcieszko-Głuszko, *Znaki towarowe a ostatnia nowelizacja ustawy – Prawo własności przemysłowej* (Trademarks and a Recent Amendment of the Industrial Property Law), “*Radca Prawny*” 2005/2, s. 38–39.

9 U. Promińska, *Prawo do znaku towarowego a wolność konkurencji* (The Right to a Trademark and Freedom of Competition), “*Państwo i Prawo*” 1999/2, s. 42.

10 Comp. Ł. Żelechowski, *Zdolność odróżniająca znaku towarowego – przegląd orzecznictwa Sądu Najwyższego i Naczelnego Sądu Administracyjnego z lat 2000–2004* (Distinctiveness of a Trademark – Review of Case Law of the Supreme Court and Supreme Administrative Court 2000–2004), “*Glosa*” 2005/3, s. 74–97.

11 Ruling of the Provincial Administrative Court (“PAC”) in Warsaw of February 17, 2009 (VI SA/Wa 2124/08), LEX No. 520252.

12 R. Stefanicki, *Glosa do wyroku SN* (Gloss on a ruling of the Supreme Court) of February 2001, I CKN 1128/98, OSP 2002/2, item 20, p. 83–85.

13 P. Funka, *Zdolność odróżniająca znaku towarowego w aspekcie prawoporównawczym* (Distinctiveness of a Trademark in terms of Legal Comparison), “*Zeszyty Naukowe Uniwersytetu Jagiellońskiego. Prace z Prawa Własności Intelektualnej*” 2006/4, p. 37–47.



In principle, the distinctiveness of a trademark should be of a primary nature, meaning that the mark's structural characteristics should ensure that the mark is capable of identifying the goods or services for which it was submitted under normal trading conditions. An absence of primary distinctiveness constitutes an absolute obstruction to registration, though this may be removed if, as a result of long use in trading, a mark becomes capable of distinguishing goods or services¹⁴. In such a case, it is deemed that the mark has acquired secondary distinctiveness¹⁵.

If a mark that can be presented in graphic form is not sufficiently distinctive, it cannot be a trademark capable of identifying goods or services in trading. Distinctiveness, then, is an attribute that a mark must possess in order to be granted protection as a trademark. When assessing distinctiveness, it must first be established whether the mark is sensorially perceptible at all and can be presented in a graphic form, that is, whether it can be recognized by consumers. Only when these criteria have been met should a verification be made of the extent to which the mark is suitable for trademark protection. It must be emphasized that an absence of graphic representation cannot be overcome by the mark acquiring acquired distinctiveness¹⁶.

14 Comp. Rulings of the Supreme Administrative Court (hereinafter "SAC") of 14 July 2010 (II GSK 607/09), LEX No. 596988; of February 17, 2015 (II GSK 2271/13), comp. <http://orzeczenia.nsa.gov.pl/doc/055ED89DD9>.

15 Ł. Żelechowski, *Zdolność odróżniająca...*, p. 93–94.

16 R. Skubisz, *Komentarz do wyroku Trybunału Sprawiedliwości Wspólnot Europejskich [Commentary on a Ruling of the European Court of Justice] of 12 December 2002, Ralf Sieckmann przeciwko Deutsches Patent- und Markenamt sprawa C-273/00, "Rzecznik Patentowy" 2003/1–2, p. 124.*

3. Requirements for acquiring secondary distinctiveness

The provision of Article 130 IPL provides that a designation devoid of primary distinctiveness may acquire distinctiveness through use in trading. Given the absence of clear guidelines in industrial property law, one must turn to existing case law and the established legal doctrine. Secondary distinctiveness can be acquired by a presentable, perceptible designation, but only provided that, in trading, the designation functions as a trademark. As rightly put forward by R. Skubisz, a trademark may acquire distinctiveness when, initially, (i) it was not suitable for distinguishing goods in trading, (ii) it consists solely of elements which in trading can serve to identify in particular the type of goods, their origin, quality, amount, value, designation, method of production, composition, function, or use, and (iii) it consists solely of elements that have entered the vernacular language or are commonly used in honest, established commercial practice. Therefore, it is not possible through mere use to overcome the obstruction to obtaining protection as established in Article 129 paragraph 1 pt. 1 IPL, pursuant to which a protection right may not be granted for designations that cannot be trademarks¹⁷.

17 R. Skubisz, *Uzyskanie charakteru odróżniającego przez znak towarowy poprzez używanie (przesłanki, data i dowody nabycia), [Acquisition of Distinctiveness by a Trademark through Use (Conditions, Date and Evidence of Acquisition)] "Białostockie Studia Prawnicze" 2015/19, p. 207.*



3.1 Evidence

In accordance with established case law, when assessing whether a given mark has acquired distinctiveness through use, particular attention must be made to the mark's market share, its intensity, geographic range, territory and length of use, the amount of outlays of the business in promoting the mark, and the percentage of the target group of consumers who, thanks to the mark, recognize goods as originating from a particular business, as well as opinions of chambers of commerce, industry associations, and other professional organizations. It is worth emphasizing that the market share of a mark is an important indicator of whether the mark has acquired distinctiveness through use. Similarly, the amount of advertising addressed to the market for given products, as reflected by advertising outlays incurred in promoting the mark, can also constitute an important indicator of whether the mark has acquired distinctiveness through use¹⁸.

Secondary distinctiveness is acquired by a mark solely as a result of the mark being used in trading as a trademark¹⁹. For this to occur, it is necessary that, through the use of the mark, at least a significant part of

the relevant group of consumers recognizes that given goods or services originate from a particular business. However, the circumstances permitting an assessment that the requirements for acquiring distinctiveness through use have been fulfilled cannot be confirmed only on the basis of general, abstract data²⁰.

The distinctiveness of a trademark, including distinctiveness acquired through use, must be evaluated in relation to the goods or services for which the trademark was submitted, and must take account of the way in which the average, informed, attentive, and prudent consumer will perceive that category of goods or services²¹.

Acquired distinctiveness is a fact that depends on an evaluation made on the basis of evidence, where the burden of proof lies with the right holder who, at a certain stage of the proceedings, should document that fact. In order to assess the acquisition of secondary distinctiveness as a result of the use of a trademark, it must be shown, in particular, that a given designation is associated by consumers solely with goods deriving from the business that uses the mark in trading²². The way in which the mark

18 See rulings of the European Court of Justice (hereinafter "ECJ") of June 22, 2006 in case C-25/05 P, *Storck v OHIM*, EU:C:2006:422; of 4 May 1999 in joined cases C-108/97 and C-109/97, *Windsurfing Chiemsee*, EU:C:1999:230; of June 18, 2002 in case C-299/99, *Philips*, EU:C:2002:377; of July 7, 2005 in case C-353/03, *Nestlé*, EU:C:2005:432.

19 M. Mazurek, *Informacyjny charakter oznaczenia jako przeszkoda rejestracji wspólnotowego znaku towarowego* [The Informational Character of a Designation as an Obstruction to the Registration of a Community Trademark], *"Białostockie Studia Prawnicze"* 2015/19, p. 182.

20 Ruling of the EU General Court (formerly Court of First Instance, hereinafter the "Court") of July 6, 2011 in case T-318/09, *Audi and Volkswagen v OHIM (TDI)*, EU:T:2011:330.

21 Ruling of the ECJ of June 22, 2006 in case C-24/05 P, *Storck v OHIM*, EU:C:2006:421.

22 J. Sierczyło-Chłabcz, *Postępowanie na wniosek i w drodze sprzeciwu w przedmiocie unieważnienia prawa ochronnego na znak towarowy w orzecznictwie sądowno-administracyjnym* [Proceedings upon a Submission and Objection concerning the Invalidation of a Protection Right for a Trademark in Administrative Court Case Law], in: J. Ożegalska-Trybalska (ed.), D. Kasprzycki (ed.), *Aktualne wyzwania prawa własności intelektualnej i prawa konkurencji. Księga pamiątkowa dedykowana Profesorowi Michałowi du Vallowi* [Current Challenges in Intellectual Property Law and Competition Law. Commemorative Book Dedicated to Professor Michał du Vall], Warsaw 2015, p. 593–594.



is used should result in an association being made in the minds of the average consumer between the mark and certain goods, and between the goods and a certain business²³. If a given entity is the only entity offering goods of a certain type on the market, then the frequent use of a designation (initially of a descriptive nature) may prove sufficient for the mark to acquire distinctiveness if, as a result of that use, a significant number of relevant consumers associate the mark with a specific business entity, and not with another business or a number of businesses²⁴.

3.2 Time frame

The existence of secondary distinctiveness is assessed in reference to the process of the use of a trademark under normal trading circumstances. As results from Article 130 IPL, if, as a result of use before the date of submission to the PPO, a trademark has acquired distinctiveness, it may be registered. In the doctrine, various opinions exist as to whether the capacity for protection can also be acquired by designations which had not yet acquired secondary distinctiveness at the time of a submission. Some authors argue that the existence of secondary distinctiveness before

the submission of a given designation for protection is only one of the possible moments at which such distinctiveness can be acquired. They state that such an understanding of the provision is in line with the requirements of Directive 2008/95/EC which gives Member States discretion in this respect²⁵. Another position, taken by U. Promińska and K. Szczepanowska-Kozłowska, among other authors, leads to the finding that secondary distinctiveness is one of the circumstances that must be considered when assessing a given designation's capacity for protection. As K. Szczepanowska-Kozłowska has rightly pointed out, "it is essential, then, that the exclusivity enjoyed by the holder of a protection right to a trademark, even if it arises at the date of registration, exists from the date of submission." Claims of an infringement of a protection right to a trademark may be pursued after the right is obtained, but may also cover the earlier period. In a situation where a certain mark does not have distinctiveness, there can be no infringement of exclusivity, for in such circumstances no exclusivity is enjoyed. Assuming that a mark obtained secondary distinctiveness after the date of submission, it would be necessary to establish the exact date on which

23 Ruling of the SAC of January 14, 2015 (II GSK 1815/14), comp. <http://orzeczenia.nsa.gov.pl/doc/AAEC65A9D2>.

24 Ruling of the SAC of July 14, 2010 (II GSK 703/09), comp. <http://orzeczenia.nsa.gov.pl/doc/4B66ED99D6>.

25 Ruling of the SAC of March 24, 2015 (II GSK 371/14), LEX No. 1775024; see also W. Włodarczyk, *Zdolność odróżniająca znaku towarowego* [Distinctiveness of a Trademark], Lublin 2001, p. 232.



actual exclusivity arose. It would be difficult to accept the idea that exclusivity could be extended to the period in which a mark had not yet acquired the capacity for protection²⁶.

This issue requires a very detailed discussion given the uncertainties in the literature²⁷. For there can be various dates for evaluating distinctiveness, depending on the type of proceeding. In a submission proceeding, secondary distinctiveness is assessed as at the date of submission of the trademark for protection (or, e.g., the date of Convention priority). Proving acquired distinctiveness is only possible after it has been shown that there was appropriate use of the designation as a trademark before the date of submission of the mark. Evidence of the use of a trademark in respect of time periods after the submission of a mark are taken into consideration during assessment proceedings before the PPO. The same rule may be applied during dispute proceedings before the PPO whose subject is the invalidation of a protection right to a trademark.

The purpose of a trademark invalidation proceeding,

which is a dispute proceeding, is the negation of the validity of a decision to grant a protection right, effective *ex tunc*²⁸. A plaintiff's argumentation that the mark to be invalidated does not possess distinctiveness causes a need to present relevant evidence of the use of the mark in trading. Establishing the date to be considered when assessing the acquisition of secondary distinctiveness is of key importance. If, after conducting an evaluation procedure (in particular, after analyzing the absolute prerequisites), the PPO decided to grant the registration, and the Office considering the submission raised no charge of an absence of primary distinctiveness, then the position of the owner of the protected mark is strengthened considerably. Through the assumed validity of the decision issued, a certain justification arises for extending the time period in an invalidation proceeding to the date on which the motion for the invalidation of the trademark was submitted, in contrast to a submission proceeding, in which the charge of an absence of primary distinctiveness would have resulted in relevant evidence being presented dating from before the date of submission of the mark.

26 K. Szczepanowska-Kozłowska, *System prawa prywatnego* [The Private Law System], vol. 14B: *Prawo własności przemysłowej* [Industrial Property Law], R. Skubisz (ed.), Warsaw 2012, p. 602; see also U. Promińska, *Ustawa o znakach towarowych. Komentarz* [The Act on Trademarks. Commentary], Warsaw 1998, p. 197.

27 Comp. Ruling of the ECJ of June 19, 2014 in joined cases C-217/13 and C-218/13, *Oberbank et al*, EU:C:2014:2012.

28 Ruling of the PAC in Warsaw of January 12, 2007 (VI SA/Wa 1197/06), LEX No. 299745; more in: J. Sieńczyło-Chłabczyk, *Aspekty proceduralne i materialne unieważnienia prawa ochronnego na znak towarowy* [Procedural and Material Aspects of Invalidation of a Protection Right to a Trademark], "Zeszyty Naukowe Sądownictwa Administracyjnego" 2014/1, p. 25–39.



In domestic law, establishing a specific date as from which the secondary distinctiveness of a trademark (that is the subject of an invalidation) should be counted could give rise to doubts caused by Article 165 paragraph 1 pt. 2 IPL (before the amendment of those provisions), which states that a motion for the invalidation of a protection right cannot be submitted after the lapse of five years following the date on which the protection right was granted if that right was granted in violation of Article 129 IPL but the mark acquired distinctiveness as a result of use²⁹.

Existing practice shows, however, that documents attesting to the acquisition of secondary distinctiveness should bear a date prior to that of the submission of the trademark to the PPO³⁰.

4. Amendment in industrial property law

In respect of the uncertainties over establishing the date from which the existence of secondary distinctiveness should be counted in invalidation proceedings, amendments have been introduced to

the Industrial Property Law³¹. The new wording of Article 165 paragraph 1 pt. 2 IPL provides that no motion for the invalidation of a trademark can be made if the trademark was registered in violation of Article 129 paragraph 1 pt. 2–4 IPL but acquired adequate hallmarks of distinctiveness before the date of submission of the motion. In order to eliminate all doubts concerning the date by which a mark must have acquired secondary distinctiveness, this is stated expressly in the amended provision.

Pursuant to the new content of Article 165 paragraph 1 pt. 2 IPL, it will be possible to demonstrate that a mark acquired distinctiveness under normal trading conditions as a result of activities (e.g., intensive advertising) up to the date of submission of a motion for the invalidation of the protection right. From the justification of the Act³² it results that the amendment of Article 165 paragraph 1 pt. 2 IPL was dictated by the need to adjust the norms thereof to the optional provision of Article 3 paragraph 3 of Directive 2008/95/EC. The provision of Article 3 paragraph 3 sentence 2 of

29 Comp. R. Skubisz, *Uzyskanie charakteru...*, p. 205–208.

30 It is worth mentioning that, in the EU system of trademark protection, specifically in invalidation proceedings concerning EU trademarks registered with the European Union Intellectual Property Office (EUIPO) (formerly Office for Harmonization in the Internal Market – OHIM), significant departures from that rule have been observed. A trademark in relation to which a motion for invalidation was submitted could acquire distinctiveness between the date of registration and the date of the submission of the motion for the invalidation of the protection right to the mark. The specific date accepted as the final point of reference when analyzing distinctiveness acquired through use after registration was the date of submission of the motion for invalidation. The owner of the trademark had to provide evidence from that greatly expanded period of time in order to show that the mark had acquired secondary distinctiveness. Jas results from the ruling of the Court of First Instance of October 15, 2008 in case T-405/05,

Powerserv Personalservice v OHIM – Manpower (MANPOWER), EU:T:2008:442: “the specific date which should be accepted as the point of reference when analyzing distinctiveness acquired as a result of use after registration is the date of submission of a motion for invalidation” (pt. 146 of the ruling). Comp. also rulings of the Court of April 21, 2015 in case T-359/12, *Louis Vuitton Malletier v OHIM*, EU:T:2015:215; of 9.03.2011 in case T-190/09, *Longevity Health Products v OHIM – Performing Science (5 HTP)*, EU:T:2011:78; ruling of the ECJ of December 2, 2009 in case C-553/08 P, *Powerserv Personalservice v OHIM*, EU:C:2009:745; decision of the ECJ of October 5, 2004 in case C-192/03 P, *Alcon v OHIM*, EU:C:2004:587.

31 See Act on an Amendment of the Industrial Property Law of September 11, 2015 (Journal of Laws item 1615).

32 Justification to the draft Act, Parliament of the Republic of Poland, term VII, parliamentary press No. 3685.



Directive 2008/95/EC clearly foresaw that Member States would be entitled to expand their use of the possibility provided in the first sentence of that provision if distinctiveness was acquired as a result of the use of a trademark after the date of submission of a motion for registration, or after the date of registration. Those postulates are also in agreement with the content of Article 4 paragraph 4 and paragraph 5 of the new Directive 2015/2436³³.

5. Summary

As results from Article 130 IPL, a basic prerequisite for the acquisition of secondary distinctiveness is use as a trademark. Demonstrating acquired distinctiveness in application or invalidation proceedings entails preparing appropriate material evidence. Such materials should clearly show that the relevant group of consumers perceive the trademark submitted as an indicator of origin, regardless of other trademarks that may accompany it in advertising or during the sale of goods.

Material evidence should refer, in as much detail as possible, to the form of the trademark submitted for protection. In particular, in order to have significant evidential value, all data sets on sales and product promotion identified with a specific trademark should refer to the protected form of that trademark.

This is of particular important when demonstrating the acquisition of secondary distinctiveness by graphic and spatial trademarks.

When preparing documentation confirming the use of a designation as a trademark, one must establish the

scope of use, territorially and quantitatively, as well as the amounts of outlays incurred on advertising. It is worth preanalyzing whether a significant number of consumers identify the trademark with the right holder, and whether, before the mark acquired adequate hallmarks of distinctiveness, other entities used identical or similar designations.

The legislative changes made will result, on the one hand, in the possibility of a kind of legalization of unjustly acquired protection rights to trademarks which, as at the date of submission to the PPO, were not capable of protection. The provisions introduced do not foresee any time limitations at all concerning the possibility of seeking claims from an infringement of protection rights obtained in this way for the period before the date on which a given mark was, de facto, not capable of identifying particular goods. On the other hand, such a limitation could be difficult to implement, given the lack of an obligation for the authority to establish a specific limiting date before which a mark was not capable of identifying goods, and after which it was. Considering the fact that a protection right to a trademark usually extends to a larger number of goods, in some cases there would have to be as many limiting dates as items in the list of goods and services constituting an integral part of the trademark submitted and protection right granted.

SOURCE

Przegląd Prawa Handlowego nr 6/2016

W celu uzyskania dalszych informacji
prosimy o kontakt z:

Michał.Ziolkowski@klgates.com

³³ Directive of the European Parliament and of the Council (EC) 2015/2436 of December 16, 2015 to approximate the laws of the Member States relating to trademarks (OJEC L 336 of 2015 p. 1).

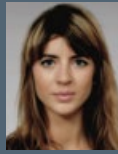


For further information please contact:



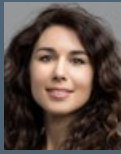
Claude Armingaud

Claude.Armingaud@klgates.com
Office in Paris



Aleksandra Stachera

Aleksandra.Stachera@klgates.com
Office in Warsaw



Alessia Castelli

Alessia.Castelli@klgates.com
Office in Milan



Oskar Tułodziecki

Oskar.Tulodziecki@klgates.com
Office in Warsaw



Alessandra Feller

Alessandra.Feller@klgates.com
Office in Milan



Piotr Wenski

Piotr.Wenski@klgates.com
Office in Warsaw



Daria Golus

Daria.Golus@klgates.com
Office in Warsaw



Michał Ziółkowski

Michal.Ziolkowski@klgates.com
Office in Warsaw



Ewelina Madej

Ewelina.Madej@klgates.com
Office in Warsaw



Briony Pollard

Briony.Pollard@klgates.com
Office in London

If you are interested in obtaining an electronic version of the bulletin, please send your request to: Aneta.Zebrowska@klgates.com with the subject line: "TM Bulletin".

K&L GATES

Anchorage Austin Beijing Berlin Boston Brisbane Brussels Charleston Charlotte Chicago Dallas Doha Dubai
Fort Worth Frankfurt Harrisburg Hong Kong Houston London Los Angeles Melbourne Miami Milan Newark New York
Orange County Palo Alto Paris Perth Pittsburgh Portland Raleigh Research Triangle Park San Francisco São Paulo Seattle
Seoul Shanghai Singapore Sydney Taipei Tokyo Warsaw Washington, D.C. Wilmington

K&L Gates comprises approximately 2,000 lawyers globally who practice in fully integrated offices located on five continents. The firm represents leading multinational corporations, growth and middle-market companies, capital markets participants and entrepreneurs in every major industry group as well as public sector entities, educational institutions, philanthropic organizations and individuals. For more information about K&L Gates or its locations, practices and registrations, visit klgates.com.

This publication is for informational purposes and does not contain or convey legal advice. The information herein should not be used or relied upon in regard to any particular facts or circumstances without first consulting a lawyer.

©2016 K&L Gates LLP. All Rights Reserved.