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**TRADEMARKS
AND UNFAIR COMPETITION**

QUARTERLY BULLETIN



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INTRODUCTION

It is my pleasure to present the latest bulletin covering the field of trademarks and, in this issue, privacy on the Web.

We report on the most interesting trademark rulings handed down by European, British and Polish courts, discuss a new regulation on the filing and consideration of trademark applications, and look at a planned EU regulation on Internet privacy.

I would also like to announce that, as from January 2017, Julia Goetz and Klaus Schubert have joined our office in Berlin. This is a significant strengthening of our intellectual property practice in Germany, and I trust that Julia and Klaus will soon be contributing to our bulletin.

I hope this issue helps you keep track of the most important developments in this rapidly changing area of the law. As always, I encourage you to share your thoughts and reflections with us or send questions along to our authors.

Oskar Tułodziecki



LEGISLATION

PL: NEW REGULATION OF THE PRESIDENT OF THE COUNCIL OF MINISTERS ON THE FILING AND CONSIDERATION OF TRADEMARK APPLICATIONS¹

Michał Ziółkowski

An amendment of substantive provisions of the Industrial Property Law (IPL), including guidelines concerning Article 152 IPL, has made it necessary for the President of the Council of Ministers to issue a new Regulation concerning trademark applications. The rules for disclosing information on the application of a trademark have been made more precise. Businesses interested in protecting trademarks will obtain more comprehensive information, and faster, on trademarks submitted for protection.

Proceedings before the Polish Patent Office (PPO) on granting protective title are divided into application and registration proceedings. That division is based on the scope of assessment of a given application in terms of whether it meets the patent, protection or registration requirements. In an application proceeding, the PPO makes an assessment of the statutory requirements for granting an exclusive right, while in a registration proceeding, it limits its assessment to the formal correctness of the application. Given the scope involved when assessing a trademark application, a proceeding on granting a protective right to a trademark is counted among application proceedings, and it is the eligibility of the trademark to be granted protection that is assessed. Without such eligibility, no protection right can be granted. The amendment of the IPL means there will

no longer be a system for full assessing trademark applications in which all hindrances to registration are evaluated *ex officio*, i.e. both absolute and relative grounds. Now there will be a simpler system in which the PPO will only assess absolute prerequisites, while right holders of earlier identical or similar trademarks will be able to submit oppositions to any new applications that, in their opinion, infringes upon their rights. The new regulation on the filing and consideration of trademarks has also been adjusted to the current provisions of the IPL.

On 15 April 2016, in connection with the entry into force of the Act of 11 September 2015 on an Amendment of the Industrial Property Law (Journal of Laws item 1615), the Regulation of the President of the Council of Ministers of 8 July 2002 on the filing and consideration of trademark applications (Journal of Laws item 998, of 2005 item 911 and of 2014 item 466) ceased to be in force. In connection with the statutory delegation contained in Article 152 IPL in its current wording, the President of the Council of Ministers had the duty to determine, in a regulation, the detailed requirements to be fulfilled by a trademark application, and the detailed scope and procedure for considering applications, taking account in particular of the scope of information to be disclosed publicly, the method of such disclosure

1) This article appeared in the daily paper *Rzeczpospolita* on 27 January 2017 under the title: “Kod koloru ułatwi przedstawienie barwnego znaku” (“Color code facilitates color scheme of mark”). The author is patent attorney Michał Ziółkowski.



and the scope within which the PPO can introduce amendments to a list of goods and their classification.

The new Regulation of the President of the Council of Ministers of 8 December 2016 on the filing and consideration of trademark applications (Journal of Laws of 2016 item 2053) (the “Regulation”) entered into force on 24 December 2016. In principle, its structure is similar to that of its predecessor, though it does not contain provisions resulting directly from the IPL Act. It contains many editorial changes, and several substantive ones, described below.

Applications

The Regulation provides detailed information on what an application should contain. This includes data on the submitting entity, on its attorney, a motion for the granting of a protection right, and a list of the goods and services for which the trademark is designated. In comparison with the previously binding regulation of 2002, there is no requirement to provide a personal identification number (PESEL) in the case of a natural person.

When submitting a trademark, it is necessary to define the mark and to specify the goods for which it is designated, as taken directly from Article 138 par. 1 IPL. Defining the mark consists in specifying the designation for which protection is to be granted. A single application may concern only one mark. In the form submitted to the PPO, the type of trademark and its colour scheme must be defined. In the case of coloured marks, a designation having a single colour scheme is deemed to be a single mark. Pursuant to Article 141 pr. 2 IPL, an application of a mark presented or expressed in a particular graphic form should contain photographs or prints presenting or expressing that mark. An application for an audio

mark should contain a recording of the sound on an electronic data carrier, since an audio mark in electronic form is much more precise than a graphic transcription showing the mark in the form of lines or figures on a plane.

Specification of a mark

The definition of a trademark is explained in detail in Clause 6 of the Regulation on the filing and consideration of trademark applications. Defining a mark entails presenting or expressing it in an application in graphic form as photographs or prints, defining its type and, where necessary, describing the mark. Including a description in an application is necessary only when the presentation of the mark is insufficient for a complete depiction. Such a description may be helpful in order to show essential, characteristic elements of the designation. Depending on the type of trademark, it may be presented or expressed in the manner indicated below.

If a trademark is a letter, number, inscription, drawing or colour composition, it must be presented as such in the application. In every mark that contains non-standard letters, numbers or inscriptions, foreign-language inscriptions must be translated if they have an equivalent in Polish, while if letters of an alphabet other than the Roman alphabet are used, or numerals other than Arabic or Roman numerals, a transliteration of these into the Roman alphabet or Arabic or Roman numerals must be provided. Colour trademarks are presented using a list of the colours used, defining where necessary their particular parameters (shades) and indicating to what elements of the trademark each colour applies. In the case of an application consisting of colours or colour schemes, how they relate to each other should also be specified. In practice, in order to unambiguously



define a colour, its colour code is specified using one of the well-known models for defining colours, such as RGB, CMYK or PANTONE.

If a trademark consists of a number of separate parts to be used together (label, counterlabel, tie), those parts should be presented next to each other, in a manner corresponding to their actual placement on goods. If a trademark consists of a single image showing its placement on goods (known as a positional mark), it must be shown in a manner indicating how it is actually placed. The contour of the mark, in the above cases, must be shown by a continuous line, while the contour of the goods on which it is placed must be shown by a dotted line.

When a trademark is spatial in form, it must be illustrated in the form of a perspective drawing showing its overall appearance or as a photograph or several drawings next to one another if its distinctive features appear on different planes. If the mark is a hologram, it must be shown in the form of one or several images showing the whole effect of the hologram.

If a trademark, and in particular a melody, cannot be directly represented graphically, it must be expressed in the application indirectly, by means of a graphic notation allowing it to be reproduced (e.g. in musical notation or alphabetical notation depicting the sounds to be articulated). If it is difficult to fit the trademark in the application form due to the need to depict its details, the mark may be presented on a separate sheet in A4 format. Photographs or prints of the trademark cannot be less than 8 cm x 8 cm or larger than 10 cm x 10 cm; a photograph or print of a trademark can be made using any technique that allows it to be reproduced.

Official actions

After receiving a trademark application, the PPO promptly performs the actions specified in Article 41 par. 1 IPL, that is, it assigns a number application, confirms the date of application and notifies the submitting entity of such. If the PPO finds that the trademark submitted was not properly defined, or the goods for which the mark is designated were not specified, it calls for a supplementation of the application within a specific time period, on penalty of the proceeding being cancelled in accordance with Article 42 par. 1 IPL, to which Clause 11 par. 2 of the Regulation on the filing and consideration of trademark applications makes reference.

Announcement of an application

An important aspect which has been given priority in the Regulation is to shorten the waiting time for obtaining information on trademark applications filed. This is of particular importance in connection with the introduction to the IPL Act in 2016 of an oppositions procedure instead of an assessment procedure for trademark applications. Pursuant to Clause 12 of the Regulation, information on a trademark is to be disclosed by means of a database available on the website of the PPO. This provision was made to adjust the provisions of the Regulation to Article 146 par. 2 of the amended IPL, which states that the disclosure of a mark takes place before an announcement in the Patent Office Bulletin. In this way, businesses having an interest in the protection of their trademarks can obtain faster, broader information on the subject of trademarks submitted for protection by monitoring new applications online. In Clause 8 of the Regulation, the scope and manner of announcing trademark applications is defined, as referred to in the provisions of Article 146 par. 1 and 3, and Article 2331 of the Act. The legislator



has tied the day of an announcement in the Patent Office Bulletin to important legal effects: from that date, the three-month period for submitting oppositions against the trademark – i.e. for initiating opposition proceedings – begins. Clause 19 of the Regulation states what information is required when submitting an opposition and is contained in an announcement in the Patent Office Bulletin, as well as in the database available to third parties on the PPO website.

SOURCE

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EU: DRAFT REGULATION CONCERNING E-PRIVACY

Piotr Wenski

On 10 January 2017, the European Commission published a draft regulation concerning privacy on the Internet, the E-privacy Regulation, which is to replace the currently binding Directive 2002/58/EC. The acceptance of this draft will lead to significant changes in the rules governing privacy on the Internet.

By striving to replace the currently binding directive (which had to be implemented by individual member states) with a regulation applied directly, the European Commission seeks to unify the legal regulations concerning privacy on the Internet throughout the European Union. In the form proposed, the regulation would cover all electronic communications service providers, including such popular applications as Facebook, Messenger, Skype and WhatsApp. The draft introduces a rule in accordance with which the entirety of an electronic communication, as well as data concerning the behaviour of individual Internet users (the types of websites they visit, how often, purchases made online) will be confidential. In order to collect and analyse such data in a legal manner,

every Internet user must consent to such activities, and this must be done at the time of installing an Internet browser (or in the settings of a later edition of the browser). In this way, the “window“ appearing on some pages requiring user consent to a given website applying “cookies“ would disappear.

The principle of user consent also concerns searching and collecting metadata, that is, information on connection durations, current location or the places in which a given person appears. The prior consent of the data subject will also be required in order to apply various forms of what is known as direct marketing (telephone connections, text messages, e-mail). What is more, even where has agreed to accept such forms of correspondence, marketing connections will have to be made through numbers identified by a special prefix indicating the marketing nature of the telephone.

Although the draft regulation is no doubt intended mainly to protect people’s privacy, it also provides new opportunities for business. Based on analyses



of metadata collected from people who grant their consent thereto, it will be possible to create very detailed profiles of such individuals, and this, in the plans of the European Commission, should lead to the development of what is known as dedicated marketing.

As seen by the European Commission, the E-Privacy Regulation supplements Regulation 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data and is strictly connected with it (through, among other items, the acceptance of certain definitions). The European Commission plans to have both regulations enter into force on the same day, 25 May 2018.

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PL: IS A NEW CLASS ACTION AGAINST ALLEGRO ON THE HORIZON?

Ewelina Madej

According to recent press reports, Allegro, Poland's largest auction and e-commerce platform, has blocked the accounts of many businesses. The causes of this are not entirely clear. Companies are saying that the causes stated by Allegro, "a decline in the quality of services, an excessive amount of negative comments, an excessive amount of open discussions with buyers", are not the real reason for blocking businesses' accounts – the real reason is Allegro's desire to take over the customers of those businesses. Allegro denies those accusations. Information published on the Allegro website (Allegro good practice and rules) states that Allegro can block the account of a seller when an amount due to Allegro is not settled on time. Allegro also provides for the possibility of suspending an account or restricting its functionality, including in the case of a repeated failure to finalize purchases or of a breach of the rules concerning the display and description of offers. Each breach must be analysed individually.

Sellers whose accounts have been blocked are considering bringing a class action against Poland's largest Internet sales platform since, in their opinion, Allegro is not respecting either the generally binding provisions of law or its own regulations. Some companies have already decided to initiate individual claims. If the blocking of an account is proved to have been groundless, it could be deemed as impeding access to the market. It looks as though the conflict will only be resolved by a court ruling.

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PL: THE FIGHT OVER THE ROOSTER FROM KAZIMIERZ HAS HEATED UP AGAIN

Aleksandra Stachera

In 1996, the owner of a bakery in the town of Kazimierz Dolny, Cezary Sarzyński, obtained a trademark right for his baked goods in the shape of a rooster. Rooster

buns, however, were already famous, and had become a symbol of Kazimierz Dolny, long before the Polish Patent Office granted any protection right to a spatial



mark of that form. Mr Sarzyński, however, invoking his trademark, demanded that other bakers cease offering baked goods in the shape of a rooster on the Kazimierz market. In a counteraction, at the end of 2004, other bakers achieved invalidation of the trademark by demonstrating that baked goods of many other producers existed before the application of the mark, and that granting Mr Sarzyński a monopoly would be unlawful. After the death of Cezary Sarzyński, his family continued to bake roosters and it seemed the dispute was over, when suddenly, in 2015, the Polish Patent Office granted a protection right to two rooster designs of the Kazimierz Dolny Traders and Business Association (the “Association”). The Association then called on the Sarzyńskis to cease calling their rooster “original” and to pay the Association a fee

in the amount of 1,000 zlotys yearly. According to the Association, this symbolic fee is to be allocated for promoting, and possibly protecting, the rooster mark. The dispute has heated up again, though, with the Sarzyński family initiating a proceeding for the invalidation of the protection right acquired by the Association.

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EU: THE FORM OF A RUBIK’S CUBE – RULING OF THE CJEU IN CASE C-30/15 P

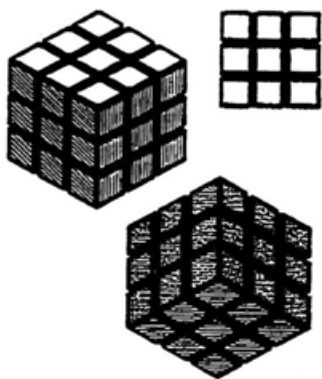
Michał Ziótkowski

This case came up as the subject of our analysis in bulletin 2/2016, where we described the position of the Advocate General in the case.

On 10 November 2016, the Court of Justice of the European Union (CJEU) overturned a ruling of the EU General Court and invalidated a decision by the European Union Intellectual Property Office (EUIPO) upholding the registration of the form of a Rubik’s cube as a community trademark. The CJEU found that,

when considering a trademark application presenting the form of goods, it is necessary to verify whether that form also includes technical solutions. The EUIPO and the General Court should also have considered invisible functional elements of the goods depicted by that form, such as their capacity for rotation.

Since 1999, the Rubik’s cube has been protected as a three-dimensional trademark for “three-dimensional puzzles”.



In 2006, the company Simba Toys, a German toy manufacturer, filed a motion with the EUIPO for the invalidation of the right to that three-dimensional trademark. It argued that, given the technical solutions that characterize a Rubik's cube, the invention should be subject to patent protection, not trademark protection. Simba Toys' motion was dismissed, first by the EUIPO and later by the EU General Court. The latter emphasized in its ruling that the graphic presentation of the Rubik's cube does not show technical solutions and therefore can function as a trademark.

Simba Toys appealed against that ruling to the CJEU. On 25 May 2016, the Advocate General issued an opinion in which he spoke in favour of overturning the ruling of the General Court and invalidating the EUIPO decision. In his opinion, the registration of the Rubik's cube as a trademark had been contrary to the law, because designations are not registered if they consist solely of the form of goods necessary to obtain a technical effect. This results from the fact that such a registration onerously limits the possibility of other entities producing goods which use the same technical solution.

The CJEU supported the position of the Advocate General, and held that the General Court had made an erroneous analysis of the case. In order to correctly assess the functional features of a form, it is necessary to first evaluate the object in question – in this case, the three-dimensional puzzle – and the General Court failed to do this. The General Court should have taken account of elements not visible in the graphic presentation of the goods, such as the fact that individual elements of the Rubik's cube puzzle can be rotated. In this context, the EU General Court should have determined the technical function of the goods and taken account of this when making its evaluation. Further, the CJEU found that the fact that the company Seven Towns had moved for the registration of the disputed mark for “three-dimensional puzzles” in general, and not only for puzzles that can be rotated, does not stand in the way of considering the technical function of the goods represented by the disputed cubic form, and even makes such consideration crucial, because the decision in this case can affect all manufacturers of three-dimensional puzzles whose elements are cubic in form.

In these circumstances, the CJEU overturned the ruling of the EU General Court and ruled that the decision of the EUIPO upholding the registration of the disputed form as a community trademark is invalid. The EUIPO must now issue a new decision that takes account of the ruling of the CJEU.

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EU: A DISPUTE OVER THE NATURE OF MARKS CONTAINING THE WORD ELEMENT “COMPRESSOR/KOMPRESSOR” – RULING OF THE COURT OF JUSTICE OF THE EUROPEAN UNION IN CASE C-43/15 P

Piotr Wenski

In a ruling of 8 November 2016 in case C-43/15 P, the Court of Justice of the European Union (the “Court of Justice”) upheld a ruling by the EU General Court dismissing a complaint by the company BSH Bosch und Siemens Hausgerate GmbH (BSH) against a refusal to register the word-graphic trademark shown below:



On 24 November 2008, BSH submitted the “compressor technology” word-graphic trademark to the European Union Intellectual Property Office (EUIPO). The application was made for goods belonging to classes 7, 9 and 11 of the Nice Classification (including gas cookers, ovens, ventilators, electric washing machines, dishwashers and coolers). On 30 April 2009, an opposition to

the registration was submitted by the company LG Electronics Inc. (LG), based on the earlier registration of the domestic word mark “KOMPRESSOR” (in France, Spain and Britain) and of the community word trademark “KOMPRESSOR PLUS”.

In a decision of 3 May 2012, the EUIPO Opposition Division found in favour of the opposition in respect of most of the goods for which the registration had been made. Later, the EUIPO First Board of Appeal, having considered an appeal by BSH and an “auxiliary appeal” by LG, upheld the decision to refuse to register the mark within the scope decided by the EUIPO Opposition Division and further expanded the refusal to include other goods. The EUIPO First Board of Appeal pointed out the high level of similarity that existed between the marks themselves and between the goods for which the registration had been made.

BSH then lodged a complaint to the EU General Court which, in a ruling of 4 December 2014, upheld the decision of the EUIPO First Board of Appeal.

In an appeal to the Court of Justice of the European Union (the “Court of Justice”), BSH first showed that the EUIPO First Board of Appeal was not competent to



issue a decision on a refusal to register a mark within a wider scope than that previously ruled on by the EUIPO Opposition Division. It pointed out in particular that LG's "auxiliary appeal" contained certain lacks that precluded it being considered. In a second claim, the plaintiff argued that the EU General Court had based its ruling on an erroneous conception of the likelihood of consumers being misled when it accepted that, in making such a judgment, it is enough that the two trademarks concerned coincide on the descriptive level. In the plaintiff's opinion, where both marks contain a purely descriptive element which is the same (in this case, the word "compressor/kompressor"), that element loses significance, and a deciding role is then played by the other elements of the marks.

The first of the charges made was found by the Court of Justice to be inadmissible, given that it had not been raised at an earlier stage of the proceedings. The Court of Justice stated that, in accordance with established case law, the competence of the Tribunal only encompasses reviewing cases, and therefore the Court of Justice cannot extend the scope of a dispute beyond the subject of an EU General Court ruling.

Regarding the second claim, the Court of Justice ruled that the EU General Court had based its finding that there was a likelihood of consumers being misled not only on the descriptive element of the marks, but by taking account of all of the circumstances, and especially the considerable similarity between the marks themselves, and between the goods (some of which are identical). Previous case law was referred to in this context, in accordance with which a likelihood of consumers being misled may exist even in the case of a trademark whose distinctiveness is weak, especially when there is a similarity between two marks and the goods or services they identify. In the

view of the Court of Justice, the case at hand is an example of such a situation.

All of the above circumstances led to BSH's appeal being partly revoked and partly dismissed, and the registration of the mark was thereby refused.

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EU: A DECISION OF THE BOARD OF APPEAL IN THE CASE OF THE TRADEMARK APPLICATION CONSISTING OF A COMBINATION OF COLOURS

Daria Golus

On 19 October 2016, the Board of Appeal upheld a decision by the Cancellation Division entirely invalidating a graphic trademark registered on 7 December 2007 by the Hudson's Bay Company. The basis for the invalidation was Article 51 par. 1a), pursuant to which a trademark must be deemed as having expired if it is not used for a period of five years.

The trademark in question consisted of four stripes of different colours: green, red, yellow and blue, and was registered as a graphic trademark, not as a combination of colours per se. The Hudson's Bay Company used that colour combination on its products, but not in the form of stripes on a white rectangle, but as stripes running across the entire width of a product. The Cancellation Division found that, placed on a given product in that manner, the colours did not function as a trademark, that is, they did not serve to identify the origin of the product, but only constituted a decorative design. In addition, the products themselves appeared in different colour versions and not in the version reserved for the mark.

The Cancellation Division found that the relevant target group of consumers perceived the striped pattern as a design, and not as a trademark, and that the Hudson's Bay Company had not provided evidence attesting that this was not the case. The Hudson's Bay Company lodged an appeal against the decision to invalidate, arguing, among other things, that the colour

combination used always consists of four colours of evenly placed stripes in the colours green, red, yellow and blue. The company added that, of course, the colour scheme does constitute a decoration, but is used for the purpose of identifying the company.

The Board of Appeal dismissed the appeal. It found that the trademark had been registered as a graphic mark, not as a colour combination. Therefore, the use of the trademark cannot differ from what was registered, and so the same combination of colours must appear in the same order and in the same proportions. The Board of Appeal found that, used in the manner it is, the mark should not have been registered as a graphic trademark, but as a colour combination per se. Certainly, the Hudson's Bay Company would then enjoy such protection, and there would be no doubt concerning actual use. Nevertheless, because the colour combination was registered as a graphic trademark, the Board of Appeal upheld the stance of the Cancellation Division that the trademark registered had not actually been used for five years and dismissed the appeal.

SOURCE

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EU: MILLE MIGLIA VS E-MIGLIA: RULING OF THE COURT OF JUSTICE OF THE EUROPEAN UNION ON THE POSSIBILITY OF CONSUMERS BEING MISLED

Ewelina Madej

On 17 February 2011, the company Rebel Media Ltd applied to the European Union Intellectual Property Office for the registration of a community trademark for the following graphic designation:



for goods and services in classes 12 (vehicles, land, air and water transport devices), 14 (including precious metals and alloys thereof, jewellery, gemstones), 18 (including leather, imitation leather and products from such materials), 25 (clothing, footwear, headwear), 35 (including advertising, in particular of electric vehicles, organization of advertising events) and 41 (education, training, recreation, sports and cultural events) of the Nice Classification.

On 16 September 2011, the company Automobile Club di Brescia lodged an opposition to the registration of the above mark in respect of all of the goods and services submitted. The opposition was based on the following three earlier word trademarks:

- a. MILLE MIGLIA (trademark EUTM 1519511) registered for services from class 41 of the Nice Classification (including services connected with entertainment; entertainment

services in the form of games, interactive games, video games);

- b. MILLE MIGLIA (trademark EUTM 8299448) registered for selected goods in classes 12, 18 and 25 of the Nice Classification;
- c. MILLE MIGLIA (trademark EUTM 9543265) registered for selected goods from class 14 of the Nice Classification and services from class 35 of the Nice Classification (including organizing and conducting fairs, exhibitions for commercial or advertising purposes, retail trade services, and services provided online, including in respect of such goods as land vehicles and their accessories and parts, bicycles, jewellery and gemstones).

Automobile Club di Brescia based its opposition on the relative basis for refusing to register set out in Article 8 (1) (b) of Council Regulation (EC) No. 207/2009 of 26 February 2009 on the community trademark, in accordance with which a trademark is not registered if, because of its identity with, or similarity to, an earlier trademark and the identity or similarity of the goods or services covered by the trademarks, there exists a likelihood of confusion on the part of the public in the territory in which the earlier trademark is protected; the likelihood of confusion includes the likelihood of association with the earlier trademark.



The Board of Appeal found that the likelihood of confusion exists in the case of persons who do not understand either the combination of words “mille miglia” or the element “miglia”, but only in relation to goods and services deemed identical. For this reason, the Board of Appeal upheld the opposition for goods belonging to classes 12, 14, 18 and 25 – in relation to which Rebel Media Ltd. had applied for the registration of the trademark – and for services involving the “organization and arrangement of advertising events” belonging to class 35 and “entertainment” from class 41 covered by the trademark submitted. Yet, the Board of Appeal overturned the decision of the Opposition Division and dismissed the opposition in respect of the other services belonging to classes 35 and 41 covered by the trademark submitted.

On 30 November 2016, the EU General Court admitted (T-458/15) that the Opposition Division had not erred in its assessment of the similarity of the marks. The EU General Court confirmed that the marks are similar to each other visually to a low degree and phonetically to a below-average degree. Consequently, the EU General Court dismissed the appeals raised in the case by each of the sides.

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EU: AN INTERNALLY CONTRADICTORY JUSTIFICATION CAUSES A DECISION OF THE EU GENERAL COURT TO BE OVERTURNED (C-537/14 P)

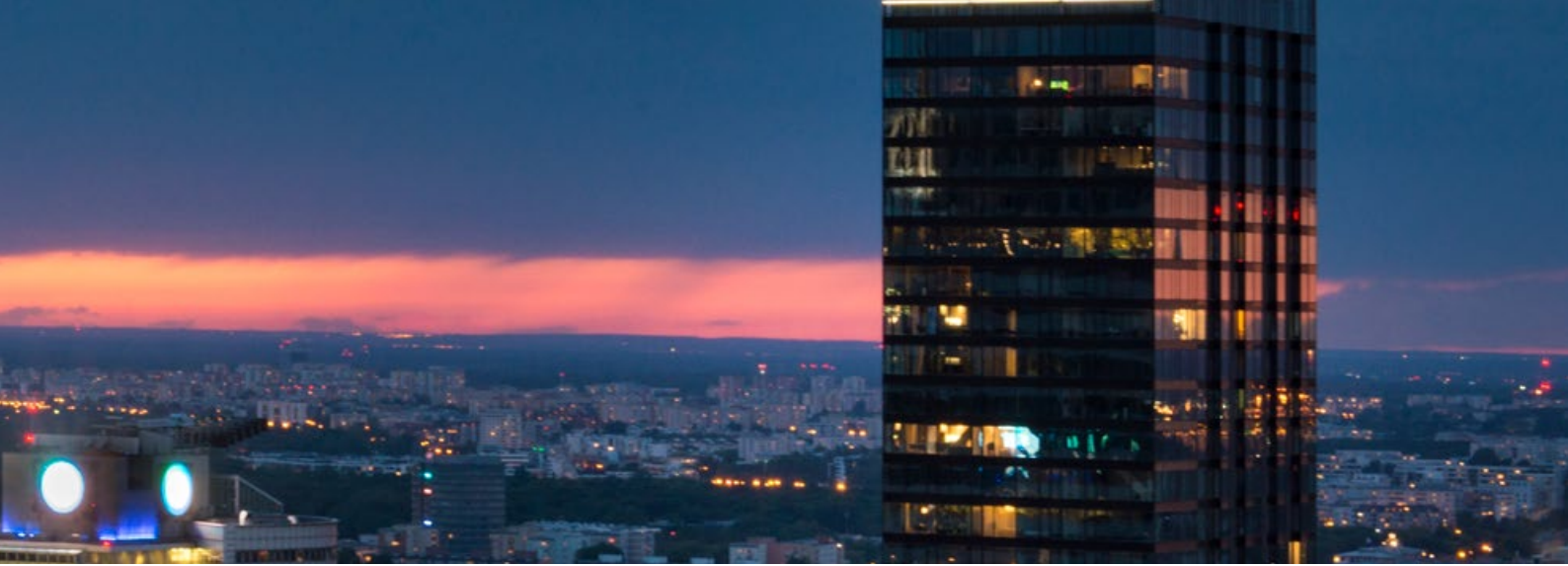
Daria Golus

On 27 March 2008, Groupe Léa Nature applied for the registration of the following graphic trademark:



in classes 3 and 25 of the Nice Classification.

On 9 September 2008, the company Debonair lodged an opposition under Article 41 of Regulation 207/2009. Debonair is the right holder to the registered community mark “So...?” for products in class 3 and the domestic trademark “So...?” registered in Great Britain for products in class 25. Debonair based its opposition on Article 8(1)(b), (4) and (5) of Regulation 207/2009.



On 23 November 2010, the Opposition Division dismissed the opposition in its entirety. On 21 January 2011, Debonair appealed against that decision, and the European Union Intellectual Property Office First Board of Appeal (the “First Board of Appeal”) overturned the decision of the Opposition Division and dismissed the application for registration.

On 27 June 2013, Groupe Léa Nature complained against that decision. The case went to the EU General Court, which found that the disputed trademarks are not similar to each other either visually or conceptually, while phonetically they are similar only to a small degree. The Court therefore found that the marks are not similar and invalidated the decision of the First Board of Appeal. Debonair and the European Union Intellectual Property Office (EUIPO) appealed against the ruling of the EU General Court to the Court of Justice of the European Union (the “Court of Justice”).

Debonair contested the decision on the basis of an infringement of Art. 8(1)(b) and 8(5) of Regulation 207/2009 and claimed there had been many errors in the assessment of the visual similarity of “so”. The EUIPO claimed there had been no proper justification of the ruling in respect of the distinctiveness of the element “so”, and that the EU General Court had infringed Art. 8(5) of Regulation 207/2009.

The Court of Justice found that the EU General Court is obliged to justify its decisions in a manner that is clear and unambiguous. In the case at hand, when analysing the visual similarity of the two marks, the EU General Court had found that the element “so” plays a reinforcing role in both marks. It then upheld the view of the First Board of Appeal that the word “so” can be understood by English- or German-speaking

consumers as “so” or “therefore” where no other word follows it. In par. 70 of its ruling, the EU General Court pointed out that the earlier mark contains only the word “so” followed by punctuation marks. The Court of Justice found, therefore, that the justification by the EU General Court was internally contradictory. First, the EU General Court found that in both cases “so” has the same function and then expressed the opinion that the word “so”, when unaccompanied by another word, can have a different meaning. Yet it did not address the meaning of the mark “So...?”, where “so” is not accompanied by another word. The claim of the Court that the position of a given element is not decisive and that the punctuation marks must be treated as having distinctiveness is not sufficient to determine whether the word element “so” possesses distinctiveness or not. Therefore, the EU General Court failed in its duty to justify its decision. The Court of Justice overturned the decision of the EU General Court and referred the case back for reconsideration.

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OTHER ISSUES

UK: RECENT UK UNREGISTERED DESIGN CASE ALL LOCKED UP

Briony Pollard

Judgment was recently handed down from Judge Hacon, sitting in the Intellectual Property Enterprise Court, in relation to a UK unregistered design right infringement case, which was heard in October last year.

Proceedings had been brought by the storage equipment and locker specialist, Action Storage Systems (“Action”), against two competitors operating under the same director (“G-Force”) for primary and secondary infringement of UK unregistered design right in its eXtreme plastic locker design. G-Force was manufacturing and offering for sale the SuperTuff plastic locker, the design of which Action claimed infringed its UK unregistered design rights.

In its defence, G-Force argued that Action’s claims of UK unregistered design right were not valid due to the fact that the eXtreme locker design lacked novelty because it was inspired by an earlier Action design for plastic lockers, known as the ‘Remcon’ design. Judge Hacon held that despite the strong influence of the earlier Remcon locker design, the eXtreme design was original bar a minor moulded hinge feature, which was accepted by Action to be unoriginal. G-Force also argued that the eXtreme design was common place in the field of locker design, but at trial was unable to provide evidence of prior art for each design feature at the relevant time, which was required to demonstrate that the design was commonplace.

G-Force further argued that because the eXtreme lockers were designed to be slotted together and

securely stacked on top of one another, the design would not be capable of attracting UK unregistered design right, i.e. the design was a method or principle of construction and in order to fit together, the lockers needed to have the appearance that they did. Judge Hacon found that this argument was true only in respect of the top and bottom panels of the eXtreme locker design (i.e. the panels which enabled the lockers to be stacked securely on top of one another) but that this argument did not have any impact on the rest of the design features, which he held were not methods or principles of construction, or on the finding that the UK registered design right subsisted in the eXtreme locker design as a whole.

Having rejected, for the most part, the defences put forward by G-Force, Judge Hacon found that in manufacturing and selling the SuperTuff locker, G-Force had committed both primary and secondary infringement of Action’s UK unregistered design rights in the eXtreme locker.

Judge Hacon also provided some useful recommendations for parties involved with litigation concerning UK unregistered design right. He encouraged the parties to use tables or charts which would facilitate straightforward comparison of design features which are the focus of the infringement debate and would ultimately expedite and enable smooth running of hearings and the case in general.



UK: EXPIRATION OF PERIOD TO DEAL WITH UNAUTHORISED COPIES MADE IN RELIANCE OF SECTION 52 CDPA

Briony Pollard

Section 52 of the Copyright, Designs and Patent Acts Act 1988 (CDPA), which limited copyright protection of industrially manufactured artistic works to 25 years, was repealed with effect from 28 July 2016. The repeal means that artistic works which are reproduced more than 50 times now receive copyright protection for the lifetime of the creator plus 70 years, which follows the general rule regarding duration of copyright under the CDPA.

This change in the law affects both 3D and 2D copies, as well as works whose 25-year term has already expired. Artistic works that had been reproduced more than 50 times and whose 25-year copyright term had expired under the old law will resume the remainder of the complete lifetime plus a 70-year term at the point at which the old 25-year term expired. However, the repeal of section 52 does not mean that the new law acts retrospectively. All the acts done in the past, in relation to copyright works with an expired 25-year term, will not be taken into account.

For example, Veronica created a sculpture in 1980 and in the same year manufactured and sold 100 copies of the work. Veronica died in 2010. Under section 52 CPDA, her sculpture would only have received copyright protection until 2005. Following the repeal of section 52, Veronica's sculpture now receives copyright protection until 2080 (i.e. Veronica's lifetime plus 70 years).

A transitional period was put in place to enable those who imported or produced copies of copyright works before 25 October 2015 to sell-off existing stock. The transitional period ended on 28 January 2017, which means that any copies made in reliance on section 52 CDPA can no longer be sold, included in new publications or reprinted without the copyright owner's consent, and will be deemed to infringe the rights holder's copyright, unless an exception applies (such as criticism and review, education or incidental inclusion). However, simple possession may only result in an infringement if done in the course of a business.

Businesses that deal with replicas are advised to review their licences to ensure that this change in law does not affect their trade and, if it does, evaluate the applicability of any exceptions to new and existing copies or 2D reproductions. In cases where exceptions are not applicable, the works in question should be destroyed, unless permission from the rights holder is acquired.

In addition, the national law of the country where the copies are sold must be considered. As with any other intellectual property right, copyright can be infringed in another country irrespective of the place where the item is sold. For example, the same work that cannot be sold in the United Kingdom due to a protected copyright could be sold in a different



country where no copyright protects that specific work of art and vice versa.

Measures that are consistent with the repeal of section 52 shall be considered with regard to the new schedule 1 CDPA, which will enter into force on 6 April 2017. This change will extend the copyright protection to artistic works which were made prior to 1 June 1957, which at the time were capable of being registered as a design,

which were used or were intended to be used as a model to be multiplied industrially and which were protected by copyright in at least one European Economic Area state on 1 July 1995.

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IT: THE ITALIAN GOVERNMENT LAUNCHES A TENDER FOR GRANTING ALLOWANCES FOR THE PROMOTION OF HISTORICAL TRADEMARKS

Alessandra Feller, Alessia Castelli

Micro, small and medium Italian companies holding trademarks the application of which was filed before January 1, 1967 can benefit in allowances for the promotion of such trademarks.

Year 2017 provides companies based and operating in Italy with a new opportunity for promoting their intellectual property assets.

The Italian government has launched a tender for granting allowances intended to support historical trademarks for a total amount of € 4.5 million. The purpose of this new initiative is to promote and boost the historical and cultural entrepreneurial heritage of Italy by supporting specific national trademarks.

Companies can apply for allowances concerning expenses related to manufacturing and commercial promotion of the historical trademark. Such expenses include the purchase of goods and services for manufacturing purposes based on a plan for the promotion of the trademark involving goods and services falling under the scope of protection of the trademark – i.e. Nice classes for which the trademark is registered.

Further allowances may be then granted for activities related to the strengthening of the historical trademark, its extension at the European and international level and to Nice classes other than those for which the trademark was previously registered. Basic requirement for the obtainment of such allowances is that their application must be accompanied with an application related to



allowances for the promotion of the trademark as described above.

Italian companies of micro, small and medium dimensions complying with specific requirements can benefit from such allowances provided that each trademark for which the application is filed:

- is valid;
- is registered before the Italian Patent and Trademark Office (UIBM) or before the European Union Intellectual Property Office with seniority claim before the UIBM;
- is not revoked; and
- its application for registration before the UIBM was filed before January 1, 1967.

Licensed trademark can also enjoy allowances provided the license is exclusive, concerns the use of the trademark for all goods and services in the territory for which the trademark is registered and its duration lasts at least 36 months from the date of application for such allowances.

Companies can file their application from April 4, 2017 and until allowances stock lasts.

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FR: WILL THE MISLEADING USE OF A GEOGRAPHICAL INDICATION FOR HANDICRAFT PRODUCTS BE DEEMED COUNTERFEITING? THE “LAGUIOLE” CASE

Claude Armingaud, Olivia Roche

As stated in a previous article published in the Trademark and Unfair Competition Bulletin¹, the Act no. 2014-344 on consumer protection, named the “Hamon Act” and dated 17 March 2014, created a new industrial property right: the “Geographical Indications protecting Industrial Products and Crafts” (or “Indications Géographiques protégeant les Produits

Industriels et Artisanaux”, hereinafter, “IGPIA”) in order to include industrial and handicraft products in the scope of the protection of geographical indications.

In the same article, the authors highlighted the fact that prior to the implementation of the aforementioned provision, there was a lack of protection since a third

1) “FR – Creation of a new industrial property right in France: «The Geographical indication of industrial and handicraft products»”, Olivia Roche and Claude-Etienne Armingaud, TM and Unfair Competition Bulletin, no. 2/2014 (14)



party could use the name of a famous place or city and register it as a trademark to misleadingly sell handicraft products under that name.

Introduction to the Laguiole case

A famous example was the “Laguiole cutlery” case where a third party, among others, was using the famous French city name of “Laguiole” as a trademark to flood the market with knives made in China under that brand. Following the scandal that ensued, the Laguiole municipality launched an action against several companies and legal persons that had registered 27 trademarks in total, on the ground that such use of “Laguiole” was deceptive.

Indeed, the trademark “Laguiole” had been filled in almost all trademarks’ classes and therefore the Laguiole municipality was prevented from using such trademark for its own activities and, in particular, for its renowned cheese and cutlery.

After a first-instance ruling, the Paris Court of Appeal rejected the Laguiole municipality’s action in 2014 which was subsequently presented to the French Supreme Court (“Cour de cassation”).

The Cour de cassation ruling

By a ruling dated 4 October 2016, the Cour de cassation overturned parts of the ruling of the Paris Court of Appeal and welcomed arguments of the Laguiole municipality.

Indeed, the Cour de cassation considered that the use of the “Laguiole” trademark by the defendants was misleading and confusing to consumers since the products sold under that trademark were not manufactured in such place.

In addition to such argument based on consumer protection laws, several arguments grounded on trademark law were also favourably received by the Cour de cassation. However, as such court only has jurisdiction over legal qualification but not on facts, the end of this saga will be written by the Court of Appeal to which the case has been remanded to for the final ruling.

The Court of Appeal will hopefully close the ongoing debate. However, the Court of Appeal may also side with the initial Paris Court of Appeal ruling. In such a case, the Cour de cassation may have to hear the case again.

Nevertheless, such litigation intervenes in a context where IGPIA has effectively become protected. Even if Laguiole was not among the five applications filed for IGPIA in France (out of which only one has been granted so far), the broad power given to geographical indications with the adoption of European Regulation No 2015/2424 amending the Community Trade Mark Regulation and the European Directive No 2015/2436 approximating the laws of the member states relating to trade marks may have an impact on actors’ practices.

Indeed, according to these regulations, the national right granted on geographical indications through IGPIA or otherwise conferred by the courts, may materialize a ground for refusal for not only trademark applications but also for European trademarks. There is thus a strong incentive to seek this protection by any means necessary.

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FR: COMPETENCE AND JURISDICTION IN THE FIELD OF TRADEMARKS: A PROCEDURAL ASSET OR A WAY TO ACHIEVE BALANCED JUSTICE?

Clemence Marolla

In view of the strong international dimension, notably European, of commercial issues related to trademarks, the economic players do not limit the scope of their protection to one single national territory anymore. On the contrary, the current trend is to multiply the trademark filings, which often leads to a variety of protections, for the same sign, through a national trademark, a European Union (EU) trademark and an international trademark.

However, in France, the jurisdiction of the courts varies depending upon these different titles and thus requires, prior to introducing an action, adopting an actual procedural strategy. The Commercial Division of the French Supreme Court, in a decision dated 6 September 2016¹, confirmed these strategic issues relating to the choice of the forum election. Indeed, according to this decision, limiting the scope of a proceeding to French trademarks becomes a real advantage, which could lead, in fine, to a new equilibrium for trademark litigation in France.

1. The limitation of the scope of the national proceedings to French trademarks: a new procedural advantage?

Under Article L. 716-3 of the French Intellectual Property Code² (“FIPC”) and Article D. 211-6 of the French Code of Judicial Organization, trademark-based civil actions and claims (as well as the related unfair competition actions) must be initiated before one of the ten appointed High Courts (tribunaux de grande instance), including the High Court of Lille, which is exclusively competent for the actions within the northernmost area of France.

In addition, the combination of Articles L.717-4, R.717-11 of the FIPC and Article R. 211-7 of the French Code of Judicial Organization provides for the exclusive jurisdiction of the High Court of Paris for any action involving EU trademarks. Therefore, any litigation which may impact the validity and/or the scope of an EU trademark should be referred to the High Court of Paris.

1) Commercial Division of the French Supreme Court, 6 September 2016, No.15-29.113

2) Resulting from the French Act No.2011-525 of 17 May 2011



To determine the competent court, it is necessary, under Article 4 of the French Code of Civil Procedure, to determine whether the litigation subject matter, resulting from the respective claims of each party involves EU trademarks.

The aforementioned case between two French companies, Compagnie Gervais Danone (“Gervais Danone”) and Dagniaux (“Dagniaux”), illustrates that the definition of the litigation subject matter may be tricky and implies strategic issues with regard to the jurisdictional competence.

Indeed, Gervais Danone owned identical French, EU and international trademarks protecting the “Danio” sign. According to Dagniaux, this sign infringed upon its prior rights on several French and EU trademarks such as “glacier Dagniaux depuis 1923” or “depuis 1923 Dagniaux artisan glacier”. Consequently, Dagniaux sued Gervais Danone before the High Court of Lille for trademark infringement and demanded the invalidity of the French Danio trademarks, as well as other interdiction measures.

The introduction of the case before the High Court of Lille appeared coherent in view of the matter that the litigation was limited to French trademarks owned by both parties. It was however challenged by Gervais Danone which argued that, since both the French and EU trademarks were absolutely identical, any decision against the French trademarks would, de facto, substantially impact the EU trademarks.

Nevertheless, the French Supreme Court rejected this analysis and, instead, approved Dagniaux’s reasoning by nothing “the provisions stating the exclusive

jurisdiction of the Paris High Court for the actions relating to EU trademarks must be strictly interpreted” and that in the present case “the subject matter of the proceeding relates to the rights owned by the parties on French trademarks exclusively”.

Therefore, the French Supreme Court confirmed the analysis made by the Court of Appeal of Douai³ and ruled that the fact that Gervais Danone owned EU and international trademarks identical to the French trademarks at stake, had no impact on the jurisdiction of High Court of Lille, since those non-French trademarks were not targeted by Dagniaux’s claims.

2. A decision favouring more balanced trademarks litigations but unfavourable to the unitary nature of the EU trademark

The visible trend of multiplying national, EU and international trademarks filings to protect a unique sign leads trademark owners, when they initiate a proceeding, to include all these titles. This approach is probably justified by the desire to preserve a uniform protection for the same sign under various titles. As the national territory is included within the territory already covered by the EU trademarks this approach would seem logical. This strategy also follows the principle of the unitary protection offered by EU trademarks.

Nevertheless, the multiplication of these proceedings targeting both French and EU trademarks also leads

3) Appeal Court of Douai, December 10, 2015, No. 15-29113



to a concentration of the majority of trademark litigations before the High Court of Paris at the expense of the other nine French jurisdictions competent for trademark issues. The French Supreme Court decision may limit this trend. Indeed, the adoption by the French Supreme Court of a contrary position might have led to the concentration, not only of the proceedings expressly relating to EU trademarks, but also to the proceedings against French trademarks whose owners could have also had identical EU trademarks (regardless of their inclusion in the proceedings) before the Parisian jurisdiction.

In addition, an adverse decision of the French Supreme Court could also have led the plaintiffs to systematically include, into any proceeding they initiate, any and all identical trademarks (i.e. national, EU and international) owned by the same person. As a consequence, such reasoning could have seriously challenged trademark litigation as we know it. Indeed, for instance, it could have mandated Dagniaux to also file an application for declaration of invalidity of Gervais Danone's EU trademarks before the European Union Intellectual Property Office, which has exclusive jurisdiction on this matter⁴. Therefore, the procedural strategy consisting of targeting French trademarks only, as confirmed by the French Supreme Court, is certainly time-and-cost-efficient for plaintiffs.

Consequently, the French Supreme Court decision appears to favour a more balanced and accessible trademark litigation system. However, this decision may also lead to uncertain practical impacts and is undoubtedly a severe blow to the unitary character

of EU trademark protection. Indeed, if Gervais Danone's French trademarks are definitely judged invalid, the French company may end up owning the EU trademarks, whose use may be prohibited in French territory.

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⁴ Article 52 of Council Regulation (EC) No 207/2009 of 26 February 2009 on the community trade mark, as amended by Regulation (EU) 2015/2424 of the European Parliament and of the Council of 16 December 2015

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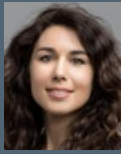
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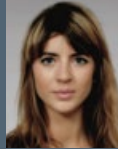
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