Recent CJEU trademark case law

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(with thanks to Laura Fresco, Hoyng Monegier)
Topics

- **Composite trademarks**
  - assessment similarity and likelihood of confusion

- **Trademarks with a reputation (5(2) TMDir)**
  - “due cause”, risk of dilution and freeriding

- **Shape marks and colour marks**
  - and other trademark hybrids (shape marks in disguise, 2D depicting 3D)

- **Revocation**
  - trademarks becoming a generic term

- **Varia**
  - What is a CJEU-proof infringement test “sub b”/“sub c”?
Protection “sub a” “sub b” and “sub c”

- Art 5(1) and (2) TMDir // Art 9(1)(a)(b)(c) CTMReg
  - “sub a”: identical sign for identical goods/services
  - “sub b”: identical/similar sign for identical/similar goods/services
    - **likelihood of confusion** in public required
  - “sub c” (or par. 5(2) TMDir or art 8(5) CTMReg): **well known TMs** get wider protection
    - identical/similar sign that **without due cause** takes **unfair advantage** of, or is **detrimental** to **distinctive character or repute** of the TM
    - so protection against: **risk of dilution** and **freeriding**
    - test is whether relevant public **establishes a link**
Composite trademarks

CJEU 8 May 2014, C 591/12 (*Bimbo/OHIM*)

- Panrico opposes Bimbo’s CTM application **BIMBO DOUGHNUTS** on the basis of the Spanish word mark **DOGHNUTS** for pastry.
- Likelihood of confusion (art. 8(1)(b) CTMReg)? Yes
  - Global assessment of visual, aural, conceptual similarity (overall impres.)
- Established case law: the *overall impression of a composite mark* may be dominated by a component. But: only if all the other components of the mark are *negligible* the assessment can be carried out solely on the basis of the *dominant* element
- 26: Even if the element ‘*bimbo*’ is dominant, the ‘*doughnuts*’ element is not negligible; not descriptive for average Spanish consumer!! GCEU did not err in its decision: likelihood of confusion
Bimbo - afterthoughts

- CJEU TM case-law increasingly difficult to understand
- Mandarin science?

  - Would you have decided this the same?
  - Not descriptive when common Spanish word is ‘donut’?!?
  - So yardstick = aside from dominant element are other components *negligible*
  - Does that ever occur in practice?

- Keep this in mind for tomorrow’s mock-trial
Composite trademarks II

CJEU 19 March 2015, C 182/14 P (Mega Brands/OHIM)

- Diset opposed Mega Brands’ CTM applications and MAGNEXT on the basis of the Spanish word mark MAGNET 4 for toys
- GCEU qualified the element “MAGNET” in MAGNET 4 as dominant, but did not establish that the element “4” was negligible
- Therefore GCEU’s assessment of likelihood of confusion is wrong
- Appeal upheld, case referred back to GCEU
Trademarks with a reputation

CJEU 6 February 2014, C-65/12 (The Bulldog/Red Bull)

- Art 5(2) TMDir: Protection trademarks with a reputation against identical or similar signs where the use of the sign without due cause takes unfair advantage of, or is detrimental to the distinctive character or the repute of that trade mark – dilution & freeriding

- Interflora 68: “sub c” a fortiori applicable for identical/similar goods

- What is “due cause” / “sans juste motif” / “ohne rechtfertigenden Grund”?

- Question Dutch SC: F.i earlier use of in good faith before the registration? (pos. The Bulldog)

- Or does it cover only objectively overriding reasons? (pos. Red Bull)
Trademarks with a reputation II

CJEU 6 February 2014, C-65/12 (The Bulldog/Red Bull)

- "due cause" may not only include objectively overriding reasons but may also relate to the subjective interests of a third party (45, see also 91 Interflora). So Red Bull’s pos. = wrong

- Relevant factors (50 infra):
  - Acceptance/acq. dist’ness and repute of the older sign
  - Intention of the user
  - When was that sign used/when TM known?
  - degree of proximity between goods: "natural extension" from catering services to energy drinks? (yes, esp. if before TM well-known)
  - CJEU may have opened Pandora’s box
Trade marks with a reputation III

- The **Bulldog/Red Bull** continued

- CoA case now quashed and referred to other CoA by Dutch SC
- Out of Padora’s box comes a new test for due cause (par. 60), but without any proper guidance → The Bulldog saga will continue:
  - Sign used before TM used
  - Used in good faith
  - How is sign accepted by and what is reputation with public?
  - Degree of proximity between original goods/services sign and product TM with reputation is registered for
  - **Economic and commercial significance of the use** for that product of the sign which is similar to that mark → ???
    - Any ideas what the latter may imply?
Trademarks with a reputation IV

GCEU 5 February 2015, T-570/10 and CJEU 14 November 2013, C-383/12 P (Environmental Manufacturing/OHIM)

- **High threshold risk of dilution**, i.e. use detrimental to the distinctive character. CJEU: Requires evidence, or at least a serious risk based on “logical deductions”, of a *change in the economic behavior* of the average consumer; mere suppositions are not sufficient (see *Intel* 77, 81).

- Case referred back to the GCEU: *no risk of dilution*. GC in 1st instance had tried to mitigate Intel, but in vain.

- Also no unfair advantage of distinctive character or repute established. According to GCEU (53) the BoA should have 1) examined whether the relevant public is likely to establish a link between the signs and if so 2) verified if the proprietor of the mark is capable of exploiting that link.
Trademarks with a reputation V

- So follow up by GCEU in Wolf-case:
  - No proof or “logical deduction” on dilution so appeal upheld in this respect (BoA incorrectly found risk of dilution)
  - Also no risk of free-riding in this case (not verified if capable of exploiting the link), so appeal on that count upheld too

- Nevertheless my conclusion on “sub c”: risk of dilution extremely difficult to proof (change of economic behaviour of consumer) → switch to freeriding (l’Oréal/Bellure, riding on the coat-tails of mark with a reputation), easier
Trademarks with a reputation VI

CJEU 20 November 2014, C 581/13 P and C 582/13 P (Intra-Presse/OHIM)

- CTM “BALLON D’OR” vs CTM application “GOLDEN BALLS”
- Established case law (Ferrero): “sub c” is inapplicable when there is no similarity at all between the signs, but lower threshold than “sub b” similarity, where likelihood of confusion is the test
- The GCEU did not rule out that there is a (low) degree of conceptual similarity between the signs
- Therefore GCEU was wrong to rule out the application of 8(5) CTMR – “sub c” altogether
- Important for applicable tests, caveat!
Shape marks

CJEU 18 September 2014, C-205/13 (Stokke/Hauck)

- Trade mark for a design of a children’s chair?
- Grounds for refusal (Art. 3(1)(e) TMDir, see also art. 7(1)(e) CTMReg):
  - Nature of the goods
  - Technical result (see also Philips/Remington)
  - Substantial value (see also G-Star/Benetton, B&O)
- How do they relate to each other? Partly nature/partly subs value
- Main rule shape mark: must deviate from the norm
  - problematic
Shape marks II

CJEU 18 September 2014, C-205/13 (Stokke/Hauck)

- Rationale exceptions: prevent everlasting monopoly on technical solutions or functional characteristics

- “Nature of the goods” exception:
  - Not just “the round shape of a ball”
  - Broader: no trademark when substantial characteristics are inherent to the function
  - Overlap with other two exceptions? (technical result/subs. value)
Shape marks III

CJEU 18 September 2014, C-205/13 (Stokke/Hauck)

- Substantial value:
  - Exclusion aesthetic form which gives substantial value;
  - Even if other features give substantial value (e.g., ease of use)
  - Various factors, consumer perception is not decisive

- No cumulation of grounds for refusal

- Bottom line: extremely difficult to overcome exceptions
Shape marks IV

But: **GCEU 25 November 2014 (Simba Toys/OHIM) Rubik’s Cube**

- Shape mark Rubik’s Cube upheld
- No `technical result` exception (27-77)
- No `nature of goods` exception (78-83)
- No `substantional value` exception (84-89)
- Inherently distinctive (90-113), so no need to examine acquired distinctiveness
- Not merely descriptive for 3D puzzle shape 3x3x3 (114-127)
  - Elaborate judgment, well reasoned

- Appeal pending: Case C-30/158
- Any predictions amount to crystal-ballng
Shape marks V


- Established case law:
  - criteria distinctiveness are the same for all trademarks
  - But consumer is not used to perceive shapes as indications of origin (dixit CJEU...);
  - Thus the shape will have to “depart significantly from the norm or customs of the sector”
- Does Voss water bottle depart significantly from the norm?
- CJEU: the mere fact that a shape is a “variant” of a common shape for the products (in this case bottles) is not enough
- Decision GCEU is upheld: not distinctive
Shape marks VI

CJEU 15 May 2014, C-97/12 P (Louis Vuitton/BHIM)

- Case law 3D shape marks also applies to 2D mark (part of) product: has to depart significantly from the norm
- The burden of proof regarding distinctive character lies with Louis Vuitton
- The public will probably not perceive the lock as a TM, but instead as an attractive detail of the bag
“Shape mark” for services?

CJEU 10 July 2014, C-421/13 (Apple store)

- Store layout can be a mark, including for services (sale Apple products)
- Precise size indication/layout not necessary, but must be distinctive (different from the standard)
- No "shape mark" for services, so shape mark restrictions do not apply
- Scope of protection shop design?!? How to register?!?
- Unclear field of law
“Shape mark” in disguise?

CJEU 6 March 2014, C-337/12 P to C 340/12 P (Pi-Design/Yoshida)

- CTM application: 2D image of knife handles with dots
- Black dots decorative, or technical (non-skid dents)?
- CJEU: when assessing the validity of a trademark registration not only the image as filed by the applicant, but also the way in which the mark is used in practice (the “actual use”) may to be taken into account. (Specsavers-rule: CJEU 18 July 2013 C-252/12)
- Attempt to overcome shape mark exception for “technical result” fails
- Referred back to GCEU...
“Shape mark” in disguise? II

GCEU 21 May 2015, T-331/10 RENV and T-416/10 RENV (Pi-Design/Yoshida)

- Shape mark exceptions also applicable to 2D sign representing 3D shapes with technical characteristics
- This is not a “position mark”
- Established case law: existence other shapes which could achieve the same technical result irrelevant (Remington, Lego)
- Registration = invalid
Kitkat shape mark referral pending

- Pending High Court referral C-215/14
  - Is for **acquiring distinctiveness through use** sufficient to proof a significant part of the public recognise the mark and associate it with the applicant’s goods in the sense that when asked who marketed the goods they would indentify the applicant, or is proof necessary that such part of the public relies on the mark as indicating the origin of the goods?
  - Where a shape consists of 3 essential features, 1 of which results from **nature** of the goods and 2 of which are necessary to obtain a **technical result**, is that shape precluded as a TM?
  - Is the **technical result exception** precluding shapes which are necessary to obtain a technical result in respect of the way the goods are manufactured as opposed to the manner in which the goods function?
Colour mark

- CJEU 19 June 2014, C-217 en 218/13 (Oberbank/DSGV):
  - Established case-law (Sieckmann, Libertel, Hb Bauchemie): a contourless colour mark must acquire distinctive character through use, no inherent distinctiveness
  - CJEU: A degree of recognition based on a consumer survey can be relevant, but it’s not the only factor
  - No “minimum” percentage

Unless the law of a Member State deviates, the date of filing the application is decisive for determining whether the trade mark has acquired distinctive character through use
Becoming a generic term

CJEU 6 March 2014, C-409/12 (Backaldrin/Pfahnl)

- Bakeries know Kornspitz is a brand, consumers see it as *generic term for a sandwich*
- CJEU: *perception of the end user is decisive*
- Necessary that the mark became a generic term “by acts or inactivity of the proprietor”?
- CJEU: yes, the holder must play a *proactive role*
- Whether there are other names for the same product is irrelevant
CJEU-proof infringement test “sub b/c”

- Old school TM law could stop after similarity-check when found insufficient similarity
  - Caveat: Not correct!
  - If likelihood of confusion (“sub b”) or establishing a link (“sub c”) is alleged:
  - CJEU 24 March 2011 C-552/09 P Ferrero par. 66 (confirmed in Golden Balls 72):
    - Even with some, however faint, similarity “sub b/c” test required: global assessment whether notwithstanding low degree of similarity on account of other factors such as reputation or recognition enjoyed by earlier mark a likelihood of confusion or a link can be established
    - So only when similarity is ruled out this test is not required!
  - Amsterdam CoA failed to apply proper test in Ajax-case on hooded vests, Dutch SC referred to other CoA after cassation to apply proper test
Thank you for your attention!

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