



Trade Marks

At the behest of the European Commission, a review is being undertaken by the Max Planck Institute into the workings of the Trade Mark Regulation and the Office for Harmonisation of the Internal Market. The Federation made submissions through BUSINESSEUROPE on the question relating to what geographical area was sufficient to establish genuine use - maintaining that it was a fundamental precept of the common market that genuine use in a single member state was effectively use throughout the European Union, pointing out that to find otherwise would disadvantage SME's. The Federation also opposed a suggestion that 50% of renewal fees should be given to national offices since we could anticipate that such income would be diverted to purposes not directly connected with Community Trade Marks. Unlike the situation with the EPO, national offices have no financial exposure to expenditure incurred by OHIM so carry no financial responsibilities deserving of such an income from OHIM. The Federation espoused the proposal to return excess cash arising from the fee levels having been set too high to the respective trade mark owners. Whilst the Institute is due to report to the European Commission in November, the Report is unlikely to be published before Spring 2011. However, Commissioner Barnier has recently supported the concept of genuine use not being dependent on national boundaries. The Report is likely to be the prime concern of the new President of OHIM, Antonio Campinos.

UK

At home, the IPO has caused a minor storm by deciding, without consultation, that henceforth the time periods for lodging an Opposition should be calculated by including the publication date and thus end a day earlier than has been the custom and practice in the past rather than adjusting the rules to accommodate past procedure. So make sure that "last minute" oppositions are filed within the new time period and hope that the IPO electronic systems have not been swamped or otherwise become unavailable. On a happier note, the Office is updating its electronic systems by installing the programs used by OHIM for at least a major part of its operations. This is to be welcomed since it should mean that the "look and feel" of the UK system will be identical with that of OHIM and that the new system will not require extended testing and development. It is not clear as to why the complete OHIM system is not being adopted. As a result of the change, it is proposed to drop the "opting in" system of notifying the owners of Community Trade Marks when conflicting UK applications are filed. However, electronic "caveats" should still be available.

European case law

Questions relating to what constitutes use of a registered trade mark have occupied the Court of Justice of the European Union (CJEU, previously the European

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Court of Justice) in recent months. Whilst decisions of Belgian and Hungarian Courts holding that use in more than one member state is necessary to establish genuine use have yet to reach the CJEU, that Court's decisions in various other cases have addressed the problem arising from use of a registered trade mark as a keyword in a search engine.

The vexed question of whether use of a registered trade mark as a keyword on a search engine website constitutes infringing use was at least partially resolved by the decisions of the CJEU in Cases C-236 to 238/08 (*Google France v. Luis Vuitton*) in which Google operated its AdWords system allowing advertisers to bid for keywords not owned by the advertiser with the effect that their advertisements (Sponsored Links) were displayed to internet users searching for those keywords (as opposed to hidden keywords).

The Court found that Google did not use the keyword trade marks in the course of trade by displaying the keywords and the associated advertisement as a result of their commercial activities even though they created the technical conditions necessary for the use of the trade mark and was even paid for the service since this was not use of the trade mark. So long as the host did not play an active role in formulating the advertisement, it was liable until such time as it obtained knowledge of the unlawful nature of the advertiser's activities and failed to act expeditiously to take down the data concerned. That the trade mark had reputation did not affect the situation.

However, the Court also found that the advertiser, by using the keyword referencing service, was seeking to gain economic advantage by directing the enquiry to the advertiser's website and, as such, infringed trade mark rights. Such use was use in relation to the goods or services of its competitor. This held whether the goods or services were those of the advertiser or were misleading as to the origin of the goods or services by making the normally informed and reasonably attentive internet user believe that the goods or services originated from the trade mark owner or an undertaking economically connected to the trade mark owner. The use by the advertiser could also adversely affect the proprietor's use of the trade mark in sales promotions or as an instrument of commercial strategy - but would not have an adverse affect on the advertising function of the trade mark.

The judgement was confirmed and extended to a situation in which the keyword was similar to a composite registered trade mark *BergSpechte Outdoor Reisen und Alpenschule Edi Koblmüller* in Case C-278/08 (*Die BergSpechte Outdoor Reisen v. Günter Guni, trekking.at Reisen*) where *BergSpechte* (and/or *Edi Koblmüller*) were the offending keywords.

In Case C-558/08 (*Portakabin v. Primakabin*) the Court of Justice expanded on the *Google France* Case and *Die BergSpechte* Case and held that, following a keyword link to a website, it was permissible to use another person's trade mark where it was accompanied by wording that the goods in question were being resold (e.g. "used" or "second hand"). However, unauthorised removal or obliteration of a trade mark and replacement with another trade mark was not normally a legitimate reason for permitting keyword advertising in conflict with the trade mark owner's rights. Further, trade mark rights could be infringed by keyword advertising where re-sale activities related not only to genuine goods but also to third party goods where their volume, presentation or poor quality risks seriously damaging the image that the trade mark Proprietor has succeeded in creating for its trade mark.

In Case C-301/07 (Pago v. Tirolmilch) the Court of Justice held - in this Case having a bearing on what constitutes "genuine use" - that in a situation where it was claimed that a trade mark had a reputation with regard to Art. 9(1)(c) CTMR it was sufficient that the reputation only extended to one member state.

In Case C-324/08 (Makro v. Diesel) the Court of Justice held that for exhaustion of trade mark rights to arise, it must be shown that the trade mark Proprietor had renounced its exclusive rights.

In Case C-408/08 (Lancome v. OHIM; CMS) the Court of Justice upheld the right of a law firm (as a legal person) to bring a cancellation action under Art.55(1)(a) CTMR on the ground that a mark consisted exclusively of indications which may serve to designate certain characteristics of the goods in question.

In Case C-51/09 (Barbara Becker v. OHIM; Harman International Industries) the Court of Justice held that there was no likelihood of confusion between the composite mark BARBARA BECKER and the mark BECKER on the basis that Becker was a relatively common surname so the addition of the first name may conceptually affect the perception of the public.

In Case C-127/09 (Coty v. Simex) the Court of Justice held that perfume tester bottles marked "Demonstration" and "Not for Sale" which remained the property of Coty and which could be recalled at any time had not been put on the (EEA) market by the Proprietor even though it was possible to acquire them by purchase from an authorised dealer.

In Case C-487/07 (L'Oréal v. Bellure) the ECJ (as it then was) held that all the functions of a trade mark are protected by the Directive and the Regulation including the use of the trade mark in a comparison list - in this case "smell-alike" together with price comparisons since an advantage was gained, even though there was unlikely to be confusion. With reluctance, the Court of Appeal implemented the ECJ judgement and found infringement even though there were reservations related to "free speech" and competition.

Two cases of interest on the way to the CJEU are Marks and Spencer v. Interflora (Case C-323/09) and Specsavers v. Asda. In the first of these, Marks and Spencer had purchased as a keyword the trade mark INTERFLORA and used it as a Sponsored Link to its own website providing a flower delivery service when the search term Interflora was entered into Google. In the second case, Assad's promotional literature included the phrases "Be a real spec saver at Asda" and "Spec savings at Asda". The High Court found that the first slogan constituted an infringing advantage.

In another case headed for the CJEU, CIPA are seeking guidance on the practice relating to specifying Class headings in the list of goods and services. In a UK registration, if a Class heading is listed, only the goods/services expressly listed in the Nice Classification heading are considered to be protected whereas OHIM considers that all of the goods/services that might fall within the relevant Class are protected. The reference to the CJEU (IP TRANSLATOR) seeks guidance on whether it is necessary to identify the goods/services of a Community Trade Mark Application with clarity and precision and, if so, to what degree; is it permissible to use Class headings; and is it necessary or permissible to interpret Class headings in line with practice at OHIM? Pending a ruling by the CJEU it has been suggested that

specifications of goods/services should be a combination of Class headings and the specific goods/services of interest. However, the requirement to use the trade mark in relation to the goods/services in order to maintain validity should not be overlooked.

Other items

Threats actions are under consideration again following a High Court decision in *Best Buy v. Worldwide Sales Corporation España* relating to the Community Trade Mark BEST BUY where Worldwide in what were found to be "without prejudice" discussions relating to a possible co-existence agreement asked for an undertaking not to use BEST BUY in Europe. The High Court held that - in the first English case involving a CTM - that the request for an undertaking amounted to a threat and fell within its jurisdiction. However, the evidence of the threat was inadmissible by virtue of the "without prejudice" provision.

The Olympic and Paralympic Games in London 2012 are almost upon us along with a plethora of regulations designed to maximise income from "selling" the Olympic brand to sponsors and merchandising licensees. Whilst most of the marks involved will be registered trade marks the concept of what constitutes infringement goes well beyond that of the Trade Marks Act. As a condition of being awarded the Games it was necessary to provide additional legislation in the form of The Olympic Symbol (Protection) Act 1995 and the London Olympic Games and Paralympic Games Act 2006. They give exclusive rights to the British Olympic Association and cover all forms of the Olympic Symbol and Words and prohibit any unauthorised association between people, goods and services and London 2012. It can amount to a criminal offence to apply a controlled representation to goods or to possess controlled representations for use in committing one of the other offences. In addition, there will be further regulations prohibiting unauthorised advertising and trading around the venues in order to prevent ambush marketing in any form. So avoid any skilful or covert allusion to London 2012 for the next two years.

The Company Names Tribunal has now been up and running, staffed by the IPO, for two years and whilst not widely used has managed to right some manifest wrongs which otherwise might have caused difficulties for various high reputation companies by way of removing "opportunistic" company names from the Register. If it can be shown (by virtue of Art. 69 of the Companies Act 2006) that the objectionable name is the same as a name associated with the name of a company in which goodwill resides or that the objectionable name is sufficiently similar to such a name as to mislead by suggesting a connection between the two then the Tribunal may require the objectionable name to be changed. The big brands - which were the main targets of the objectionable names - have used the provisions to good effect once the requirements of the Company Names Adjudicator Rules 2008 had been understood by the representatives. Of particular note is that of the 131 objections lodged so far, only 16 were defended and of those, only six objections were rejected.

DL, 4 November 2010