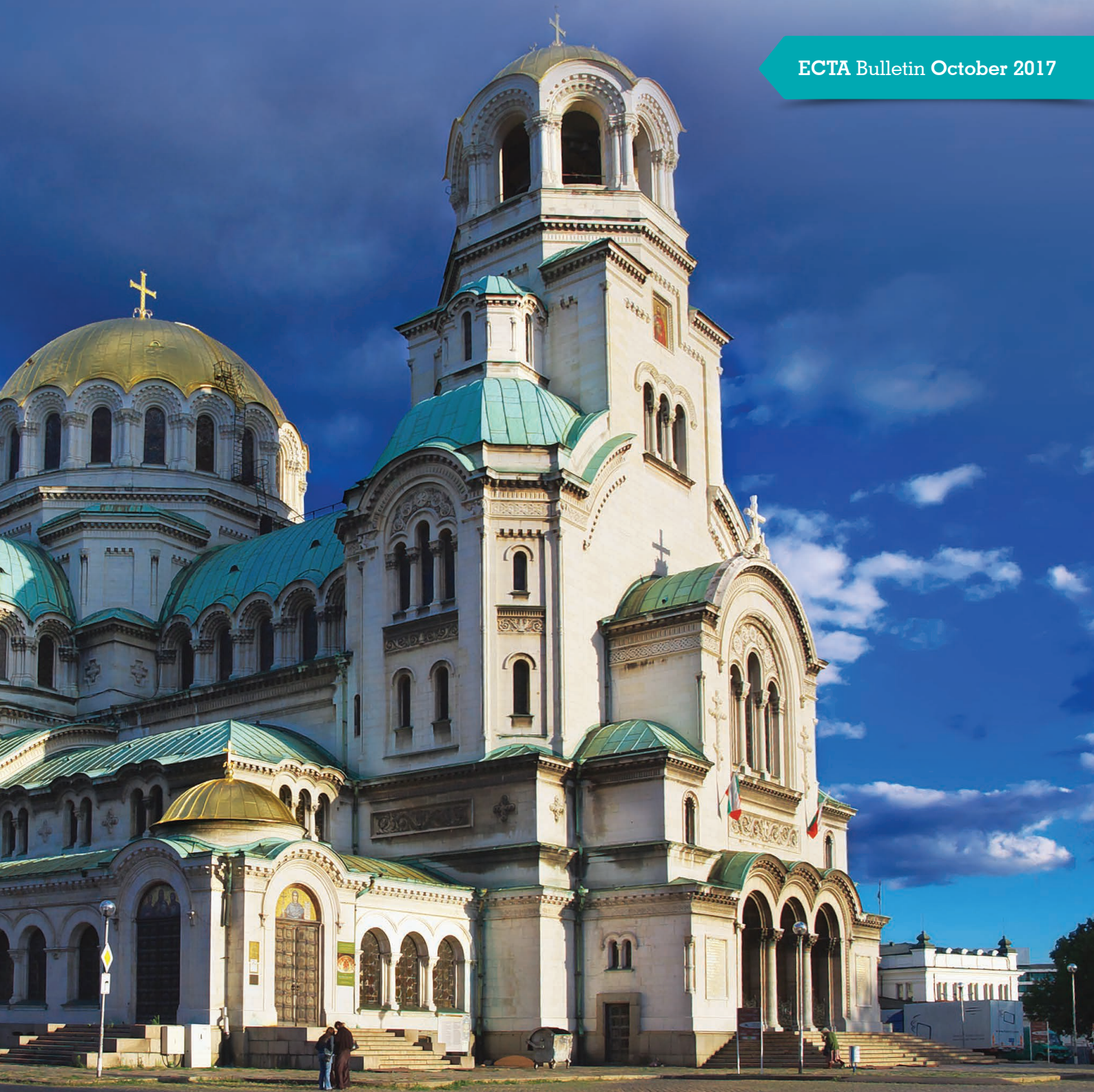


ECTA

European Communities Trade Mark Association

ECTA Bulletin October 2017



1. Introduction

Dear Readers,

We hope that you enjoyed the summer and that this 9th edition of the ECTA e-bulletin will help you to have a good start back in the office!

In this edition, you will again find very educative and interesting articles and case-law reports from our fellow ECTA members as well as news about ECTA activities and the hard working ECTA Committees.

This 9th edition is honoured to host **Dr. Christos A. Theodoulou**, who kindly accepted to have an interview with **Rıza Ferhan Çağırğan** and **Constance Debaste** from **Koninklijke Douwe Egberts** who was interviewed by **Craig Bailey**.

We also continue to welcome new ECTA members.

Finally a note to remember! ECTA Management and ECTA Publications Committee invite all ECTA members to share their knowledge with the ECTA community by reporting significant case law or by providing articles to the ECTA Bulletin. Please contact the Editorial Board for detailed information.

We are looking forward to seeing Council and Committee members at the Autumn meeting in the beautiful city of Sofia.

Keep reading!

Publications Committee

CONTENT

1. INTRODUCTION	2
2. EDITORIAL BOARD	4
3. ECTA News	5
4. ECTA Committee Section	9
5. ECTA New Members	14
6. INTERVIEWS:	
Dr. Christos A. Theodoulou	15
Constance Debaste	18
7. ARTICLES:	
Punitive damages under the Enforcement Directive	20
Fake it 'til we make it: regulating dangerous counterfeit goods	21
Harmonisation and cross-border influences in African Trade Mark Forums	23
Can you show the money?	24
8. CASES:	
A breath of fresh air - The "Wunderbaum II" decision by the German Federal Court of Justice	26
Where is the line between the perception of an ornamental sign as an indication of origin and a sign that is a purely decorative element?	28
The Board of Appeal of the Italian Patent and Trade mark Office: small modifications or additions are sufficient for excluding the risk of confusion between weak marks	30
Producer of laundry preparations succeeds to obtain invalidation of figurative mark "ABC" in Lithuania	32
Further guidance from the General Court on bad faith PayPal, Inc. v. EUIPO, T-132/16	34
9. Gossip	35

2. Editorial Board

ECTA

European Communities Trade Mark Association



PREPARED BY ECTA PUBLICATIONS COMMITTEE



Chair
Hande Hançer
GÜN & PARTNERS
hande.hancer@gun.av.tr



Vice Chair
Craig A. Bailey
Corsearch Europe | Wolters Kluwer Corporate
Legal Services
Craig.Bailey@wolterskluwer.com



Secretary
Alessandro Massetti
AKRAN
a.masetti@akran.it

ARTICLES



Peter Spies
DINEFF TRADEMARK LAW LIMITED
pspies@dineff.com

CASE LAW



Christian Bolduc
Smart & Biggar/Fetherstonhaugh
cbolduc@smart-biggar.ca

INTERVIEWS; GossIP



Craig A. Bailey
Corsearch Europe | Wolters Kluwer Corporate
Legal Services
Craig.Bailey@wolterskluwer.com

ECTA MANAGER LEGAL AFFAIRS



Anna Ostanina
anna.ostanina@ecta.org

ECTA 36TH ANNUAL CONFERENCE IN BUDAPEST

From 28 June to 1 July 2017, ECTA held its 36th Annual Conference in Budapest, Hungary at the Intercontinental Hotel Budapest. There were more than 750 attendees who participated in the workshops and sessions. The Conference was a success and included various topics ranging from a debate on possible implications of the Brexit on IP matters and a session on the EU Trade Mark Reform to a discussion on psychology and marketing of brands.

The Conference materials are available at <http://budapest2017.ecta.org/>. Please also check GossIP to remember those pleasant days in Budapest!

ECTA SECRETARY GENERAL

During the Annual Conference in Budapest, it was announced that after serving the maximum 6 year term as Secretary General, Max Oker-Blom would step down. Thank you very much Max for your outstanding work dedicated to ECTA during these years!



● Carolin Kind

Carolin Kind, Chair of the ECTA Harmonization Committee, Attorney at Law, Greyhills, became the new ECTA Secretary General! We congratulate her and wish her all the best in this new function.

ECTA HONORARY MEMBERS

Max Oker-Blom, ECTA Past President and Past ECTA Secretary General, and Fabrizio De Benedetti, ECTA Past President and Council Member were appointed Honorary Members of ECTA.



● Max Oker-Blom

ECTA AWARD

The winners of the ECTA Award were honoured during the closing ceremony of the 36th Annual Conference in Budapest. The full list of the winners and their respective works are as follows:

Professional Category:

First Prize – Stojan Arnerstål, Uppsala University – ‘Protecting the Reputation and Image of Franchise Concepts with Trademark Law and Contract Law’

Second Prize – David Flynn, FR Kelly – ‘Uncharacteristic Characteristics Giving Substantial to Value to Goods’

Student Category:

First Prize – Leonardo Machado Pontes – ‘Commercial Trade Mark Parodies’

Second Prize – Colin Manning – ‘Moral Bars on Trade Mark Registration’

We congratulate all the winners and wish them success in their professional and academic careers.

ECTA MANAGEMENT COMMITTEE ACTIVITY

During summer time, the ECTA Management Committee was busy with meetings and the organisation of ECTA workshops. Together with the Council and Committee members it also reviewed and approved various submissions of ECTA Position Papers and comments to the European public authorities.

ECTA Copyright Workshop

On 13 September 2017, ECTA organized a Workshop on the Copyright Reform and communication to the public according to CJEU case law at NH Collection Grand Sablon Hotel in Brussels.



● Mr. Fabrizio de Benedetti



● First Prize – Stojan Arnerstål, Uppsala University – ‘Protecting the Reputation and Image of Franchise Concepts with Trademark Law and Contract Law’

The Workshop consisted of two sessions that were moderated by Fabio Angelini, Vice-Chair of the ECTA Copyright Committee.

The first session of the event covered the update on the EU Copyright Reform. Dr. Sebastian Felix Schwemer from the University of Copenhagen discussed licensing of and access to copyright protected works. Dr. Martin Husovec from Tilburg Law School presented his ideas about how the Reform will affect the platforms.

The second session covered the communication to the public according to CJEU case law from a practitioners’ and industry perspective. Ted Shapiro shared his industry experience which he gained as General Counsel Europe of the Motion Picture Association. Léon Dijkman, legal practitioner and Member of the Copyright Committee, discussed the challenges related to hyperlinks as per CJEU decisions.

All Workshop materials as well as the webinar recording are available on the ECTA website under the *Events Section*.

Management Committee Meetings

On 14 September, the ECTA Management Committee together with the ECTA Manager Legal Affairs, met with EU officials from DG Connect, DG Taxud, DG Trade, DG Grow as well as with a representative from the Bulgarian Permanent Representation to the EU. During these meetings the ECTA Management Committee was informed about the status of various legislative reforms and recent legislative developments, future IP dialogues and IP priorities of the upcoming Bulgarian Presidency of the Council of the EU.

On 15 September 2017, the 94th Management Committee Meeting took place in Brussels. Discussions covered inter alia future workshops, the organization of the next Annual Conference in Athens, the development of Committee work, possibilities of new common work tool and other matters of importance for ECTA.

ECTA Position Papers

The .eu Regulations on the implementation

of the .eu Top Level Domain (Regulation 733/2002) and on laying down public policy rules concerning the implementation and functions of the .eu Top Level Domain and the principles governing registration (Regulation 874/2004) are currently under revision.

ECTA took the opportunity to send a Position Paper for consideration by the European Commission in June 2017.

This summer ECTA submitted a Position Paper to DG Taxud on an important topic of the Exchange of Customs Data with Third Countries.

In September ECTA sent comments to the EC Communication “On reform recommendations for regulation in professional services” to the European Parliament and the European Commission (DG Grow).

The ECTA Management Committee thanks and congratulates all ECTA members who continuously dedicate their time, efforts to and work on different ECTA matters.

CONFERENCE REPORT

ECTA's 36th Annual Meeting took place in Budapest and was themed **TRADE MARKS: A BRIDGE BETWEEN TWO**.

This was a perfect theme not only because Budapest is made up of two parts, Buda and Pest, which are connected by many bridges over the river Danube, notably the world famous Chain Bridge.

This theme was also very appropriate as ECTA connects – like a bridge. ECTA conferences are perceived as embracing and uniting. It is the perfect stage to come together, to find new business partners, to build bonds. This is particularly important as the world we all live in, including the IP world, is currently facing highly interesting and challenging developments. While each of us only has limited possibilities to influence the big picture of world politics, ECTA takes a lead in building bridges at least in the IP world. We bring together professionals from different countries, cultures and legal systems, we listen to many voices, and we strive for a balance of interests in order to pave the way into the future.

This theme of a bridge was reflected throughout our entire conference.

Wednesday 28 June

This day was dedicated to the meetings of our 13 Committees and the Council meeting.



ECTA Budapest Conference

In the afternoon the ECTA Council held one of its two annual meetings. It lasted 4 hours, and many important aspects relating to our association and our work were discussed.

While the Council meeting was by invitation only, the workshops we had organized for the afternoon were open to all Attendees. We started by looking into **Wine Brands and Labelling** and went on by finding bridges between **Trade marks and Languages**. Our **WIPO, EUIPO & WCO workshop** built bridges between the Madrid Registry, the European Cooperation Service and the World Customs Organization.

The bridge theme was highlighted again by our **Welcome Reception** in the evening which took place on the **river cruise boat "Europa"**. During this event we passed the most remarkable bridges of the capital and enjoyed beautiful sights of Budapest at night like the Parliament, the Castle District and the Fishermen's Bastion. The thunderstorm of that night, the sky which was illuminated by lightning and the reflecting lights in the Danube gave a fascinating appeal to the event.

Thursday 29 June

That dramatic night was followed by a hot morning, and hot were also the topics of this day.

After our **Annual General Meeting** we had a **Welcome** inter alia by Ruta Olmane, ECTA President, as well as István Tarlós, Mayor of Budapest, and Dr. András Jókúti from the Hungarian Intellectual Property Office.

The professional programme of that day started with **Latest IP News and Trends**. José Izquierdo from EUIPO informed us about the most recent developments in the EUIPO. Grégoire Bisson, Director of the Hague Registry at WIPO provided an update on the Hague and Madrid systems, and Michele J. Woods, Director of the Copyright Law Division at WIPO, spoke about WIPO copyright news.

Our **1st Session: The first year of the EU Trade Mark Reform - A bridge between the past and the future** picked up our bridge theme again. We were given a first evaluation of the changes from the EUIPO perspective by Dimitris Botis,



ECTA Budapest Conference



● ECTA Budapest Conference

Deputy Director for Legal Affairs. Views of national offices were presented by Imre Gonda, Immediate Past Deputy-Head of Trademarks in the Hungarian Intellectual Property Office. The position of practitioners was covered by Sarka Petivlasova, Hogan Lovells. Paola Ruggiero, Vice-Chair of ECTA GI Committee, added some special thoughts on trade marks and GIs.

After lunch we continued our theme with the **2nd Session: BREXIT Legal consequences - A bridge blown up?** This was a very entertaining set out of the recent developments and possible scenarios after the UK leaves the common path with the remaining members of the EU. The speakers, Catherine Wolfe, Boulton Wade Tennant, Prof. Spyros Maniatis, Queen Mary University of London as well as Carolin Kind, Chair of the ECTA Harmonization Committee and now Secretary General of ECTA, added a good sense of British humour. When moderator Mireia Curell, ECTA Past President, closed this session with the words: "Now it's the end" the audience had a good laugh.

Left with the hope that not too much will be blown up after Brexit, but that new bridges might be built, we continued with the **3rd Session: New Technologies and IP Rights - Exciting bridges ahead.** Prof. Taina Pihlajarinne of the University of Helsinki presented the connections between the Internet of Things and IPR. Dr. Dinusha Mendis, Bournemouth University, spoke on 3D Printing and IPR, with a touch on anti-counterfeiting. Bárbara Díaz-Alaminos, Ph.D. Cand. at the University of Copenhagen, shared her thoughts on Artificial Intelligence and IPR.

The evening was something more down to earth and dedicated to horses. The venue of the **traditional Thursday evening event** was the **Lázár Equestrian Park**. After having enjoyed selections of traditional Hungarian food we saw a fantastic horse show at night by the light of torches and camp-fires. Two attendees even managed to bring down a beer bottle with a long whip. It has to be noted that the lady succeeded better than the gentleman, for whatever reason...

Friday 30 June

On the first half of this conference day we had **Parallel Sessions** which covered many different areas, ranging from **Mediation/Arbitration - A bridge between two disputing parties**, **Psychology and Marketing of Brands - Building bridges with other disciplines**, **The actual status of the EU Copyright Reform and the Digital Single Market Strategy - Who owns the virtual bridges?** to **Designs, Trade marks and Copyright - A complex bridge**.

After lunch Péter Benyó, OTP Mobil Ltd. gave some input from outside our profession during a short **Helicopter Speech** with the title **Make it Simple: Evolving the new**.

This was followed by another highlight: In the **8th Session: 20 years of Case Law - A bridge well built**, interviewer F. Peter Müller, ECTA Immediate Past President, and speaker Prof. Dr. Alexander von Mühlendahl, ECTA Honorary Member, passed each other the ball in an astonishingly comprehensive and entertaining review

of the most important EUCJ trade mark cases during the past 20 years. As in the famous novel "Around the world in 80 days", they managed to jump from one stop to the other in just 1 hour and even kept the time limit. Chapeau!

The **9th Session: Decisions of the Year - A bridge from down to top** closed the professional programme of our conference. Imogen Wiseman, Vice-Chair of the ECTA Law Committee, shared her thoughts on a EUIPO first instance decision. Agnes Szanyi Felkl, Member of the Third Board of Appeal of EUIPO, gave an overview on some interesting cases of the Boards of Appeal which were rendered during the last year. Georgios Gryllos, Chambers of Judge D. Gratsias, General Court of the EU, set out an important CJEU while HHJ Hacon, Presiding Judge at the Intellectual Property Enterprise Court, spoke about a recent interesting GC decision.

The **Gala Dinner at the Railway History Park** was a social highlight of the conference. We took you back to the "Great Gatsby" era. The reception, followed by a luxurious dinner and a spectacular revue show in the oriental hall of the museum evoke the atmosphere of the 1920s and 1930s. Many attendees dressed according to the theme. We saw a lot of beautiful and fanciful outfits and made extensive use of the photo booths provided by the organizers in order to take away some awesome memories of this truly grand night. One of the best Hungarian bands kept the happy crowd dancing all night long.

Acknowledgements

ECTA thanks all the participants for having joined our event.

Special thanks to our local organizers Judit Lantos and Katalin Szamosi who put a lot of effort and love into the success of this conference. We do not want to miss the opportunity to congratulate Katalin whose grandchild was born during our conference. The next ECTA generation is already on its way...

We will meet again next year at the 37th Annual Conference in Athens where we expect to cross further bridges from the ancient Greek past to the present and into a challenging future. We look forward to seeing you in Athens with **Gods in Transit!**

Carolin Kind

ECTA Secretary General

4. ECTA Committee Section

1. ANTI-COUNTERFEITING COMMITTEE

Since June 2017, the Anti-Counterfeiting Committee (ACC) has been extremely busy on a number of projects and ACC members have attended a number of meetings. Principal among these are the following.

Meeting with DG Taxud

On 16 May 2017, the European Commission published its Report (the “Article 37 Report”) on the Implementation of Council Regulation 608/2013 (the Custom Regulation). The ACC sent DG Taxud a series of written questions on the Article 37 Report and, on 6 July 2017, ACC member Olivier Vrins attended the annual EU Customs, right holders and stakeholders meeting with DG Taxud in Brussels, where there was a detailed discussion of the questions raised and certain clarifications were given by DG

Taxud. Olivier prepared a detailed report of that meeting.

EU Observatory on Infringements of IP Rights

Several ACC members represent ECTA in various Working Groups of the Observatory. On 6 July 2017, the Observatory sent ECTA its draft Work Programme 2018 for comments. The draft sets out the planned activities of the Observatory in the areas of *Enforcement, Legal and International* (including a sub-group on *trade secrets*), *IP in the Digital World, Public Awareness and Economics and Statistics*.

ACC members prepared detailed comments on the draft Work Programme, which ECTA sent to the Observatory on 11 September 2017.

The Observatory Plenary Meeting on 27 and 28 September 2017 in Alicante was attended by ACC member, Jordi Güell.

Exchange of Customs Data with Third Countries

The ACC prepared a Position Paper on the important matter of exchanging Customs Data with Third Countries, which was sent by ECTA to DG Taxud in early August 2017. ECTA is pushing for the adoption of implementing acts under Article 22 of Customs Regulation regarding the exchange of information. ECTA takes the view that it is sensible to regulate information-sharing globally, because IP infringement has links with other forms of criminality, according to the EUROPOL / EUIPO Situation Report on Counterfeiting and Piracy in the EU (2017).

Europol Intellectual Property Crime Co-ordinated Coalition (Europol IPC³)

ECTA's application for membership of the Europol IPC³ Stakeholders Advisory Group was approved by the Steering Committee. The SAG



4. ECTA Committee Section

ECTA

European Communities Trade Mark Association

is an independent body which, through its non-binding opinions, recommendations and consultations, contributes to the enhancement of a common response to illicit trade infringing intellectual property rights, including online piracy and sub-standard goods, impacting on health and safety of consumers.

The first meeting of the Stakeholders Advisory Group took place on 18 September 2017 in Antwerp, where ACC Chair, Joe Cohen, made a presentation on behalf of ECTA.

Joe Cohen also attended the first day of the Europol IP Crime Conference on “Innovative Strategies for Effective Enforcement” on 19 September 2017.

Brexit

The ACC contributed to ECTA's draft of a Joint Statement (with several other IP associations) regarding the “Negotiations concerning the exit of the United Kingdom particularly with regard to Trade Marks and Designs”, which is planned to be sent to the European Commission Task Force 50 for the preparation and conduct of the negotiations with the United Kingdom under Article 50 TEU.

EU Dialogues with Third Countries

The ACC, together with other ECTA committees as well as Korean members of ECTA, made a contribution to the ECTA paper sent to the European Commission (DG Trade), drawing attention to any issue, information or potential problems, related to IPR matters in Korea that we wish to be taken into account when DG Trade meets with representatives of the Korean authorities for the 5th meeting of the EU-Korea IP Dialogue in Seoul.

EUIPO Study on legislative measures related to online IPR infringements

The ACC collaborated with the ECTA Internet Committee in compiling answers to a questionnaire by the EUIPO on ‘Legislative measures related to online IPR infringements’.

EUIPO Study on the ‘Baseline of Trade Secret Litigation in the EU’

The ACC collaborated with the ECTA Harmonization Committee in compiling answers to a questionnaire by the EUIPO on the ‘Baseline of Trade Secret Litigation in the EU’.

By **Joe Cohen** (Committee Chair)



4. ECTA Committee Section

2. GEOGRAPHICAL INDICATIONS COMMITTEE

Geographical Indications (GI) Committee's secretary Boris Osgnach represented ECTA at the Worldwide Symposium on Geographical Indications in Yangzhou, China which took place between 29 June and 1 July 2017.

This event, jointly sponsored and organized by WIPO and the State Administration for Industry and Commerce of the People's Republic of China (SAIC), is a major worldwide gathering of stakeholders and interested circles in the field of GIs. Differently from other similar meetings and conferences, the WIPO Symposium on GIs can claim the broadest attendance, not only from GIs-focused organizations, including other IP associations, but also from national bodies involved in the administration and enforcement of GIs, representing many countries.

The Symposium offered the opportunity to touch firsthand GIs-related views, projects, policies and new legislation, including those of least developed and developing countries and learn how much GIs mean to these countries in terms of development perspectives, especially as far as agricultural products are concerned. Clearly, there was a massive presence of Chinese government and administrative bodies. Hundreds of Chinese officers were sent to Yangzhou from all over China to participate in the conference. Participants also had the opportunity to get acquainted with the amazing diversity in Chinese millennial history of local traditional products, spanning from agricultural products to foodstuffs of all sorts and handy-craft products.

During the works different and sometimes conflicting positions were expressed on the desired GIs protection means and enforcement, including those coming from traditionally 'GIs-critic' countries and others from 'GIs-friendly' countries, renovating the well-known eternal debate over terms that are seriously protected as GIs in some countries while considered 'generic' in others. One of the highlights was the conclusive panel where non-governmental organizations, including ECTA, had the opportunity to share their views on where the future development of GIs should be focused.

All presentations made during the Symposium, including ECTA's presentation, are available for download on WIPO's website.

GI Committee Chair, Benjamin Fontaine, will

represent ECTA in a 2-day conference organized by DG Agri, European Commission. The conference will take place in Brussels on 26-27 October 2017 and its aim is to improve the understanding and application of control systems for GIs as IPRs. Benjamin was invited to give a speech on trade mark filing and opposition procedures involving GIs. ECTA's presence at this European Commission's event is strategic in many respects and we expect will boost old contacts and synergies between ECTA and the EC.

As always, the Committee continues to stay vigilant and active in sharing among its members latest GIs-related European and national case law, the development of the Lisbon system, and the updates on negotiations of international and multilateral treaties affecting GIs protection.

By **Boris Osgnach** (Committee Secretary)

3. HARMONIZATION COMMITTEE

During the last Committee Meeting in Budapest in June 2017 the Harmonization Committee decided that its main focus in the upcoming two year perspective will be the new Trade Mark Directive 2015/2436 and the implementation thereof in the Member States. Close coordination with other ECTA Committees, in particular the Law Committee, is expected.

Implementation of the new Trade Mark Directive

The main goals of this project are the following:

- Identify key new provisions in Member States which will have a deep impact in the country of reference;
- Identify which countries or group of countries will be involved in the implementation of the new provisions and in which countries or group of countries similar provisions are already in place;
- Provide guidance for the implementation based on the best practices in other Member States;
- Monitor the implementation of the Directive into national law of the Member States, including the optional provisions of the Directive;
- Study and compare the unharmonized areas of trade mark law.

In the long run, the project's objective is to obtain a clear picture of advantages and

disadvantages of national rights vis-a-vis EU trade marks and vice-versa.

Brexit related issues

The Committee is also monitoring, through its task force, the implications of Brexit on trade marks and has provided comments to ECTA's draft Joint Statement on Brexit.

Feedback on EUIPO Study on Trade Secret Litigation and WIPO Classification Guidelines

Finally, the Committee has also been asked to provide feedback on the EUIPO Study on the 'Baseline of Trade Secret Litigation in the EU', as well as on the WIPO's Classification Guidelines.

By **Mara Mondolfo** (Acting Committee Chair)

4. INTERNET COMMITTEE

During the Annual meeting of the Internet Committee in Budapest, the Vice-Chair of the Committee, Massimo Cimoli, delivered a presentation on the revision of the .eu Regulation, followed by Jitka Tumova on the arbitration proceedings regarding domain names in front of the Czech Arbitration Court.

Recently, the Internet Committee has coordinated a project carried out by the CIIR (Centre for Information and Innovation Law University of Copenhagen) commissioned to them by EUIPO on the implementation of the Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights within the 28 EU Members States.

The main purpose of the study is to identify the legislative measures adopted in the European Union Member States applicable to IP rights (trade marks, copyright and related rights) enforcement in a digital context.

The Internet Committee is currently working on the following projects:

- The "Status of the IP Address (is it personal data?)" survey which was extended considering the European Court of Justice case Number C-582/14 (In re Patrick Breyer vs. Bundesrepublik Deutschland) involving the use of personal data related to a dynamic IP addresses. Also, the project will take into consideration the GDPR.
- Whois and privacy in the European ccTLDs.

The original purpose of this survey was to see if there can be a transparency for trade mark owners in the Whois services and how those can be used to benefit trade mark owners' cases against domain name cyber squatters. In view of recent activity relating to the Whois at ICANN and considering the GDPR, a further evaluation of this study is in progress.

- The survey on "Archive.com" continues
- Investigation on the Internet – identification of platforms that are selling counterfeited products
- National ADR (new Project) - identification of the available alternative Dispute Resolution regarding domain names
- Liability of intermediaries
- WIPO Jurisprudential Overview 3.0, the GDPR, the UDRP reform, the IPC work are some other areas on which the Internet Committee keeps a close eye.

By **Delia Belciu** (Committee Chair)

5. LAW COMMITTEE

After the Budapest Annual meeting, the ECTA Law Committee has had a quite busy summer and will continue to be busy at the beginning of the fall.

Legislative Package

The Implementing Regulation (EU) 2017/1431 and the Delegated Regulation (EU) 2017/1430 were published on 8 August 2017 in the Official Journal of the European Union and will enter into force on 1 October 2017.

The Law Committee is following the measures that are and will be taken for implementing the changes introduced by those two instruments.

EUIPO matters

Surveys on CP8 and CP9

In the context of the European Cooperation projects, the EUIPO has launched two surveys on CP8 and CP9

(1) CP8 "Use of a trade mark in a form differing from the one registered"

The topic **"Use of a trade mark in a form differing from the one registered"** had already been analyzed within the first cycle of the ECP4 Convergence Analysis project, and was put forward for launch as convergence project CP8 by the Convergence Analysis Working Group

members in their meeting in September 2016.

Among their conclusions, Working Group members noted that while the initial data gathered presented a solid foundation for recommending this topic as a convergence project, further research needed to be conducted prior to its launch in order to clarify its baseline, framework and objectives.

Therefore, aiming to supplement the data gathered in the first cycle, an additional questionnaire was sent to the IP Offices and user's organizations with examples that aim to identify the criteria for assessing when use of a trade mark in form differing from the one registered is considered genuine use. The results of this survey will form the starting point for discussions in the launch meeting of the **"CP8 - Use of a trade mark in a form differing from the one registered"** project on 2 October 2017. Sarka Petivlasova from the Law Committee will represent ECTA in this project.

The Law Committee completed the questionnaire and has considered that given the importance of this topic a Position Paper could be prepared.

(2) Distinctiveness of three-dimensional marks containing verbal and/or figurative elements"

The topic **"Distinctiveness of three-dimensional marks containing verbal and/or figurative elements"** was also analysed within the first cycle of the ECP4 Convergence Analysis project, and was put forward for launch as convergence project CP9 by the Convergence Analysis Working Group members in their meeting in September 2016.

As for CP8, among their conclusions, Working Group members noted that while the initial data gathered presented a solid foundation for recommending this topic as a convergence project, further research should be conducted prior to its launch in order to clarify its baseline, framework and objectives.

Therefore, aiming to supplement the data gathered in the first cycle, an additional questionnaire was sent to the IP Offices and user's associations with examples that address specific issues when assessing the distinctiveness of three-dimensional marks containing verbal and/or figurative elements when the shape is not distinctive in itself. The results of these questionnaires will form the starting point for discussions in the launch meeting of the **"CP9 - Distinctiveness of**

three-dimensional marks containing verbal and/or figurative elements" project on 3 October 2017.

The Law Committee responded to the questionnaire and is currently preparing a Position Paper on this topic as well.

BREXIT

The Law Committee provided comments on ECTA's draft Joint Statement which is planned to be submitted jointly with other IP associations to the European Commission.

Input for EU-KOREA Dialogue

DG Trade invited ECTA to bring to their attention any issue, information or potential problems, related to IPR matter in Korea for the meeting with the Korean authorities (5th meeting of the [EU-Korea IP Dialogue in Seoul](#)).

The Law Committee transmitted input from its Members on 28 August 2017.

WIPO issues

Comments on WIPO Draft Examination Guidelines concerning the classification of goods and services

In collaboration with the WIPO-Link Committee, the Law Committee provided comments on the draft "Examination Guidelines Concerning the Classification of Goods and Services in International Applications".

By **Cristina Bercial-Chaumier** (Committee Chair)

6. COPYRIGHT COMMITTEE

Having sent ECTA's two first copyright related Position Papers (on cross-border portability and the proposed reform of the Cable and Satellite Directive) to the European Commission in early Spring, the Copyright Committee reviewed and discussed the draft of the third Position Paper in the Committee meeting held in Budapest on 28 June during the ECTA Annual Conference. This third project, led by project manager Vilija Viesunaite, examines and evaluates the aspects of adapting EU copyright exceptions to digital and cross border environments being part of the European Commission's proposal for a Directive on Copyright in the Digital Single Market. In this proposal, the European Commission has identified three areas of intervention with regard to copyright exceptions: digital and cross-border



uses in the field of education, text and data mining in the field of scientific research, and preservation of cultural heritage. Furthermore, the Marrakech Treaty regulations regarding the access to protected works for people who are blind, have other visual impairments or are otherwise print disabled, have to be implemented. The Committee members discussed and approved the content of the draft Position Paper. The draft will be updated and finalized by the project team and forwarded to the ECTA Management for their review and approval, so that ECTA will be able to forward this Position Paper to the European Commission right in time to be

heard in the ongoing discussion about the European Copyright Reform package.

The Committee will identify further aspects of the reform package to be evaluated in detail as part of the next Position Papers to be drafted within the next months.

During the Committee meeting in Budapest, Committee member Chris Hoole gave a presentation about the possible Brexit effects on copyright law, and Michele Jordan Woods, Director WIPO Copyright Law Division, who was invited to join the committee meeting, pre-

sented WIPO's actual copyright related activities and projects, explaining as well the structure and project agendas of WIPO's copyright division.

Assisting the ECTA Management in organizing a copyright-related workshop in Brussels, the Committee members made suggestions which topics could be covered by this Workshop. The ECTA Copyright Workshop took place on 13 September and was moderated by the Copyright Committee's Vice Chair Fabio Angelini.

By **Christian Freudenberg** (Committee Chair)

5. ECTA New Members

ECTA

European Communities Trade Mark Association

We hope you all enjoyed the ECTA 36th **Annual Conference** in Budapest! It rained cats and dogs at some point but I also remember great sessions, a lot of laughs, nice locations, jokes and great people. I also had the pleasure to meet some of the new members in person and to welcome them.

So, this is the special occasion to say hello again to **Ms. Marta Alves Vieira, of VdA Vieira de**

Almeida & Associados of Lisbon, Portugal and thank Mr. António Andrade (I am sure you all know him) for introducing Marta to ECTA and myself.

Don't be deceived by Marta's delicacy, kindness and frank smile. She is a professional who, in addition to having years of experience in the IP field (...and practicing bungee jumping!!), also has very precise and clear ideas. Her first goal in

being an ECTA member is to take the advantage of being in contact with hundreds of IP experts from all around the world as well as representatives of the major, official entities (such as WIPO and EUIPO) and industry representatives. It is a great opportunity, she says, to expand her professional network and also to keep up with some of the most significant IP issues and trends. She would also like to be more involved in ECTA activities, starting with her participation in the ECTA Design Committee, where she, we are sure, will offer great contribution to its tasks. Good luck!

Greetings and congratulations (for having very recently said "I do") also to **Mr. Arnaud Lellinger of Gilbey Legal, Paris, France.**

The ways to Intellectual Property are sometimes sinewy! Arnaud first studied Geography and Cartography and, through those studies, he discovered the culture of wines and their impact on the territories. These experiences led him to be interested in the protection of wines and GI's through IP law, a very specific and important question, which is analyzed more and more. I suspect that there is the chance for Arnaud to get really involved in ECTA working with GI's! By the way, if, at some point of your life, you decide to also become a wine producer, count me in: I am firmly convinced that the colours of life are more joyful when seen through a ruby-coloured filter and the scents are more intense after having lifted the nose from a Karst white.



● Marta Alves Vieira



● Arnaud Lellinger

Prepared by: **Irma Spagnulo** –
Italian and European Union Trademark
Attorney, Community Design Attorney,
Praxi Intellectual Property S.p.A.
Email: Irma.spagnulo@praxi-ip.praxi



6. ECTA Interviews

ECTA

European Communities Trade Mark Association

Interview with

Dr. Christos A. Theodoulou



Since I was a person dealing with trade marks in Cyprus and a member of the most significant trade mark associations in the world, it was only natural that I had to be a member of ECTA, the European Communities' Trade Mark Association. Thus, I am a member since 1990. I might add that I was one of the very first Cypriots to become a member of ECTA.



By: **Rıza Ferhan Çağırhan**

Founder

Cagiran Intellectual Property Services
riza@cagiran.com



Introduction - Background

When you see Dr. Christos A. Theodoulou you see someone who is working more than full time in many fields and you cannot imagine that he is in his seventies. He keeps the same pattern of work driven by the same passion, as when he was 30.

His life led him to numerous countries and to various kinds of work.

He was born in Larnaca, Cyprus. His father was a well-known doctor and came to be known as 'The physician of Larnaca'. As a sign of appreciation, after his death, a main Larnaca square was named after him.

Dr. Christos A. Theodoulou studied Law at the Inns of Court (Lincoln's Inn) in London, United Kingdom and he is a licencié and docteur (Ph.D) in Political Science and International Relations of the University of Geneva and The Graduate Institute of International Studies of Geneva, Switzerland.

His work background is very rich. He started by being a researcher at the Cyprus Centre of Scientific Research, in areas such as history and political science. Afterwards, he was appointed as an Officer in the Division of Human Rights in the United Nations in New York (1971-1973). Following that, he shortly returned to his law firm in Cyprus and then went to Athens, Greece, where he worked as an assistant professor of Political Science at the Pantios University, being as well an advisor to the Greek government on specific international matters (1974- 1976).

Dr. Christos A. Theodoulou has written numerous books in various fields, including history, politics and Intellectual Property matters in three languages. In 2011 he wrote a book entitled "Intellectual Property Law in Cyprus", published by Wolters Kluwer, now in its third edition. Another

6. ECTA Interviews

ECTA

European Communities Trade Mark Association



well-known book written by Dr. Theodoulou is “Greece and the Entente, 1914-1916”, published in English and Greek. In addition, Dr. Theodoulou writes articles on international politics for the main Cypriot and Greek newspapers, which are published weekly.

When and how did you get involved in trade marks?

In 1961 I founded my law firm, which is now known as the Law Offices of Dr. Christos A. Theodoulou LLC. This was a general law firm and I, personally, dealt with all kinds of law and I was a known litigator in Cyprus. I still litigate in the Supreme Court of Cyprus. A recent leading case is when my law firm represented McDonald’s Corporation against the Registrar of Trade marks and our client won its case (Revisional Appeal No. 168/10, decision issued in July 2016).

I got involved in trade marks mainly in the seventies, when a friend who was involved in Intellectual Property matters suggested that, because of my cosmopolitan background, as well as my knowledge of languages and my international studies, it would suit me, which it did. At that point I started to get involved in the world of Trade Marks and Patents and I became a member of the most important associations worldwide concerning those fields.

I became a member of AIPPI, where I had the honour to be a member of the Executive Committee (delegate for the Independent Members of Europe and Africa, a function that I had for many years). Among other important IP associations that I had the pleasure to be a member of are (apart from ECTA): FICPI, INTA (USTA), CITMA (ITMA), CIPA, APRAM, GRUR, ASIPI, AIPLA.

When and how did you get involved in ECTA?

Since I was dealing with trade marks in Cyprus and a member of the most significant trade mark associations in the world, it was only natural that I had to be a member of ECTA, the European Communities’ Trade Mark Association. Thus, I am a member since 1990. I might add that I was one of the very first Cypriots to become a member of ECTA.

Which roles have you taken at ECTA?

I am proud to say that, from 1990, in the ECTA Meetings, many times I was the only Cypriot trade mark attorney who was present. When Cyprus adhered to the European Union in 2004, I was elected as the representative of Cyprus in the ECTA Council. I was continuously elected for the next 9 years and I did not stand in 2013, when my son, Sozos–Christos Theodoulou, was elected to the Council. I must say that I am happy that my son has progressed in the hierarchy of ECTA, being now the First Vice-President, and will soon become President.

Besides the Council, I also actively participated in ECTA Committees: the Law Committee, the Membership and Disciplinary Committee (of which I am still a member), the Publications’ Committee and the GI Committee.

When Cyprus adhered to the European Union, in 2004, I was asked to write an article in the ECTA Gazette No. 51 on “The Cyprus Trade Mark Law at the time of joining the European Union.”

What was the impact of being an ECTA member in your profession?

The impact of being an ECTA member was that I came to meet and get to know important professionals from all over the world. Additionally, I was constantly informed of the developments of trade mark law at the European, as well as the international level. Moreover, I had the pleasure to collaborate professionally with a variety of law firms.

At ECTA Meetings, I made good friends.

How do you describe the progress of membership at ECTA in years?

ECTA’s membership has increased over the years. However, I have to mention here what I was, and I am still advocating for, in ECTA and in the Membership Committee for years. It depends on what we want ECTA to be: Do we want more members ‘à tout prix’? Or do we want quality mem-

6. ECTA Interviews

bers? During my years in the Membership and Disciplinary Committee, and ECTA in general, I always argued and supported that we must try, of course, to have more members; nonetheless, we have to be stricter on the quality of members. I believe that not anyone who is prepared to pay the subscription and has the formal requirements according to our Articles of Association should be accepted in the association. We must carefully consider to accept members who excel in the profession, and to be cautious with those we do accept. When advocating the above I came and still come in arguments with members who do not support this thesis. If need be, we can amend the Articles of Association.

Would you recommend young trade mark professionals to be an ECTA member and why?

Yes, I would recommend young trade mark professionals to become ECTA members in order to network with their colleagues from all over the world. Moreover, they can also benefit from getting involved in the Committees' work. My advice to them is to be abreast with the developments of Trade Mark Law and to actively engage in the Association.

What would you recommend to ECTA members to get more benefit from ECTA?

In order to get more benefit from ECTA, I suggest its members to get involved more in active dialogues and networking. Furthermore, active participation in discussions and understanding of the new developments in the world of IP, active engagement in the Committees, as well as a better understanding of the systems of law in various countries besides Europe are considered to be a few of the benefits that a member can gain from ECTA.

What are your current occupations and how is your daily professional life now?

I work full time in my law firm, which I founded. I try to use my experience in all departments of the law firm. Since I am also the managing partner, I equally do administrative work.

However, I have a lot of occupation in other fields being the President of the Theodoulou Foundation, a family charitable foundation dealing with International and local matters. I am also President of the United Nations Association of Cyprus for many years now, and I was elected Vice-President of the World Federation of United Nations Associations (WFUNA) in 2015, for six years. This function necessitates a lot of travelling to New York and Geneva. Being a member of the Council and Committees of the Institute of Professional Representatives be-

fore the EPO (EPI), I also have to participate in their work and meetings. I am also a member of the WIPO Panel of Neutrals, having given many decisions in UDRP cases and a member of the International Mediation Institute (IMI).

Further, I am still very active in Rotary matters in Cyprus and abroad, being a Past President of the Rotary Club of Larnaca, a Past Assistant Governor and a Past Honorary Deputy District Governor. In addition, I am asked by radio and television in Cyprus and Greece to comment on international politics and international affairs.

Lastly, I am the Honorary Consul of Tunisia in Cyprus, which requires additional work.

What are your hobbies/activities out of work?

I am afraid I do not have much time for hobbies. Nonetheless, I enjoy reading and taking long walks that help me keep a clear and open mind, in order to perform my job at my best.

I am also happy when I have time to spend time with my family, especially my grandchildren.

I enjoy travelling, however most of the travels, as mentioned above, are business related. Nevertheless, this is not an impediment to enjoy them.



Constance Debaste

JACOBS DOUWE EGBERTS (JDE)



The first thing you notice is the smile.

When I initially met Constance Debaste I was immediately drawn to it. A smile that disarms you a bit, engages you to have a conversation and provides a genuine insight to the person in front of you. She is clearly someone who is happy with her chosen field, and with life in general.

Constance was born and raised in France, but has family roots in Switzerland and remains close with both elements of her heritage. She grew up in the “Val de Loire” in Blois and La Rochelle where she learned to love sailing with her father. She moved to Paris for her univer-

sity studying law at L’université Panthéon-Assas which is affiliated with the world-renowned Sorbonne Universités. She achieved a Master of Laws and what is known as D.E.S.S. (Diplôme d’études Supérieures Spécialisées IP) which included Trade Marks, Copyrights, Unfair Competition and Patents.

When asked what drew her to the field of IP and, specifically, to trade marks Constance shared that she started out in Civil Law, but had a love of the arts and creativity. IP Law felt more like a balance between this love of law and artistry. While studying Russian in the 1980s, she travelled to Moscow and was struck by the fascina-



Interview by **Craig Bailey**
Vice-Chair of Publications Committee
Corsearch Europe
Craig.bailey@wolterskluwer.com

6. ECTA Interviews

tion people there had for the Western concept of brands. The move to IP came naturally.

While she started in a local IP law firm, Constance was quickly drawn to in-house work. The firm where she worked did several projects with Cartier and other important brands focusing on anti-counterfeiting. She would visit customs when they suspected the import of fake merchandise and took a lot of interest in the decisions clients had to make regarding the protection of their brand.

When an opportunity to work for Kraft Jacobs Suchard presented itself, she made the jump and never looked back. Constance had always been more internationally-minded and she now would be able to work with many foreign contacts and the job was in Switzerland giving her the chance to move abroad.

Constance describes many factors that make working in-house attractive to her. Working for a brand owner gives her more insight and involvement from A to Z of the brand strategy. She likes understanding the original concept that leads to an eventual launch and all the steps in-between. She likes being involved in the multiple stages including formulating a strategy and process, assessing and taking risks, rationalizing decisions on when to take certain steps and, within all of this, mastering a budget.

There is a need for real team-work with internal and external departments for a successful brand launch. There is also a certain pride that goes with your affiliation to specific brands such as JACOBS, L'OR and TASSIMO. Constance considers these factors to be very important for the in-house experience.



After joining Kraft/Mondelēz in 1994 Constance was involved in many projects and especially remembered the protection of the Milka lilac colour and the 3D mark for Toblerone. The possibility to file rights outside of the classic word and figurative marks is, for her, a very interesting aspect of trade mark rights.

One of the more challenging aspects of working for a large company is that mergers and acquisitions are generally part of the job. Her LinkedIn profile lists three separate employers, the move from Kraft Foods to Mondelēz and then in 2015 to Jacobs Douwe Egberts, a joint venture combining the coffee business from Mondelēz and D.E Master blenders 1753, based in the Netherlands and owner of iconic brands such as L'OR, JACOBS, TASSIMO, MOCCONA and SENSEO.

Every time one of these transactions takes place portfolios need to be audited and harmonized and it usually requires a very large amount of time and effort.

Although joining ECTA back in 1994, Constance became more actively involved in activities at INTA particularly when her chief at Kraft Foods, Jacqueline A. Leimer, was INTA President. Recently, she has been drawn back to ECTA and finds the reasonable size of the event creates an easier environment for her to meet with people. Since the organization has representation from every E.U. jurisdiction along with many others from around the world it allows her to grow her network and many of these contacts have later assisted her with issues in their respective countries. Having the opportunity to meet people face-to-face has proven invaluable in determining who she can trust with these matters.

Constance would like to eventually join an ECTA committee and finds the issues tackled by ECTA both in the sessions and by the committees are very relevant. She has a special interest in matters relating to the IP Digital World and to anti-counterfeiting.

Besides sailing, Constance has become an active cyclist since moving to The Netherlands and has come to love this part of the Dutch culture. She also is actively involved in music having done a Master Class for Music and Singing and is a member of a Classical Choir. Although she has no children of her own, she spends as much time as possible with her nieces and kids of friends and laughed when I suggested she is the "Favourite Aunt".

It probably has something to do with the smile.



Punitive damages under the Enforcement Directive

In difference to the U.S. system, where punitive damages are awarded in order to punish the infringer and to deter others from similar conducts by setting an example (exemplary damages), in continental Europe there is no recovery of punitive damages in civil litigation. Even in the UK and Ireland, recovery of punitive damages is rare and limited.

The Enforcement Directive¹ sets compensatory damages, aimed at restoring the damaged party to the condition that existed before the infringement occurred. Recital 26 of the Enforcement Directive states that the aim of the provisions is not to introduce an obligation on Member States to provide for punitive damages, but to allow for compensation of a rights holder based on objective criterion.

There are, however, two provisions in the Directive that seem to open the door to punitive damages. The first one is contained in Article 3, which states that the measures, procedures and remedies necessary to ensure the enforcement of the intellectual property rights shall be dissuasive. Dissuasive may well be interpreted as exemplary.

The second one is contained in Article 6 of the Directive, which allows damages as a lump sum on the basis of at least the amount of royalties or fees which would have been due if the infringer had requested authorization to use the intellectual property right in question. The addition of the words "at least" means that the provisions of the Enforcement Directive should be viewed as a floor rather than a ceiling to the remedies available to the proprietor of intellectual property rights.

On 25 January 2017, in the case of *OTK v Stowarzyszenie Filmowcow Polskich* (C-367/15), the CJEU ruled that the provisions of the Enforcement Directive did not prohibit a Member State from making an award of exemplary or punitive damages. In particular, the CJEU considered that a Polish legal provision requiring payment of a sum constituting twice the amount of the hypothetical royalty was not contrary to the Enforcement Directive. As it can be seen, this is not so far to the treble damage system in the US, where a Court may triple the amount of the compensatory damages to be awarded to a prevailing plaintiff.

The Appeal Court of Barcelona² recently exposed some interesting issues in the approach to the calculation of damages under Spanish law.

The owner of the Spanish registered trade mark "LA NUBA", registered for discotheque services, filed an infringement action against the owner of Spanish registered trade mark "NUBAR" in respect of restaurant and music bar services. The plaintiff operated a discotheque in a very small town in Navarra on the border with France. The defendant operated restaurants and lounge-clubs in Barcelona and Ibiza, very far from Navarra.

The Appeal Court of Barcelona reversed the first instance decision of the Commercial Court, and held this to be an infringement. The interesting part of this decision is not whether or not the trade marks are confusingly similar, but how the damages were calculated.

The Spanish Trade Mark Act establishes in Article 43.5 an automatic compensation equivalent to 1% of the turnover made by the infringer with the infringing mark. This means that, when there is a finding of trade mark infringement, the existence of damages is automatically presumed, without further proof of their existence. (This is called damages *ex re ipsa*).

In this case, 1% of the infringer's turnover would have been around 100,000 EUR. The question that was raised was whether or not, in the light of the Enforcement Directive, it was right to apply the statutory formula. In the present case, the owner of the earlier trade mark "LA NUBA" had not suffered any real damage. Its discotheque was in a small town in the north of Spain and did not enjoy a reputation elsewhere, while the infringer's activities were carried out in lounge clubs several hundreds of kilometers away.

The Appeal Court of Barcelona confirmed that the statutory rule of a minimum compensation of 1% should apply, based on a literal interpretation of Article 43.3 of the Spanish Trade Mark Act. However, it moderated the compensation for damages on the basis that only 20% of the activity of the infringer related to music bar services, the rest being restaurant services, as the plaintiff's mark only covered discotheque ser-

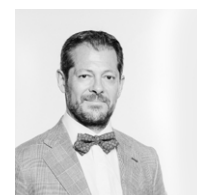


Author: **Jordi Güell**
Member of ECTA
Anti-Counterfeiting Committee Partner
CURELL SUÑOL
jgs@curellsunol.es

vices. The ruling obliged the defendant to pay 20% of 1% of all its overall turnover.

There was, however, a dissenting vote of one of the three Magistrates of the Appeal Court of Barcelona, who considered that the automatic compensation of 1% of the turnover should not be applied in appropriate cases, where the defendant proves that no prejudice has been caused to the plaintiff. The dissenting Magistrate considered that applying an automatic compensation equivalent to 1% of the turnover of the infringer in cases where there is no damage (the plaintiff had admitted that the infringement had caused him no damages) would amount to punitive damages, which the Magistrate believed to be excluded from the Enforcement Directive.

The case has recently been appealed to the Spanish Supreme Court, which will have to establish a definitive ruling on how the Spanish courts should apply the statutory rule of 1% damages *ex re ipsa*, taking into account that the Enforcement Directive requires EU member states to provide for damages that are not punitive although they must be "effective, proportionate and dissuasive".



Verifier: **Pedro Merino Baylos**
BAYLOS
p.merino@baylos.com

1. Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights

2. Judgment of 14 December 2016 in Appeal No. 415/2015 (NUBA)

From the Market

regulating dangerous counterfeit goods

**This article is a summary of an article which first appeared in the Oxford University Journal of Intellectual Property Law & Practice, Volume 10, Issue 4, 1 April 2015, Pages 246–254, authored by James L. Bikoff, David K. Heasley, Valeriya Sherman and Jared Stipelman.*



Synopsis

Counterfeit products are a large and growing problem. Counterfeiting has negative effects from both an economic and a consumer perspective, yet the trade in dangerous counterfeit goods grows annually. The article uses survey data to analyze countermeasures enacted in four major international trading areas; enforcement issues in those same trading areas revealed by survey responses; and best practices for detecting and mitigating the risk posed by dangerous counterfeits. The paper concludes with suggestions for future action and specific enforcement activities in various countries.

Survey Model

Information via the European Communities Trade Mark Association was solicited from private and governmental representatives from 35 countries about the character and scope of their efforts to combat dangerous counterfeit goods. The questions were deliberately open-ended due to the subjective nature of opinions on best practices, demographics and political circumstances in the different jurisdictions.

The Industry

The trade in counterfeit goods accounts for 10% of all global trade and rakes in well over \$500 billion per year. The counterfeit market has now infiltrated a number of different fields, some of which pose a serious danger to human health and safety. Counterfeit or falsified drugs directly cause 100,000 annual deaths in Africa alone, while some place the number above one million worldwide.

Consumer groups, industry stakeholders, international organizations and governments have begun proactively combating dangerous counterfeit goods, although progress has been stalled by the rapid growth of the counterfeiting industry.

Countermeasures

The United States: The US has enacted a number of laws to combat dangerous counterfeit products entering the marketplace. The US has taken a multipronged approach, prosecuting counterfeiters under the Trademark Act, the Tariff Act, the Food and Drug Safety Innovation Act and individual state laws. These laws are enforced by both the federal government and local state law enforcement agencies. The combination of these efforts has created a well-integrated anti-dangerous-counterfeiting regime.

Europe: Europe has fought the counterfeit market through joint efforts via the European Union and its Member States. Anti-counterfeiting laws have converged significantly because of EU - membership and international treaties that have encouraged such alignment. The majority of EU States have laws providing for both criminal and private civil penalties for counterfeiting, targeting specific goods ranging from toys to pesticides. European countries have also harmonized enforcement efforts with agencies like Interpol, Europol and the United Nations.

China: The profitability of the massive counterfeiting market in China has disrupted the ability

for the Chinese government to crack down on the industry. Corruption of government officials has also hindered the ability to tackle the enormous counterfeiting business in the country. While the laws are in place to fight the problem, the motivation and authority to do so are not always. The demand for cheap products has created an environment where counterfeiting is regularly ignored, civil penalties are hard to attain, and criminal penalties are very difficult to prove. China's legal protection against counterfeit and dangerous goods-though improving- still lacks transparency, consistency and effectiveness.

India: While Indian anti-counterfeiting laws are widely praised, the enforcement of these laws is difficult due to the immense size of the country. India has enacted chain of supply laws that have helped decrease counterfeit imports, by, for example, requiring that specific types of dangerous cargo enter India only via certain ports where increased inspection measures are implemented. India also supplements its official procedures by inviting extensive involvement by the private sector and encourages self-regulation, which has led to industry wide standards that have reduced the risk of dangerous counterfeiting.



Prepared By: **Jim Bikoff**
member of the ECTA Anti-Counterfeiting Committee, Partner
Ethan Pickrell
Smith, Gambrell & Russell, LLP
jbikoff@sgrlaw.com &

The Next Step

International organizations should identify potential best practices and start a conversation as to how to best implement these practices across jurisdictional boundaries. The public health and safety consequences of the problem are simply too great to ignore.

Survey Insights and Best Practices



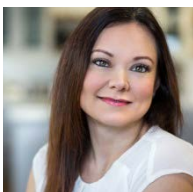
Verifier: **Joe Cohen**
Chair of ECTA Anti-Counterfeiting Committee, Consultant
Collyer Bristow
joe.cohen@collyerbristow.com

Harmonisation and cross-border influences in African Trade Mark Forums

Regional harmonisation and challenges associated with cross-border trade and enforcement are familiar concepts to European IP rights holders and practitioners. As Africa's growing economies and regional IP systems are showing signs of sophistication and expansionist trade, it is not surprising that similar issues are increasingly encountered on a continent that covers 54 recognised states and is bigger than China, India, the contiguous U.S. and most of Europe - combined!

There are two regional IP systems in Africa. The *Organisation Africaine de la Propriété Intellectuelle* (commonly referred to as "OAPI") is a union of seventeen African states - predominantly former French protectorates. It offers a single transaction point covering all Member States. As with a European Union Trade Mark, trade mark use in one Member State is considered use in all Member States for purposes of rights preservation and enforcement. Unlike the EUTM system, it is not possible to secure national rights in any single Member State.

OAPI recently acceded to the Madrid Protocol, but did so through a resolution of its administrative body instead of the individual member states. In addition, the Bangui Agreement (the regional treaty that governs its operation and provides for the registration of trade marks through the OAPI office) has not been amended to recognise international registrations (IRs). This would require agreement from its Member States. As such, questions have been raised regarding the validity of the accession and the enforceability of IRs designating OAPI.



Verifier: **Clair Brown**
Trade Mark Attorney
Rouse Africa, South Africa
cbrown@rouseafrica.com

Similar issues arise in other African countries and despite numerous IR applications designating African Member States, the reality is that the enforceability of IRs in Africa is still very much untested and uncertain. Regardless, Trade Mark Offices are increasingly considering IRs during examination and it seems the intention is for such registrations to be enforceable.

A second regional system is the African Regional Industrial Property Organization (ARIPO), which allows multiple country designations on a single trade mark application. In this way, the system resembles the IR system. Despite the convenience of a single application, enforcement is still based on national laws. This is problematic as only ten of the nineteen Member States have acceded to the relevant trade mark protocol and only three, Zimbabwe, Liberia and Botswana, have amended their national laws to recognise ARIPO registrations (although some argue that administrative laws would recognise rights flowing from an ARIPO registration in Lesotho and Namibia and precedent case law suggests that such rights could possibly be effective in Uganda).

Other cross-border considerations reveal themselves in trade mark disputes between rights holders in neighbouring countries. In the Ugandan case of *Nairobi Java House Ltd v Mandela Auto Spares Ltd**, Civil Appeal 13 of 2015, a cross-border expansion led to a Kenyan coffee shop franchise having to overcome an objection to the use of several trade marks incorporating the word "Java". A local Ugandan coffee shop had been trading as "Javas" and "Café Javas".

The High Court ruling compelled the Registrar of Trade Marks to allow the registration of these trade marks after having rejected the applications on the basis of confusing similarity, by discounting the common element, "Java", as a generic term "synonymous with the business of coffee shops and restaurants worldwide".

An interesting aspect of this decision is the court's criticism of the registrar for not taking into account the Kenyan registrations for these marks, which pre-dated the opponent's Ugandan registrations. In doing so, the registrar



Author:
Christine Strutt
Partner and Head of Trade Marks
Von Seidels
cstrutt@vonseidels.com

was accused of stifling free movement of trade within the East African Community. The court further commented that African countries must consider how to deal with situations such as these where marks "crossover" national borders to other member states.

The concept of protecting well-known or unregistered marks is another subject on which some African states deviate from generally accepted international norms. A number of African countries such as Angola, Nigeria and the Democratic Republic of Congo do not recognise unregistered marks even if the mark could be considered well-known. The first to file rule also applies in the OAPI region, unless the applicant is acting in bad faith and should have known that another person had a prior right to use the mark. Zambia still refuses to recognise unregistered marks, despite having legislation that is based on the UK Trade Marks Act (1938) and being obliged to protect unregistered well-known marks by Article 6^{bis} of the Paris Convention (see *D H Brothers Industries v Olivine Industries**, Appeal 74/2010, Judgment 10/1912 (SCZ, February 29 2012) (unreported)). In Madagascar, there is no opposition procedure and securing registered rights to a trade mark is effectively the only way to prevent unscrupulous entities from doing so.

Despite attempts to standardise IP laws and procedures, rights holders and practitioners would be wise to approach African states as independent regimes.

Can you show the money?

Do you enjoy getting in touch with your networks at ECTA conferences, getting to know where they spent their holidays and how their families are? We certainly do. Do you enjoy talking about money with your colleagues? Neither do we.

The following phone conversation from the movie 'Jerry Maguire' (1996) might illustrate why meeting relations can be a challenge:

TIDWELL (football player)

I like you, you're nice to my wife, I will stay with you, that's what I'm doing for you, but here's what you're gonna do for me. You listening?

JERRY (his agent)

Mmm. Hmm.

TIDWELL

It's a very personal, very important thing. It's a family motto. So I want to share it with you. You ready?

JERRY

Yes.

TIDWELL

Here it is. "Show me the money." (pause) Show. Me. The. Money.

JERRY

I got it.

TIDWELL

Now doesn't that just make you feel good to say it? Say it with me.

JERRY

Show. Me. The. Money.

TIDWELL

Congratulations. You're still my agent.

Like agent Jerry Maguire IP Practitioners are trying to find a balance between passion for their professions and – the money. The profession of the IP searching and monitoring business is to find the fly in the ointment (which is, we mean no disrespect, your clearance project or IP portfolio).

Why spend money for finding bad news like third parties' prior rights at all? Because. Information is the new world currency and data acquisition the new gold-mining industry. The approach of 'hear no evil, see no evil, speak no evil' should be reconsidered in such scenario. Someone is likely watching. This someone might have opposing interests. Any resources spent for creating a new brand that is being obstructed in legal disputes is wasted.

porarily adequate manner, but not exact, fully formed, or reliable for a long period of time'. Streamlined searches involve high expertise as they comprise intelligently anticipating queries in order to retrieve different spellings, twisters, typos and pronunciations and even semantic equivalents. Conducted by skilled professionals screening searches should be capable to prevent cases such as MARINE BLEU vs. BLUMARINE (ECJ case C-343/14 P).

But why do more extensive and more costly searches? Because. The importance of the new product line and the volume of resources spent by different business entities probably deserve appropriate protection. The cases of CLEANIC vs. CLINIQUE demonstrate vividly that a product launch might require as much



Authors: **Anne Wendroth**
Head of Intellectual Property
SMD Group
wendroth@smd-group.com

legal certainty as possible rather than years of postponement due to court procedures (cf. joint ECJ cases C-374/15 P, C-474/15 P, C-475/15 P). Interestingly, while trade mark proprietors tend to downsize the scope of searches, counterfeiters found out how useful similar wordings might be. Counterfeiters use keywords similar to (rather than identical with) original brands in order to avoid being caught by filters implemented to identify entries for fake goods on online marketplaces (cf. Tim Lince's blog of 13th July 2017 on www.worldtrademarkreview.com). Keywords like Roleingly, Merdusa, Burbry and DSL lead to counterfeits of Rolex, Versace, Burberry and Diesel.

But why consider outsourcing searches rather than conducting searches oneself? Because. Costs can be saved at any stage in a business, they would best be saved at appropriate stages. The benefit for the outsourcing external or inhouse legal consultant is that you can 'show the money' saved. The money is saved by



Authors: **Josephine Liholm**
LL.M., Legal Counsel and Member
of International Searching
SMD Group
liholm@smd-group.com

7. ECTA Articles

applying the best searching strategy for your project's task. The money is saved by re-allocation resources, in particular your time. The money is saved by receiving complex data in executive summary formats that can be handed over to any non-legal addressee.

Outsourcing is also about using someone's very special expertise on possible flies in a clearance project. For instance, this is Volkswagen's device mark EU 981415.



The mark is registered with Vienna Code 16.01.14 (headphone). VW mark EU 1758432



is registered with Codes 18.01.09 (cars), 18.01.23 (stylized cars), 26.11.06 (bold lines), 26.11.12 (curved lines) and 26.11.99 (three lines). Device mark EU 2202737



is registered as 26.11.25 (other lines). Searching specialists would find them, and similar VW marks registered with one or the other Vienna Code. Outsourcing is about using someone's expertise on local specialties like current relocation of a PTO's hardware files or present business trips of the head of PTO who has to sign an official search report before its issuance or the fact that some jurisdictions have different use requirements or classification systems or certification formalities.

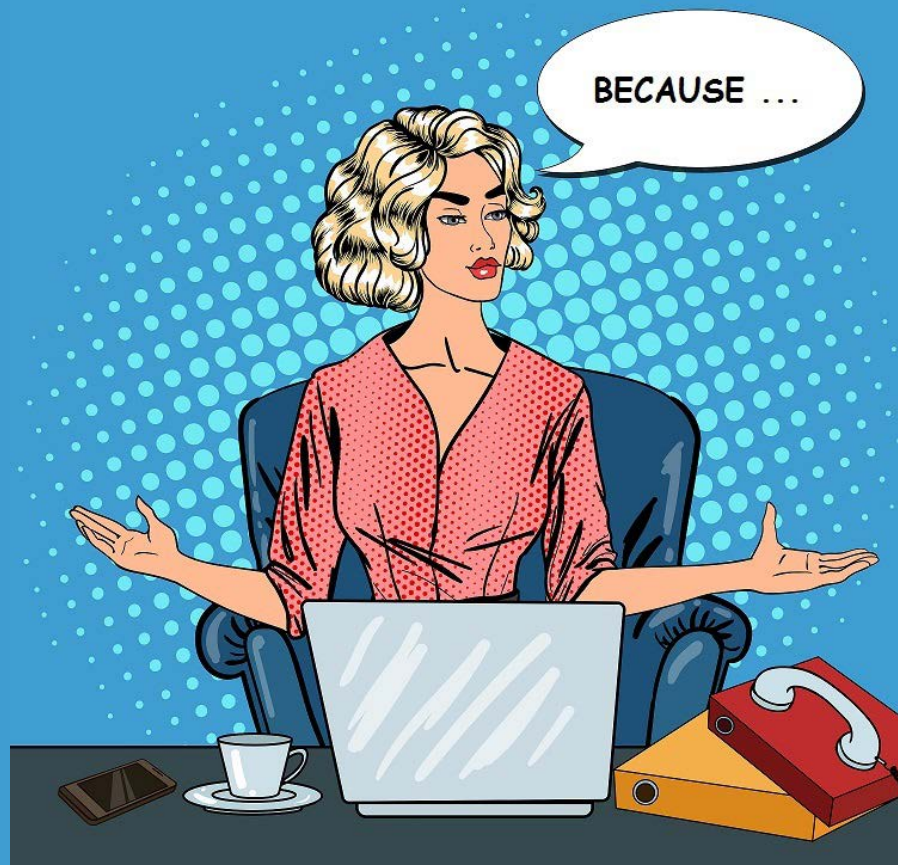
A modern IP department is 'the world in a nutshell': a widening range of types of IP rights (e.g. non-traditional trade marks, gTLD), a multitude of different jurisdictions, new channels and ways of cross-border IP rights' infringement, new laws on sensible issues such as data protection, an increasing bulk of administrative work; plus, any-

thing should be handled in a nutshell spending as little resources as possible. Outsourcing is about entrusting some of the numerous tasks with which IP experts cope to skilled professionals. In 2016 business consultancy Deloitte rated the top three motivations to outsource as (1) cost cutting, (2) enables focus on core business functions and (3) solves capability issues (cf. "Outsourcing accelerates forward," Deloitte 2016 Global Outsourcing Survey at <http://www2.deloitte.com/content/dam/Deloitte/us/Documents/process-and-operations/us-cons-sdt-gos-exec-summary-2016.pdf>). Deloitte identified shifting trends why companies decide to outsource; one of these new trends is the importance of starting relationships off on the right foot.

Assemblies of highly qualified professionals at ECTA conferences allow us to strive at perfecting our skills. They also teach us, however, that it is not all about showing the money, but rather about trust in our relations, investing time to learn about and meet our clients' needs and, in a best case scenario, to discover where to spend the next holidays.



Verifier: **Dr. Gesa Simon**
Lawyer (Rechtsanwältin) and Certified Specialist in Industrial Property Law (Fachanwältin für Gewerblichen Rechtsschutz)
Andörfer Rechtsanwälte
simon@andoerfer.de



A breath of fresh air - The “Wunderbaum II” decision by the German Federal Court of Justice

The German Federal Court of Justice (FCJ) deals in its decision “Wunderbaum II” (Judgement dated 2 June, 2016, Case I ZR 75/15) with important questions concerning the distinctive character of trade marks. Firstly, it had to address the question whether the distinctiveness of a trade mark might be weakened when the product is manufactured in the form of the trade mark. Secondly, the FCJ comments on the

question whether a trade mark’s distinctiveness associated to it by German consumers can be increased due to its use abroad.

Background

The Plaintiff and world market leader in the field of paper air fresheners has been distributing air fresheners in the form of a stylized fir tree since the 1960s. Said air fresheners are typically hooked



Author: **Roman Brtka**, LL.M. Eur.
Attorney-at-law / Counsel
Bird & Bird LLP
roman.brtka@twobirds.com



8. ECTA Case-law reports

to car rear mirrors. The Plaintiff sells 8 million air fresheners per year in Germany alone and its market share in 2012 was above 50%. The form of the stylized fir tree is protected in favour of the Plaintiff through several figurative marks inter alia for "Air freshening preparations". For example, IR figurative mark (No. 612 525) with effect in Germany, was registered on 9 December 1993:



The Defendant also distributes paper air fresheners. These are, however, not designed in the form of a fir tree but in the form of a leaf tree. The Defendant owns the IR word/figurative mark (No. 945 924) registered on 27 July 2007 for "Deodorant (other than personal use) and air freshening preparations":



The Plaintiff requested the Defendant to agree to a withdrawal of the designation for protection of said trade mark for the territory of Germany. The Defendant refused to do so and argued that there is no likelihood of confusion.

The Plaintiff hence filed a claim against the Defendant. However, the Plaintiff was neither successful before the Regional Court of Munich I nor before the Munich Higher Regional Court. Both courts shared the Defendant's opinion that there was no likelihood of confusion. In particular, the courts held that the Plaintiff's trade mark merely had average distinctiveness. It followed from a market survey regarding the

trade mark's reputation from 1999 submitted by the Plaintiff that 31,5% of those interviewed were of the opinion that the paper air freshener in the form of a stylized fir tree is to be associated with a specific manufacturer while the same percentage was of the opinion that the such designed air freshener was marketed by different manufacturers. For the same reason, the Plaintiff's trade mark was not a well-known trade mark. In the opinion of the Munich courts, the circumstances (e.g. high advertising costs, high market share, long-term and comprehensive distribution, high market presence) brought forward by the Plaintiff for substantiating an enhanced distinctiveness or, respectively, reputation of its trade mark could not change anything about this assessment.

Decision

The FCJ revokes the appeal judgement and remits the matter to the Higher Regional Court Munich for a new hearing.

Initially, the FCJ reiterates that likelihood of confusion needs to be assessed globally, taking into account all factors relevant to the circumstances of the case, and in consideration of the interdependence between identity/similarity of signs and products and the distinctiveness of the trade mark with earlier priority (cf. ECJ, Judgement dated 18 December 2008, Case C-16/06 - *Éditions Albert René/HABM [OBELIX/MOBILIX]*).

Then, the FCJ finds that the Plaintiff's trade mark is of average distinctiveness. It is not weakened by the fact that the Plaintiff's trade mark corresponds with the form of the products. It is true that descriptive connotations of a trade mark could weaken its distinctiveness with regard to the products for which it claims protection (cf. FCJ, judgement dated 5 December 2012, Case I ZR 85/11 - *Culinaria/Villa Culinaria*; FCJ, judgement dated 22 January 2014, case I ZR 71/12 - *REAL-Chips*). However, this is not the case here as a fir tree is not regarded as the epitome of fresh air.

Instead, the public had to make several considerations in order to associate the stylized fir tree with the air fresheners protected under the trade mark (cf. FCJ, Judgement dated 14 May 2009, Case I ZR 231/06 - *airdsl*). The form of air fresheners is not specified by its function and air fresheners can be manufactured in any form. Therefore, the form of the Plaintiff's trade mark is not to be as being purely descriptive.

The court goes on stating that a reduced distinctiveness of the Plaintiff's trade mark does

not follow from the market survey handed in by the Plaintiff. Said survey concerned the determination of the reputation of the air fresheners distributed by the Plaintiff which is not decisive for its trade mark's distinctiveness.

Moreover, the lower courts did not take all relevant circumstances sufficiently into consideration when assessing the trade mark's distinctiveness. Thus, it cannot be excluded that the Plaintiff's trade mark even has an increased distinctiveness. As regards the geographic wide-spread the lower courts correctly assumed that an increase in a trade mark's distinctiveness needs to be determined for the geographic area for which the trade mark claims protection (cf. FCJ, Judgement dated 11 April 2013, Case I ZR 214/11 - *VOLKSWAGEN/VolksInspektion*). In the present case, the territory of Germany is decisive. Contrary to the appellate court, however, the FCJ rules that a trade mark's distinctiveness associated to it by the German public can be increased because it is used not only in Germany but also in numerous other countries where the German public comes across the trade mark when travelling abroad.

Outlook

Trade mark owners may take the following important conclusions from the decision:

- A figurative trade mark's distinctiveness is in general not weakened only because it is identical to the product's shape which is not specified by the product's function;
- A weakening of the trade mark's distinctiveness cannot regularly be supported by a market survey regarding a trade mark's reputation;
- Finally, a trade mark's distinctiveness can be increased because the trade mark is used not only in Germany, but also in numerous other countries where the German public comes across the trade mark when travelling abroad.



Verifier: **Dr. Constantin Brecht**
Attorney-at-law / Senior Associate
Luther Rechtsanwaltsgesellschaft mbH
constantin.brecht@luther-lawfirm.com

Where is the line between the perception of an ornamental sign as an indication of origin and a sign that is a purely decorative element?

On 10 November 2016, the German Federal Supreme Court (Bundesgerichtshof - BGH) issued a groundbreaking ruling for the fashion sector (BGH, I ZR 191/15 of 10 November 2016 “Sierpinski-triangle”) providing guidance on whether an ornamental sign evenly distributed over a garment is perceived as a trade mark or “only” as a decoration.

Background

The dispute focused on whether the owner of a figurative trade mark registered for garments (see below for the registered trade mark, a variance of the “Sierpinski triangle” which enjoys reputation for skis and sports clothing) can obtain a court order for injunctive relief based on trade mark infringement against a competitor who uses the sign as a textile pattern.

The competitor distributed the ornamental sign, turned by 180 degrees, in a regular pattern over the surface of a hooded sweater (see attacked embodiment).

The key question for affirming a trade mark infringement is whether or not the ornamental sign has been used as a trade mark.

Looking for directions

The question of whether an ornamental sign on a garment, e.g. a t-shirt, is considered as an indication of origin or “only” as a purely decorative element (or both) has already been the subject of several judicial decisions at different levels. As a result, the assessment of the relevant public whether an ornamental sign is considered a trade mark or not depends on the type and the placement of the sign.

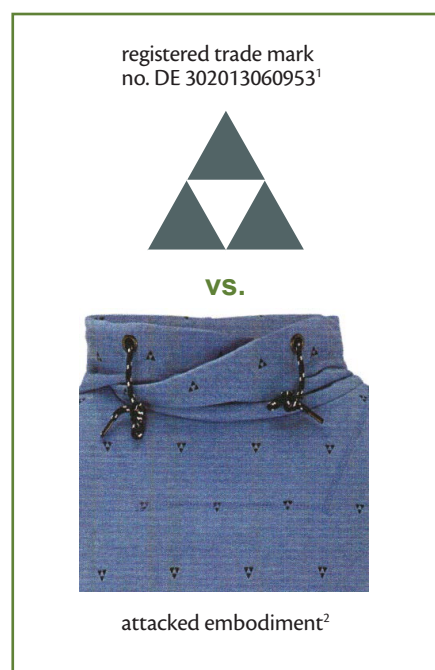
A sewn-in label on the inside of a garment is clearly an indication of origin (BGH, I ZB 21/06 of 24 April 2008 “Marlene-Dietrich-image”).

A figurative element by itself placed on the left chest area on the outside of a garment will be considered a trade mark, even if such mark is



Author: **Malgorzata Zyla**
European Trade Mark and Design Attorney,
Polish Patent Attorney
Gulde & Partner Patent- und Rechtsanwalts-
kanzlei mbB
zyla@berlin-patent.net

unknown to the public in the field of fashion because the relevant public is used to finding an indication of origin at that location.



1. <https://register.dpma.de/DPMAreger/marke/register/3020120343090/DE>

2. https://www.justiz.nrw.de/nrwe/olgs/duesseldorf/j2015/I_20_U_186_14_Urteil_20150908.html



However, the perception of signs, motifs, symbols and words located on the front of a garment has to be decided on a case-by-case basis. According to the BGH decisions on the “Eastern Bloc” symbols, the relevant public regularly considers such signs as a purely decorative element and not as an indication of origin (BGH, I ZR 92/08 of 14 January 2010 “DDR-Logo” and I ZR 82/08 of 14 January 2010 “CCCP”).

In the field of luxury fashion, leather goods and jewellery, produced by famous companies such as Yves Saint Laurent, Gucci, Moschino, Hermès, or Louis Vuitton, however, it is common to apply a vast number of the same sign over a garment or over a bag. For the relevant public, such use serves not only as a purely decorative element, but also as a reference to the commer-

cial origin of the product, i.e. a particular company (Higher Regional Court of Dusseldorf, I-20 U 170/06 of 3 July 2007).

Reaching the finishing line

In the present case, the Court of Appeal (Higher Regional Court of Dusseldorf, I-20 U 186/14 of 8 September 2015) held that the labelling practice in the luxury fashion segment also applies to the case in question. In contrast to the first instance (District Court of Dusseldorf, 34 O 9/14 of 18 June 2014), the Court of Appeal concluded that the attacked embodiment was indeed used as a trade mark. Furthermore, the relevant public considers the use of one and the same “memorable sign” as an indication of origin, even if the company behind the sign is unknown to this public.

The Court of Appeal’s ruling was appealed to the BGH, which set aside the ruling and referred the case back to the Court of Appeal. The BGH reasoned that the repeated use of a **basic geometrical form that is not known as a trade mark** to the relevant public and that is **evenly distributed over a garment** is usually perceived as a decorative element and not as a trade mark.

The BGH concluded that the trade mark practice for luxury goods is not generally transferable to “everyday” clothes. In the BGH’s view, the ornamental sign as used rather suggests a decorative purpose as it is an unusual way to

indicate the commercial origin of such goods. In such a case, additional requirements are necessary for the relevant public to perceive a sign as a trade mark.

Summary

The following conclusions can be taken from this ruling:

For assessing whether a sequence of an ornamental sign being evenly distributed over a surface is an indication of origin or a decorative element, three interdependent factors need to be weighed: (1) inherent distinctiveness of the ornamental sign, (2) reputation of the sign as a trade mark and (3) the specific use of the sign in question.

If the specific use of the sign in question suggests decorative use - i.e. if a sign comprised of a common geometrical figure is evenly distributed over the entire surface of the garment, the trade mark owner must show that the specific sign enjoys reputation in the relevant product sector, so that the relevant public will perceive the sign as an indication of origin and not merely as a decorative element.

In the present case, the Court of Appeal will now have to assess the three interdependent factors discussed above. The trade mark owner will have to convince the Court that the reputation its trade mark enjoys in the sector of ski and sports clothing also extends to the sector of “regular” fashion.



Verifier: Paul Kretschmar
LL.M., Attorney-at-Law
Vossius & Partner Patent -
und Rechtsanwälte mbB
kretschmar@vossiusandpartner.com

8. ECTA Case-law reports

The Board of Appeal of the Italian Patent and Trade mark Office: small modifications or additions are sufficient for excluding the risk of confusion between weak marks



Author: **Mara Mondolfo**
Chair of ECTA's Harmonization Committee
Partner at SIB Società Italiana Brevetti
mara.mondolfo@sib.it



Introduction:

When administrative opposition proceedings were implemented in Italy in 2011 practitioners were curious whether the Opposition Division of the Italian Patent and Trade mark Office (IPTO) and the Board of Appeal would follow the Italian or the EU case law on the likelihood of confusion analysis, which may differ substantially in some respects. The consideration of the distinctiveness of the earlier mark was an important open issue and an answer came from the Board of Appeal in a series of decisions, one of them being the 'MUSIC ACADEMY' / 'MUSIC ACADEMY ITALY' case (decision No. 44/15 on appeal No. 7418 published on 16 October 2015)¹.

The Case:

An application for 'MUSIC ACADEMY ITALY', along with the wording 'ISTITUTI MUSICALI LEADER IN EUROPA' ('MUSICAL INSTITUTES LEADER IN EUROPE') was opposed based on a national mark 'MUSIC ACADEMY' depicted below:



Earlier mark



Opposed mark

1. It may take considerable time for the Board of Appeal's decisions to become available publicly or on professional databases.

8. ECTA Case-law reports

“musical instruments” and “education; providing of training; entertainment; sporting and cultural activities”).

In deciding the case at the first instance, the IPTO took into consideration all the consolidated factors of the likelihood of confusion analysis. It found the marks similar on the account of their common ‘MUSIC ACADEMY’ component, the remaining verbal and figurative elements being negligible in the perception of the public which showed a normal degree of attention. Although the distinctive character of the earlier mark was held as reduced, in the global assessment the Office found that there was a risk of confusion as *“the level of similarity between the signs neutralizes the differences between them”*. The Office underlined, quoting the consolidated CJEU case law, that *“although the distinctive character of the earlier mark must be taken into account when assessing the likelihood of confusion, it is only one factor among others involved*

entails a reduced scope of protection; for weak marks even small modifications or additions are sufficient for excluding the risk of confusion”.

Incidentally, in refusing the application for ‘MUSIC ACADEMY ITALY’ the Opposition Division did consider the very same principle, but circumscribed its reach in the global assessment and came, as we have seen, to an opposite conclusion than the Board.

Trade mark distinctiveness - a factor unlike others:

The principle expressed by the Board of Appeal and, more in general, a clear contraposition between the categories of weak and strong marks, is by no means new to the Italian case law. It follows decades of judgments, including those of the Italian Supreme Court, and the Board of Appeal itself has already applied it in several decisions in opposition matters. The described case is therefore not an exception.

liminary analysis, outside of the multi-factor risk of confusion framework with its balancing cardinal principle of interdependence.

It may sometimes be difficult to set the two categories apart: for instance the Board of Appeal considered the mark ‘KINDER’ as strong in relation to dairy even if perceived in its Italian translation from German as the word “child” (decision No. 15/15) and the mark ‘AMIGO’, understood as “friend” (“amico”) in Italian was considered weak for animal food based on the fact that domestic animals are *“man’s best friends”* (decision No. 61/16).

Conclusions:

At times when the winds of harmonization of trade mark law in the EU blow stronger than ever it is worthwhile to consider the impact of legal traditions in the Member States that may sometimes be decisive for winning or losing a case. First, the same EU case law is applied



in that assessment” so that “even in a case involving an earlier mark of weak distinctive character, there may be a likelihood of confusion on account, in particular, of a similarity between the signs and between the goods or services covered”.

The case was then appealed. The Board of Appeal held that given the weak nature of the expression ‘MUSIC ACADEMY’ the Opposition Division’s analysis erroneously targeted the common word element. It should have instead focused on the modifications or additions in the opposed mark vis-à-vis the earlier mark, and should have aimed at establishing whether there had been a “complete” or “nearly complete” imitation of the earlier mark; otherwise, the risk of confusion should be excluded *“on the account of corrective measures adopted in the opposed mark, even if only modest ones”*. In plain terms the Board of Appeal held that:

“a reduced distinctive character of a weak mark

in the Italian legal tradition weak marks are closely linked to the general designations of goods or services, to descriptive indications or to customary signs or indications. On the other side of the spectrum of trade mark distinctiveness, strong marks lack such a conceptual link and “all modifications, even if relevant and original, that do not affect the core expressive idea of a mark are considered as illegitimate”, quoting the Supreme Court. While in the EUIPO’s practice a mark will not necessarily have a higher degree of distinctive character just because there is no conceptual link to the relevant goods and services, according to the Italian case law such marks enjoy a stronger protection, even without showing that a higher degree of distinctiveness has been acquired through use.

A rigid contraposition between the two categories has been often criticized by legal scholars, in particular when considerations on trade mark distinctiveness were held to be a matter of pre-

sometimes ‘nationally’ by the concerned PTOs. In Italy, a diverging stance regarding the bearing of the distinctive character on the likelihood of confusion analysis between the Opposition Division and the Board of Appeal adds an additional layer of uncertainty for practitioners and right holders who are well advised to keep this in mind especially when assessing the chances of success of a possible appeal.



Verifier: **Andrea De Gaspari**
Partner
DE GASPARI OSGNACH
main@deosip.com

Producer of laundry preparations succeeds to obtain invalidation of figurative mark "ABC" in Lithuania



Author: **Aušra Pakėnienė**
Partner
European Trade Mark and Patent Attorney
AAA Law
a.pakeniene@AAALaw.eu

On 12 January 2017 the Appeal Division of the Lithuanian State Patent Bureau has ruled in favour of The Procter & Gamble Company (hereinafter 'Procter & Gamble') in opposition proceedings concerning the registration for the figurative International trade mark (IR) "ABC" for goods in international classes 3 and 5 of the Nice Classification.

On 11 December 2015 the applicant, ABC DETERJAN SANAYI VE TICARET ANONIM SIRKETI (hereinafter 'ABC'), applied for registration of figurative International trade mark IR No. 1291862 "ABC" with the designation to Lithuania for the following goods:

3 - Bleaching and cleaning preparations, detergents other than for use in manufacturing operations and for medical purposes, laundry bleach, fabric softeners for laundry use, stain removers; dishwasher detergents; perfumery; cosmetics; fragrances; deodorants for personal use and animals; soaps.

5 - Pharmaceutical and veterinary preparations for medical purposes; chemical preparations for medical and veterinary purposes, chemical reagents for pharmaceutical and veterinary purposes; sanitary preparations for medical use; hygienic pads; hygienic tampons; plasters; materials for dressings; diapers, including those made of paper and textiles.



On 14 April 2016, Procter & Gamble filed with the Appeal Division an opposition against IR No. 1291862 based on its earlier figurative European Union trade marks (EUTM):

- EUTM No. 009939984 registered for goods "bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; soaps; essential oils; cosmetics; hair care; dentifrices" and
- EUTM No. 007437874 "ARIEL ACTILIFT" registered for goods "washing and bleaching preparation for household purposes including laundry-related use; detergents",
- both for goods in class 3 (depicted below together with ABC's opposed mark):



Earlier mark



Opposed mark

8. ECTA Case-law reports

Procter & Gamble argued that the opposed trade mark was contrary to Articles 7(1)(2), 7(1)(7) and 7(3) of the Law on Trade Marks of the Republic of Lithuania, since it is confusingly similar with its earlier registered trade marks, because of the similarity of the figurative elements of the marks and the similarity of the goods, the reputation of the earlier trade marks in the European Union and the fact that the trade mark application was filed in bad faith.

ABC defended the opposition stating that the dominant element of the opposed mark are the letters 'ABC', the word elements of the marks differ substantially, while the figurative elements play a secondary and decorative role in the overall composition of the mark. As such, the marks are not similar. ABC denied the reputation of the earlier Procter & Gamble trade marks in the EU and the bad faith allegations of Procter & Gamble.

On 12 January 2017, the Appeal Division satisfied the opposition Procter & Gamble and refused protection of IR No. 1291862 in its entirety based on the following reasoning:

- In relation to the importance of figurative elements in combined word-figurative trade marks, the Appeal Division referred to the Lithuanian Supreme Court practice, which stated that figurative elements of the mark have a big influence on its visual impression; the word and figurative elements creating an integral composition of the mark may be of equal value visually and conceptually. The Appeal Division also referred to ECJ practice in this regard, stating that when assessing the similarity of marks, it is not enough to take into consideration only one component of a complex trade mark and comparing it with another mark. On the contrary, such a comparison must be made by examining the marks in question, each considered as a whole. Taking into account the aforesaid, the Appeal Division indicated that the word elements and graphic elements in the compared marks are of equal importance and have a significant influence on the overall perception of the marks. This is also confirmed by the fact that the opponent has registered the graphic element as a separate trade mark (EUTM No. 009939984).
- The Appeal Division agreed with the applicant that the word elements of the marks coincide only in the first letter 'A' and are not similar visually, phonetically, while semantical comparison is not possible. Although the figurative elements have slight



differences in graphic representation and colour composition, the overall graphic composition causes a highly similar overall impression of the marks. The Appeal Division also noted that the letters 'ABC' are considered of a low distinctive character as are formed of elementary first three Latin alphabet letters, which are commonly used to describe a primitive, elementary properties of a specific object.

- Based on the aforesaid, the Appeal Division concluded that the compared marks are similar.
- The Appeal Division considered the goods in class 3 and part of the goods in class 5 covered by the opposed mark to be similar to the goods in class 3 of the earlier trade marks.
- After assessing the evidence of use and advertising of the opponent's earlier trade marks in the EU and Lithuania, the Appeal Division recognized that the earlier trade marks have a reputation in the EU and a high distinctive character in Lithuania in relation to laundry preparations. In view that a trade mark having a reputation enjoys a broader protection, the opposition is thus allowed in relation to dissimilar goods in class 5 of the opposed mark.

- In relation to the bad faith intentions of the application, the Appeal Division noted that one of the criteria to establish a bad faith claim is that the applicant, on the filing date of the application knew or should have known about the other person's subjective right to the relevant mark in a broad sense. After evaluating the similarity of the compared marks and goods, the well-known character and reputation of the opponent's trade marks, the Appeal Division held that there was a ground to recognize that the application was filed in bad faith.

The term to appeal the decision of the Appeal Division has expired on 12 July 2017. As no appeal was filed, the decision of the Appeal Division came into force and it is final.



Verifier: **Renata Beržanskienė**
Partner, MCI Arb
SORAINEN
renata.berzanskiene@sorainen.com

Further guidance from the General Court on bad faith PayPal, Inc. v. EUIPO, T-132/16



Author: **Giles Corbally**
Partner
BomhardIP
giles.corbally@bomhardip.com

Overview: In a rare judgment based squarely on the issue of bad faith, the General Court has provided further guidance on the factors that will be considered, particularly the commercial intention behind the filing and whether it was to simply prevent a third party from entering the EU market, especially given pre-filing discussions between the parties (Judgment of 5 May 2017, *PayPal, Inc. v. EUIPO (VENMO)*, T-132/16).

Background: Given that the key issue in this case was whether there was bad faith at the time of filing, the order of events is of particular importance.

In 2007, Hub Culture Ltd (“Hub Culture”), established a virtual digital social currency called ‘VEN’, which it registered as a US word mark (in Class 36) with the USPTO in 2009. Venmo Inc. (“Venmo”), is a US company, which was set up in 2009 and is now owned by PayPal, Inc. It provides online payment services in the US under the unregistered mark VENMO.

In June 2010, Hub Culture wrote to Venmo claiming that their use of the sign VENMO could lead to confusion in the US market and proposed exploring the scope for a commercial resolution. In November 2010, representatives from Venmo and Hub Culture met to discuss possible resolutions to the VENMO/VEN dispute.

Shortly after this meeting took place, on 9 November 2010, Hub Culture applied to register VENMO in Classes 9 and 36 as an EUTM. They did not inform Venmo of their application.

In early December 2010, Venmo advised Hub Culture that, at that time, (a) it did not intend to enter into a business venture with them, (b)

it was not seeking to have global operations, but was planning on confining its services within the US, and (c) was willing to continue discussing potential settlement options. Hub Culture responded by expressing its willingness to keep conversations open throughout 2011.

In April 2011, VENMO was registered as an EUTM. Venmo applied to invalidate the trade mark and was successful before the Cancellation Division, but the decision was overturned by the Board of Appeal on the basis that no bad faith had been established. The Board of Appeal found that (1) there was no evidence that Venmo’s sign had been used over a long period of time, was reputed or even the subject of trade mark protection, (2) registration of VENMO could be seen as a logical commercial trajectory of Hub Culture’s use of VENMO as an abbreviation for VEN MONEY, (3) the fact that Venmo clearly identified its intentions to limit its business within the U.S. eliminated any obligation on behalf of Hub Culture to put Venmo on notice of its EUTM application, and (4) Hub Culture’s lack of genuine use of the VENMO mark was irrelevant given the 5-year grace period. PayPal, who had meanwhile acquired the Venmo business, appealed to the General Court.

General Court Clarity: Ultimately, the court held that the contested decision was not based on an analysis of all of the relevant factors, as required by the case-law, and declared the trade mark invalid.

It held that there was no plausible commercial logic in Hub Culture registering the sign VENMO. Hub Culture had never used the sign VENMO, either before the filing date of the EUTM or afterwards. Furthermore, Hub Culture had

failed to demonstrate both active and genuine use of VEN MONEY and that “mo” could be understood as a natural abbreviation of “money”.

Finally, the timing of the application for registration of VENMO by Hub culture, which occurred contemporaneously to direct discussions between the parties, without informing the applicant, could be regarded as a “concealed act”. Venmo’s statement that it was not seeking to have global operations, but rather was trying to confine its services to specific cities within the United States, did not entirely exclude the intention to “have global operations” in the near or more distant future.

Concluding Remarks: invalidation for bad faith remains a notoriously fact sensitive ground. It remains for the applicant for invalidity to prove that the mark has been registered in bad faith. That said, this decision further highlights how the court will seek to take account of all surrounding circumstances when assessing the owner’s intention at the time of filing. Already in past cases, any proven relationship or negotiations between the parties prior to the contested EUTM will greatly help in substantiating bad faith.



Verifier: **Dominic Farnsworth**
Partner,
Lewis Silkin LLP
dominic.farnsworth@lewissilkin.com

ECTA's 36th Annual Conference

TRADE MARKS: A BRIDGE BETWEEN TWO

With more than 750 registered delegates, ECTA's 36th Annual Conference Budapest is a great memory to keep!

Let's remember those days!





European Communities Trade Mark Association

ECTA Bulletin October 2017