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PATENTS • TRADEMARKS • DESIGNS

TRADEMARK

Main 2020 decisions

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In 2020, numerous decisions were handed down by the Court of Justice and the General Court of the European Union and the Boards of Appeal of the EUIPO, in matters of European Union trademarks, as well as by the French Courts of Appeal in matters of trademarks.

This overview of the decisions rendered illustrates the practical application of trademark law and highlights in particular the continuing tendency for great rigour in the assessment of distinctive and descriptive character.

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Validity of the trademark of the trademark


Absolute grounds


/ Distinctive character

The trademark should allow the consumers to **differentiate the goods and services from those of another company**.

The trademark should not be composed exclusively of elements which can be used to **designate**, in trading, a characteristic of the good or service, and namely the kind, quality, quantity, destination, value, geographic origin, time of good production or time of service provision.



European Union trademark application  had been filed to designate cellulose fiber insulating products to be used in buildings. The **neologism** “CleanFiber” is immediately understood in the literal sense of “clean fiber”. However, to designate “cellulose fiber insulating products intended to be used in buildings”, the contested sign **directly and immediately describes one of the relevant characteristics** of the concerned goods, namely the key material which is used, that is, the fiber. Moreover, the sign also directly informs the consumers that the fiber used in the concerned goods is clean. The sign thus indicates that the fiber in question is constituted by clean materials without any impurities, and the trademark application is rejected (R 20/2019-2 of 24/01/2020).

Trademark  filed to designate insurance services and financial services has also been rejected. The sign is constituted by the term “credit” which is understood, in many European Union countries, as “loan”. However, all the services covered by the

trademark are likely to be linked to or associated with a loan operation. The number 24 will also be associated with the idea of a service rendered twenty-four hours a day (T651/19 of 25/06/2020).

- Trademark application “LE FRENCHY” had been rejected by French Office for designating perfumes and cosmetics. The expression “le frenchy” could be perceived by the consumer as a substantive adjective which can designate, in a generic manner, “typically French products”. However, the Court of Appeal considered that “the combination of a French-language term « LE » associated in an original and arbitrary manner with an English-language term which is slightly outdated” provides the sign with a **distinctive character adequate** to designate perfumes and cosmetics. The Court of Appeal indicated that it is not shown that the sign “LE FRENCHY” describes perfumes and cosmetics because it does not have a **link which is sufficiently direct and specific** with those products to allow the public to perceive immediately, within the sign, a description of their characteristics. The whole sign does not designate a characteristic of the perfumes or cosmetics, namely a French quality or origin, but mentions a person representing the French art of living, a French style or a typically French way of being or acting, who is likely to like, choose, buy or consume those products (Court of Appeal of Paris of 22/09/2020).
- The **slogans or tagline** can be registered as trademarks, but they should satisfy the same criteria and namely be distinctive. The trademark application “**Moins de migraine pour vivre mieux**” (*less headache to live better*) has been rejected for designating “printed matter related to the treatment of headache” in class 16 and the services “providing information related to the treatment of headache” in class 44. Indeed, the expression “Moins de migraine pour vivre mieux” does not show, in terms of syntactic, grammatical, phonetic or semantic rules in the French language, an unusual character. Thus, this expression conveys, for the relevant public, a **simple, evident and unequivocal message** which is not such as to give it a particular originality or strength, require a minimum effort of interpretation or trigger a cognitive process (GC T696/19 of 08/07/2020).



The European Union trademark had been filed in class 30 to designate rice and other rice-based products and had been registered. An action for cancellation had been filed, but the trademark had not been cancelled. Then, the Board of Appeal had partially cancelled the trademark as it considered it as being descriptive for all the goods, except for sago and artificial rice. The General Court, in the judgement T-361/18 of 05/11/2019, revoked the decision. According to the Court of Justice, the sign is descriptive for all the goods. Indeed, the whole sign, namely the combination of the words and the figurative element of the sign, will be recognized by the consumer as **describing directly and exclusively a well-known variety** of rice which grows in an Indian region. Back to the Board of Appeal, the trademark is thus cancelled for all the goods (R 419/2020-4 of 26/05/2020).

The sign **LA DETENTE** had been filed namely to designate “health facilities; home hospitalization services” and had been refused by the French Trademarks Office (INPI) because it was considered as being descriptive. The Court of Appeal approved the decision of INPI. The term DETENTE (relaxation) designates the action of relaxation and the physical condition resulting therefrom. **This term is very common and will thus be easily and directly understood by the average consumer.** Consequently, the sign “LA DETENTE” of the application will be likely to be considered by the relevant public as designating a characteristic of the services covered by this application which are related to the well-being (beauty salon services...), the wellness (nutrition advice...) or the health (health facilities...). Indeed, the sign “LA DETENTE” is **likely to inform the consumer** about the nature of the relevant services, that is, providing a relaxation condition. Services directly or indirectly related to the health can be intended to provide a relaxation condition.


Therefore, the consumer will not perceive the sign as a trademark differentiating the services of the applicant from those suggested by competing economic operators, but will perceive it as a simple description of a characteristic of the services which should have the right to be used freely by these economic operators. The Court of Appeal reminded that it is irrelevant whether the term DETENTE can have other meanings (Court of Appeal of Paris of 21/01/2020).

- The French trademark application **HUMAN** had been refused by INPI for designating insurance and banking services. The Court of Appeal approved the refusal for lack of distinctive character. Indeed, the French consumer will perceive the sign HUMAN as the translation of the French word “humain”. The sign “HUMAN” **particularly designates the quality of the service rendered** which excludes any form of automation, and makes the humanization of the relation with the client a high priority and, consequently, an essential characteristic.

Consequently, this sign lacks of distinctive character, to the extent that it cannot allow, by itself, the average consumer who is generally attentive and reasonably informed to perceive the commercial origin of the service suggested, nor differentiate the services of its owner from those of competitors exercising the same qualities (Court of Appeal of Bordeaux of 07/01/2020),

- The European Union trademark application **DESTINATION XCHANGE** has been refused for designating services of “immovable capital share, namely management and organization of the real property co-ownership”. The trademark refers to vacation properties and to the organization of periods to enjoy these properties or take the better advantage of them. The sign is understood as an **indication of the designated services**. Moreover, it is irrelevant whether, at the filing date, a single company offers the goods or services due to a factual or legal monopoly, or if there are several competitors at that time (R 2123/2019-5 of 02/12/2019).

The logo for 'Foodbuy' features the word 'Foodbuy' in a blue, sans-serif font. The letter 'o' in 'Food' is stylized with three horizontal lines passing through its center. The letter 'y' in 'buy' is also stylized with three horizontal lines passing through its center.

- The European Union trademark application  has also been rejected for designating “sale services, negotiations”. The terms “food” and “buy” are common words with respect to the services and are not distinctive.

The combination “Foodbuy” has an **obvious meaning** which will spontaneously come to the relevant public’s mind with regard to the services related to the purchase. The common sense of food purchase is **perfectly logical and is not arbitrary or fanciful** in the context of those services related to food purchase (R 2199/2019-1 of 19/12/2019).

— The **color trademarks** can be protected, but they also should be distinctive.



The European Union trademark application had been filed to protect this purple color for designating pharmaceutical preparations and inhalers for treating asthma. The application has been rejected by EUIPO and the Board of Appeal. The European Court reminded that **the colors and the combinations of colors are generally used for their attractive or decorative purpose, without conveying any particular meaning**. In order to be registered as a trademark, a color must be able to be perceived as a sign and not as a decoration.

The applicant tried to show that it has intensively used Phantom 2587C and that the consumer associates this color with its goods. However, the evidences filed show that different nuances of purple are used according to the concentration of drug. This indicates that the colors can **provide the consumer with information related to the characteristics of the goods**.

According to the Court, it would not be in the public interest to limit the availability of a color, such as the trademark applied for, for the other operators proposing goods similar to those for which the registration is applied for. An extended monopoly would not be compatible with an undistorted competition system, namely because it might create an **illegitimate competitive advantage** in favor of a single economic operator. The trademark application for the purple color is thus rejected (T187/19 of 09/09/2020).



— The figurative trademark of Louis Vuitton Malletier had been cancelled due to a nullity action filed in 2015 and the appeal of Louis Vuitton had been rejected. The trademark had been considered as a **simple, basic and trivial pattern which did not differ from the business standard or habits**, because the checkerboard pattern is one of the oldest and most common patterns, particularly regarding textile products, bags and other similar products.

The European Court confirmed **that the pattern is trivial and the trademark is not distinctive**. However, Louis Vuitton Malletier also argued that the trademark **had acquired the distinctive character through its use**. The Board of Appeal did not recognize this acquisition by excluding lots of evidence.

The Board, by examining only a small part of the evidences provided by the applicant and ignoring lots of other evidences without any explanation, made an error in law. Indeed, some evidences which had not been taken into account by the Board were likely to be relevant to consider the distinctive character of the checkerboard fabric acquired through use.

For this consideration, particular attention must be taken of **the market share held by the trademark, the intensity, the geographical extent and the period of use of this trademark**, the amount of investments made by the company for its promotion, the proportion of concerned parties who identify the good as coming from a company determined thanks to the trademark, the declarations of the Chamber of Commerce and Industry or other professional associations as well as the opinion surveys.

The Court reminded that, according to the Judgement Kit Kat (C-84/17 of 25/07/2018), it is not required to prove the acquisition of the distinctive character through use for each state, but it should be proved for the whole territory of the European Union, and not only in a substantial part or the major part of the EU territory.

Thus, an evidence showing that Louis Vuitton Malletier is the most important seller of bags and luggage in Western Europe and the second largest seller in Eastern Europe cannot be excluded simply on the ground that the rank is not indicated country by country. The evidence for Estonia, which has been considered as being insufficient, **should have been examined together with the evidence related to the European Union as a whole or a EU region** (for example Eastern Europe) and which can also be relevant for Estonia.

Consequently, the Court cancelled the Office's decision (T105/19 of 10/06/2020).

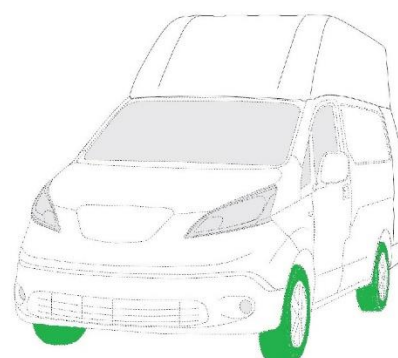
- It is possible to file movement trademarks. The trademarks are filed as a small film, represented here with a succession of images.



This movement trademark had been filed with a description: “on one hand, a light blue rectangle in the lower part. And then, a small dark blue square begins in the bottom at the extreme right of the light blue rectangle and they form a row together. Then, three height-variable blue rectangles move and progress from right to left, so as to be positioned in ascending order above the line formed by the lighter blue rectangle and a light blue square”. This trademark designated banking services. The application has been rejected for lack of distinctive character. This refusal was confirmed by the Board of Appeal, because **the application could be perceived as being purely decorative or functional**. In other words, it could be perceived as a chart representing the growth, which is a graphic design commonly used in the banking and financial fields. Moreover, there is no reason to believe that the chart included in the trademark applied for substantially differs from what is usual in the sector. The sign applied for does not have any part easy to memorize with respect to the movement sequence applied for, in order to show only a color chart. This will not allow the concerned consumer to repeat a shopping experience, upon a later purchase of the services concerned (R 1116/2019-5 of 23/12/2019).

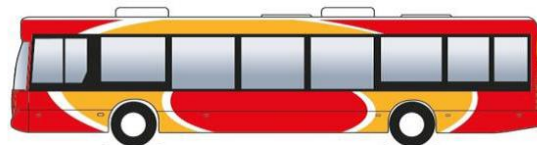
- A **position trademark** when a pattern position is claimed at a particular location of a product, regardless of the product shape.

The applicant wanted to protect green tires in order to identify cars and electric car rental services. The application has been rejected for lack of distinctive character. The Examination the Board of Appeal considered that the **green color indicate that goods and services are ecological** consumers will not perceive these green tires as an commercial origin, but they will perceive them as an indication that the goods and services are ecological, even if green tires are uncommon (R 1584/2018-1 of 31/01/2020).



- Also for the position trademarks, the Court of Justice rendered a decision defining the criteria to be taken into account to prove the distinctive character of a position trademark applied for services, such as passenger transportation services.

A Swedish transportation company owns, since several figurative trademarks appended on vehicles. In 2016, it filed new position trademarks colored ellipses placed in a certain buses and trains.



The Swedish Office refused the registration on the grounds that the colors and the shape of the signs in question were not sufficiently different from the way how other transportation companies decorate their vehicles, such that the signs will not be perceived by the public as an indication of origin. This refusal was confirmed by the Court.

The Court of Appeal interrogated the Court of Justice, because it hesitated to apply, to services, the criterion used to determine whether the shape of a product is distinctive, that is, when it significantly diverges from the standard or habits of the field, since, in this case, the shape of these vehicles is not concerned as such by the applications.

The Court of Justice noted that the public perceived the color patterns as being appended on the vehicles which act as an exclusive support, and determined that it was important to take this perception into account. However, it is not necessary to assess whether the signs, registration of which is applied for, significantly diverge from the standard or habits of the relevant economic field since the signs in question are not confused with the shape or packaging of the goods.

They do not represent the arrangement of the physical space in which the services are provided (as was the case for the interior of the *Apple* store in the case C-421/13).

The case was thus referred back to the Court of Appeal in order to examine the signs once more, without applying the criterion wrongfully withheld by the Office and the first judge (C-456/19 of 08/10/2020).

Validity of the trademark

Absolute grounds

/ Required shapes

A **three-dimensional** trademark cannot be registered if it is **exclusively** constituted by:

- the **shape imposed by the nature or function** of the good, or
- a shape giving, to the latter, its **substantial value**.



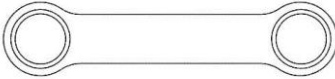
The trademark application had been filed for designating food products and had been rejected by EUIPO for lack of distinctive character, because the bottle could not differentiate the goods from other goods shown in a bottle.

The European Court determined that the trademark was distinctive due to its particular shape (T-313-17 of 03/10/2018).

The Court was interrogated and noted that the bottle has a shape which is noticeable and easy to memorize by the relevant public, particularly due to its distinct bulge and its tip-shaped lower part. Even if the bulge is a characteristic which is related to technical and professional considerations, it remains true that such characteristic also provides an aesthetic value to the trademark applied for.

In addition, the Court noted the **significant difference with respect to the standard and habits of the relevant field**. This particular aspect distinguishes it from common bottles available on the market.

The trademark is thus intended to catch the relevant public's attention and **allow the latter to differentiate the goods due to the shape of the containers** in which said goods are located at the time of purchase (C-783/18 of 12/12/2019).

— The figurative trademark application  has been filed for designating jackets and coats. It had been rejected by the examiner because it was considered as a simple decorative element lacking of distinctive character.

The applicant contested this decision, explaining that the trademark is not decorative: it is in fact a strip allowing to hang the jacket:



The refusal has then been changed, as the sign is not decorative but **is exclusively constituted by the shape imposed by the nature or function of the good**, even if there are different shapes possible for this hook (R 757/2019-5 of 16/03/2020).

1

Validity of the trademark

Absolute grounds

/ Clarity of the trademark

The trademark should be clearly defined.

Goods/services: the clarity and accuracy must be sufficient to allow any person to determine, only on this basis, the extent of the protection.

Sign: its representation should be “clear, accurate, distinct, readily available, comprehensible, durable and objective”.

- The Court of Justice has been interrogated to determine whether a trademark designating “software” can be invalidated for lack of clarity, as the term “software” is too vague.

Fortunately, the answer is no, a trademark cannot be declared entirely or partially invalid on the ground that the terms used to designate the goods and services, for which this trademark has been registered, **lack of clarity and accuracy** (Judgement SKY C-371/18 of 29/01/2020).


Validity of the trademark

Absolute grounds

/ Contrary to moral standards or public order

A trademark cannot be registered if it is **contrary to moral standards or public order**, particularly if it incites to hatred, racist violence, religious intolerance or the use of drugs.



The European Union trademark application  has been filed for designating food products, beverages and catering services. The refusal by EUIPO, for being contrary to moral standards, was confirmed by the Board of Appeal and then the General Court. The applicant argued that the **terms of the trademark do not only refer to illegal substances**. However, even if the reference to a drug is one possible meaning of the word “cannabis”, it is sufficient that the consumer can construe the word “cannabis” as referring to the drug, which is illegal in many countries of the European Union. Similarly, it is sufficient that the term “Amsterdam” can suggest the Dutch city permitting the use of drugs and well-known for its coffee shops, even if other associations are possible.

The applicant also argued that there is an evolution of the rules regarding the use of products derived from cannabis for therapeutic or recreational purposes. However, there is no trend unanimously accepted, nor predominant, in the European Union regarding the legality of use or consumption of products derived from cannabis with a tetrahydrocannabinol (THC) content higher than 0.2%. The trademark application was thus refused (T683/18 of 12/12/2019).

- The trademark application is the sign “Fack Ju Göhte”, which is a German phonetic transcription of the expression “Fuck you Goethe”. The trademark application is the title of the movie “Fack Ju Göhte” related to school frustration, the movie having been extremely successful in Germany. The trademark application filed for designating many goods and services (classes 3, 9, 14, 16, 18, 21, 25, 28, 30, 32, 33, 38, 41) had been refused. According to the European Court, if **the freedom of expression should be protected in the field of art**, under the trademark law, the goods and services are related to a common use, and it is not proved that the relevant public recognizes the title of a movie in the sign applied for.

The case had been brought before the Court of Justice, and the latter cancelled the decision. Indeed, it is not sufficient that the sign is tacky to be rejected. It should be perceived by the relevant public as **being contrary to the essential moral standards and values** of the society. To this end, it is necessary to rely upon the perception of a **reasonable person having average sensitivity and tolerance limits**, taking into account the context in which the trademark is likely to be present.

The Court indicated that, in 2013, the movie “Fack Ju Göhte” has been one of the biggest successes of the year, and that it didn’t appear to have generated controversies about the movie’s title. Moreover, the young public could see the movie and the Goethe Institute which is the German Cultural Institute, one mission of which is to promote the German language knowledge, has used it for educational purposes.

Consequently, the Court held that the movie’s success also allowed to determine in a concrete manner the **perception of this sign** if it is used as a trademark. The use as a movie’s title thus showed that the sign is not contrary to moral standards and can be registered as a trademark (C-240/18 of 27/02/2020).

Validity of the trademark

Relative grounds

A trademark should not infringe a prior right, in particular:

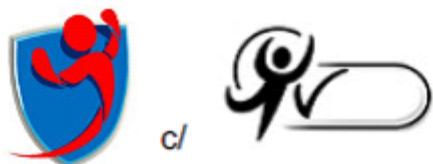
- a similar or identical trademark
- a legal name, a trade name or a logo
- a protected geographical indication
- a copyright
- a design
- a personality right
- the name, image or reputation of a territorial community
- a domain name under certain conditions (the reservation of the name is not sufficient)

/ Trademark

OMBRE FUMEE / OMBRE ROSE for designating perfumes

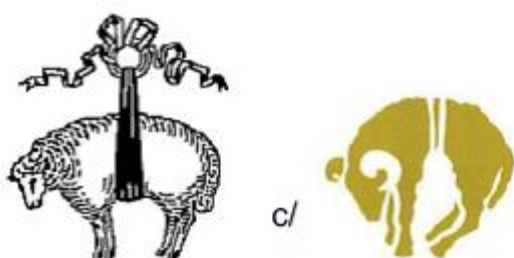
From an **intellectual point of view**, despite the common use of the word OMBRE (*shade*), both trademarks are different: the word ROSE evokes a color, a smell and a flower and refers to femininity, gentleness or a pleasant smell, while the word FUMEE (*smoke*), on the contrary, evokes the fire, tobacco, smoked food (such as salmon) or a possibly disturbing smell or, to a lesser extent, a grey or black color, which is an **universe far** from that evoked by the words OMBRE ROSE.

In addition, the perfumer's confirmation allows to show that "in perfumery, the shade has a particular meaning, as it conveys the concept of olfactory trail generated by a perfume when it dissipates and disappears as momentary as a shade". This word is descriptive, and its use alone is not sufficient to cause a risk of confusion (CA Paris of 17/12/2019).



for designating food products

The figures represent strong or healthy persons. They can indicate that the designated food products contribute to make the persons, who consume them, strong or healthy. These figures will not be necessarily perceived as indicating the commercial origin of the goods. There is no risk of confusion despite the identity of the goods, due to the **low distinctive character** of the prior trademark and the **lack of visual similarity** (T-149/19 of 14/11/2019).



for designating jewelry goods

Visually, both signs coincide to represent a bovine, but the Board of Appeal held that the trademarks differ in many details: the prior trademark represents an ewe, its eyes and its wool, as well as a ribbon to which it is suspended with a prevalent decorated big knot, while the trademark application represents a golden ram with a golden horn and a white horn.

Even if the signs represent common elements, **the elements which stand out from both signs are essential** and particularly intense in the visual impression as a whole. The signs are therefore considered as visually weakly similar.

From an intellectual point of view, both signs represent a bovine and some consumers can see, with the golden ram, a reference to the Greek mythology and to the Golden Fleece ram. From an intellectual point of view, both signs are thus weakly similar.

Then, the Board of Appeal examined the **overall appreciation** and took the designated goods into account. In **the jewelry field, the representation of animals is common** and the market is used to see different animal representations. Consequently, the animal which is represented is not important, but the manner in which it is represented is relevant.

In this case, both animals are represented in a very different way, such that the consumer will not make the **link between them**. The opposition was thus rejected (R 2901/2019-5 of 29/07/2020).



for designating wines

The trademarks are visually similar to an average degree due to the same representation of a footprint. From a phonetic point of view, the trademarks are not similar. From an intellectual point of view, both signs share the same notion of bare foot print. The prior trademark underlines it in its verbal part, The trademark application does not have any other concept in the verbal part as the letters ZF do not suggest anything. Both signs are thus very similar from the intellectual point of view.

For the overall appreciation, the Board indicated that the prior trademark representing a footprint has a **strong distinctive character** for designating wine. Thus, there is a risk of confusion for these two trademarks. Consequently, the trademark was refused (R2566/2019-4 of 29/07/2020).



for designating clothes

The opposition to the trademark application was recognized as well-founded and the trademark application was rejected. The appeal from the applicant had been rejected. The applicant brought the case to the European Union court, which confirmed the likelihood of confusion.

The figurative elements are similar due to the same representation of black-colored ducks having the same silhouette. The **differences are insignificant**. Furthermore, the word DUCK is common to both signs. From a phonetic point of view, the identity of this word, as well as the similarity of the words "save" and "fake", which have the same vowels, provide a high degree of similarity. From an intellectual point of view, both signs refer to a duck, such that the conceptual similarity of these signs is average.

In addition, clothes are generally chosen visually. The visual aspect is thus more important for the overall appreciation of likelihood of confusion. Consequently, the average visual similarity of the signs in question will cause, for the consumer, a confusion concerning the commercial origin of the concerned goods (T-371/19 of 15/07/2020).

Validity of the trademark

Relative grounds

/ Well-known trademark

— **FREE/FREEFORMERS** for designating photographic instruments and apparatuses, printed matters, advertising services, telecommunications, entertainment, research services...

This decision was an opposition decision from EUIPO and not a decision from a Board of Appeal nor the General Court, but it is mentioned here because, every year, there are many oppositions based on the French trademark FREE, the result of which is almost always the same.

The main part of the French public will associate the word “FREE” with the notion of “freedom”, another part will associate it with the notion of “free of charge” (which is less well-known in French), and the remaining part of the French public will not understand the word.

The prior trademark is **highly reputed** in the field of telecommunication services and telecommunication equipment and apparatuses. The signs show **some visual and phonetic similarities** and, for a part of the public, some average conceptual similarities, to the extent that the contested trademark entirely incorporates the element “free”.

The Opposition Division thought that, due to a **significant investment in promotion** and advertisement, due to the positive values of the opponent’s company, it has created, over the years, an innovating brand image to which the consumers have shown their commitment (many opinion surveys provided by the opponent).

The **link existing between the signs** could facilitate the marketing of the goods and services concerned bearing the contested sign. As a result, this will reduce the need for investing in advertisement and allow the **applicant to take advantage of the efforts and of the reputation** of the opponent on the market. The trademark application was thus rejected for almost all goods and services (Opposition B 3 066 680 of 07/02/2020).

— *Coca-Cola*

and



for designating non-alcoholic beverages /



for

designating beers

The Opposition Division considered the signs as being clearly dissimilar. The opposition was rejected based on the trademark and the reputed trademark due to the lack of similarities between the signs.

For the Board of Appeal, the “beers” and “cola beverages” have an average degree of similarity as these goods coincide by the purpose for which they are produced, the public and the delivery channels, and are also in competition.

After a very detailed comparison of the signs, the Board of Appeal concluded that there was generally only a **slight similarity between the signs**, which is not entirely deleted by the visual, phonetic and conceptual differences.

Then, the Board took into account the purchase of goods. The beverages are generally purchased in supermarkets or similar stores and are thus directly chosen, from the shelves, by the consumers and are not orally requested. Also, within these stores, the consumers do not waste time between successive purchases and, most of the time, do not read all information related to various goods, and **will be guided more by the overall visual impression generated by the tags or packaging**. In these circumstances, in order to appreciate the existence of a likelihood of confusion or a link between the signs in question, the result of the analysis of the visual similarity of these signs becomes more important than the result of the analysis of their phonetic and conceptual similarities.

The Board rejected the opposition due to the lack of likelihood of confusion. However, the Board remitted the case back to the Opposition Division in order to examine the opposition based on the reputation of the trademark (R 924/2019-5 of 18/12/2019).

This decision is close to the decision T-480/12 of 14/10/2014 and the decision R 0693/2018-5 of 24/10/2018 according to which trademark

Coca-Cola

has been

successfully opposed to the trademark

ماسترة
Master

Furthermore, Coca-Cola

Company showed that it was used in the form of



— MONT BLANC for desserts creams / MONT BLANC for vodka

The company Mont Blanc was able to demonstrate the reputation of the goods “MONT BLANC” produced and marketed by this company which is “old but nevertheless still relevant”. The goods are still sold and the trademark still has a significant market share for dessert creams.

The marketing of vodka with the same sign could prejudice the first trademark by disturbing the promotional message provided for several decades for a young public who does not drink alcohol.

In addition, the Public Health Code strictly oversees the promotion of alcoholic beverages, namely in the articles L 3323-2 and L 3323-3 which restrict indirect advertising (that is, advertising for non-alcoholic goods bearing a trademark reminding alcoholic goods). The existence of vodka sold with the trademark MONT BLANC would have restricted the possibility to promote dairy products (Court of Appeal of Rennes of 06/10/2020).

Validity of the trademark

Relative grounds

/ Protected Designation of Origine (PDO)

— Champagne / Champagnola

The opposition filed by the Interprofessional Champagne Committee (CIVC) had been partially recognized for catering services, but was not recognized for goods in class 30 (bread, pastry...) and bakery services in class 40.

To oppose an PDO to a trademark for goods other than those of the PDO, it is required to show that “said **use exploits the reputation** of a designation of origin or a geographical indication”, which is not easy to do during an opposition procedure, as the Office examines the application as filed, not as used.

The contested sign begins with “Champagn-” and ends with “-ola” and clearly appears as a derived form, diminutive or nickname of the word “Champagne”. By reading the first letters “Champagn-”, no other conclusion will be possible for the average consumer. There is a **clear mention of the AOP**.

The reputation of the PDO “Champagne” was proved by the opponent.

In addition, bakery goods are food products which can be eaten at the same time as “Champagne” and can be prepared or flavored with sparkling wine, particularly with Champagne. The consumer will make a link with the PDO products.

The trademark application was thus rejected for all goods and services (R 1132/2019-4 of 17/04/2020).

Validity of the trademark

Filing in bad faith

According to the Article L. 712-6 CPI, “*if a registration has been requested in fraud of rights held by a third party or in violation of a legal or contractual obligation, any person who believes he has a right in the trademark may claim ownership by legal proceedings.*”


Unless the applicant acts in bad faith, the property claim is limited to five years from the publication of the trademark application”.


Any person claiming to be the victim of a fraud must prove that the filing has been done **with the sole intention of harming him** in order to impede or deprive him of his activity and that it does not pursue a legitimate aim with regard to the trademark functions.

— A German businessman wished to establish a business collaboration with an Indian company in Germany. This businessman created, without prior consent of the Indian company, a German company called “Outsource2India” which imitates the name used by the Indian company and uses this name on his website. The Indian company refused the trademark use without collaboration consent. The German company filed a EU trademark application



The Indian company filed an application for a declaration of invalidity for this trademark.

The Cancellation Division of EUIPO cancelled the trademark. The Division believed that the German company had the intention to appropriate the element “outsource2india”, which was already used by the Indian company in European Union in the following form: 

The trademark filing  was thus considered as being done in bad faith.

The Board of Appeal of EUIPO cancelled this decision, considering that a bad faith behavior could not be reproached to the German company. The Board of Appeal considered that the element “outsource2india” is descriptive and that it can be freely used by all economical operators in the field of outsourcing of services in India.

The case has been brought to the EU Court which considered that **the bad faith was provided** by the fact that the German company used the element “outsource2india” due to its collaboration proposal to the Indian company.

The case has been brought to the Court of Justice which confirmed the point of view of the Court, cancelled the decision of the Board of Appeal, and remitted the case back to the Board of Appeal (C528/18 of 13/11/2019), the latter cancelling the trademark registered by the German company due to a filing in bad faith (R 2959/2019 of 06/04/2020).

- In the Judgement SKY relating to the clarity of the goods, the Court of Justice also rules that a trademark application filed without any intention to use it for the goods and services covered by the trademark constitutes bad faith, if the applicant of this trademark had the intention of undermining the interests of third parties, in a manner inconsistent with honest practices, or of obtaining, without even targeting a specific third party, **an exclusive right for purposes other than those falling within the functions of the trademark**. Such filing can thus be partially or entirely cancelled (SKY C-371/18 of 29/01/2020).

Implementation of the trademark

Infringement action

/ Acts: advertisement on the Internet

- The German lawyers office MBK Rechtsanwälte GbR, owning the German trademark “MBK Rechtsanwälte”, took legal action against a counterfeit made by another lawyers’ office also called “mbk rechtsanwälte”, which was prohibited to use the letters MBK and was renamed “mk advokaten”.

However, research on search engines continued to refer to the website “mk advokaten” via an advertisement. The office mk advokaten indicated that it was not responsible for this as other advertisement websites took the advertisement over.

The Court of Justice was asked whether a person uses a trademark in the course of trade in these conditions.

According to CJEU, “a person operating in the course of trade that has arranged for an advertisement which infringes another person’s trade mark to be placed on a website is not using a sign which is identical with that trade mark where the operators of other websites reproduce that advertisement by placing it online, **on their own initiative and in their own name**, on other websites.” (C-684/19 of 02/07/2020).

- The company Aquarelle owns the French trademark AQUARELLE, which means WATERCOLOR for designating flowers and floral decoration services. The company SCT uses the website lebouquetdefleurs.com (« flowerbouquet.com ») since 2009 and registered, in 2015, the key word “AQUARELLE” in Google Adwords.

The bailiff’s reports showed that the advertisement introduces the website lebouquetdefleurs.com and a description of its activity and that the website itself does not mislead the average Internet user. Thus, this use is not an infringement act (Court of Appeal of Paris of 03/03/2020).

Implementation of the trademark

Infringement action

/ Exceptions: non-trademark use

— Still on the subject of Aquarelle, the word Aquarelle is also used in the source code of the website lebouquetdefleurs.com. However, this word is invisible to the consumer, and thus, this use is not a use infringing the trademark.

This same website provides offers with different packages: “BOUQUET AND CHOCOLATE”, “BOUQUET AND WINE”, “BOUQUET AND RHUM”, “BOUQUET ET AQUARELLE” (BOUQUET AND WATERCOLOR). However, the selection « BOUQUET ET AQUARELLE » also suggests bouquets alone, without any painting material. The Court concluded that the use of the word Aquarelle for selling flowers is a trademark infringement (Court of Appeal of Paris of 03/03/2020).

Implementation of the trademark

Infringement action

/ Exceptions: exhaustion of rights

— **Perfumes bearing the trademark DAVIDOFF were sold** on “Amazon-Marketplace” on the website “www.amazon.de”. On this website, sellers can ask Amazon-group companies to store the products, and then the product shipment is made by external providers.

The company Amazon FC Graben stores goods on behalf of third parties without knowing the infringement which can be done to a trademark. May **storage operation** be regarded as « using » the trademark?

The Court of Justice indicated that, “according to its ordinary meaning, the expression « using » involves active behaviour and direct or indirect control of the act constituting the use”. In order to qualify the storage operation of trademark goods as “trademark use”, it is necessary for « the economic operator providing the storage itself to pursue the aim [...] which is offering the goods or putting them on the market ».

However, the company Amazon FC Graben did not directly offer the goods DAVIDOFF for sale and did not place them on the market. Only the seller is responsible for the sale.

The Court underlined that the possession “which is not on behalf of third-party sellers”, but on behalf of the operators, can be considered as a trademark use. The same would apply, when these operators are unable to identify the third-party seller, if they offer or put themselves the goods on the market.

Finally, the Court reminded that, if there is no infringement according to the trademark law, other rules of law can render the operator liable. Thus, for example, « where an economic operator has *enabled* another operator to make use of the trademark, its role must be examined from the point of view of rules of law other than Article 9 of RMUE, such as Article 14(1) of Directive 2000/31 [related to the hosts’ liability, namely as soon as they are aware of the illicit activity or the first sentence of Article 11 of Directive 2004/48 [related to the injunctions against the offenders] » (C-567/18 of 02/04/2020).

— Mrs J. regularly bought CHANEL brand products and then resold them to a second-hand goods shop. The resale company defended itself by pointing out that, since the products had been regularly purchased, there was an exhaustion of rights of the CHANEL company after the first time they were placed on the market.

However, this does not apply to samples marked "free samples cannot be sold" which have not been put on the market by sale. The sale of such samples is therefore an act of infringement. On the other hand, the resale of regularly purchased products is not an act of infringement (Court of Appeal of Rennes of 25/02/2020).

Implementation of the trademark

Unfair competition

Article 1240 of the Civil Code: Any act of man which causes **damage** to another person obliges the person by whose **fault** it occurred to repair it.

Unfair competition sanctions **wrongful behaviour** such as those aimed at creating a likelihood of confusion in the mind of customers as to the origin of the goods or those that are parasitic, which allow their author to profit without any purse strings from another's economic value, giving him an unjustified competitive advantage resulting from know-how, intellectual work and investments.

Unfair competition must be assessed in the light of the principle of **freedom of trade**, which implies that **an article which is not the subject of intellectual property rights may be freely reproduced**, subject to certain conditions relating to the absence of fault by creating a likelihood of confusion in the minds of customers as to the origin of the good, a circumstance which is detrimental to the peaceful and fair exercise of trade.


— In the same case of the resale of CHANEL products, the reseller of second-hand products did not commit an act of counterfeiting by reselling new products that had been regularly purchased. However, in his presentation of the products, the reseller indicated the price of the new product and the price of the resold product, in order to divert the consumer from the authorised seller, and encouraged the consumer to go and test the products at the authorised seller's in the same shopping mall. This behaviour is clearly a fault as it constitutes parasitism and an attack on the selective sales network, as the second-hand product retailer relied on the work provided by a member of the official network and therefore by the CHANEL company in order to promote its own sales (Rennes Court of Appeal, 25/02/2020).

Implementation of the trademark

Forfeiture for non-use

The owner of a trademark is considered as **deprived** of the rights conferred thereby when, for a **five-year continuous period** and in the absence of a proper reason for non-use, the trademark has not been **seriously used for the goods or services for which it is registered**.

If these grounds for revocation exist only for part of said goods or services, the revocation is stated for the goods or services concerned.

— The trademark  was filed as a **collective trademark** for designating many goods, and services for **sorting and storage of goods, treatment of materials, recycling of packaging materials and discharge of waste**.

This collective trademark is affixed on the good packages and allows the consumers to recognize the packages which form part of the owner's recycling system and for which a contribution to the financing system has been established.

EUIPO stated that the owner was deprived of his rights for all goods for which the trademark was registered, **except for the goods concerning packages**.

According to CJEU, the use is stated "**when it enables the consumer to understand that the goods or services covered originate from undertakings which are affiliated with the association**, the proprietor of the mark, and to thereby distinguish those goods or services from those originating from undertakings which are not affiliated". Thus, there is a significant use of the trademark (C-143/19 of 12/12/2019).

— The trademark FRIGIDAIRE was filed as a European Union trademark on 01/04/1996. In 2015, a third party brought an action for a declaration of **invalidity for non-use** for washing machines and other household equipment.

The trademark owner provided documents to prove the trademark use in Europe. However, some documents showed that products bearing the trademark FRIGIDAIRE imported from the United States or other non-European countries are sold to American military bases in Europe. This use is not considered as a trademark use within the European Union. Other sales have been shown within the European Union, but the sales figures were too low to determine a serious use. Thus, the trademark was cancelled (T583/19 of 28/10/2020).

- During the opposition procedure tigha/TAIGA, the trademark applicant asked the opponent to show the serious use of the prior trademark. When proof of use is provided, it must concern all designated goods or services, otherwise only a **partial use** is shown. When designated goods or services constitute a **broad category**, it is necessary to show the use for different sub-categories, otherwise the use will be only partially recognized. For example, for a trademark designating software, the use for game software will limit the trademark to game software only (T126/03 of 14/07/2015).

According to the case-law, in order to know if goods form part of a **consistent sub-category** which is likely to be autonomously considered, it must be taken into account that the consumer is particularly looking for a product which could meet his specific needs, thus, the **purpose or destination of the good or service** in question is essential to influence his choice.

In this case, the trademark designated “garments” and the trademark use has been shown only for “outdoor garments protecting against bad weather”. The Court of Justice confirmed the General Court’s decision, considering that these goods had “the same destination, since they were intended to cover the human body, to conceal, adorn and protect it against the elements’ and that they could not ‘in any event, be regarded as “substantially different” from other garments. The use of these goods applies to the whole garment category which should not be arbitrarily divided into sub-categories (C-714/18 of 16/07/2020).



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