

1 October 2009

### COMMUNITY TRADE MARK FILING SERVICE – BEWARE

There are a number of scams associated with the registration of trade marks which usually involve sending what appear to be invoices on official-looking paper to the trade mark owner. Sometimes they offer inclusion in a non-existent directory or in a directory that has no legal value at all. We send out periodic warnings on these scams and the number of queries we receive from clients when they receive these 'invoice' letters suggests that most companies are vigilant and can spot these when they come in.

Many clients are currently being contacted by Community Trade Mark Filing Service Limited which, for a significant amount of money, will fill out a Community trade mark application form for you, simply transposing data from the UK trade mark register, and then returning the completed form to you. That is all it does for the money; you then have to file the form at OHIM, pay the official fees and manage the application. While this might not be a scam, the initial document looks just like an invoice and might be inadvertently paid without a realisation of the nature of the service being provided and what poor value this is.

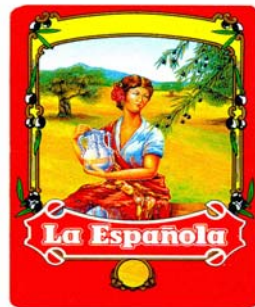
If, therefore, you receive any unsolicited communications regarding your trade marks from organisations that you do not normally deal with, particularly where a request is made for payment, let us know and we will advise on whether you need to take any action or whether, as is the case with most of these letters, you can simply bin them!



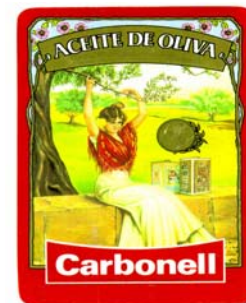
### OILING THE WHEELS OF COMMERCE: IT'S WORTH REGISTERING LABELS

OHIM's Opposition Division and Board of Appeal both rejected an opposition against

this trade mark



on the basis of this one.



The products were olive oil. OHIM took the view that the common figurative elements of the two signs were not particularly distinctive, and that they were likely to be linked by the public to the natural origin of the goods, or their characteristics or quality, and not to their commercial origin. Also, the word element of the signs played an important role in the visual impression they produced, and clearly LA ESPANOLA and CARBONELL are very different from a visual point of view.

However, the Court of First Instance of the European Court of Justice (CFI) disagreed. It said there was no reason to conclude that the image of a seated woman referred, in the eyes of the average consumer, to the natural and traditional origin of the goods rather than to their commercial origin, ie the picture didn't only help describe the product. Further, it held OHIM had wrongly decided that the figurative elements of the marks were commonplace on the Spanish market for olive oil, or that they had a weak distinctive character. Finally, the CFI held that where the word element of a mark carries equivalent weight to the figurative element, the picture could not be regarded as subsidiary from a visual point of view. That was the more so where the figurative element occupied proportionately more of the surface area of the mark. Overall, the similarity of the pictures, both as regards the colour schemes and the drawings, was more significant than the small differences which became apparent after a detailed and thorough examination.

The court said that olive oil is most commonly purchased in supermarkets where the consumer loses little time between his successive purchases; the consumer is guided more by an impression than by a direct comparison of the various marks and often does not read all the information on each container. In most cases he takes a bottle whose label provides him with the visual impact of the brand he is looking for, and in these circumstances the figurative element of the marks acquires greater importance. When the marks were seen

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at the distance and the speed at which the consumer in a supermarket selects the goods he is looking for, the differences between the signs are more difficult to distinguish and the similarities are more apparent, since the average consumer perceives the mark as a whole and does not analyse its various details. Finally, because of the similarity of the signs and the fact that the word element LA ESPANOLA was only weakly distinctive, the consumer might think this mark was a sub-brand linked to the CARBONELL brand.

The European Court of Justice, to which the case was further appealed, held that the global assessment of the trade marks had been correctly carried out, and so the decision of the CFI was upheld.

This case contains some interesting comments about how consumers may select products in supermarkets, and how confusion may occur. We wonder whether a UK tribunal or court would have reached the same conclusion about the consumers for the products.

The case shows the potential value of registering labels or pack design as trade marks, since clearly had the comparison been only on the basis of the words in the trade marks there could not have been a finding that confusion was likely.

The CARBONELL label had been in use in Spain for many years. It could not, therefore, have been protected as a registered Community design (RCD). At launch time, though, a label like this could be protected as an RCD, and we recommend that clients consider both design and trade mark protection for labels and pack designs.

### REPUTATION, REPUTATION, REPUTATION: AS RELEVANT AS EVER

The European Court of Justice issued a decision in the *Intel* case in November 2008 which was generally seen as a limitation on the protection available for trade marks with a reputation. In striking contrast its more recent decision in the *L'Oreal* case seems to recognise potentially broad protection for such marks.

EU trade marks legislation, both at Community and national level, gives enhanced protection to trade marks with a reputation *where the use of the later trade mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of that mark*. There is no requirement to show a likelihood of confusion, but for there to be infringement the public must make a link between the marks even though they are not confused.

Intel argued that the legislation sought to protect the proprietor of a trade mark with a reputation against the risk of dilution of its brand. It submitted that where such a mark is both unique and strongly distinctive, it should be accepted that detriment to it will be caused by virtually any use, for any other goods or services. Encroachment must be stopped at the outset otherwise the reputed mark would suffer a death by a thousand cuts.

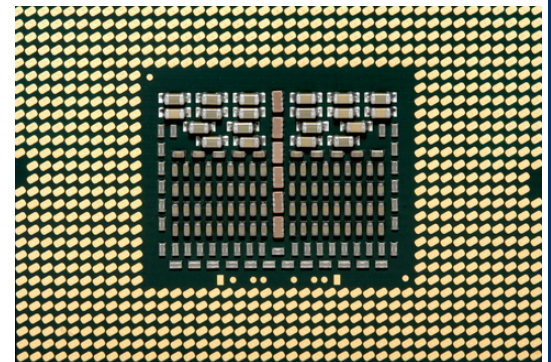
The ECJ considered what were the criteria for assessing whether use of a later mark would be detrimental to the distinctive character of a mark with reputation. It held that this required evidence of a change in the economic behaviour of the average consumer of the goods or services for which the mark with a reputation was registered, or a serious likelihood that such a change will occur.

In June 2009 the ECJ again considered protection for marks with a reputation in the *L'Oreal* case. This time, the court was asked to consider how unfair advantage might be taken of a mark with a reputation. The case concerned cheap copies of established perfumes, packaged and sold in such a way that consumers would, very likely, make a link with the established brands. The court looked at the three types of injury which could be actionable:

- detriment to the distinctive character of the mark, also referred to as "dilution", "whittling away", or "blurring", and considered in the *Intel* case;
- detriment to the repute of the mark, also referred to as "tarnishment" or "degradation" and
- taking advantage of the distinctive character or repute of the mark, also referred to as "parasitism" or "free-riding".

The court said this last would occur when, through use of a sign similar to a reputed trade mark, a party attempted to ride on the coat-tails of the mark with a reputation, in order to benefit from its power of attraction, its reputation and its prestige and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark.

The ECJ also looked at infringement where there was use of an identical trade mark for identical goods by the use of L'Oreal's trade marks in comparison lists provided to retailers. These lists presented the cheaper products as imitations, and the court held this was inconsistent with fair competition. Because it took unfair advantage of the marks' reputation, such use breached the provisions of the Comparative Advertising Directive. It therefore fell to be considered as trade mark infringement. The court referred to its own decisions



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which make it clear that the proprietor of a mark cannot oppose use of an identical sign in circumstances where that use is not liable to cause detriment to any of the functions of the mark. The essential function of a mark is to guarantee to consumers the origin of the goods or services, but the court noted other functions, in particular those of guaranteeing the quality of goods or services, and of communication, investment or advertising.

It is not surprising that, where an attempt is made to trade on the reputation of a famous mark by the sale of directly competing products, this should be actionable as taking unfair advantage of that mark. However, under the provision in the legislation which the court was considering, the goods or services do not have to be identical or similar as they were in this case, and there does not have to be consumer confusion. The court's ruling suggests that what constitutes unfair advantage might be quite broadly construed. It will be interesting to see how case law in this area develops.

The ECJ's comments about other functions of trade marks apart from guaranteeing origin illustrate the difficult line that the European courts are having to tread between brand comparisons that are fair and acceptable and those that should not be permitted.

This is another case which shows the benefits of registering trade marks for packaging or labels. L'Oreal's brands were not being used directly on the imitation perfume boxes or bottles, but these were sufficiently similar to its registered trade marks for packaging and bottles to potentially take unfair advantage of their reputation. The use of different brands on the similar packaging did not prevent this.

### UKIPO FEE CHANGES

Trade mark applications filed online at the UKIPO cost £30 less, from today. The fee is £170 for one class plus £50 for each further class.

There is also a new service named "Right Start", under which only half the filing fee is paid at the outset. The balance is paid after the examiner's report has issued and any objections have been overcome. Note, oppositions might still be filed after the balance of the fees has been paid. However, we think Right Start will be good for applicants where there are doubts about the inherent registrability of a trade mark.



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