

Nimble Holdings Inc. v Nimby GmbH

Analysis

1. According to all participants in the workshop it is logical that Nimble Holdings Inc. should be the party proposing that a coexistence agreement between the parties is signed. This is undoubtedly so as Nimble Holdings Inc. is to enter the European market. The conducted search on the market and the filing of the EUTM application “Nimble” serve as evidence for this conclusion. On the other hand Nimby GmbH demonstrates a moderate intention for business expansion in terms of its goods and services and in terms of entering new markets. In view of the probable duration of the term for which such agreements are concluded – 20 or more years, we presume that Nimby GmbH would like to include clauses that regulate its relationships with its USA competitor provided Nimby GmbH decides to enter the USA market or North America as a whole.

2. In analyzing the trade marks owned by the parties – national and EUTM in the case of Nimby and also the goods and services which they cover, we found the following conflicting points in the interests of Nimble and Nimby as well as the points where there are no conflicts:

2.1. Conflicting points:

2.1.1. The main trade marks of both parties – “Nimble” and “Nimby”, regardless of the fact whether they are word or combination trade marks have a high degree of visual and phonetic similarity.

2.1.2. In contrast to Nimby GmbH, Nimble Holdings Inc. has developed a number of brands that cover a relatively narrow scope of goods and services which are used in varied commercial activities. Therefore, there is no imminent need for establishing the main trade mark “Nimble” on the EU market;

2.1.3. The circumstance that Nimby GmbH owns the German national trade mark “Nimby”, i.e. registered in a EU country, is an insurmountable obstacle for Nimble Holdings Inc. to register “Nimble” as a EUTM trade mark.

2.1.4. There is a conflicting point between the two main trade marks of the parties in respect to the goods which they cover: “Nimble” – fashion clothing and accessories – sunglasses and gloves, as opposed to specialized clothing and expansion to clothing in general as well as the accessories – protecting gloves and protecting sunglasses covered by “Nimby”;

2.1.5. There is a conflicting point between “Nimble holiday” for venues and package tours on one hand and “Nimby Retreat”, on the other hand, a mountain venue in which public sector workers can take short breaks in order to recuperate from illness or relieve the symptoms of occupational stress. “Nimby Retreat” is not registered as a trade mark, it is not a company’s name and it is not a trade mark application. Similarly, “Nimby mountain resorts” was registered seven years ago as a EUTM but has not yet been put into use.

In view of the above we are of the opinion that likelihood of confusion can be found on the basis of the similarities between the two main word elements as well as on the basis of the similar meaning of the word elements “holiday” and ‘retreat’ and “resorts”.

2.1.6. We find that the trade marks “Nimble style” covering retail stores where are undoubtedly sold clothing and accessories such as gloves, sun glasses, etc. and the EUTM application “Nimby for good style” in respect of headgear, footwear and clothing are similar to an extent that would lead to likelihood of confusion on behalf of the consumers.

2.1.7. Both parties own domain names that are very similar. The US firm owns www.nimble-online.com and the German – www.nimbyonline.com. Such similarity could lead the consumers to the wrong website.

2.2. Non-conflicting points:

2.2.1. The EUTM application “Nimble” cannot be registered as Nimby GmbH will most probably oppose the application on the grounds of its earlier national trade mark “Nimby”.

2.2.2. “Nimby mountain resorts” is vulnerable to a revocation action due to non-use for a period of seven consecutive years.

2.2.3. Considering that Nimble Holdings Inc. is a party which actively seeking expansion on the EU market it can be presumed that it will apply for registration of its sub-brand “Nimby holiday” which will block the registration of “Nimby Retreat”. This is due to the high degree of similarity of the word elements “Nimble” and “Nimby” and similar meaning of the word elements “holiday” and “retreat” as discussed above;

2.2.4. The presence of various sub-brands in the portfolio of Nimble Holdings Inc. allows the company to use the respective goods not under the main house trade mark “Nimble” but rather under the mentioned sub-brands which will prevent likelihood of confusion. For example, fashion clothing can be marketed under the trade mark “Nimble chic”, sports clothing – “Nimble sport” but not under “Nimble style”. The retail stores can bear the trade mark “Nimble style” subject to certain restrictions to the goods covered by this trade mark which we will discuss below.

2.2.5. The domain name owned by Nimby GmbH www.mynimby.com is not confusingly similar to the domain name owned by Nimble Holdings Inc. – www.nimble-online.com.

3. In view of the said above we consider that the following proposal represents a balanced framework for a coexistence agreement between Nimby GmbH and Nimble Holding Inc.:

3.1. Nimble Holdings Inc:

3.1.1. Nimble Holding Inc. will withdraw its EUTM application “Nimble” and will not reapply for it;

3.1.2. Nimble Holding Inc. will register and use on the EU market its sub-brands only for the respective goods and services subject to the limitation that “Nimble style” will cover the retail stores whereby the fashion clothing will be offered under the trade mark “Nimble chic” and the sportswear under “Nimble sport”. Some of the participants took the view that the trade mark “Nimble style” can lead to likelihood of confusion with respect to the sportswear sold in these stores provided that Nimby GmbH will offer its sportswear under the trade mark “Nimby for good style”. Thus, it is doubtful whether such limitation is functional;

3.1.3. Nimble Holding Inc. will not oppose the EUTM application “Nimby for good style”;

3.1.4. Nimble Holding Inc. will request registration of its trade mark “Nimble holiday”. It will file a revocation action against “Nimby mountain resorts” whereby Nimby GmbH will not object;

3.1.5. Nimble Holding Inc. will use the domain name www.nimble-online.com and will not register another domain name similar to www.mynimby.com owned by Nimby GmbH;

3.2. Nimby GmbH:

3.2.1. Nimby GmbH will not file an application for a trade mark registration in the US or in the EU as a EUTM “Nimby Retreat” but only if the trade mark is a word one or a combination one whereby “Nimby Retreat” is the dominant element of the trade mark;

3.2.2. In requesting a revocation action against “Nimble mountain resorts” Nimby GmbH will file a response agreeing that the trade mark has not been used for a period of five years counting from the date of its registration;

3.2.3. Nimby GmbH will use the domain name – www.mynimby.com only.

3.3. Both parties:

3.3.1. Each of the parties may apply for registration of new trade marks, both word and combination ones, subject to the limitation that the word elements “Nimble” and “Nimby” as well as the word elements of the sub-brands, e.g. mountain resorts, sport, chic, etc. are not dominant;

3.3.2. Additionally, the parties are to negotiate the admissible colours, fonts and figurative elements which each of the parties is allowed to use in respect of its current trade marks as well as new ones;

3.3.3. In relation to sportswear Nimby GmbH will not have the right to register word or combination trade marks containing both word elements Nimby and sport regardless of the fact that the trade mark will not have as a dominant element, the element “Nimby”. Trade marks containing “Nimby” as a non-dominant element will be allowed for registration.

4. Non-use – each of the parties has the right to register its own trade mark for the goods and services and the territory for which the other party has registered a trade mark even if the newly applied-for trade mark is subject to the restrictions in the agreement but only where the earlier trade mark has not been used for a period of five consecutive years. It is clear that the respective party to the agreement cannot be limited unreasonably as in cases of non-use any third party can act upon and file a revocation action.

Under such a hypothesis there are two strategies that the applicant can take advantage when negotiating the agreement:

- Files a new trade mark application and informs the other party which has not used his trade mark for a period of five years leaving him without the option of filing an opposition; OR
- Files a new trade mark application and a revocation action

5. Insolvency and Legal succession. Following a heated discussion it was agreed that such a clause can be legally binding provided that the purchaser/successor has a legal obligation to continue to comply with provisions under the coexistence agreement is regulated explicitly in writing through a separate contract.

6. Changes in the contract. Such a clause is recommended in the cases where the parties cannot reach an agreement as only one of the parties is seeking the changes. In these circumstances this party can request from a court to make the modifications whereby the circumstances justifying the request have to be clearly defined and follow the general spirit of the contract.

7. Arbitration

8. Territory – EU member states and North America. This seems to be logical as the US party enters the EU market and not the German one. The German one is at the beginning of its expansion but will probably take advantage during the negotiations and negotiate the terms for North America as well as if this is not done there is no guarantee that at a later stage Nimble Holdings Inc. will be willing to enter into another agreement for North America provided Nimby GmbH decides to enter the US market.

9. Agreement duration – 30 years.

10. Agreement revision – on the 5th year counting from the date of its signing and every 5th year thereon.

11. Arbitration clause:

11.1. Vienna International Arbitration Center

11.2. Choice of law – German law

12. Alternative solution in the case where Nimby GmbH files trade marks in the US:

12.1. In the case the agreement is infringed in the EU – points 11.1. and 11.2. apply above;

12.2. In the case the agreement is infringed in the US:

12.2.1. US arbitration courts

12.2.2. Applicable law – US law