

# STUCK IN THE PIPELINE

Europe's fund of trade mark case law keeps on growing. Jeremy Phillips says that, while some interesting cases have been decided in the past year, there is much more excitement still to come.

**Previous annual reviews of European trade mark law have been long on lists of cases but relatively short on content. This year is a little different. The number of key cases since last year's review is small but the real interest on the case-law front can be found in the cases that have not yet been decided, yet will soon be. This round-up will look at some of the year's most valuable decisions, whether from the European Court or from the Office for Harmonisation in the Internal Market (OHIM), focusing more on the cases that, for one reason or another, are still on the horizon.**

The number of trade mark cases heading towards the European Court of Justice (ECJ) and its little sister, the Court of First Instance, just keeps on increasing. Through this increased level of casework, the ECJ judiciary is gradually building up a degree of expertise and understanding in trade mark law that was manifestly absent a decade ago. Guided by some good research on the part of the Advocates General, the court is now producing decisions which, whether

you like them or not, are rigorous enough to withstand serious analysis in terms of general intellectual property law and competition policy.

A major problem which urgently awaits solution is the slow availability, or non-availability, of texts of ECJ decisions in the 11 working languages of the European Union. This problem is likely to be exacerbated when the entrance of the next group of countries to the Union brings in a further list of languages including some which, it appears to this author, do not easily lend themselves to translation. The cost of translation is high and the act of translation is slow and labour-intensive. However, the need for current and accurate information concerning the state of trade mark law and its powerful monopolies is paramount. Whether it is the force of bureaucracy or of the marketplace, it is apparent that some force must be applied to this issue if it is to be first prioritised and then solved.

#### Main European decisions this year

*Zino Davidoff SA v A & G Imports; Levi Strauss v Tesco Stores plc and Costco Wholesale UK Ltd* [2002] ETMR 109

Much media coverage was given over to this battle. On the one side stood the trade mark owners, emphasising the need to protect their investment in establishing new products and developing markets; on the other side were ranged the supermarkets and retail stores, arguing that trade marks should not be allowed to force up the prices of ordinary consumer goods.

The trade mark owners won the legal case, the ECJ ruling that the doctrine of

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exhaustion of rights did not permit the importation into the EEA of goods sold outside that area in situations in which the trade mark owner had indicated that the goods should not be sold in the EEA but did not take all possible steps to resist their importation. It was theoretically possible for the trade mark owner to have consented impliedly to the importation of goods first marketed outside the EEA, but it is not easy to imagine any circumstances in which such implicit consent would be deemed to have been given.

But it was the supermarkets that won the media battle. By portraying themselves as champions of the consumer they raised their general standing within the economy at large. They also blackened the image of the brand owners, alleging that it is the same companies who exploit cheap third world labour to make products at rock-bottom cost and then exploit trade mark law in order to make sure those products are sold with sky-high price tags.

## *Procter & Gamble Company v OHIM* [2002] ETMR 22

In the year's most controversial ECJ decision in the field of trade marks, the ECJ overturned the position adopted by the OHIM examiner, the appeal board and the Court of First Instance and ruled that the word mark BABY-DRY did not consist exclusively of signs or indications relating to the goods for which registration was sought, babies' nappies (or diapers). In terms of its formal logic the court's decision cannot be faulted. No English-speaking consumer would ever need to use the word combination BABY-DRY as a means of referring to nappies or their functions; the mark was the fruit of an act of "lexical invention" which itself bestowed a minimal but nonetheless legally significant level of distinctiveness on the mark and the mere fact that BABY-DRY was allusive to diapers was not a formal criterion for dismissal of the application.

The problem with this decision is not that it is legally incorrect, but that it is met with intuitive revulsion by a generation of trade mark practitioners raised on the principle that something greater than a bare minimum of distinctiveness was required before a powerful legal monopoly could be secured. The fact remains that, after BABY-DRY, a large number of word marks with little merit and little distinctive force have now become registrable without proof of distinctiveness acquired through use. It also remains the fact that such marks will be relatively weak and that, if BABY-DRY is registrable, so too are a long list of similarly allusive terms incorporating the words BABY or DRY. It further remains the fact that, outside of France where no foreign lawyer dare guess the outcome of any trade mark litigation, the use of the words BABY and DRY will remain free for all descriptive and marketing purposes. being the case, why not allow BABY-DRY to be registered? The Registry gets its fees, the attorneys earn their keep, the applicant gets its weak and narrow monopoly and responsible competitors are scarcely inconvenienced.

## *Toshiba Europe GmbH v Katun Germany GmbH* (ECJ, 25 October 2001)

This case is not actually a decision on trade mark law, though it affects trade marks most significantly. Toshiba objected to Katun's use of Toshiba's name, product serial numbers and spare part identification numbers in its catalogue of the prices of spare parts for photocopiers. Katun maintained that this was a permissible activity, being a responsible form of comparative advertising for the benefit of consumers; Toshiba insisted that it was an act of unfair competition, since it created the apparent suggestion that Katun's own products were of the same quality as those of Toshiba. The Court ruled that the use of product numbers in this way is not inherently objectionable and is indeed permissible as a form of comparative


advertising; only where the circumstances are such that a false representation is made will this use be illicit.

## *No Ordinary Designer Label Limited v Comercial Fenicia de Exportación, SL* (OHIM Second Board of Appeal, 11 October 2001 Case R 185/2000-2)

In this case an application to register the words TED BAKER as a Community trade mark for clothing was blocked, the successful opponent having secured registration of the CLAUDIA BAKER trade mark for similar goods in Spain. The applicant argued in vain that (1) CLAUDIA BAKER had coexisted in Spain with other – BAKER clothing marks and had not apparently taken steps to prevent other competitors using that surname, and that (2) there was no likelihood of confusion. On the first point the Board of Appeal opined that the question whether to oppose a trade mark or seek to prevent its use is a decision for the holder of the prior right alone. If the prior right holder considered that TED BAKER would confuse his market of CLAUDIA BAKER consumers but that HENRY BAKER would not, then that is for the right holder to decide: if Claudia doesn't object to Henry, she is not taken to have acquiesced to Ted. On the second point, while the two marks were held by the Board of Appeal to be clearly distinguishable, there remained the risk that shoppers would still be confused into thinking that the two brands were in some way associated.

## *M&R Marking Systems Inc's Application* (OHIM First Board of Appeal, 19 June 2001)

The OHIM First Board of Appeal had previously ruled in *Harcourt Brace's* application [2000] ETMR 382 that the word mark IDEAL was incapable of registration as a Community trade mark since the word was, in at least four European languages, a laudatory term which should be available for all traders to



use. This time, IDEAL was accepted for registration after the applicant sought to limit the scope of registration (in respect of rubber stamps and machines for making them) to cover only goods "sold to resellers". The applicants submitted evidence that, through extensive advertising in the trade press, the word IDEAL had become distinctive of their products and that they were accordingly entitled to registration. While the logic of this decision is superficially attractive, it may lead to substantial complications. For example, if a competitor seeks to use the word IDEAL in respect of the sale of identical products to the public, will a court consider that rubber stamps for sale to the retail trade and rubber stamps sold by the retail trade are 'similar goods' for the purposes of infringement proceedings?

***Josef Rupp Gesellschaft mbH's Trade Mark; application for a Declaration of Invalidity by the Danish Dairy Board*** (OHIM, First Cancellation Division, November 19 2001)

In this unusual case, the OHIM First Cancellation Division had to consider a trade mark which was conspicuous by its absence: the hole in the middle of a cheese. Could it be said that this trade mark was anticipated by the use by other food manufacturers of a hole as a trade mark? No, said the Cancellation Division: although the hole might indeed be identical in each case, the appearance of the products of other manufacturers might nonetheless be quite different. It was not so much a matter of considering the hole as a trade mark as considering the trade marked product as a whole. In this case there was no earlier hole which, when applied to a cheese, created such an appearance as to convey the impression that there was a use of an identical or confusingly similar mark.

### **Awaiting final decision**

While the *Davidoff/Levi Strauss* decisions caught the public eye, most European trade mark practitioners would agree that the really important ECJ cases this year are those that have been considered at length but not yet decided. The prince among these decisions is *Philips Electronics NV v Remington Consumer Products Ltd*, in which the Advocate General's Opinion was published as long ago as 23 January 2001 but the final decision has not (by late March 2002) even been listed in the ECJ's public diary. Why is this case so keenly awaited? The Swedish courts have held that the Philips three-headed electric shaver configuration was registrable as a trade mark despite its functionality, since there remained an arbitrary element in its appearance. In contrast the British courts have considered the same mark invalidly registered: although it could have looked different while performing the same function, the shaver head was nonetheless functional and would not have been regarded by consumers as serving as a trade mark. Both the Advocate General and an OHIM Board of Appeal (in *Cabot Safety Intermediate Corporation's application* [2001] ETMR 949) appear to take a view closer to that of the British than that of the Swedes, but the Court only accepts the advice of the Advocate General in around 80% of cases referred to it, so there is still room for speculation as to this case's outcome.

### **Other cases awaiting final decision include the following:**

***Merck, Sharp & Dohme v Paranova and Boehringer Ingelheim v Swingward*** (ECJ, Advocate General's Opinion, July 12 2001) and ***Aventis Pharma Deutschland GmbH v Kohlpharma GmbH and Mtk Pharma Vertriebs-GmbH*** (ECJ, Advocate General's opinion March 7 2002)

These references all address the application of exhaustion doctrine in trade mark infringement law. Once trade marked goods are marketed in the EEA by or with

the blessing of the trade mark owner, subsequent activities involving those goods only infringe the trade mark if they damage the trade mark owner's interest in his trade mark, for example by selling damaged or outdated stock. The repackaging of pharmaceutical products is a hard case. Should repackaging of drugs only be permitted where there is a legal or commercial necessity for it, or should other factors be allowed to justify it too, such as the fact that people who take medicines may lose confidence in them if they are manifestly imported from a foreign country and are covered with little stickers that provide necessary information in that jurisdiction? The Advocate General has advised the court that not only legal compulsion but economic and cultural necessity may justify the repackaging of goods.

***Hölterhoff v Freiesleben*** (ECJ, Advocate General's opinion, 20 September 2001) The question under consideration is whether an unauthorised use of a trade mark must be a 'trade mark use' before it is considered to be an infringement. The use in this case was an oral use of trade marks registered in respect of particular cuts of diamond, to indicate not so much the origin of a diamond as the style of the cut. This case should be considered in conjunction with the *Arsenal* ECJ reference, mentioned below.

***Dante Bigi*** (ECJ, Advocate General's Opinion, October 9 2001) This case involves a protected designation of origin, PARMIGIANO REGGIANO, in respect of Parmesan cheese. Italian law not only prohibits the sale of cheese as 'Parmesan' if it does not comply with national regulations but also bans its manufacture for export into other EU member states where it can be lawfully sold as 'Parmesan'. Does such a prohibition exceed Italy's legislative powers under EU

# Stuck in the pipeline *continued*

law? No, suggests the Advocate General. This case should be contrasted with the Chocolate cases: *Commission v Italy* and *Commission v Spain* (ECJ, Advocate General's Opinions, 6 December 2001). In these Opinions the Advocate General recommended that the Court rule that both Italy and Spain were in breach of Community law by preventing the labelling as 'chocolate' as a product made for export and that could not be sold nationally as such because of its high vegetable oil content, since the national laws of some other EU member states permitted such sale.

***Sieckmann's Trade Mark Application***  
(ECJ, Advocate General's Opinion, 6 November 2001)

Can a smell be registered as a trade mark in Europe despite the problems of furnishing the registry with a 'graphical representation'? OHIM controversially allowed the registration of "the smell of fresh-cut grass" in *Venootschap onder Firma Senta Aromatic Marketing's application* [2001] ETMR 429, but the UK Registry now refuses to register smells. The Advocate General felt that, as things stand at present, there is no appropriate means of recording smells as 'graphical representations' and that, accordingly, they should not be registrable.

***SA Soci  t   LTJ Diffusion v SA SADAS***  
(ECJ, Advocate General's Opinion 17 January 2002)

At the heart of this reference is the question whether a sign which encompasses the trade mark owner's registered mark can be said to be 'identical' with it. If, as in this case, ARTHUR ET FELICIE is regarded as being identical to ARTHUR, which it includes, or if it is different only in non-essential elements, then the trade mark owner can sue for infringement without the need to prove a likelihood of confusion (that being the

burden of proof imposed on a trade mark proprietor where the marks are merely 'similar', not 'identical'. In *Asprey & Garrard v WRA (Guns) Ltd* (to be reported in ETMR, May 2002) the UK courts have regarded the name William R Asprey as an identical sign to ASPREY, but the Advocate General does not appear to support this view. In truth, if the word 'identical' in the Harmonisation Directive is given its literal meaning, at least every European trade mark court will be able to apply the infringement test the same way – though some will argue that members of the judiciary in Europe should be clever enough to apply a test of identity even if it extends beyond the scope of the literally identical.

***Campina Melkunie BV v Benelux-Merkenbureau*** (ECJ, Advocate General's Opinion, February 27 2002)

In proceedings before the Benelux Court of Justice ([2001] ETMR 392) a reference was made on the extent to which combinations of non-distinctive words, in this case BIO- and – MILD, were registrable (this issue is one which also underpinned BABY-DRY). Further questions arising from the registrability of common terms such as POST-KANTOOR (Post Office) have been referred in *Koninklijke KPN Nederland NV, formerly known as Koninklijke PTT Nederland NV v The Benelux Trade Marks Office* (ECJ, Advocate General's Opinion, February 27 2002). Benelux references are complicated by the fact that the Benelux regime is a bilingual one, in which a word may be distinctive to some but descriptive to others.

## In the pipeline

***Shield Mark v Kist*** (trading as Memex), a Dutch reference reported at first instance at [2000] ETMR 147

This is the first ECJ reference on the registrability of sounds as trade marks. Sounds can distinguish one business's goods or services over those of a

competitor, but are they capable of being 'graphically represented'? Some countries, including the UK, accept musical notation as a graphical representation of the mark. The Swedish Registry has said that tape recordings are acceptable. The Benelux position is that musical notation is a graphical representation of itself and not of the sound it symbolises. Clearly, while there are philosophical or legal problems with all possible answers to the question, it is desirable that one answer – however arbitrary – should apply equally in all EU member states if the concept of the approximation of trade marks is to become a reality.

***Rado Uhren, Linde and Winward***

The German Bundesgerichtshof referred these three cases to the ECJ on November 23 2000, which means that they should occupy a good deal of the Court's attention in the coming year. All three address three-dimensional trade marks: the heart of the matter is whether 3D marks demand a higher degree of distinctive character than other types of mark. Although there is an oft-repeated mantra that the level of distinctiveness is the same for all species of marks, anyone who has read the BABY-DRY case and then gone on to read the series of cases on the *Henkel and Procter & Gamble* 3D detergent tablets (see for example [2002] ETMR 174) will be tempted to say that there is all the world of difference between them.

***Arsenal Football Club v Reed*** [2001] ETMR 860 and 917

As in *H  lterhoff* (above), the question relates to whether an infringing use must be a 'trade mark use', though the context is somewhat different. The defendant maintained that his use of the Arsenal football club's trade marks on non-official merchandise was to indicate support for the team, as a badge of loyalty, rather than to indicate the goods' source.

### *Libertel v Benelux-Merkenbureau*

(referred on February 23 2001)

A series of questions on the correct approach to be taken to single-colour marks now awaits the Court's consideration. Although in theory all agree that single colours are registrable, questions remain unanswered in relation to the actual use made of the colour in question, whether it must be arbitrary in relation to the goods or services for which registration is sought and how issues relating to secondary meaning of specific colours should be tackled.

### **Two CFI appeals, one lost cause:**

#### *Deutsche Krankenversicherung AG (DKV) v OHIM*

No-one was surprised when the ECJ's Court of First Instance dismissed DKV's application to register COMPANYLINE for

insurance and financial affairs services ([2000] ETMR 271). However, in the light of the more permissive approach taken towards compound word marks in the wake of the BABY-DRY case, it is now becoming increasingly difficult to think of a reason why a word like COMPANYLINE should not be registrable for financial, or indeed almost any other, services.

#### *Zapf Creation AG v OHIM*

[2002] ETMR 128

The Court of First Instance annulled OHIM's refusal to allow the registration of NEW BORN BABY for dolls. It would however be a wise person who could state with clarity what the court actually said in this case, since much of the judgment is expressed in terms of fuliginous obscurity and some of it reads as though it was written by a machine. OHIM is appealing against this

decision, possibly for the joy of discovering what it actually means.

#### *Scandecor Development AB v Scandecor Marketing AB* [2001] ETMR 800

Sadly for all trade mark aficionados, particularly those who have ever wondered about the legal consequences of granting bare exclusive licences, this ECJ reference was withdrawn from the ECJ on 4 September 2001. It may be a long time before the right combination of suitable facts and rich, principled litigants propels a similar reference in the direction of the Court.

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## Call for Articles

**MARQUES** is recognised by the Office for the Harmonisation of the Internal Market (OHIM) as an accredited Non-Governmental Organisation (NGO) and enjoys observer status within the World Intellectual Property Organisation (WIPO) structure. The views and opinions of **MARQUES** are regularly sought by and offered to these and other organisations. Make those offerings your views and opinions.

The **MARQUES** Newsletter is an ideal vehicle for communicating your ideas, your opinions or your vision of where trade mark law is or should be heading. It will be seen and read by in-house counsel, trade mark practitioners, IP lawyers, academics, government officials and other NGOs.

The image and credibility of **MARQUES** and its representatives may be enhanced or diminished by the quality of discussion and debate within the Newsletter pages. Not everyone has the time available to participate actively in committees or working groups. Annual general meetings are neither the only nor perhaps the best way for members to ensure that committee and working group members have the same priorities and ends in mind as the general membership.

Are they pursuing the wrong goals? or the right goals but not hard enough?

Do you have the ammunition or evidence which could help them do better?

Do you want to win friends and influence **MARQUES**, IP officials or governments?

Do you simply want to say "Thank you, you're doing a great job"?

If your answer to any of these is 'Yes', then one way is to put your views and ideas in writing and submit them to the editor for inclusion the next issue. You may be a trade mark owner wishing to influence IP Offices or governments, or you may be a government official or practitioner wishing to influence trade mark owners. Size and format or style is not important. It may be a fully referenced article or simply a letter to the editor. What is important is the participation of you, the members.

Please send any contribution to:

The Editor, **MARQUES** Newsletter, 840 Melton Road, Thurmaston, Leicester LE4 8BN, United Kingdom.

# MARQUES Internet Committee

Nick Wood

**Like a mid-ocean storm that whips up waves that from time to time pound on a distant shore, the internet and in particular developments to the domain name system cannot be ignored by trade mark professionals. Domain names might not bestow rights but as, e-commerce, e-mail and the world wide web grow in importance, they need careful attention.**

There's been a great deal going on since the start of this year. On the gTLD front, .coop, .museum and .aero came into being. As chartered gTLDs targeted at specific groupings – respectively members of the international co-operative movement, museums' associations or the aviation industry – their impact has largely gone unnoticed. Maybe the real significance here is that gTLDs focussed on narrow interest groups can be launched without the self-serving processes and changes of date that disfigured the arrival of .info, .biz and to a lesser extent, .name.

As to ccTLDs, the ripples caused by .US's rush to market have yet to be felt. The timeline for the .US Sunrise slipped twice as operator's NeuStar hoped that further applications would flood in – but where from? Not many European businesses were attracted and those that were found the requirement to have servers sited in the US an inconvenience at best, a barrier at worst.

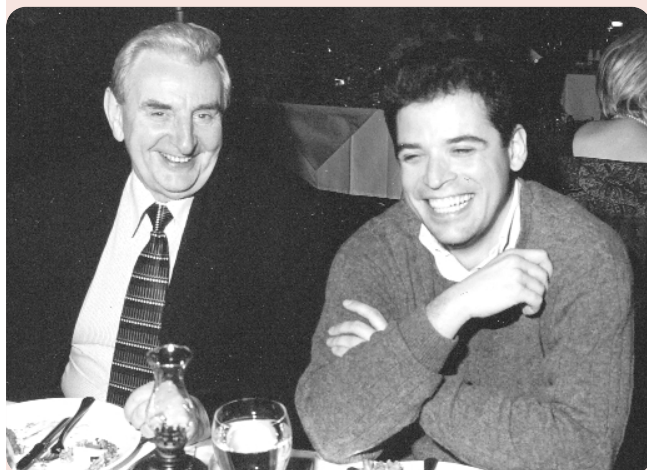
Of more interest to MARQUES members is the .EU. Still a distant line on the horizon, expect it to arrive in the late Summer now that the European Parliament has approved appropriate measures for its establishment. MARQUES has been in touch with the Commission with suggestions on how measures to protect intellectual property can work avoiding the mistakes made by the new gTLDs.

Meanwhile ICANN, born an orphan child with insufficient means to either enforce or administer the domain name system effectively, is facing an uncertain future. In February, CEO Stuart Lynn circulated a discussion paper that proposed a complete restructuring, narrowing down ICANN's mission, creating financial stability and a new structure that features national governments in addition to the USA at its heart. MARQUES, largely through its membership of the Intellectual Property Constituency of ICANN, has been

participating in these discussions. A first reaction to Lynn's paper was to welcome it whilst indicating that he seemed to have written intellectual property interests out of the organisation despite hailing the UDRP as one of its major successes! Meantime, a new MARQUES Internet Committee is emerging from the chrysalis of the old sub-committee. Anyone interested in participating or with suggestions for areas of activity should contact me at the e-mail address below. Amongst the activities that we are considering are an annual workshop or seminar, a study of European registries and how we disseminate information to MARQUES. Meantime we are looking at how we best inter-act with ICANN and other matters such as the availability of whois information and the harmonisation of the gTLD transfer process.

Contact [nick.wood@cpaglobal.com](mailto:nick.wood@cpaglobal.com) if you wish to learn more about the MARQUES Internet Committee or have suggestions on issues the Committee should cover.

## TURKISH DELIGHTS!



Secretary General, Colin Grimes and Panos Malamis (Greece) share a joke during dinner after the meeting of the Council held in Istanbul in March.



Isabel de Minvielle Devaux (UK) challenges fellow Council Member, Bruce Proctor (USA) to a bout of arm wrestling (the winner to receive a packet of cigarettes or a case of Coca Cola!)

# OHIM Trademarks Group

Notes of the OHIM Trademarks Group meeting in Alicante on 8 April 2002

Present for MARQUES: Jane Collins, Vice-President External Relations and Marius H. Knijff

This was an extraordinary meeting as the European Commission want to present changes of the European Trademark Regulation - CTMR - before the Council of Ministers in June. OHIM proposes a number of reforms and improvements of the CTM in general. The proposals are of a quite logical nature as they remedy discrepancies in articles of the Regulation. As a whole, it was felt by the NGO's that most of the proposals were acceptable. The amendments were often of a detailed nature and I am only highlighting the significant issues:

## 1. Division of CTM applications and registrations (articles 44.a and 48.a)

This proposal aims at a division of an application in particular in *ex parte* cases (refusals on absolute grounds) and *inter parte* cases (oppositions). The proposal will enable the applicant, on payment of a fee, to split up the application (or a registration) in two parts, namely in a part to which the opposition is being raised and a part which is not subject to opposition. The part which is not subject to opposition could then proceed to registration. This division could result in two separate registrations.

MARQUES supports this proposal.

## 2. Restitutio in integrum

The *restitutio* of article 87 should also be available for the time limit for claiming priority.

MARQUES supports this.

## 3. "Further Treatment"

A new article should be added permitting a request for "further treatment", when a time limit has been missed, in particular time limits which have been set by the Office during the procedure.

It would be available for all such time limits subject to some exceptions, in particular those which have a specific time limit indicated in the Regulation, e.g. filing date, term for filing opposition, payment of basic application fees etc.

The Office would permit an extra time of

one (or two) months, subject to payment of a fee after the missed deadline.

MARQUES is in favour.

## 4. Streamlining of interlocutory revisions which are limited to *ex parte* cases

The proposal includes also *inter partes* cases in order to avoid that the Boards of Appeal have to deal with appeals in situations where the remedy is obvious.

e.g. if documents, which have been submitted were not entered into the file where a time limit has actually been observed etc.

MARQUES supports this.

## 5. Corrections of obviously erroneous decisions and entries

Corrections of obviously erroneous decisions and entries correspond to the generally recognised principal of administrative law, viz. that an administration must have the right to correct obvious errors.

Should there be a time limit? Some NGO's, including MARQUES, feel that there should be no time limit. However, the European Commission has indicated that they will not accept an amendment if no time limit is indicated. The Office proposes a time limit of one year. Some NGO's propose two or five years.

## 6. Abolishment of authorisations

MARQUES favours the abolishing of Powers of Attorney, which is already a rule in some Community countries like Germany and the UK.

## 7. Conversion Procedure

The conversion procedure should be streamlined, in particular between OHIM and the National offices. Some proposals were made to do so.

MARQUES agrees.

## 8. Filing via National Offices

Less than 2% of the applications is filed through the National Offices. Sometimes the Office fails to send the application

timely to OHIM, which may lead to unwanted consequences like loss of rights. OHIM proposes to extend the time limit from one to two months.

The Office also proposes that too late arrival should lead to a CTM application having the arrival date at OHIM as receipt date, rather than "the application is deemed not to have been filed".

MARQUES supports this.

## 9. Some minor issues:

### ● Priority documents

The requirement to submit priority documents in an Office language should be abolished.

It should be sufficient to file in the language of a member state.

MARQUES supports this.

### ● Acceleration and facilitating of fixing of costs in oppositions

The decision should not only provide for allocation of costs (costs to be paid by full or partly) but also for fixing the costs. This will accelerate the opposition procedure substantially.

MARQUES agrees.

### ● Inspection of files

OHIM proposes to make the applications also available to the public before publication. MARQUES agrees.

However, it should be possible to keep confidential any evidence filed in support of secondary meaning by stamping it "Confidential".

### ● Bulletin

There is an overwhelming majority for abolishing the paper version of the Journal according to enquiries made by OHIM in the circles of trade. OHIM proposes a dual system, namely an on-line system and a CD-rom in pdf version.

Copies of OHIM's detailed proposals for reform and improvement of the CTM system are available on request from the MARQUES Newsletter editor (e-mail: robin\_tyler@bat.com) or seen on the MARQUES web-site under "recent developments".

# Marques presents owners' views at meeting with EU commission

**A strong team (Knud Wallberg and Marius Knijff together with Chairman of **MARQUES** Tove Graulund), met with the EU Commission, DG Markt on 6th March, 2002 to ensure the interests of trade mark owners were strongly represented and taken fully into account in the development of future policies. Officials were left with a clear understanding of the owners' perspective on the following range of issues raised by **MARQUES**:**

**Members are encouraged to provide feedback on their views on conversions. Please use the **MARQUES** website <http://www.marques.org/> We will compile and pass on to the Commission all comments received not only on these types of conversion but also your views on ordinary conversions. Positive comments are very valuable as examples of best practice.**

## **1. Conversion of CTMs**

Drawing attention to the current uncertainty about the way in which national Offices will handle conversion of a CTM with seniority claims when one of these is a national registration that might have lapsed in the meantime, **MARQUES** encouraged the Commission to attempt to make the Offices aware of the need to be able to deal satisfactorily with such requests.

## **2. CTM Searches**

**MARQUES** reiterated the view that searches of CTM applications should be abolished. Such searches are costly and superfluous since brand owners will have conducted the necessary availability searches before deciding on the mark and before any production of packaging, etc. The large majority of owners are not in a position to wait for the result of national searches.

In addition, **MARQUES** does not regard the search result as an efficient means of alerting other owners to the existence of rights since the applicant would, in any

case, prefer to await an opposition and not withdraw the application. In any case, the quality range of searches is too diverse, not to say incoherent, and the fact that important countries are missing seriously challenges the credibility of the search procedures. **MARQUES** remains committed to the principle that searching prior to choice of brand – combined with watching – is the strongly preferred way forward for owners.

## **3. EU Enlargement**

Abolition of searches is becoming increasingly urgent in anticipation of EU enlargement in 2004 which would inevitably involve a further 8-10 search results to be circulated to applicants.

Most of the candidate countries have implemented legislation that is in compliance with the EU-legislation. The big problem in many countries is the actual enforcement of IPR, which therefore will be a major focus point in the next few years.

The consequences of the enlargement for the CTM system have been laid down for quite some time and should, by now, be familiar to all brand owners. The Commission confirmed that the same principles would apply to the registration of community designs.

Members seeking further information should visit the OHIM/OAMI Web site: <http://oami.eu.int/>

## **4. EU Ratification of the Protocol**

**MARQUES** reiterated its strong support for

the Commission's proposal for ratification of the Protocol.

It would clearly be to the brand owners' advantage if the EU became a member to the Protocol as soon as possible. Now that the last EU Member State has ratified (October 2000), no further obstacles remain.

Members will be aware that the issue of "official languages", which has been holding up the ratification for many years, seems to be resurrected every time a simplification of registration of IP is being promoted in the EU. The Community Patent has now stumbled on the same block. Together with other IP owners' organisations, **MARQUES** is advocating that publication of International Registrations with the EU designation in only English and French is sufficient. We strongly believe that there is no need for further publication by OHIM in the other official languages since this would only add to the costs to be covered by the owners.

**MARQUES** also underlined the importance of the opting-back clause and spoke strongly in favour of keeping the clause unchanged. Without the clause, we believe, applicants would be obliged to either convert the designation of EU to national applications or, if the CTM designation should run into problems, to make a subsequent designation of the countries in question in the International Registration.

The former would be far too expensive as an option. The latter would mean loss of the original filing date.



With the opting-back clause unchanged, the applicant could convert to designations and thus remain in the International Registration system without loss of the application date. Without this the reality would be that many smaller and medium-sized companies would choose to designate individual countries and not to take their chances with a designation of the EU. In the end the Community Trade Mark would be the loser.

#### 5. Action Plan to combat counterfeiting and piracy

The Commission is preparing a proposal for a Directive on the enforcement of IP rights. The content will be as previously described in the (so-called) Action Plan and will seek to harmonise both the civil and the criminal sanctions for IP infringements See: [http://europa.eu.int/comm/internal\\_market/en/indprop/piracy/counterf.htm](http://europa.eu.int/comm/internal_market/en/indprop/piracy/counterf.htm)

#### 6. Exhaustion

Much to the surprise of the Commission (and to most of us!), an attempt will apparently be made to put exhaustion on the agenda again. The Commission has been charged to produce a new study on the subject, but they made it clear that they had no intention of proposing any changes to the present legislation.

It remains unclear what the result of the exercise will be.

**MARQUES** takes the view that the Nera Report ended the discussion, and that the Commission has far more important and urgent issues to deal with.

#### 7. Unfair Competition

Finally, **MARQUES** showed a few examples of marketplace reality to draw attention to and illustrate the lack of a harmonised EU unfair competition law. Over the past years, industry has been faced with an apparent increase in look-alike products. The fact that many countries do not have unfair competition law is becoming a problem.

Unfortunately, the Commission confirmed that there are no current plans to start studies on this topic.

*Members are encouraged to make any comment, support or suggest contrary views and opinions to those expressed at this meeting on behalf of owners.*

*Practical examples and illustrations of points made are especially useful and appreciated. If **MARQUES** is to fulfil its mission to act as the voice of brand owners in Europe, we rely upon feedback from those whom we seek to represent.*

## Netherlands: MARQUES' Round Table

Held at the premises of  
Sara Lee/DE, Utrecht,  
The Netherlands on  
28th March, 2002.

This was the first **MARQUES** Trademark Owners Forum in The Netherlands. It was attended by some twenty persons, representing large Dutch/international brand owners, under the chairmanship of Paul Steinhauser of Steinhauser Hoogenraad, Council member of **MARQUES**. Other council members, Anouk von Meyenfeldt, representing Tommy Hilfiger/Pepe Jeans, Ingrid de Groot, **MARQUES** Vice President and representing Perfetti Van Melle and Marius Knijff of Knijff & Partners were present.

Ingrid de Groot explained the particular activities of **MARQUES** as the voice of European brand owners. Other topics discussed included: outsourcing or in house management of the trademark portfolio; measures against counterfeiting and financial aspects of the trademark portfolio, in particular budgeting, central or decentralised trademark ownership and intercompany licensing and intercompany royalty payments.

It was a successful meeting and the Dutch council members of **MARQUES** intend to organise more meetings in the future.

*Marius H. Knijff, Knijff & Partners B.V.*

## Community Industrial Designs: Update

There is now a second modified text of the Implementing Rules belonging to the European Design Regulation which will be voted on at the end of May. As it stands now the Office thinks that they can accept applications to be filed as from 1 January 2003 and the system would start to run as from 1 April 2003.

# The copyright etc. and Trade Marks (Offences and Enforcement) Bill

**This Bill is expected to become law before the end of the year.**

**Robin Tyler reviews its provisions.**

The Copyright, etc. and Trade Marks (Offences and Enforcement) Bill introduced to the UK Parliament in July 2001 has completed its legislative stages in the House of Commons and will now pass to the House of Lords where it is expected to become law either before the summer recess or in the autumn. Clause 7 provides for the provisions of the Bill to be brought into force by a commencement order. It is envisaged that this will occur about 12 weeks after the Bill receives Royal Assent to allow the Government time to disseminate information about the effects of the Bill, particularly amongst public sector enforcers

The Bill amends the criminal provisions in the law relating to copyright, rights in performances, fraudulent reception of conditional access transmissions by use of unauthorised decoders and trade marks. The Bill brings about some rationalisation of IP law by removing some of the differences between the criminal sanctions available for copyright or for trade mark infringements. The three areas rationalised by the Bill are maximum penalties for

certain offences in intellectual property law, police search and seizure powers relating to offences and court orders on forfeiture of illegal material that may have been seized during investigation of offences. The Bill does not make any changes to the scope of criminal offences in intellectual property law so that the type of behaviour that can give rise to an offence remains the same.

The maximum penalty for conviction on indictment for offences referred to in Parts I, II and VII of the Copyright, Designs and Patents Act 1988 is increased to an unlimited fine and/or up to 10 years in prison to reflect the seriousness of these crimes and to bring the penalties into line with the existing ones for similar trade marks offences. In addition, and for the same reason of consistency, this clause also adds the option of six months in prison to the penalty for summary conviction in section 297A(2).

Clauses 2 & 6 extend existing provisions which allow the police to obtain search warrants and Powers of seizure of evidence that an offence has been or is about to be committed to all the offences in section

107(1) and (2) of the Copyright, Designs and Patents Act 1988, including those only triable in the magistrates' courts and for the offences in section 92 of the Trade Marks Act 1994 relating to counterfeit goods and articles for making them.

Forfeiture provisions in trade marks law apply where items have come into the possession of a person in connection with the investigation or prosecution of one of the offences, or a related offence under the Trade Descriptions Act 1968, or any offence involving dishonesty or deception. They allow a court to order forfeiture of infringing goods both where a person has been prosecuted for an offence and where there is no prosecution, although in both cases the court must be satisfied that an offence has been committed in relation to the goods. Clauses 3, 4 & 5 of the Bill reproduce these provisions in the Copyright, Designs and Patents Act 1988 specifically to apply in respect of goods infringing copyright, ie infringing copies, and articles specifically designed or adapted for making such copies.

1. Legal Research Officer, British American Tobacco plc.

## Letter from WIPO

Dear Chairman Grauland,

Thank you for your letter of 4 March, 2002 strongly supporting the work of the Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT) in the field of trademark harmonisation.

**MARQUES'** dedication and involvement in WIPO's work on trademark matters is always very much appreciated. It shows that your Organisation is at the forefront of international developments in the field of trademarks. Comments of your Organisation are therefore always welcomed.

I can assure you that your suggestions concerning possible actions by WIPO regarding further harmonisation of formalities in the field of marks and initiation of work on harmonisation of substantive trademark law will be duly considered when preparing the working documents for the SCT.

I have particularly noted your proposals to approach trademark definition through the branding concept and your suggestion to also consider the counterfeiting problem in the context of harmonisation.

*Denis Croze, Head of Trademark Law Section*

# OHIM European Enlargement Ad Hoc Trade Marks Working Group

*Meeting in Brussels on 10th April, 2002.*

**MARQUES attended this second meeting with OHIM and the European Commission regarding the enlargement of the European Community.**

MARQUES was represented by Mrs. Eva Szigeti, MARQUES Council member and partner of Danubia Budapest for the candidate country Hungary and Mrs. Olga Sirakova, partner of Interius Sofia for the candidate country Bulgaria and Marius Knijff, chairman of the MARQUES OHIM Trade Marks Group Committee.

Mr. Maurer of the European Commission informed the NGO's that the EC and candidate countries are working hard on the accession of ten of these countries which could take place in early 2004. Negotiations regarding Intellectual Property Rights (Chapter 5) have been finalised. These countries are: Latvia, Lithuania, Estonia, Poland, the Czech Republic, the Slovak Republic, Slovenia, Hungary, Malta and Cyprus. Romania's and Bulgaria's accession is scheduled to take place in 2007/2008 whilst Turkey's accession is still dependent upon further political developments within Turkey.

Major problems of the accession in respect of trade mark protection include:

## **A. Languages**

The Accession Treaty provides for an addition of ten new languages. OHIM regards this as a very heavy burden. It would stagnate the procedures within OHIM. The NGO's including MARQUES favour a streamlining of the procedure and in particular a reduction in the number of officially recognised languages.

Pressure is to be brought upon the European Commission to reduce the number of languages in the Trade Mark Regulation, in order to maintain a workable Trade Mark System.

## **B. Trade Mark searches**

The NGO's including MARQUES, urged the Commission to abolish the mandatory trade mark searching by national administrations and OHIM. Additional searching of accessing countries will complicate the procedure even more and could make it unworkable.

OHIM is in the process of setting up an on-line (identical) searching facility in cooperation with some of the acceding countries. The website would provide information regarding (very) recently filed applications in some five acceding countries.

## **C. Bad faith applications**

Chapter 5 provides for oppositions by owners of national trademark applications/registrations of acceding countries against Community Trade Mark applications, when national applications have been filed within a period 6 months before the accession. This specific provision is not bilateral, so owners of Community Trade Marks cannot oppose similar national applications in the accessing countries. The NGO's, including MARQUES, feel that this provision could elicit bad faith applications in the acceding countries. The NGO's including MARQUES are calling upon the Commission to urge the acceding countries to provide for workable remedies against bad faith applications.

*Marius H. Knijff  
Knijff & Partners B.V.*

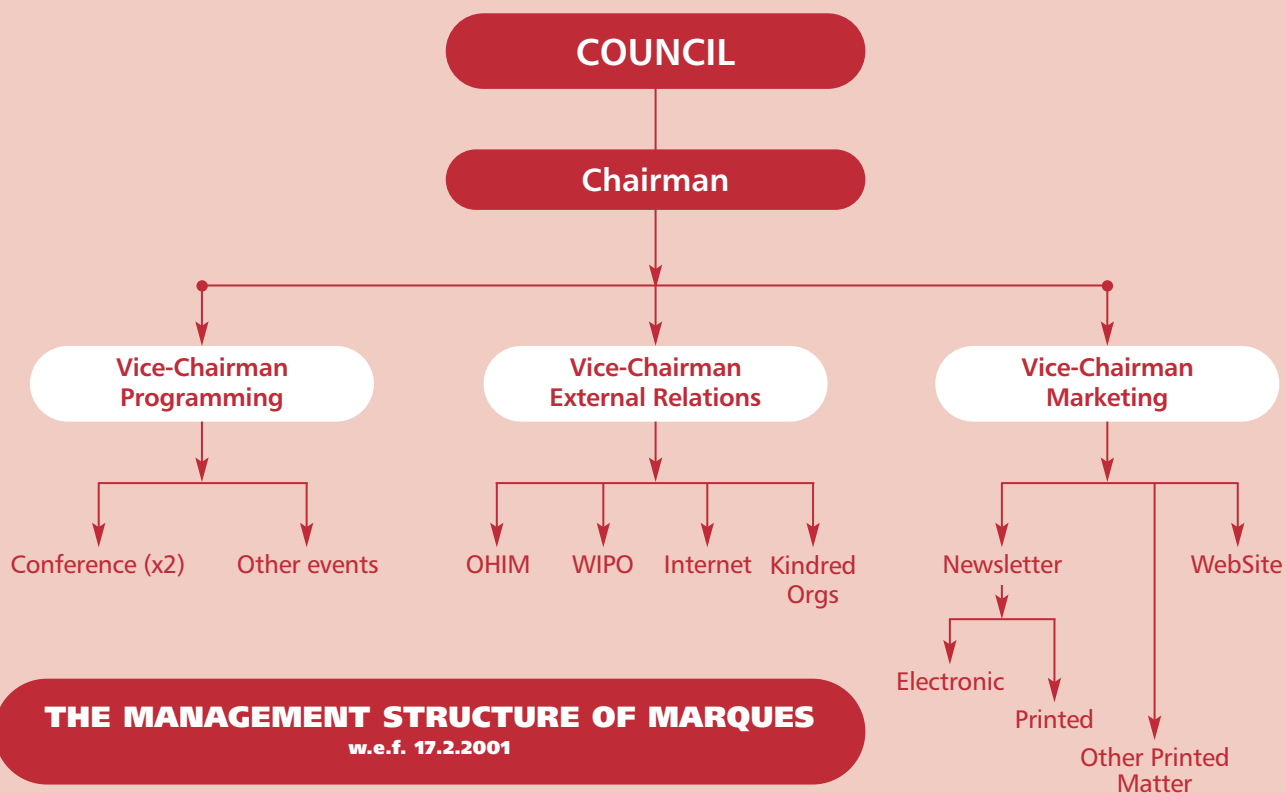
## Wrestlers to fight in the House of Lords

**The World Wrestling Federation is appealing to the House of Lords against a February decision of the UK Court of Appeal upholding a previous court order that the World Wide Fund for Nature (formerly the World Wildlife Fund) was entitled to the exclusive use of the initials 'WWF'.**

In October 2001 the High Court ruled that the federation breached a 1994 agreement with the World Wildlife Fund by the use of its current logo and the URL 'www.wwf.com' The World Wrestling Federation argues that that agreement constitutes a restraint of trade and is unenforceable.

The charity successfully argued that the federation's association with violence and sleaze was damaging by "insalubrious connotation" the fund's ability to raise money for nature conservation. The federation was ordered to stop using the 'wwf.com' domain name. However, a stay on the punishment will remain in force pending the federation's petition to the House of Lords for permission to review the Court of Appeal's decision.

# MARQUES Governance



## MARQUES COUNCIL – 2001/2002

President – Vacancy

Chairman – **Tove Graulund** (Denmark)

Vice-Chairman (Programming) –

**Ingrid de Groot van Amelsvoort** (Netherlands)

Vice-Chairman (External Relations) –

**Jane Collins** (Switzerland)

Vice-Chairman (Marketing) –

**Hanne Weywardt** (Denmark)

**Isabel de Minvielle Devaux** (UK)

**David Goldring** (UK)

**Edward J Handler** (USA)

**Kay-Uwe Jonas** (Germany)

**Marius Knijff** (Netherlands)

**Daniele Le Carval** (France)

**Inger Lundmark** (Sweden)

**Anouk von Meyenfeldt** (Netherlands)

**Raffaello Nemni** (Italy)

**Carles Prat** (Spain)

**Bruce N Proctor** (USA)

**Jette Sandel** (Denmark)

**Shane Smyth** (Ireland)

**Margaretha Ståhlberg** (Sweden)

**Paul Steinhauer** (Netherlands)

**Massimo Sterpi** (Italy)

**Eva Szigeti** (Hungary)

**Nunzia Varricchio** (Belgium)

Secretary General – **Colin Grimes** (UK)

*NOTE: Council may be composed of up to 40 members with not more than 6 from any individual European country, not more than 6 drawn from countries outside Europe and not more than 14 Special Members.*

**MARQUES**

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