

# Examining the latest Community trademark developments

By **Lena Ericsson** and **Hanna Bruck**, Valea AB

Although trademark laws in Europe have long been harmonised, over the years it has become clear that this is not necessarily true with regard to trademark practice. This is evident when comparing both national trademark office decisions and, to varying degrees, rulings of national courts on trademark issues, particularly infringement cases. For this reason, among others, the Office for Harmonisation in the Internal Market (OHIM) has established a convergence programme, which aims to achieve a greater level of harmonisation, predictability and, not least, legal security for rights holders and practitioners.

The differences in trademark practice do not stem exclusively from the different approaches to the interpretation of the law itself. Rather, they are as much an issue of cultural inheritance. In some countries the 'language' of signs and shapes leans towards a more basic and unadorned version, while in others this language is far more ornate and embellished. This is simply something that has developed over generations, and the results are neither conscious nor sought after.

However, this has an undeniable effect. When working with clients with a business presence in different European countries, a pattern is easily discerned. For some product categories, goods bearing similar trademarks are allowed in, for example, Denmark and Sweden, but removed from the markets in Germany and France. For other product categories, the result is the opposite. This is frustrating and, more worryingly, creates a sense of legal uncertainty and unpredictability.

## OHIM Convergence Programme

Among other things, the inherent differences in the way in which member states have handled harmonised trademark law led to the establishment of the OHIM Convergence Programme. The programme has been active since 2011 and the *IP TRANSLATOR* decision brought public attention to its work.

The aim of the programme is the convergence of practice for all member states under OHIM. The programme involves and links the national trademark offices and various user organisations. It is intended to harmonise once and for all the different practices across national trademark offices.

At present, the programme is actively running six different projects in the following areas:

- harmonisation of the classification of goods and services;
- assessment of the grounds for refusal of figurative marks encompassing purely descriptive words/descriptions;
- scope of protection for marks exclusively in black, white or grey;
- refusal on relative grounds – that is, based on likelihood of confusion due to non-distinctive trademark elements (with 10 member states issuing refusals on relative grounds);
- harmonisation of product indications; and
- graphic representations of a design.

To date, the practical effect of these projects has primarily been the need to use narrower and more precise descriptions

## “ The Swedish Trademark Office is also fighting to retain the right to refuse trademark applications on relative grounds ”

of goods and services when applying for trademark registration. Using the class heading is no longer considered to provide protection automatically for all goods and services included in that class.

The most recent communication on changes to and the harmonisation of practice related to the scope of protection of marks in black-and-white versus colour marks. The prevailing view has long been that a black-and-white registration gives protection for all colours or combinations thereof, except where the use of colours is inverted. OHIM has now declared that a registration solely in black, white and/or grey shall be seen as identical to a colour mark only where the difference in colour is insignificant. This is to be interpreted as a difference visible only when comparing the marks directly side by side. Just as important is the fact that henceforth, use of a colour mark where the registration is in black, white and/or grey will constitute genuine use only as long as the colour does not change the distinctive character of the mark.

Despite the varying national approaches to trademark law and practice, the one constant guiding principle that has kept the national courts from straying too far from a common view is the fact that European national courts may refer a legal question – for example, how to deal with a specific legal issue or how to interpret a particular legal requirement – to the advocate general of the European Court of Justice (ECJ) for his opinion. This practice has been helpful for harmonisation and many advocate general opinions have been studied by judges and practitioners alike in order

to become more attuned to prevailing legal opinion on key trademark issues.

In addition to the option of requesting an opinion from the advocate general, it is possible to refer a legal matter to the ECJ for a decision. Most EU member states do not base their legal system on case law, even though the lower courts use decisions of the highest courts as guidance. Despite this, the European Union does have a prevailing case law system – the collected body of advocate general opinions and ECJ decisions – which results in a high degree of harmonisation and legal certainty for rights holders and practitioners.

Two recent decisions have further helped to clarify the scope of protection within the European Union. *Kornspitz* (C-402/12, March 2 2014) concerned the degeneration of a trademark, while *Pico Food GmbH v OHIM* (T-623/11, April 9 2014) concerned the scope of protection of black-and-white versus colour trademarks and was a direct result of OHIM's declaration regarding the change of practice on this issue.

### **Kornspitz decision**

The *Kornspitz* decision was issued following a request from the Austrian courts for a preliminary ruling by the ECJ on the extent to which a rights holder must act in order to protect its registration from becoming generic. The case has now been referred back to the Austrian court for a national decision on the basis of the ECJ's ruling.

KORNSPITZ is an Austrian trademark registered for, among other things, bakery products and flour. The registration covers both the raw materials and the finished product (ie, a bread roll with a particular visual appearance). While bakers are aware of the connection between the KORNSPITZ mark and the specific flour mix which it represents, this information is in no way conveyed to end consumers purchasing the rolls in shops and bakeries. In this case the rights holder was aware that users of the raw materials (ie, the bakery trade) had taken no steps to communicate the connection between the trademark and the ingredients in the bread rolls to end consumers, resulting in the trade being aware of the connection between the mark and the rights holder, but end consumers believing the mark to be the

generic name for a certain type of bread roll, with no connection to the manufacturer of the ingredients used for the product. The rights holder had been aware of this situation for some time, but had not asked the trade to take steps to reconnect the mark with the manufacturer.

The key lesson here is that where a product, either by itself or through processing, has two levels of consumers – trade and end consumers – the area to monitor is that of the end consumer. If the mark loses its meaning among end consumers, it is at risk of being perceived as generic and thus losing its primary function (ie, that of an indication of origin).

### **Pico Food decision**

*Pico Food* concerned the scope of protection of black-and-white versus colour trademarks. This long-running case concerned a Community trademark in Class 30 filed by a Polish national, consisting of a cow against a yellow-striped background, together with word elements. German company Pico Food, the owner of a number of prior figurative registrations in Class 30, challenged the application. Three of Pico Foods' prior registrations shared the element of a cow and two shared the element of grey stripes. Further, all three registrations included word elements. Both the Opposition Division and the Board of Appeal rejected the challenge filed against the Polish application on the basis that the differences were seen as sufficient to exclude any likelihood of confusion.

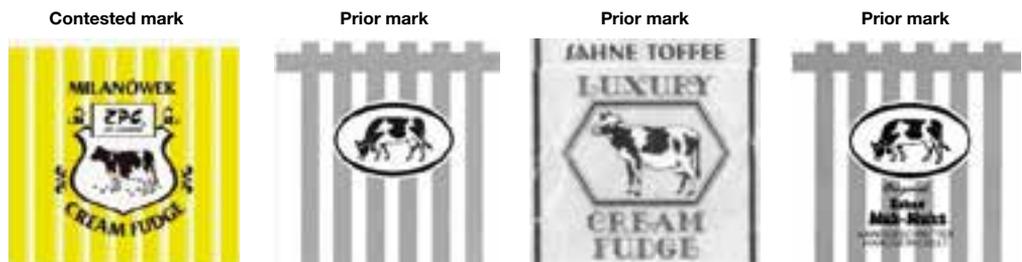
Pico Food appealed the refusals to the General Court. A cornerstone of its argument

was the generally held view that marks registered in black-and-white are protected against all colours and combinations of colours. The General Court made clear that black-and-white registrations have no scope of protection beyond that which the registrations depict. In this case several additional facts had a bearing on the outcome of the case. The marks incorporated word elements and, as stressed by the General Court, consumers use word elements when referring to a mark. Thus, the outcome as such may well have been different if other elements had been involved. What is interesting – and what is unlikely to change in the near future – is the fact that the scope of protection with regard to black-and-white versus colour marks has shifted. What you see is indeed what you get.

### **What will the future bring?**

With the ongoing work towards convergence, there will certainly be more amendments in the near future. Where there have been changes to practice, these must be implemented in both national law and practice. For instance, the Scandinavian countries have already made it clear that they will continue with prior practice (ie, a registration in black-and-white is seen to encompass all colours). The Swedish Trademark Office is also fighting to retain the right to refuse trademark applications on relative grounds. With the steadily growing number of registrations, the risk of an applicant receiving a preliminary refusal based on prior registrations with effect in Europe is increasing – a trademark

Figure 1. Images of the trademarks involved in the opposition



## Contributing profiles



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Lena Ericsson works in all areas of IP law, with a focus on strategic advice regarding trademark and design protection, including the development of strategies, copyright protection, objections, agreements and encroachment issues. She also handles business-related IP issues such as the commercialisation of IP rights, and advises on licensing agreements, confidentiality and transfers. She has a background as a business attorney, but has worked in intellectual property since 2001, when she started working for an IP-focused company in Copenhagen. Ms Ericsson is a member of the European Communities Trademark Association, where she is a member of the Design Committee.



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Hanna Bruck works in all fields of IP law, with a focus on business-related IP issues such as structuring and negotiating licensing agreements and other contracts for the protection and commercialisation of IP rights. She also provides strategic advice on trademark and design issues such as strategies, policies, investigations, agreements and infringement queries. Ms Bruck joined Valea in 2010, having worked at another IP firm since 2007, advising on IP and commercial law; at a law firm providing advice on Swedish and international commercial law; and as a law lecturer at the University of Linköping. Ms Bruck has worked in the IP field since 2001.

office out of sync with the majority of EU national offices poses major risks of legal uncertainty. In some instances a rejected Swedish application has been allowed in other countries or by OHIM. There have also been cases in which marks that have been preliminary refused in Sweden have not only been registered, but have also overcome oppositions under OHIM.

As practitioners, we welcome the Convergence Programme and look forward to the day when not only a registration, but also the handling, scope of protection and litigation of a mark can be predicted based on the uniform application of the law across the European Union. **iam**

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Anna Maria Lagerqvist works in all fields of Intellectual Property Law with a focus on infringement queries, litigation and business-related IP issues. Anna Maria Lagerqvist also has considerable experience within IT Law and she is an experienced lecturer in the IP field. Anna Maria Lagerqvist has been working in the IP field since 1998 and is the head of the legal department at Valea.

