IP-to-date

Client Information on Current Decisions in Trademark Law

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News on International Classification of Trademarks – The IP Translator Decision Delivered by the ECJ

The Office for Harmonisation's practice of classifying applications for Community trademarks has changed immediately after the "IP Translator" Decision delivered by the ECJ on 19 June 2012. The Judgement deals with the question whether the interpretation of applications as it is practised by OHIM as well as other European trademark offices is permissible. In this approach, the use of general terms of headings to a certain class of the Nice Classification system is considered to be implying that protection is sought for all the goods / services of the class concerned.

In 2009, the plaintiff had filed with the British trademark office an application for the designation "IP Translator" for the general terms of "education, providing of training, entertainment, sporting and cultural activities" as contained as headings in class 41 of the Nice Classification system. The trademark was rejected by the office on grounds of a lack of the necessary degree of distinctive character for the application did not only include the services explicitly mentioned as general terms, but also all the other services of the corresponding class of the Nice Classification system, including translation services. In this regard the sign "IP Translator" was considered descriptive for these services. The High Court of Justice, which was concerned with the legal action resulting from the appeal, referred the question to the ECJ whether the practice of granting extensive protection, of both the UK trademark office and the Office for Harmonisation, was in accordance with the general legal requirements as far as clarity and certainty of absolute rights granted by the state were concerned, as is the case with trademarks.

The ECJ has now decided that the goods / services must be identified by the applicant clearly and determinate enough to enable the competent authorities and economic operators to determine the extent of trademark protection sought solely on this basis. As long as the designation selected makes it possible to unequivocally and clearly determine the extent of protection of the trademark, it is possible as well to use the general indications in accordance with the Nice Classification system. In the future, however, the applicant of a Community trademark will be obliged, if necessary, to give some clarification when only such class headings are used.

In this respect, the OHIM published a Communication No. 2/2012 on 20 June 2012 and issued a pre-worded declaration concerning Community trademark applications containing the class heading concerned, which is intended to make clear whether all the goods and services contained in the class mentioned are supposed to be covered by the application, even if they cannot be literally subsumed under the class heading concerned.
Since 1 January 2012, by the way, the 10th edition of the Nice International Classification has come into force, which is applicable for the specification of goods and services to be listed by trademark applications into the 34 classes of goods and the 11 classes of services. These form the basis for the practice of registration of the more than 150 trademark offices worldwide, among them the German Patent and Trademark Office as well as OHIM. Contained therein are some updates and regroupings; for instance food supplements will only be grouped in class 5 in the future, rather than also in classes 29 and 30.

Our comment: Since the German Patent and Trademark Office, unlike OHIM, already pursued a restrictive practice of classification in the past, the IP Translator Decision should have virtually no practical effects on German application practice at present. Here it still holds true that all the goods and services for which protection is sought and which are contained in one class must be listed clearly and precisely in order to guarantee appropriate protection.

For the comprehensive protection of a Community trademark, in contrast, in accordance with the now modified practice of OHIM, it is sufficient to present a declaration, in addition to the general indications of the class concerned, that by using the class headings of the Nice Classification system, protection is sought for all goods and services which are contained in the alphabetical list of the Nice Classification system in the class applied for. If the application concerns only individual, rather than all, general indications of a class of goods / services, it is advisable to list the goods / services to be included as precisely as possible.

Use of Personal Names in a Way to Ensure That Trademark Rights are Maintained (ZAPPA)

The German Federal Court of Justice has come to a Judgement in the long-term legal action on whether the use of the last name of a famous person as a domain name constitutes a use of the sign as a trademark (Judgement of 31 May 2012, Ref. I ZR 135/10).

The action initiated by the heirs of the late musician Frank Zappa who died in 1993, as the proprietors of the Community trademark “Zappa” registered since 2002, was aimed at forbidding the use of the designation “Zappanale” by the organisers of this rock festival taking place each year at the Baltic Sea in Germany. The Higher Regional Court of Dusseldorf had confirmed the Decision of the Regional Court with which the case had been rejected, and had declared the Community trademark “Zappa” to be revoked due to non-use upon counter-claim.

The Federal Court of Justice rejected the Appeal. It explained that domain names (here “zappa.com”), which are understood by the public only as an indication of a person rather than of the origin of goods or services, was devoid of distinctive character. As early as in 2007, the ECJ had held that the use of names of undertakings, brand names or company signs is not to be considered as an indication of origin for goods or services (Judgement of 11 September 2007, Ref. C-17/06 – Céline).

In the use of personal names as domain names, the content of the website has significant importance in the evaluation of public perception. Whether already the link to another website on which products are offered is sufficient as evidence of use could be left open by the Federal Court of Justice in this case because the link was designated differently.
To the delight of the German Zappanale fans, the Federal Court of Justice did not consider the use of “ZAPPA Records” a genuine use of the trademark “Zappa” either: Its distinctive character had been changed to such an extent by the addition “Records” that it had taken the denotation of a business identifier.

*Our comment*: Trademarks do not designate persons or businesses. In order to maintain the trademark protection of a personal name, the latter must be used for goods and / or services, and must be re-applied for, if necessary, in case it is used in combination with additions. If it is used exclusively as a domain name, the web presence must be designed accordingly.

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Enforcement of Trademarks with a Reputation (BOTOX)

The ECJ had to deal with the reputation of the trademark BOTOX in two connected cases in May this year (Judgement of 10 May 2012, Ref. C-100/11). The companies Helena Rubinstein and L’Oréal had applied for the designations BOTOLOST and BOTOCYL, respectively, to be registered as EU trademarks. The U.S. Company Allergan is the proprietor of a number of BOTOX trademarks, which are registered, among other goods, for "pharmaceutical preparations for the treatment of wrinkles". In 2005, Allergan filed for cancellation of the disputed trademarks.

The Board of Appeal of the Community trademark office (OHIM) has come to the conclusion that the younger trademarks take unfair advantage of the reputation of the earlier BOTOX trademarks. The trademarks were annulled.

Now the ECJ has confirmed this opinion, giving the following clarification:

The evidence for the reputation of a trademark in only one Member State (here the U.K.) is a sufficient ground for refusal of registration.

The proprietor of the earlier trademark is not obliged to provide any evidence for the existence of an actual and present detriment to its trademark. In fact, it is sufficient to specify aspects from which it can be concluded that there is a danger that the trademark may be taken advantage of or suffers detriment in the future, and that this danger is not only hypothetical.

Basically, only such pieces of evidence can be taken into account which are presented in the language of the proceedings, or which are accompanied by a translation into this language, which Allergan failed to do in the present case. Still, the ECJ admitted the documents since it had been possible for the opposing party to contest the legal relevance of documents in a foreign language, and they had therefore obviously understood their meaning.

*Our comment*: The costs of proving the reputation of a trademark can be considerable, taking into account the public surveys which usually need to be conducted. However, the evidence can at least be restricted to one country.

Even if the ECJ has in this case considered evidence which was not filed in the language of the proceedings to be admissible, this exception is nothing that should be relied upon. In spite of the costs of the translation involved, evidence - at least the relevant passages - should be translated into the language of proceedings also in the future. The risk that the evidence as a whole is not admitted is too high.

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Of Bunnies and Trademarks – ECJ Withholds Trademark Protection for Lindt’s “Goldhase”

Every year, and long before Easter, the shelves of German grocery stores are filled with Lindt’s golden chocolate bunny wearing a pretty red ribbon round its neck and a small golden bell. There are probably not too many Germans, who have not been seduced by this tender temptation. But is this alone sufficient to gain protection as a trademark?

No!, the Luxemburg judges have ruled in May this year, and have thus finished the fight which had been going on for nine years, dealing with the possibility of trademark protection for the three-dimensional chocolate bunny (Judgement of 24 May 2012, C-98/11 P). The bunny has been ruled to be devoid of any distinctive character.

Besides the realization that even trademark application proceedings can sometimes go on virtually forever, two important conclusions can be drawn from the Judgement:

First, the Court has continued its cautious jurisdiction as far as the distinctiveness of trademarks is concerned whose design results from the goods themselves. Here the premise holds true that three-dimensional trademarks consisting of the design and colour of the goods will be recognized more rarely as an indication to the origin by the relevant sectors of the public than, for instance, word marks which are independent from the goods. For this reason, neither the crouched design, nor the golden foil envelope, the ribbon or the small bell are sufficient to be differing to a sufficient degree from other chocolate bunnies around Easter time. The judges hold the opinion that at this time in particular, chocolate in Easter bunny design is widely spread in the Member States, and is therefore typical.

In addition, the ECJ gave its comments, which happens rather rarely and therefore deserves to be given special attention, on the preconditions for the acquisition of distinctiveness by a Community trademark. Although it was possible to prove acquired distinctiveness for Germany, the judges did not consider this to be sufficient. Rather, acquired distinctiveness had to be proven in all Member States of the Internal Market in order for trademark protection to be acquired even without any inherent distinctive character.

Our comment: If a trademark which does not have any inherent distinctive character has acquired distinctiveness only in parts of the Internal Market, its registrability is also restricted to these national trademark rights. The evidence of acquired distinctiveness, which is complex and sometimes costly, should therefore only be attempted in European trademark proceedings if such acquired distinctiveness does not turn out to be merely territorial already after cursory examination.

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Distinctive Character of Nationally Registered Trademarks Not To Be Negated (F1)

In the comparison of the trademark with the international word mark “F1” in standard writing which is registered for Formula One Licensing B.V. with effect for Denmark, Germany, Spain, France, Italy and Hungary, the European court had determined in first instance that the public did not perceive the “F1” element in the mark applied for as a distinctive element, but rather as a generic term for motor sport races with race cars of the “Formula 1” class.

The ECJ (C-196/11 P), in contrast, confirmed in its Judgement on 24 May 2012 the view of the appellant,
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According to which the Court’s finding that the "F1" element in the trademark "f1-live" applied for was understood by the public to be purely descriptive, was leading to the de facto annulment of the national trademark "F1". This was neither in accordance with the principle of co-existence of Community trademarks and national trademarks, nor with Article 8 (1) (b) of the Community Trademark Regulation; the validity of an international or national trade mark may be called into question for lack of distinctive character only in cancellation proceedings brought in the Member State.

According to the ECJ, it was therefore “necessary to acknowledge a certain degree of distinctiveness” of the “F1” element within the trademark for which application was sought as the sole component of a national and international opposition word mark.

Our comment: Herewith, the ECJ has made clear that it is not up to the European authorities and courts to incidentally evaluate the validity of the registration of national trademarks. On the other hand, this of course also holds true for the evaluation of Community trademarks in national trademark proceedings. Of course, this will prevent neither any authorities nor courts from determining that an earlier trademark which is comprised in a contested combined mark will be subsidiary in the overall impression of the latter and will therefore not result in a likelihood of confusion.

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New BGH Judgement on Liability of File Hosting Services for Copyright Infringements by Their Users

With its Decision of 12 July 2012, the German Federal Court of Justice (BGH) has rendered a landmark judgment in the field of liability of providers (Ref. I ZR 18/11 – Alone in the dark). This specific case was dealing with the file hoster Rapidshare. This hoster permits its users to anonymously upload files and spread them by means of posting or sending links to third parties. The service has therefore been misused in a huge number of cases for copyright infringements with regards to games (such as, in this case, a video game of the Atari games label), films and music.

Although the German Federal Court of Justice now generally accepts the business model of such services, the operators of the platforms are obliged to prevent such infringements of rights by implementation of reasonable measures without delay upon knowledge. In this case, the German Federal Court of Justice was assessing the reasonableness of detection of contents infringing on rights with the help of word filters and collections of links, and has judged these in principle as reasonable. However, the action was referred back to the second instance; now it is up to this court to clarify whether these measures are unacceptable for the operator of the platform under certain circumstances. Here, the operators of the platforms are faced with the burden of proof.

Our comment: The decision is indeed also of importance for other providers of virtual storage space, such as cloud services, as well as other provider services under use of which, for example, counterfeit products are offered. These providers are obliged to take action upon the notification of such infringements of rights by the proprietor of the rights, and to apply reasonable filtering methods in order to prevent any liability. It is significant that the Federal Court of Justice is now imposing the burden of proof on whether or not reasonable measures were undertaken in order to prevent further infringements of rights on the operator of the platform.
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