

EU: Delay of opposition proceedings.

In its *Capella vs EUIPO* decision of 16 March 2017 (case no. T-473/15), the Court of Justice of the EU (CJEU) held that in case of an improper limitation of the contested trademark application the Opposition Division of the EUIPO must not decide upon the opposition unless it has informed the applicant of the impropriety of the limitation and has given the opportunity to rectify the mistake.

In the underlying case, the owner of trademark ABUS had opposed an EU trademark application for ABUS that initially covered "vehicles and parts and accessories thereof".

During the appeal proceedings, the applicant restricted the application two times. Each time, the Board of Appeal advised the applicant that it would decide on the restriction within its decision on the appeal. The decision was then made on the basis of the first restriction as it considered the second restriction inadmissible. The applicant filed an action to the General court of the EU, arguing that the BoA had violated the applicant's right to be heard.

The General Court decided in favor of the applicant and lifted the BoA's decision. The BoA should have advised the applicant of the inadmissibility of the second restriction to allow the applicant to comment on the BoA's view and possibly cure the mistake.

While this decision safeguards the position of the applicant and avoids unfavorable surprises, it can easily be abused to delay opposition proceedings. An applicant who is interested in a delay of the proceeding e.g. because he is expecting a negative decision can apply for an improper restriction of the trademark application to get a notice inadmissibility and a period of several months to cure the mistake. As a trademark application can be restricted any time, this can be done in any stage of the proceedings and repeatedly.

As this decision will apply not only to opposition proceedings but also to invalidation proceedings, it will be possible to substantially delay the invalidation of an EU trademark.

If you have any questions or if you require more detailed information, please do not hesitate to contact us.

Your contact:



Dr. Martin Viefhues
Attorney-at-Law/Managing Director
Certified Specialist in
Intellectual Property Law
T +49 (0)221 27758-212
viefhues@jonas-lawyers.com

EU: IP Translator not retroactively applicable.

In its *Scooters India vs. OHIM* decision of 16 February 2017 (case no. C-577/14 P), the Court of Justice of the European Union (CJEU) decided that the court's *IP Translator* decision of 9 June 2012 is not applicable to EU Trademarks that have already been registered.

In the underlying case, the plaintiff had contested the EU trademark "LAMBRETTA" for non-use that had been filed in 2000. With respect to international class 12, the specification of goods covered all class headings of the Nice Classification, namely "vehicles and apparatus for locomotion by land, air or water". The trademark owner could not prove use of the mark for vehicles but for vehicle parts that likewise fall into class 12 but had not been mentioned specifically in the trademark's specification of goods.

The Cancellation Division and the Board of Appeal (BoA) of the OHIM confirmed the declaration of revocation of the trademark in class 12, as they examined use of the trademark only by the literal meaning of the class headings – the practice that the OHIM had introduced following the *IP Translator* decision.

The General Court of the EU overruled the decision of the BoA as the class heading of a trademark filed in 2000 (prior to the *IP Translator* decision) had to be interpreted to cover all goods of the alphabetic list of the Nice Convention for class 12. The plaintiff filed an appeal to the CJEU but the CJEU rejected the appeal. It ruled that the *IP Translator* decision does not have a retroactive effect but that trademarks registered before the decision enjoy a right of continuance.

Nevertheless, the *Scooters India vs. OHIM* decision has limited value only. The EU Trademark Regulation of 2015 provided for a transition period within which owners of existing trademarks could clarify the scope of protection of those EU trademarks the specification of which were limited to class headings. Since 25 September 2016 all trademarks are protected only for those goods or services that are literally covered by the trademark's specification of goods and services (Art. 28(5) EUTM regulation). This means that it will not be possible to refer to the *Scooters India vs. OHIM* decision if trademark owners had missed the period ending on 25 September 2016 to clarify the scope of protection of their EU trademarks.

If you have any questions or if you require more detailed information, please do not hesitate to contact us.

Your contact:



Dr. Martin Viefhues
Attorney-at-Law/Managing Director
Certified Specialist in
Intellectual Property Law
T +49 (0)221 27758-212
viefhues@jonas-lawyers.com

EU: How to acquire distinctiveness in 28 countries.

In a decision of 15 December 2016 the EU General Court ruled (case no. T-112/13 – KitKat) that proving acquired distinctiveness in the vast majority of the EU member states is not sufficient to prove acquired distinctiveness of a sign for the purpose of getting it registered as a EU trademark.

In the underlying case, Société des produits Nestlé SA had applied to register the shape of the four-finger “KitKat” chocolate/wafer bar as a three-dimensional EU trademark in 2002. Upon an initial objection, the trademark had been registered in 2006. In 2007, Cadbury Schweppes plc (meanwhile Mondelez UK Holdings & Services Ltd) had applied for the invalidation of the trademark for lacking distinctiveness.

As the shape of a product is usually not inherently distinctive, the question became decisive whether the shape of the wafer bar had acquired distinctiveness through use and recognition as a trademark.

According to Art. 165(1) and (4) of Reg. No. 207/2009 evidence of acquired distinctiveness had to be provided only for the Member States that were members of the EU at the date of filing the application for registration of the trademark concerned. When Nestlé had filed the trademark application in March 2002, the EU consisted of the 15 member states only.

Nestlé submitted market surveys conducted in France, Italy, Spain, UK, Germany, Austria, the Netherlands, Denmark, Sweden and Finland. In 2002, the population of these countries represented 90% of the EU population. The surveys revealed an unassisted recognition rate of 30% to 88% which equaled to an overall recognition rate of 48.6% of the EU population.

No surveys were submitted for Belgium, Luxemburg, Ireland, Greece and Portugal, and the Board of Appeal considered that no acquired distinctiveness had been established in these countries.

As a rule, the distinctive character acquired through use of a trademark must be demonstrated in the part of the EU where the trademark was inherently devoid of such character. For non-traditional trademarks this is assumed to be case for the entire EU. In principle, this would have led to the conclusion that the lacking evidence of acquired distinctiveness in Belgium, Luxemburg, Ireland, Greece and Portugal would have excluded a registration of the shape of the “KitKat” bar as a trademark. In an earlier decision of the Court of Justice of the EU (dec. of 24 May 2012, case no. C-98/11 - Lindt), the CJEU had clarified that it would be unreasonable to require proof of acquired distinctiveness for each individual Member State of the EU. Instead, such proof should be required only to a “sufficient” extent. In addition and according to a decision of the General Court of the EU (dec. of 28 October 2009, case no. T-139/08 – John Deere), it is not necessary that the same type of evidence is provided in respect of each Member State.

Insofar, evidence for 15 out of 27 Member States had been considered as not sufficient by the General Court (dec. of 21 April 2015, case no. T-360/12 – design of Louis Vuitton pattern), and evidence for 4 out of 28 Member States was certainly not sufficient (dec. of 16 March 2016, case no. T-363/15 – shape of Työhövalmennus game box with wooden blocks). Still, it had been the practice of the EUIPO to extrapolate, in case of homogenous markets, the evidence submitted for certain EU Member State to the others. Such an extrapolation is of course possible only among homogenous markets as a lack of recognition of a sign as a trademark in one part of the EU cannot be offset by a higher level of recognition

in another part of the EU – as the General Court points out in the “KitKat” decision of 15 December 2016. Therefore, in the event that the evidence for acquired distinctiveness leaves parts of the EU as “blank spots”, it cannot be concluded that distinctiveness has been acquired *throughout* the EU, even if the blank spot is, in terms of size, not a substantial part of the EU or consists of only one Member State. However, for political reasons it is not possible to disregard a Member State for being unsubstantial. But without being expressively mentioned, the range of recognition from 30% to 88% suggested a rather heterogeneous market.

The decision shows once more, how difficult and expensive it is to prove an acquired distinctiveness for a EU trademark. For many small and middle size undertakings it will hardly be possible at all.

If you have any questions or if you require more detailed information, please do not hesitate to contact us.

Your contact:



Dr. Martin Viefhues
Attorney-at-Law/Managing Director
Certified Specialist in
Intellectual Property Law
T +49 (0)221 27758-212
viefhues@jonas-lawyers.com

EFTA: Re-monopolizing public domain artwork by way of trademark registration.

In its *Oslo vs. Norwegian IPO* case of 6 April 2017 (case no. E-5/16), the Court of the European Free Trade Association (EFTA Court) ruled that the registration as a trademark of a sig which consists of works for which the copyright protection period has expired, is not in itself contrary to public policy or accepted principles of morality within the meaning of Article 3 (1) (f) of the EU Trademark Directive.

While the EFTA consists of the three countries Iceland, Liechtenstein and Norway, which are not member states of her European Union but – together with the EU - parties to the European Economic Area Agreement, the EU Trademark Directive was made part of the EEA Agreement by a decision of the Joint Committee of the EU and the EFTA in 2009. Accordingly, the EFTA States had to implement the EU Trademark Directive into their national trademark law.

In the underlying case, the Oslo Municipality applied for trademark protection with regard to several artworks of Gustav Vigeland, one of the Norway's most prominent sculptors. The Norwegian IPO rejected the registration for non-distinctiveness and the addition of substantial value but the Board of Appeal considered also a conflict with public policy or the accepted principles of morality as possible. It therefore referred this question to the EFTA Court .

The EFTA Court found that the protection of copyright and the protection of trademarks pursue different aims, apply distinct legal conditions and entail different legal consequences. Regarding the public policy it pointed out that that fact that an artwork has previously enjoyed copyright protection may not in itself form the basis for refusing the trademark registration. As far as the accepted principles of morality are concerned, it pointed out that in the past the corresponding provision of the former trademark act had been interpreted to exclude signs from registration as a trademark that are in and of themselves considered offensive – which is not the case with the signs concerned in this case.

However, as an artwork may be a prominent part of a nation's cultural heritage it cannot be ruled out that its registration as a trademark is considered offensive. The assessment, however, needs to take into account the status or perception of the artwork in the relevant state and the nature of goods or services for which the registration of the artwork as a trademark has been applied. This requires to grant the national authorities some discretion so that the registration of the trademark concerned can be refused only if there is a genuine and sufficiently serious threat to a fundamental interest of society.

Therefore, the Court notes that there would be no threat to the need to safeguard the public domain

- from works that were primarily created to serve as sign to be registered as trademarks (as the protection afforded to such sign under copyright law is merely incidental),
- from signs which, albeit based on a work pertaining to the public domain, contain additional elements that are likely to transform or diffuse the original work (if the overall sig departs significantly from the original creative content),

- from signs consisting of an artwork the registration of which can be refused on other grounds for refusal included in the Trademark Directive.

However, a registration must be refused if the work is misappropriated or if the sign contains elements which may lead to a desecration of the work, e.g. if the trademark is applied for goods or services that contradict the values of the artist or the message communicated through the artwork in question.

If you have any questions or if you require more detailed information, please do not hesitate to contact us.

Your contact:



Dr. Martin Viefhues
Attorney-at-Law/Managing Director
Certified Specialist in
Intellectual Property Law
T +49 (0)221 27758-212
viefhues@jonas-lawyers.com

Germany: Suggestive vs. descriptive trademarks - is “Micro Cotton” a micro fibre of cotton?

In a decision of 3 November 2016 (case I ZR 101/15) the German Supreme Court held that the sign “MICRO COTTON” is protectable as a trademark for several textile goods, in particular towels, and that the use of “2 Microcotton Handtücher” (in English: 2 Microcotton towels, see picture below) is a use as a trademark and infringes the trademark rights of the proprietor in the trademark “MICRO COTTON”.



(source: Supreme Court decision,
published on www.bundesgerichtshof.de)

Facts of the case

In the underlying case, the proprietor of the trademark “MICRO COTTON” sued the seller and the manufacturer of the above depicted towels for infringement of its trademark “MICRO COTTON”. The defendants argued that the use of “Microcotton” in the above illustrated form does not constitute use as a trademark. In addition, they brought a counterclaim before the court for declaration of invalidity of the trademark “MICRO COTTON” for lacking distinctiveness and the need to keep “MICRO COTTON” free for general use.

At first instance, the District Court of Hamburg granted the plaintiff’s action with a judgement which was set aside on appeal. The Court of Appeal of Hamburg ruled that the use of the sign shown above does not constitute a use of a trademark and declared the trademark “MICRO COTTON” invalid.

Ruling of the German Federal Court of Justice (BGH)

The German Supreme Court annulled the contested decision of the Court of Appeal with the following reasoning:

Regarding use as a trademark:

For a trademark infringement it is required that the contested sign is used as a trademark which means that the sign must serve the purpose of distinguishing goods or services of one undertaking from those of

another. A purely descriptive use is not a use as a trademark. In the case at hand, the embedding of "Microcotton" between the descriptive elements "z" and "Handtücher" (meaning "towels" in English) and the additional indication of origin "aquarelle" (see right hand side of the label shown above) does not exclude the perception of "Microcotton" as an indication of origin.

Furthermore, the term "Microcotton" itself is not purely descriptive since it is an artificial word that does not make sense at first glance. The translation of "MICRO COTTON" into German means "small cotton", a term that does not exist in relation to textile goods. The meaning of cotton with a fine structure, i.e. a "micro fiber" does not correspond to the terms "micro" and "cotton". Therefore, "MICRO COTTON" cannot be considered as being descriptive.

The assumption of the District Court that the German public will associate "Microcotton" with a microfiber used for cotton towels that are fluffy and voluminous is said to be wrong because there are no factual indications for this assumption. This association can only be made out by passing through several stages of reasoning which argues against descriptiveness of "Microcotton".

Furthermore, the assumption of the District Court that the term "Microcotton" has already been used in Germany in a descriptive manner for textile goods is wrong. In particular, a use of a sign against which the proprietor of the trademark has taken an action before cannot be taken into account.

Implications for future trademark applications and defences against infringements

For future trademark applications and defences against trademark infringements the judgment raises two important points:

First, it is important to defend a trademark and to take actions against any trademark infringements: In assessing if the relevant public perceives the use of a sign as use as a trademark, a prior use of a sign against which the proprietor of the trademark had taken an action has not to be taken into account. Assuming that the proprietor of the trademark "MICRO COTTON" had not defended its trademark against infringements in the past it might be possible that the German Supreme Court would have ruled that the relevant public perceives "Microcotton" as being descriptive.

Second, it is very important at least to try to get signs that might have a descriptive connotation registered as a trademark and to fight for the registration of the trademark up to the Federal Patent Court. It would be very annoying to find that another company is successful in obtaining the registration of a trademark that oneself has not sufficiently pursued. With a judgement of the Federal Patent Court that refused protection as a trademark it is possible to contest a registration of the sign should it nevertheless be registered at a later time, and to argue that the owner of such a registration cannot prohibit the use of the sign.

If you have any questions or if you require more detailed information, please do not hesitate to contact us.

Your contact:



Claudia Böhmer
Attorney-at-Law

T +49 (0)221 27758-260
boehmer@jonas-lawyers.com

Germany: The freedom of panorama. Part 1: commercial use of photos.

In its *East Side Gallery* decision of 19 January 2017 (case no. I ZR 242/15), the German Federal Supreme Court held that a photo of a building that is privileged under the freedom of panorama can be reproduced, distributed and made publicly accessible – even for commercial purposes.

In the underlying case, the defendant had taken a photo of remainders of the Berlin wall that is known under the name “East Side Gallery” and that shows a collection of 16 so-called “head pictures”.



(source: Supreme Court decision,
published on www.bundesgerichtshof.de)

The defendant plans to build an apartment house on the property directly behind the “East Side Gallery” and published photos of a model of the apartment house with a model of the “East Side Gallery” in front of it.



(source: Supreme Court decision,
published on www.bundesgerichtshof.de)

The plaintiff claimed to be the creator of the “head pictures” and sued the defendant for copyright infringement, who in turn claimed to apply the “freedom of panorama” privilege of Sec. 59 (1) German Copyright Act, an exception to copyright protection that permits depicting buildings and sculptures and other art work which are permanently located in a public place.

This provision reads:

"(1) It shall be permissible to reproduce, distribute and make available to the public works located permanently in public roads and ways or public open spaces. In the case of buildings, this authorisation shall only extend to the façade."

While the District Court had ruled in favor of the plaintiff, the Court of Appeal overruled the decision. The plaintiff therefore brought the matter to the Supreme Court to get the District Court's decision restored.

The Supreme Court rejected the further appeal and confirmed the decision of the Court of Appeal. It ruled that the freedom of panorama not only allows to take photos of works placed in a permanent way on public streets and places, but also to reproduce, distribute and make publicly accessible such photos. Of course, Sec. 59 (1) Copyright Act restricts only the copyright of the creator of the work, not also the copyright of the photographer taking the photo (if a third person reproduces, distributes or makes publicly accessible copies of the photos). However, the photographer himself was permitted

- to make a photo of the picture on the wall and to print it on paper,
- to cut the print and fix it to the respective part of the wall in the architect's model, and
- to make a photograph of this model,

so that in the end, the defendant had made a reproduction of the "head pictures" publicly accessible that was made in compliance with the law.

According to the Court, the permitted two-dimensional reproduction of the picture on the wall will not be transformed into an unpermitted three-dimensional reproduction by affixing it to the architect's model. A reproduction of a work in three-dimensional way is also unpermitted if the work is reproduced e.g. as a miniature or with different material so that reproducing heads of the "head pictures" as three-dimensional head models would have been unpermitted. However, fixing the two-dimensional reproduction to a three-dimensional object does not make the reproduction three-dimensional. This is different only if not only a physical connection between the photo and the object it established in that the object carries the photo (as known from the photos fixed to mugs or pencils as souvenirs or merchandising articles), but if the photo and the object merge into a unitary work. This could be the case if photos of the protected work had been taken from different perspectives and affixed to a three-dimensional object that creates an overall reproduction of the work.

The photos of the architect's model carrying the photos of the head pictures merely reproduced, by way of photography, the permitted reproduction of the protected work.

The decision facilitates advertising for public projects, e.g. real estate or art projects on the Internet since a realistic impression of the project upon completion may be given.

If you have any questions or if you require more detailed information, please do not hesitate to contact us.

Your contact:



Dr. Martin Viefhues
Attorney-at-Law/Managing Director
Certified Specialist in
Intellectual Property Law
T +49 (0)221 27758-212
viefhues@jonas-lawyers.com

Germany: The freedom of panorama. Part 2: not quite permanent panoramas.

In its *AIDA Kussmund* (AIDA kissing lips) decision of 27 April 2017 (case no. I ZR 247/15), the German Federal Supreme Court held that a photo of a building that the freedom of panorama can apply also to works that not permanently located in a public open space but for a longer period of time.

In the underlying case, the plaintiff was operating ship cruises under the AIDA brand. The ships show a characteristic design of “kissing lips”.



(source: www.aida.de)

The defendant, who operates an internet website on which land tours for tourists on ship cruises are offered, had taken a photo of the side view of an AIDA ship on which one side of the kissing lips design can (hardly) be seen.



(source: Supreme Court decision,

published on www.bundesgerichtshof.de)

The plaintiff, owner of the exclusive rights in the “kissing lips” design sued the defendant for copyright infringement. The District Court rejected the action. The Court of Appeal confirmed the decision. The Supreme Court rejected the further appeal, applying the “freedom of panorama” privilege of Sec. 59 (1) German Copyright Act, an exception to copyright protection that permits depicting buildings and sculptures and other art work which are permanently located in a public open space.

This provision reads:

“(1) It shall be permissible to reproduce, distribute and make available to the public works located permanently in public roads and ways or public open spaces. In the case of buildings, this authorisation shall only extend to the façade.”

While it was not an issue that the “kissing lips” qualify for copyright protection the key question was whether they were permanently located in a public open space. According to the news release (the decision itself has not yet been published) the Supreme Court interpreted the term “permanently” in a very broad way, equaled it to the term “not place bound” and therefore held that the photo of the ship was taken under the privilege of the freedom of panorama. According to the court, a work is located “permanently” in a public open space also if it is not place bound but moved about, as long as it is intended to be located at a public place for a longer period of time in the view of the public. This applies to the cruise ship as it is intended to operate in public open space, i.e. on the sea, at the coast, on rivers and in harbors, and always from places where it can be seen by everybody.

This shall even apply to works (e.g. as part of advertising) on trucks or busses which is protected under copyright law. Otherwise, the taking of photos in public open space would be restricted too much if a reproduction of such trucks or busses (the appearance on photos of public sceneries can hardly be avoided) raised claims for copyright infringement.

If you have any questions or if you require more detailed information, please do not hesitate to contact us.

Your contact:



Dr. Martin Viefhues
Attorney-at-Law/Managing Director
Certified Specialist in
Intellectual Property Law
T +49 (0)221 27758-212
viefhues@jonas-lawyers.com

EU: Codified version of EU trade mark regulation published.

With Regulation (EU) No 2015/2424 of the European Parliament and the Council Regulation (EC) 207/2009, the Community trade mark regulation, was revised. It entered into force on 23 March 2016. As the most visible amendments the “Office for Harmonization in the Internal Market” (OHIM) was renamed to be called the “European Union Intellectual Property Office” (EUIPO) and the “Community trade mark” was renamed to be called the “European Union trade mark”.

However, so far there had not been a consolidated version of the amended regulation, yet, as Regulation (EU) No 2015/2424 was an Amending Regulation listing the amendments, not the result.

Now, Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark, codifying Council Regulation (EC) 207/2009, has been published in the Official Journal of the European Union.

Regulation (EU) 2017/1001 repeals Regulation (EC) 207/2009, and will apply from 1 October 2017.

For the text see: <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017R1001&from=EN>

(Source: <https://euipo.europa.eu/ohimportal/en/news/-/action/view/3669722>)

If you have any questions or if you require more detailed information, please do not hesitate to contact us.

Your contact:



Dr. Martin Viefhues
Attorney-at-Law/Managing Director
Certified Specialist in
Intellectual Property Law
T +49 (0)221 27758-212
viefhues@jonas-lawyers.com