European IP Developments

The Differing Protective Scope of Registered Trade Marks in Europe

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The recent revision of the EU trademark regime has extended in certain limited respects the protection conferred by registered trademarks in Europe, whether these be national or European Union trademarks, in terms of those types of activity (such as use as a trade or company name, or as to goods in transit) in respect of which such trademarks can be asserted. Such revision has not however changed the law as to the protective scope of such registered trademarks, which has been developed over the years by the Court of Justice of the European Union. Such case law as to protective scope as it has developed affects not only the scope of the right as against potential infringers but also as against subsequent applicants for similar registered trademarks. This article reviews the history of such case law, including a recent decision of the Court of Justice which shows the broad potential protective scope of a registered European Union trademark and in particular how it can benefit in an EU Member State where it has little or no reputation from the extended scope of protection that is afforded a mark with a reputation deriving from its status in another EU Member State.

Keywords: EU Trademark Regulation, Trademark Directive, community trademark

The Protective Scope of EU and National Trade Marks under the EU Trade Mark Legislation

The recent revision of the EU trademark regime, as discussed in earlier articles in this series,1 has extended in certain limited respects the protection conferred by registered trademarks in Europe, whether these be national or European Union trademarks, in terms of those types of activity (such as use as a trade or company name, or as to goods in transit) in respect of which such trademarks can be asserted. Such revision has not however changed the law as to the protective scope of such registered trademarks, which has been developed over the years by the Court of Justice of the European Union. The effect of such law has been especially notable for trade marks with a reputation, as to which it is easier to establish that another sign is to be treated as confusingly similar or is to be regarded as taking unfair advantage of such trade mark. This affects not only the scope of the right as against potential infringers but also as against subsequent applicants for similar registered trademarks. The protective scope of the EU trademark, since the revision effected by the Regulation2 that amends the existing one on the Community trademark (which is now called the European Union trademark or EU trademark) as against infringers, is now set out in Article 9(2) of the EU Trademark Regulation as amended:

9(2): Without prejudice to the rights of proprietors acquired before the filing date or the priority date of the EU trademark, the proprietor of that EU trademark shall be entitled to prevent all third parties not having his consent from using in the course of trade, in relation to goods or services, any sign where:

(a) the sign is identical with the EU trademark and is used in relation to goods or services which are identical with those for which the EU trademark is registered;

(b) the sign is identical with, or similar to, the EU trademark and is used in relation to goods or services which are identical with, or similar to, the goods or services for which the EU trademark is registered, if there exists a likelihood of confusion on the part of the public; the likelihood of confusion includes the likelihood of association between the sign and the trade mark;

(c) the sign is identical with, or similar to, the EU trademark irrespective of whether it is used in relation to goods or services which are identical with, or similar to, the goods or services for which the EU trademark is registered, if there exists a likelihood of confusion on the part of the public; the likelihood of confusion includes the likelihood of association between the sign and the trade mark;

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that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the EU trademark.

This wording is, in effect, the same as that in the Regulation (then at Article 9(1)) before it was amended. Although the wording of Article 9(2)(c) differs from that of Article (1)(c) of the unamended Regulation which it replaces, this difference does no more than reflect an interpretation that had been placed on the unamended text by the Court of Justice. 3

Neither has the protective scope of national trade marks been materially affected by the passage of the new Trademark Directive, Directive (EU) 2015/2436, 4 replacing that already in place to harmonise the trademark laws of EU Member States. Thus Article 10(2) of this is in in corresponding terms (with the deletion of the prefix EU) to Article 9(2) of the Regulation as amended, and with Article 10(2)(c) amended, as with the Regulation, to reflect an interpretation placed by the Court of Justice on the corresponding text in the Directive which this one replaces. It is also the case that under previous versions of this Directive Member States could choose whether or not to confer on national trade marks the type of protection that corresponds to Article 10(2)(c) of the new Directive (and is, and always used to be, mandated for EU trade marks by what is now Article 9(2)(c) of the amended Regulation), but most Member States chose previously to implement this anyway. But as from its entry into force, Member States will have no option but to do so, substituting “Member State” for “Union” in Article 9(2)(c) of the Regulation as amended.

A trademark registration confers not only protection as against infringers, but also confers protection as against a subsequent applicant that seeks to register an overly similar trademark. Thus, Article 8 of the Regulation as amended, listing the relative grounds for refusal of an EU trademark, sets out in Articles 8(1)(a) and (b) grounds for so doing that correspond to what are now Articles 9(2)(a) and (b) of the Regulation, in favour of inter alia, earlier EU trade marks and earlier national trademarks, and in Article 8(5) another ground of objection that corresponds to Article 9(2)(c) of the Regulation, again in favour of inter alia, earlier EU trademarks and earlier national trademarks. 5 In the new Directive, Articles 5(1)(a) and (b), as well as Article 5(3)(a), perform a corresponding role in the national trademark systems.

The Protective Scope of EU and National Trade Marks under the Jurisprudence of the Court of Justice

It is implicit in the wording of Articles 9(2)(c) and 8(5) of the Regulation as amended and Articles 10(2)(c) and 5(3) of the new Directive that, unlike other types of registered intellectual property right, the scope of protection conferred on a registered trade mark, either as against infringers or as against later applicants for trademark registration, depends not only on the specifics of the registration itself but also on the reputation, (as a consequence of the use that has been made of it), that attaches to the registered trademark in issue. Unless that threshold question is answered affirmatively one need not continue on to analyse of whether or not, under those provisions, “use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the … trade mark,” a separate issue as to which there is a large body of case law, but which is not the subject of this article.

However, and even though Articles 9(2)(b) and 8(1)(b) of the Regulation as amended and Articles 10(2)(b) and 5(1)(b) of the new Directive are silent as to this, the reputation that attaches to a trademark is also relevant in assessing the likelihood of confusion as required under these provisions. This is a well-established principle established by the Court of Justice in the earliest days of EU trademark harmonisation, as articulated in three decisions of theirs - Case C-251/95 Sabel v Puma, 6 Case C-39/97 Canon v MGM 7 and Case C-342/97 Lloyd Schufabrik v Klijsen. 8 In Sabel v Puma the Court of Justice observed, at [24], that “... the more distinctive the earlier mark, the greater will be the likelihood of confusion” and that a mark may have a “particularly distinctive character, either per se or because of the reputation it enjoys with the public.” In Canon v MGM it commented at [18] that “... marks with a highly distinctive character, either per se or because of the reputation they possess on the market, enjoy broader protection than marks with a less distinctive character”. It elaborated on this in Lloyd Schufabrik v Klijsen at [23] when stating that in assessing the distinctive character of a trademark the national court should, inter alia, take account of “… the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant...
section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations.”

Although this approach is somewhat counter-intuitive (in that it might be thought that the greater the reputation of a mark the less the risk of confusion, at least in the ordinary sense of the word, with another similar sign), it is so well established as not to be open to question, and can be seen properly to reflect an underlying policy aim that a mark with a reputation should attract more protection than one without, should Articles 9(2)(c) and 8(5) of the Regulation as amended and Articles 10(2)(c) and 5(3) of the new Directive be considered to be inadequate for such task. But its consequence is that the reputation that an EU or national trademark possesses is relevant not only for the purposes of Articles 9(2)(c) and 8(5) of the Regulation as amended and Articles 10(2)(c) and 5(3) of the new Directive, which all expressly require it, but also in assessing the likelihood of confusion in Articles 9(2)(b) and 8(1)(b) of the Regulation as amended and Articles 10(2)(b) and 5(1)(b) of the new Directive, despite these provisions making no reference to its relevance.

Once reputation becomes relevant one question which arises is where geographically such reputation must exist. For a national mark it is self-evident that Articles 10(2)(c) and 5(3) of the new Directive, which both expressly require reputation, require that this be in the country in which it is registered, and reputation elsewhere will not suffice to confer the extended protection conferred by these Articles as against “use of [a] sign without due cause [which] takes unfair advantage of, or [be] detrimental to, the distinctive character or the repute of the … trade mark.” But where must an EU trademark have reputation in order that it is able to benefit from the extended protection conferred by Articles 9(2)(c) and 8(5) of the Regulation as amended? This was the question that had recently to be answered by the Court of Justice in Case C-125/14 Iron & Smith Kft v Unilever NV. Here Unilever had opposed, on the basis of an EU trademark, the registration in Hungary by Iron & Smith of a national trade mark. According to the national court, Unilever had failed to show that its EU trademark was widely known in Hungary, but it had proved its reputation in Italy and the UK, thereby proving its reputation with respect to a substantial part of the EU. The Court of Justice held that such reputation sufficed for the purposes of establishing the threshold reputation required by what is now Article 5(3) of the new Directive. However in determining whether the national trademark would take “unfair advantage of, or [be] detrimental to, the distinctive character or the repute of the [EU] trade mark” the Court of Justice went on to hold that “even if the earlier [EU] trademark is not known to a significant part of the relevant public in the Member State, [here Hungary], in which the registration of the later national mark had been applied for it was conceivable that a commercially significant part of the latter may be familiar with it and make a connection between that [EU] mark and the later national mark.”

Even with this qualification it can be seen that an EU trademark is capable of conferring protection under Articles 9(2)(c) and 8(5) of the Regulation as amended in circumstances in which a national trademark could confer no such protection under the corresponding provisions of the new Directive. Quite how such considerations might apply in the case of Articles 10(2)(b) and 5(1)(b) of the new Directive, the protective scope of which is also, by virtue of the case law discussed above, keyed to reputation, remains to be seen.

Conclusion

A previous article provided examples of one benefit procedurally and of two benefits in terms of substantive law that trademarks registered nationally in the EU can in some circumstances offer over EU trade marks, the benefits in terms of substantive law being making it easier to preserve their validity as against challenges based on the extent of use than would be the case were they to be EU trademarks. This article has, by way of contrast, provided an example of the benefit that the registration of an EU trademark can offer over the registration of a national one in terms of its protective scope in a single national jurisdiction – namely being able, unlike a mark that is registered nationally, potentially to benefit in an EU Member State where it has little reputation from the extended scope of protection that the legislation affords a mark with a reputation by virtue of its status in another EU Member State. Such subtle differences in being able to resist challenges to validity and in protective scope encourage those applicants that are able to afford it to seek protection both nationally and at an
EU level for the same trade mark, consistent with the
decision that has been made by the EU legislature, but
criticised in the previous article, to institutionalise the
coeexistence between national trademarks and the EU
trademark.

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57-61.
2 Regulation (EU) 2015/2424 of the European Parliament and
of the Council of 16 December 2015 amending Council
Regulation (EC) No 207/2009 on the Community trademark
and Commission Regulation (EC) No 2868/95 implementing
Council Regulation (EC) No 40/94 on the Community trade
mark, and repealing Commission Regulation (EC) No
2869/95 on the fees payable to the Office for Harmonization
in the Internal Market (Trade Marks and Designs) (OJ L 341,
24.12.2015, p.21). This entered into force on 23 March
2016, apart from some provisions that are deferred until 23
September 2017.
3 The corresponding provision in the unamended Regulation
(and the corresponding provision in Directive 2008/95/EC),
differed in its apparent scope in being expressed to
apply only to dissimilar goods and services, rather
than “goods or services which are identical with, similar to
or not similar to those for which the … trademark is
registered” whereas in Case C-292/00 Davidoff v Gofkid
(Court of Justice 9 January 2003) the corresponding
provision in the predecessor Directive to Directive
2008/95/EC, Directive 89/104/EEC, was interpreted as also
covering similar goods and services, and thus the difference
in wording effected by the recent revisions does not reflect a
change in the law.
4 Directive (EU) 2015/2436 of the European Parliament and of
the Council of 16 December 2015 to approximate the laws of
Member States relating to trade marks (Recast) OJ L 336,
23.12.2015, p.1. EU Member States, whose trademark laws
have been harmonised since 1991, have until 14 January
2019 to implement the changes to their national laws
required by this new Directive.
5 The apparent scope of Article 8(5) of Regulation (EC) No
207/2009 has been amended by Regulation (EU) 2015/2424
in that it was expressed previously to apply only to dissimilar
goods and services, although in Case C-292/00 Davidoff v
Gofkid (Court of Justice 9 January 2003) such a provision
was interpreted as also covering similar goods and services,
and thus such difference in wording does not reflect a change
in the law.
6 Case C-251/95 Sabel v Puma (CJ 11 November 1997).
7 Case C-39/97 Canon v MGM (CJ 29 September 1998).
8 Case C-342/97 Lloyd Schufabrik v Klijsen (CJ 22 June
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9 Case C-125/14 Iron & Smith Kft v Unilever NV (CJ 3
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