The Community Trade Mark - a Swiss Cheese?

Joachim Bornkamm
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Function of the Community Trade Mark

Community Trade Mark Regulation

Recitals

(2) It is desirable to promote throughout the Community a harmonious development of economic activities and a continuous and balanced expansion by completing an internal market which functions properly and offers conditions which are similar to those obtaining in a national market. In order to create a market of this kind and make it increasingly a single market, not only must barriers to free movement of goods and services be removed and arrangements be instituted which ensure that competition is not distorted, but, in addition, legal conditions must be created which enable undertakings to adapt their activities to the scale of the Community, whether in manufacturing and distributing goods or in providing services. For those purposes, trade marks enabling the products and services of undertakings to be distinguished by identical means throughout the entire Community, regardless of frontiers, should feature amongst the legal instruments which undertakings have at their disposal.

Sir Hugh Laddie Memorial Lecture 2013

Recitals

(3) For the purpose of pursuing the Community’s said objectives it would appear necessary to provide for Community arrangements for trade marks whereby undertakings can by means of one procedural system obtain Community trade marks to which uniform protection is given and which produce their effects throughout the entire area of the Community. The principle of the unitary character of the Community trade mark thus stated should apply unless otherwise provided for in this Regulation.

(4) The barrier of territoriality of the rights conferred on proprietors of trade marks by the laws of the Member States cannot be removed by approximation of laws. In order to open up unrestricted economic activity in the whole of the internal market for the benefit of undertakings, trade marks should be created which are governed by a uniform Community law directly applicable in all Member States.
Question to be answered and overview

- Well-known trade marks
  - Where do I have to show reputation in order to fulfil the condition of a well-known trade mark? What are the consequences if reputation only exists in a (small) part of the territory?

- Distinctiveness and descriptive character
  - How does trade mark law take linguistic differences into account? Is protection granted for a sign which is distinctive and non-descriptive in one part of the territory but is not descriptive and not distinctive in another? What about injunctions once an infringement has occurred? Does it have to be limited to the territory where, for linguistic reasons, confusion is likely?

- Acquired distinctiveness
  - Where do I have to show acquisition of a distinctive character in order to be eligible for the registration of a trade mark which does not have an inherent distinctive character?

- Genuine use
  - Where must a trade mark be used in order to meet the requirement of genuine use?

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National Trade Mark law

- Well-known trade marks
- Distinctiveness and descriptive character
  - Erdäpfel for Kartoffeln (potatos)
  - Achterdiek

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National Trade Mark law ...

- Distinctiveness and descriptive character ...

  - BGH, Judgment of 1 April 2004 - I ZR 23/02 - GAZOZ
    - Claimant holds Trade Mark “GAZOZ” for drinks
    - “Gazoz” means “soda” or “lemonade” in the Turkish language
    - Respondent sells food and drinks under the trade brand “marmara” to Turkish supermarkets in Germany, among others a lemonade with the German (“Brause”) and the Turkish word (“Gazoz”) for lemonade

- 50% of the people who frequent Turkish supermarkets do not know Turkish

National Trade Mark law ...

- Acquired distinctiveness
- Genuine use

- No nationwide use required
- Use must be genuine

  - Example “Orion”-Case (BGH, Judgment of 25 April 2012 - I ZR 156/10 - Orion)
    - 2316 television sets bought by PLUS (German retailer with subsidiaries all over Europe)
    - No disposition as to final delivery
    - Stored in a warehouse in Germany
    - Decision for final distribution
    - Delivered to PLUS subsidiaries in Portugal, Spain and Greece
Community Trade Mark Law

Well-known trade mark

- CJEU, Judgment of 6 October 2009 - C-301/07, EUCJ 2009, I–9429 - PAGO/Tirolmilch
  - Well-known trade mark in Austria, but not outside
  - Infringement of well-known CTM?
  - CJEU: Reputation in Austria is reputation in a substantial part of the Union
  - Article 9(1)(c) CTMR must be interpreted as meaning that, in order to benefit from the protection afforded in that provision, a Community trade mark must be known by a significant part of the public concerned by the products or services covered by that trade mark, in a substantial part of the territory of the European Community, and that, in view of the facts of the main proceedings, the territory of the Member State in question may be considered to constitute a substantial part of the territory of the Community.

Community Trade Mark Law ...

Distinctiveness and descriptive character

  - Question on Article 102 CTMR
  - para. 40: In accordance with Article 1(2) CTMR, a Community trade mark is to have a unitary character. Having equal effect throughout the European Union, it may not, in accordance with that provision, be registered, transferred or surrendered or be the subject of a decision revoking the rights of the proprietor or declaring it invalid, nor may its use be prohibited, save in respect of the whole of the European Union. This principle is to apply unless otherwise provided in that regulation.
Community Trade Mark Law ...
– Distinctiveness and descriptive character ...
  • CJEU, Judgment of 12 April 2011 - C-235/09, EUCJ 2011, I-2801 - DHL/Chronopost ...
    – para. 48: Accordingly, if a Community trade mark court hearing a case in circumstances such as those of the main proceedings finds that the acts of infringement or threatened infringement of a Community trade mark are limited to a single Member State or to part of the territory of the European Union, in particular because the applicant for a prohibition order has restricted the territorial scope of its action in exercising its freedom to determine the extent of that action or because the defendant proves that the use of the sign at issue does not affect or is not liable to affect the functions of the trade mark, for example on linguistic grounds, that court must limit the territorial scope of the prohibition which it issues.

Community Trade Mark Law ...
– Acquisition of distinctive character
– Genuine use
  • CJEU, Judgment 19 December 2012 - C-149/11 - Leno Merken (ONEL/OMEL)
    – Article 15(1) CTMR on the Community trade mark must be interpreted as meaning that the territorial borders of the Member States should be disregarded in the assessment of whether a trade mark has been put to 'genuine use in the Community' within the meaning of that provision.
    – A Community trade mark is put to ‘genuine use’ within the meaning of Article 15(1) CTMR when it is used in accordance with its essential function and for the purpose of maintaining or creating market share within the European Community for the goods or services covered by it. It is for the referring court to assess whether the conditions are met in the main proceedings, taking account of all the relevant facts and circumstances, including the characteristics of the market concerned, the nature of the goods or services protected by the trade mark and the territorial extent and the scale of the use as well as its frequency and regularity.