

The European IP Bulletin

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The issue of whether disposable razors are made up of spare parts resulted in the clearest confirmation yet of the role of trade mark law in consumer protection. In a system of undistorted competition benefiting the consumer, trade mark owners must look to their consumers to justify protecting the integrity of their marks. This extends protection beyond the classic test of confusion but the level of protection is likely to vary from industry to industry, with greater uncertainty for the owner.

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On 16 March 2005, the Court of First Instance delivered its judgment in L'Oreal SA v OHIM (Case T-112/03). The Court dismissed an appeal against the Fourth Board of Appeal's decision in L'Oreal's FLEXI AIR application. The Court held that the Board of Appeal was entitled to adopt a decision that rejected the request for proof of genuine use. It re-affirmed that the word signs FLEX and FLEXI AIR were similar at visual, phonetic and conceptual levels and stated that national laws of Member States governing likelihood of confusion between a trade mark applied for and an earlier national mark were fully harmonised.

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The Court of First Instance ruled that an earlier trade mark registration does not *per se* operate as a bar for refusal of subsequent application for trade mark registration or its linguistic equivalent. The conceptual similarity between marks arising from the same meaning could be ignored if, on global assessment of aural, visual and conceptual features, the translated word does not create any likelihood of confusion in the mind of relevant public. This test is more easily satisfied in cases where the relevant public could see and pronounce the names of the marks at the time of purchasing the branded products.

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After litigation lasting ten years, the Civil Division of the Spanish Supreme Court has ruled in favour of Nike against Cidesport, the former proprietors of a Spanish trade mark consisting of the word NIKE and a depiction of the goddess Samothracia.

Hot Topics

1. NEW WIPO INFORMATION TOOL ON UDRP DECISIONS

On 23 March 2005, the [World Intellectual Property Organisation](#) (WIPO) announced that the Arbitration and Mediation Center of the organisation has created and made available online a [new information tool](#) that offers a concise view of trends in decisions taken under the Uniform Domain Name Dispute Resolution Policy (UDRP).

The [UDRP](#), proposed by WIPO, was adopted by the Internet Corporation for Assigned Names and Numbers (ICANN) in October 1999. It sets forth the terms and conditions relating to disputes over the registration and use of internet domain names. Disputes are decided by independent panellists drawn from a list of 400 trade mark specialists from over 50 countries. The new legal index is based on a review of all UDRP panel decisions rendered to date, with new decisions being added continuously.

The principal aim of the index is to offer structured access to the large quantity of legal and other data contained in the WIPO panel decisions under the UDRP. The index provides an informative sample of decisions with regard to specific issues of interest, such as associations and institutions, geographical identifiers, individuals, industry and commerce, professional firms, education and the public sector. Users may select one or more fields of research at a time in categories such as “decided cases by domain name categories” or “legal index to panel decisions” or a combination of categories. The index also aims to provide an analysis of UDRP decisions, in order to enhance the predictability of the UDRP mechanisms. Even though consensus or clear majority views have developed on most issues, the UDRP decisions cover such a multitude of facts and arguments that it is hard to avoid genuine differences of opinion on some of the issues, especially since panellists and parties come from a multitude of jurisdictions.

The new information tool, which is intended for legal practitioners, academics, policy-makers and existing and potential owners of domain names, is expected to help raise awareness on the views of the panels and help parties to understand better the UDRP system. According to Mr. Francis Gurry, WIPO Deputy Director General “By offering a concise overview of UDRP decision trends, this new tool will further enhance the consistency and reasoning of decisions taken under the UDRP and will help parties to better assess their chances under the UDRP”.

2. ANNUAL ENFORCEMENT REPORT RELEASED

On 31 March 2005, [The Patent Office](#) published the 2004 UK Intellectual Property Crime Strategy Annual Enforcement Report.

This annual report is the first under the National Intellectual Property Crime Strategy, which was launched in August 2004, and draws together the work carried out by a variety of governmental and private organisations involved in preventing crime, ranging from the UK Patent Office and Interpol, through to Manchester United plc. The report consists primarily of separate sections relating to each individual organisation, although several general issues are raised, most notably the difficulties in accurately assessing IP crime.

One of the major aims of the IP crime strategy is to monitor trends and analyse developments in intellectual property crime, so as to refine approaches and enable better use of resources. However, this goal appears to have been severely

hampered because of problems in collecting and reporting data, due to both a low level of reporting of IP crime, and the different methods used in reporting such crimes.

Particular areas of concern highlighted in the report include the increasing counterfeiting of medicinal products, and the problems in enforcement created by the concealment of the origin of counterfeit goods, achieved by trafficking through several different states, with ultimate supply from a state not known for counterfeiting. Certain successes are also noted including an estimated 20% decrease in the number of illegal files available on the Internet and prosecutions brought as a result of co-operation between different organisations.

Ultimately, the report calls for increased cooperation between the various organisations involved, and in particular more consistent means of monitoring and assessing IP crime.

Copyright

3. GOOGLE IN AFP COPYRIGHT DISPUTE

The French news agency, Agence France Presse (AFP), has filed a [complaint](#) in the US District Court of Columbia alleging that Google has infringed certain of AFP's copyrights by using AFP's headlines, news summaries and photographs without permission in its Google News web pages.

The American Internet search group Google has, in its Google News service, links to online articles and accompanying photographs from some 4500 news outlets. Courts have previously been quite favourable to websites which link to copyright content as long as such linking has followed certain rules. Linking has been assumed to direct traffic to websites that provide interesting content.

AFP charges its media clients for the right to republish the content produced by its global network of reporters and editors. AFP has claimed that Google was using AFP headlines, news summaries and photographs without permission. When Google failed to comply with AFP's requests to remove the allegedly infringing content, AFP filed a complaint to the US District Court of Columbia demanding that Google remove all its headlines, news summaries and pictures from Google News. AFP is seeking \$17.5m (£9.4m) in damages and interest from Google and is also seeking to prevent Google from publishing its text and photographs without prior agreement.

Google is now in the process of removing AFP content from Google News, but it is facing some technical problems. Google uses an automated system for collecting headlines and content, but most of the AFP content is located on its client's websites and is not clearly labelled as belonging to AFP. Google representative Steve Langdon also said that they "allow publishers to opt out of Google News. Most publishers, however, want to be included in Google News because they believe it is a benefit to them and their readers". AFP is obviously concerned that it will lose control of its news content, which is the core of its business.

Although Google has agreed to remove the relevant links and content from Google News it is unclear whether AFP will let the matter rest there and this case casts doubt over the future of aggregated news sites.

4. RUSSIAN MP3 SITE 'LEGAL'

A MP3 website in Russia accused of dealing in unauthorised digital copies of recorded music would not face the courts, as Russian copyright law does not cover digital files.

In February, the [International Federation of the Phonographic Industries](#) (IFPI) made a complaint to the Russian authorities, and the Russian Police took action against ALLOFMP3.com or its owners after investigations by the Computer Crimes unit of Moscow City Police. The owners of the website were accused of copyright infringement by offering works protected by copyright for sale without the consent of the copyright owner. ALLOFMP3.com denied the allegations explaining that licences had been obtained to sell the music from the Russia Multimedia and Internet Society.

The MP3 website sold per megabyte (MB) rather than per track. So for example, \$5 (US) could purchase 500MB of music, which could equate to approximately 40 MP3 albums or, if downloaded in Windows Media Audio (WMA) format, approximately 80 albums. Many authorised MP3 websites charge in the region of £600 for 80 albums.

IFPI said, however, that the site was "unlicensed to distribute our members' repertoire inside Russia and in all major markets". Prosecutors had decided not to pursue the legal action because Russian copyright laws only cover physical media such as CDs or DVDs and not digital files such as MP3s.

A spokesperson representing the IFPI could neither admit nor deny that action was being taken. She was reported as saying: "However if it is true that the prosecutor has not taken the case this would be very disappointing considering the blatant and large-scale infringement that continues to take place. If these reports are confirmed we will take the case further".

5. BPI VICTORY AGAINST FILE SHARERS

Early last month, the [British Phonographic Industry](#) (BPI) announced that, in 23 of the 26 cases it targeted in October 2004, users of peer-to-peer software had agreed to settle the issue through the payment of an average sum of more than £2,000 each. The individuals ranged in age from 22 to 58 and were found to have distributed from a few hundred to many thousands of files.

The decision to settle was a continuation of BPI's initiative not to seek compensation for the damages occurred. The payment requested would rather serve as a deterrent, aiming for a general decrease in the popularity of peer-to-peer networks, which have been the privileged vehicles for illegal downloading.

In its press releases, BPI has been keen to raise awareness of the fact that not only users of the most popular peer-to-peer networks (i.e. Kazaa, Grokster, Bearshare, etc.) are likely to be caught. In March 2005, the High court issued another order in favour of BPI, requiring six UK based internet service providers to disclose the names and addresses of 31 individuals who had allegedly uploaded a considerable number of music files via peer-to-peer networks.

Legal action with a view to settlement is becoming one of the most popular instruments to fight internet piracy in the music market. BPI has provided figures which show that the use of "the once most-popular file sharing network Fast Track -

on which KaZaA runs - has plummeted, with the number of users in January 2005 down 45% from its peak in April 2003. The decline of KaZaA is apparently a reflection of what is happening to most servers of its type.

BPI's commitment to fight illegal downloading demonstrates that European institutions are presently attentive to music content preservation and development of digital distribution of music. Last month we reported on the Italian DJ sanctioned under Italian copyright laws for his use of MP3 files. In order to preserve the prosperity of the creativity markets, it is fair to say that the aggressive US strategy has now also been fully adopted in Europe.

In conclusion, it is worth noting that both American and European legal experts are now waiting to see how the *Grokster* case will be resolved. The impact of such a decision, possibly establishing secondary liability for software producers and distributors of peer-to-peer programmes, would certainly constitute a new resource for right holders' legal actions, but it would also radically alter the understanding of copyright legislation at the national and international level.

Patents

6. EU MINISTERS ENDORSE PROPOSAL FOR A DIRECTIVE ON COMPUTER-IMPLEMENTED INVENTIONS

In the European Council, EU ministers have recently reached a forward "[common position](#)" endorsing the proposal for a Computer Implemented Inventions Directive. The Directive's aims are to harmonise the interpretation of the European Patent Convention and to codify practice and jurisprudence regarding the treatment of computer patent applications. The positive Council decision, on the text proposed by the Commission seems prudent in the sense that the text rejects the very controversial, if not unworkable amendments proposed by the European Parliament during the first reading. According to the "co-decision" procedure, the approval of the European Parliament is now required for the formal adoption of new Directive.

However, contrasts between the Council and the Parliament remain. The proposal was widely mis-reported as providing a wider legitimacy for the patenting of computer software. Moreover, Denmark, Poland and Portugal had requested the Commission to change it radically, according to Article 55 of the Parliament's internal rules of procedure, but the Commission refused to reformulate the proposal because in fact it does no more than codify the status quo. Charlie McCreevy, European Commissioner for Internal Market and Services, explained in his Statement to the Parliament that the Commission endorsed the European Council's common position "primarily for institutional reasons". In fact, in May 2004, the Council reached a political agreement and the Commission expressed its support for that agreement. Consequently, the latter found itself in a position that would not allow any change to the proposal, because the Council was about to formalise its position. The Commissioner also affirmed that this stand was required in order to avoid "a logjam in an area which is key for innovation". However, he also recognised that the Parliament considered that its views were not taken into account in the first reading and stated that in the case the Directive were rejected he will not propose a new one.

To conclude, the rift between the Parliament and the "common position" adopted by the Council remains especially on sensitive issues like the definition of "technical contribution", disclosure, inter-operability, formats for claims, and safe guarding the interests of Small Medium Enterprises. In fact, the Parliament supports the introduction of broad exclusions which would damage the interests of Small Medium Enterprises by precluding protection for any invention holding data in one

form or another.

Commissioner McCreevy tried to reassure the Parliament, underlining that the Directive does not broaden in any way the scope of computer patents, and that business methods and computer programs “as such” will remain excluded. He also pointed out that the proposal will bring uniformity in the EU and a clear differentiation will remain with respect to the US model, because the expression of technical features in a patent claim is required. Until this is finally settled, there remains a real risk that the Parliament’s more controversial amendments may get into the final text.

7. ‘BEST BEFORE’ ENTITLEMENT TO PATENTS

On 22 March 2005, the English Court delivered its decision on the appeal from the Chancery Division in *Markem Corp. v Zipher Ltd*, [\[2005\] EWCA Civ 267](#).

The dispute related to a patent for thermal printers which printed “best before” on foodstuffs. The invention was made by former employees of Markem who moved to Zipher. While it was not claimed that they did anything wrong or unlawful in their work at Zipher, or in applying for the patent, the issue was whether Markem was entitled to some of Zipher’s patent claims.

At first instance, in declining to believe the employees’ evidence as to the making of the invention, the Court held that various claims of the patents belonged to Markem and/or Zipher. The issues on appeal were:

- whether the Judge was entitled to make adverse findings about the truthfulness of the witnesses;
- the extent to which section 7 of the 1977 Patent Acts gave rise to any claim for entitlement under section 8;
- whether a claim-by-claim approach is within the meaning of section 8; and
- whether further proceedings under breach of confidence would be considered an abuse of process

On the first issue, the trial Judge was found to have erred in making adverse findings in relation to the witness. The court of appeal said that because the witness was not cross-examined, his statement should have been assumed as trustworthy on the ground of procedural fairness. In addition, the reasons given by the trial Judge were questioned, namely the scope of the claims should not have been linked with input based on some information passed at Markem, but as common practice in patent drafting.

The court also held that section 7 does not create an entitlement claim under section 8. Therefore, to have an entitlement claim it was not enough to assert that the concept was known to its employees. Rather, for such claim, other reasons of law are required such as breach of contract, breach of confidence or the like.

Thirdly, it was held that the term ‘invention’ under section 8 should be interpreted broadly. Entitlement issues can arise before any claims even exist. It is the identification of information and the rights in it that matter at this stage. Therefore, a claim-by-claim approach was not appropriate under the Act.

Finally, the court said that Markem was under an obligation either to pursue the issue of breach of confidence or to abandon it. Claims for breach of confidence after the trial of the entitlement proceedings were held to be an abuse of process and were struck out.

Zipher's appeal was allowed and all cross-appeals were dismissed.

This case gives rise to several practical issues:

- A witness must be cross-examined before his or her evidence can be dismissed.
- Entitlement imports the notion of title. It is the right to apply for a property title, and it can only be opposed on issues of lawfulness of the application such as a breach of contract law or confidence. The identification of the inventor is of no relevance at this stage, especially as the European Patent regime is a first-to-file system.
- Employees' invention ownership is still a problematic issue. Even if an employee is not in breach of contract or confidence, he or she may still carry information that is the property of his or her former employer. Although, it was not the case here as it was held that the inventive concept was devised afterward.

Trade marks

8. O2 HOLDINGS V HUTCHISON 3G

On 11 March 2005, a decision was handed down in *O2 Holdings Ltd & Anor v Hutchison 3G UK* [\[2005\] EWHC 344 \(Ch\)](#). The issue was whether twelve questions set out by O2 regarding a comparative advertisement made by H3G could be referred to the European Court of Justice.

The dispute arose in August 2004 following H3G's launch of a TV advertisement comparing its service to O2's service. The advertisement featured the word O2, O2's registered trade mark, as well as bubbles, which are registered as twelve device marks by O2. In an earlier interim application hearing, O2 failed to convince Pumfrey J that the use of O2 was an infringement of the word mark, and he also decided that whilst there may have been infringement of the device marks, there was not enough to justify an interim injunction. O2 then raised twelve questions which it sought to refer to the ECJ prior to the trial of the merits of O2's amended claim. They included:

- Whether the average consumer would be confused by the advertisements;
- Whether images of bubbles were similar to the bubble marks;
- Whether the purpose of the advertisements was to attract consumers or to blur distinction of trade marks of O2 and H3G, and if it takes unfair advantage of the O2 trade marks;
- Whether H3G's use of bubble image was an honest practice in industrial and commercial matters;
- Whether the use of the bubble image was damaging to the distinctive character or repute of the bubble marks;
- Whether O2 intended to use each of the bubble marks at the respective application dates;
- Whether it was sufficient for O2 to show that the mark had been diluted; and
- Whether the TV advertisements had to comply with the Misleading Advertising Directive.

The Judge declined the request for the referral, considering it to be premature. Any reference may also delay the substantive trial and prejudice the evidence to be adduced at trial. He further explained that:

- If H3G succeeded in its counterclaim that the bubble marks were devoid of any distinctive character, then the 12 questions would be redundant.

- The identity of the relevant sign used by H3G had not been determined.
- The questions to be referred to the ECJ depended on the findings of fact that the trial judge would make, which could be seen from the use of subordinate clauses. To make a reference prior to the finding of such facts would unnecessarily delay a case with commercial implications, and in any event, the reference may be made redundant in light of the facts found.

This case confirms the discretion of the national courts to make references to the ECJ. It also demonstrates that a similar mechanism to that of the English “speedy trial” for ECJ references may be useful.

9. GILLETTE: SPARE PARTS AND THE CONSUMER TRADE MARK

This judgement in *The Gillette Company and Others v LA-Laboratories Ltd Oy* [Case C-228/03](#) (17 March 2005) case concerned the scope of the exception to infringement provided by Article 6(1)(c) of the Trade Marks Directive [89/104](#) where the trade mark is necessary to indicate the intended purpose of a product, in particular as accessories or spare parts.

The Gillette Company owns the rights to the Gillette and Sensor marks, which are both registered in Finland for certain goods, including razors. It markets several razors and razor blades under the Gillette name. The Defendant, LA-Laboratoires Ltd Oy, was selling similar exchangeable blades marketed under their own mark, PARASON FLEXOR, and including a statement on the packaging: “All Parason Flexor und Gillette Sensor devices are compatible with this blade”.

The Court of First Instance in Helsinki found that the exception under Article 6(1)(c) did not apply to cases where the purpose of the essential parts of a product were indicated, but rather only to spare parts, accessories and other similar parts. The Court of Appeal in Helsinki held that the razor blades were indeed “spare parts” and so Article 6(1)(c) applied. On further appeal to the Korkein Oikeus, the Court referred several questions to the ECJ relating to the applicability to “spare parts”, how the test for necessity (to show purpose) should be applied and the factors to be considered in determining whether use is made in accordance with “honest practices in industrial or commercial matters”.

Relying heavily on the famous BMW case C-63/97 [1997] ECR I-905, the ECJ held as follows:

Since the intended purpose of the products as accessories or spare parts is cited only by way of example, the application of Article 6(1)(c) of Directive 89/104 is not limited to those situations. Therefore, it is not necessary to determine whether a product must be regarded as an accessory or a spare part.

The trade mark owner may not prohibit a third party from using the mark in trade where it is necessary to indicate the intended purpose of a product or service, in particular as accessories or spare parts.

The use of a trade mark to inform the public that the advertiser is specialised in the sale, repair or maintenance of products bearing that trade mark constitutes information necessary to preserve the system of undistorted competition in the market for that product or service. Use of a third party’s trade mark will be “necessary” when “such use in practice constitutes the only means of providing the public with comprehensible and complete information on that intended purpose”. It

is for the national court to determine whether, in the circumstances of the case in the main proceedings, use of the trade mark is necessary, taking account of the nature of the public for which the product is intended

The condition of “honest use” within the meaning of Article 6(1) reflects a duty to act fairly in relation to the legitimate interests of the trade mark owner. The ECJ gave 3 examples when such use would not be in accordance with honest use. First, when it is done in such a manner that it may give the impression that there is a commercial connection between the reseller and the trade mark proprietor. Second, when such use affect the value of the trade mark by taking unfair advantage of its distinctive character or repute. Finally, where the third party presents its product as an imitation or replica of the product bearing the trade mark of which it is not the owner.

It is for the national court to determine whether the use made of the trade marks has been made in accordance with honest practices. In this regard, account should be taken of the overall presentation of the product marketed by the third party, particularly; the circumstances in which the mark is displayed, the circumstances in which a distinction is made between that mark and any mark or sign of the third party, and the effort made by that third party to ensure that consumers distinguish its products from those of which it is not the trade mark owner.

The fact that a third party uses a trade mark of which it is not the owner in order to indicate the intended purpose of its product does not necessarily mean that it is presenting that product as being of the same quality as, or having equivalent properties to, those of the product bearing the trade mark. Whether there has been such a presentation depends on the facts of the case, and it is for the referring court to determine whether it has taken place by reference to the circumstances.

This case confirms that the question whether an article is a “spare part or accessory” is not fundamental to whether a third party can rely on a defence under Article 6(1)(c). It also gives some guidance on how “necessity” to refer to the trade mark to indicate the purpose of the goods should be judged, as well as whether it is in accordance with honest practices. These considerations are to be determined by the national courts.

10. L'OREAL V OHIM

On 16 March 2005, the Court of First Instance delivered its judgment in *L'Oréal SA v. Office for Harmonisation in the Internal Market (Trade marks and Designs) (OHIM)* ([Case T-112/03](#)).

On 9 December 1998, [L'Oreal SA](#) filed an application for registration of a Community trade mark with OHIM for the sign FLEXI AIR. The goods in respect of which registration was sought are in Class 3 of the Nice Agreement.

On 30 November 1999, [Revlon \(Suisse\) SA](#) opposed the application based on the word mark FLEX, which was covered by registrations in France (in respect of goods in Classes 3 and 34), Sweden (in respect of goods in Class 3) and the United Kingdom (in respect of goods in Class 3). In support of its opposition, Revlon SA relied on the relative ground for refusal referred to in Article 8(1)(b) of Regulation No 40/94 arguing that L'Oréal's mark was identical or similar to Revlon's earlier mark and was being applied to identical or similar goods or services giving rise to a likelihood of confusion.

On 7 December 1999, the applicant was informed that an opposition had been filed against its application for a Trade mark and on 23 March 2000, the Opposition Division invited both Revlon and the applicant to submit further observations within specified time limits. On 27 November 2000, having not received further observations from either party, the Office notified both parties that it would give a decision on the basis of the evidence before it. On 28 and 29 November 2000, the Office received observations from the applicant stating that for reasons “beyond its control” it had only just become aware of the opposition.

By decision of 27 March 2001, the Opposition Division rejected the application for a trade mark on the ground of likelihood of confusion. In reaching its decision, the Opposition Division did not take into account the applicant’s further observations on the basis that they had been filed after the time-limit set by the Office.

The applicant filed a notice of appeal against that decision and, by decision of 15 January 2003 (hereinafter “the contested decision”), the Fourth Board of Appeal dismissed the appeal and ordered the applicant to pay the costs.

The present action was brought by L’Oreal against the decision of the Fourth Board of Appeal of the Office. L’Oreal sought the annulment of the contested decision and an order for the Office to pay the costs of these proceedings and of those before the Board of Appeal.

In support of its action, the applicant put forward three pleas in law and the Court delivered its findings in respect of each of the respective pleas as follows.

The first plea in law was the infringement of essential procedural requirements relating to the request for proof of genuine use. The Court stated that the applicant should have requested proof of genuine use of the earlier mark within the time limit set by the Office. In addition, the reasons “beyond its control” as stated by the applicant were merely administrative errors for which it was responsible and as such, could not justify the applicant’s non-compliance with the set time-limit. Consequently, the Opposition Division was fully entitled to reject the applicant’s request for proof of genuine use as it was filed out of time. The Court rejected the first plea in law.

The second plea in law was the infringement of Article 8(1)(b) of Regulation No 40/94. The Court stated that even in a case involving an earlier mark of weak distinctive character, on the one hand, and a trade mark applied for which is not a complete reproduction of it, on the other, there may be a likelihood of confusion, in particular on account of a similarity between the signs and between the goods or services covered. The Court re-affirmed the Board of Appeal’s finding that there was likelihood of confusion; namely, there was a likelihood that consumers would believe that the slight difference between the signs reflected a variation in the nature of the goods or stemmed from marketing considerations, and not that that difference denoted goods from different traders. In addition, the Court stated that since the signs were similar and the goods partly very similar, the question of the extent to which the phonetic similarity of the signs contributed to the likelihood of confusion was irrelevant. In relation to the visual similarity, the Court found that neither the fact that neither of the two words in the sign applied for were identical to the earlier sign nor the fact that the latter was short were capable of invalidating the visual similarity. The Court rejected the second plea in law.

The third plea in law related to the infringement pursuant to the definition of ‘earlier trade marks’ in Article 8(2)(a)(ii) of Regulation No 40/94. The Court rejected the

applicant's hypothesis that Regulation No 40/94 confers on the proprietor of an earlier national trade mark greater rights in connection with an application for a Community trade mark than those conferred on him by national legislation governing that earlier mark. The Court rejected the third plea in law.

Based on the above-mentioned findings the Court of First Instance dismissed the application and ordered the applicant to pay the costs.

11. 'SHARK' IS NOT 'HAI': TRADE MARK REGISTRATION FOR LINGUISTIC EQUIVALENTS

On 9 March 2005, the European Court of First Instance ("CFI") handed down its judgment in the case of *Osotspa Co. Ltd v OHIM* ([Case T-33/03](#)).

Osotspa had an Austrian and a Community Trade Mark consisting of the word 'Shark' incorporated in a shark-shaped design - with the 's' forming the head, the 'a' the dorsal fin, and the 'k' the tail. These marks were registered for 'non-alcoholic drinks' and 'syrups' (Class 32) in 1996 and 1998 respectively. It opposed an application to register the word mark 'Hai' (meaning shark in German) in Classes 5, 32, 33, 35 and 42 by an Austrian company, on the grounds that the use of the German equivalent of its trade mark on similar and identical products was likely to cause confusion in the minds of public (Article 8 (1) (b) of Regulation No. 40/94).

The Opposition Division of OHIM rejected the opposition on the ground that there was no likelihood of confusion between the marks in question. The Board of Appeal concurred with the decision of Opposition Division. Osotspa appealed to the CFI.

The CFI held that the grant and concurrent use of the 'Hai' word mark with that of the earlier device mark 'Shark' would not result in confusion in the mind of relevant public so as to trigger the bar in the Article 8 (1)(b) of the Regulation, regardless of the similarity of the identity of goods in Class 32 and the identical semantic meanings. The CFI explained that the global assessment of the likelihood of confusion concerns the visual, aural and conceptual similarity between the conflicting marks. The overall impression of the graphical and aural differences between the linguistic equivalents in this case were stronger and overcame the conceptual similarity arising from the words bearing the same meaning in different languages.

Furthermore, the goods in question were energy drinks sold in supermarkets, restaurants, etc., intended for the younger generation, who in general are well acquainted with branded goods. Thus, the semantic similarity becomes a secondary factor once the customers can see and differentiate the marks on the products at the point of sale.

This decision shows that a previous trade mark registration does not operate as a bar for subsequent registration of its linguistic equivalent in all cases. Before an application for trade mark registration of a linguistic equivalent is allowed, however, the graphical and aural differences must be so pronounced so as to overcome the semantic similarities arising from bearing the same meaning in another language. This global assessment must be made keeping in mind the relevant public, to see if confusion is likely. This approach promotes legal certainty and strikes a good balance between the rights of owners of registered trade mark and subsequent applicants, who intend to register the linguistic equivalents of these trade marks.

12. NIKE WINS SPANISH TRADE MARK BATTLE

Nike has triumphed in its [long-running legal battle](#) over the use of the NIKE trade mark in Spain.

Nike is the proprietor of the NIKE mark for clothing worldwide. However, in Spain its attempts to use and register the NIKE mark had been met with opposition from Cidesport, the proprietor of a Spanish mark consisting of the word NIKE and a depiction of the goddess Samothracia.

In 1995 Nike won the right to use the NIKE mark before the Barcelona High Court. However, the court's decision was initially overturned by the Spanish Supreme Court, which referred the issue to the Constitutional Court. Following the Constitutional Court's decision, the case was again appealed to the Supreme Court.

In its 2005 ruling, the Supreme Court has held that Cidesport's mark should be declared invalid. The court said that Cidesport's mark was liable to be cancelled for lack of real and effective use. Additionally, its use led to confusion as to origin on the part of consumers. Furthermore, using the NIKE mark enabled Cidesport to benefit from the prestige of Nike's famous mark.

Nike had already defeated Cidesport before the Office for Harmonisation in the Internal Market. There Cidesport opposed Nike's attempt to register NIKE as a Community trade mark.

The Supreme Court's decision clears the way for Nike to use its NIKE mark in Spain.

The decision has been welcomed by Nike and ANDEMA, the Spanish National Association of Trade Mark Defence. Soledad Rodriguez, the General Secretary of ANDEMA, has highlighted the fact that the decision improves Spanish protection of well-known marks.

This case demonstrates the difficulties that can arise when companies select marks, which have pre-existing conceptual meanings (Nike is the Greek word for victory and is the Greek goddess of victory, who is also known as Samothracia). The pre-existing meaning increases the chance that another company elsewhere in the world will have chosen to trade under that name. But in the absence of actual trade, the earlier mark will be revoked for non-use, and the superior rights converted to the later mark if sufficiently well known to support registrability and claims of unfair competition or passing off (UK and Ireland) were a third party to use the mark.

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