



KADOR & PARTNER

NEWSLETTER

September 2000

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I. CONCERNING US

Lecture Series in the United States

At the initiative of **Dr. Utz Kador** a group of patent attorneys and attorneys at law dealing with intellectual property law and with Community trademark matters in particular joined together and founded the

CTM Advisory Initiative

An Initiative of Munich Attorneys for Promoting the Knowledge of the Community Trademark.

The CTM Advisory Initiative is based in Munich, one of the centers, if not **the** center, of intellectual property in Europe. Its aim is to promote the knowledge and facilitate the use of the Community trademark (CTM) system. The Community trademark law is quite similar to German trademark law, especially as far as the opposition procedure is concerned. Like all the other members of the CTM Advisory Initiative, Kador & Partner has long-standing practice and knowledge in opposition procedures which we would like to share with interested users of the CTM system. An important step towards achieving this goal is to conduct seminars on the CTM system in the United States and other countries. In the U.S., the seminars will take place in the following cities:

New York	October 30, 2000
Washington	October 31, 2000
Chicago	November 1, 2000
Los Angeles	November 3, 2000

The title of the seminars will be: **"The CTM - An Effective Tool for Protecting Your Brand in Europe"**.

These seminars will be supported by the Community Trademark Office. The Vice President of the Office, Dr. Alexander von Mühlendahl, who is responsible for legal affairs, will hold the key speech providing most valuable information from the Office's perspective and the latest news about CTM. He will also be prepared to answer questions.

There will be twelve lectures in all, Kador & Partner being represented by Dr. Utz Kador, Jennifer Clayton-Chen and Dr. Elisabeth Vorbuchner. With our practical experience and daily routine in han-

dling CTM matters we will provide the delegates with useful information on all levels of the CTM filing and opposition procedure. Jennifer's topic during the morning session will be: *"CTM - Special Advantages"*, and will be dealing with

- the unitary character of the CTM as the central feature of the CTM system,
- the seniority system,
- conversion into national marks (see our last NewsLetter of May 2000, and publication on "Conversion" in ECTA Newsletter No. 38),
- use advantages,
- and cost advantages in the CTM system.

The afternoon session will lay special emphasis on the opposition procedure. Not only the best procedural and tactical ways of opposing or counter-attacking an opposition will be dealt with, but also how to solve an opposition conflict by an agreement between the parties. *"Friendly Settlement Agreements - Be smart and shake hands!"* is Elisabeth's topic. With an example at hand she will focus on the possible three effects of an agreement, namely restrictions on how to use the applied for mark, restriction of the list of goods and services and territorial restrictions. Her draft of a friendly settlement agreement will be a most valuable tool for trademark practitioners.

A mock trial with the participation of Dr. Utz Kador will illustrate an oral hearing before the Opposition Division, and will be an interesting and amusing conclusion of the day!

Everybody interested in the Community trademark system should find the seminar rewarding, in particular patent attorneys, attorneys at law, trademark agents, corporate trademark counsels, intellectual property consultants and legal advisers as well as company executives with special interest in intellectual property protection. The attendance fee is \$ 400 and includes detailed course notes as well as refreshments and lunch. The seminar will conclude with a free cocktail for all the delegates. Further information can be obtained from Kador & Partner as well as from the German American Chamber of Commerce Inc., New York, N.Y. 10019-4092, 40 West 57th Street, 31st Floor, Tel.: 212-974 8830, Fax: 212-974 8867.

II. NEWS FROM ALICANTE

New OHIM President Appointed

The current OHIM President Jean-Claude Combaldieu being due to retire, Mr. Wubbo de Boer from the Netherlands has been appointed to be his successor. The present Vice-President Dr. Alexander von Mühlendahl will keep his post during the next term which will begin on October 1, 2000, and end on September 30, 2005. The appointment was decided by the European Council and issued on May 2, 2000.

III. CTM UPDATE

Requirements for Distinctiveness Acquired through Use

If the Office refuses to register the applied for trademark on absolute grounds of refusal according to Article 7 (1) CTMR, it is possible to submit **formal evidence** showing that the trademark has become distinctive in relation to the goods or services for which registration is requested in consequence of the use which has been made of it pursuant to Article 7 (3) CTMR.

The question arises as to what **type of evidence** must be submitted in order to successfully show that the applied for trademark has obtained the required degree of distinctiveness to be registered. Up to now there have been three judgements dealing with this topic.

1. Recent Judgements:

The question at issue was decided by the European Court of Justice in the "Chiemsee" decision of May 7, 1999 (see our NewsLetter of October 1999), and its ruling was taken into consideration in a case before the Community Trademark Office in which the applicant sought to register the numeral "7" as a word mark (Decision of June 22, 1999-R 63/1999-3-7).

Both judgements state that **two conditions** must be satisfied where a trademark is not inherently eligible for registration:

- 1) The trademark must be used in the Community as a whole or, at least, in a substantial part thereof in such a way that
- 2) a sufficiently large part of the relevant class of persons recognizes the sign as a distinctive trademark at the time the application was filed.

The European Court of First Instance (Decision of March 30, 2000, T 91/99) held that the distinctive character acquired through use must necessarily be demonstrated in that part of the Community where it was otherwise devoid of such character in the language concerned. This means if a sign is held to be devoid of distinctive character in English and French, use has to be proven in the English-speaking and French-speaking parts of the Community. It is not sufficient to demonstrate use only in some other part of the Community. Accordingly, Ford Motor Company's Community trademark "OPTIONS" filed for insurance and financing services was rejected as the applicant failed to claim distinctiveness through use in France.

Both of the conditions above must be fulfilled for an exception to be granted under Article 7 (3) CTMR. To comply with this assessment, one must provide the Office with information of the following kind (examples):

- a) the market share held by the mark;
- b) information on how intensive, geographically widespread and long-lasting the use of the mark has been;
- c) the amount invested by the undertaking in promoting the mark;
- d) the proportion of the relevant class of persons who, because of the mark, identify the goods as originating from a particular undertaking (e.g. by way of a market survey);
- e) statements from Chambers of Commerce or other trade and professional associations.

It follows from the foregoing that the main issue in any disputed case is whether the trademark concerned has been used in the course of trade in such a way as to achieve a level of recognition amongst consumer circles which allows them to establish a link between the trademark and the goods and services for which it is used.

2. Our Comments:

The above decisions are relatively new and decided on each case's individuality. However, it follows for us from the reasoning of the decisions that the European Court of Justice and the European Court of First Instance as well as the Office for Harmonization construe Article 7 (3) CTMR restrictively since this provision confers on the applicant the exclusive right to use the mark in the territory of the Community as a whole, even though the mark is not inherently eligible for registration since it is non-distinctive, descriptive or has a generic character under Article 7 (1) (b), (c) or (d) CTMR.

Therefore, we are of the opinion that mere occasional use of the trademark for the goods or services will not be sufficient to show evidence of acquired distinctiveness of the trademark. In the light of the foregoing we consider that it may, in some cases, be quite a burden on the applicant to show evidence of use to prove acquired distinctiveness. The applicant has to claim and prove that the trademark concerned has been used in such a way as to acquire distinctive character in a substantial part of the Community, including the specific part of the Community where it was devoid of any distinctive character.

Resumption of Seniority Examination

As reported in our NewsLetter of March 1998, OHIM had announced, at the end of 1997, a temporary suspension of examination of seniority claims based on Article 34 CTMR (i.e. in the application stage), the reason for this measure being the unexpectedly high workload of the Office. Since then, we have frequently received inquiries from clients as to when this temporary measure will end.

- We can now report that the examination of seniority claims at the application stage has been resumed with all CTM applications filed since May 1, 2000.
- Examination of seniority claims filed on the basis of Article 35 CTMR (i.e. after registration) is carried out as before.
- Seniority claims the examination of which had previously been suspended remain suspended until further notice.

According to Communication No. 2/00 of the President of OHIM, the scope of examination will be limited to the question whether the marks are the same. The other two requirements of the so-called triple identity rule (same goods and services and same owner) will not be examined, except that the Office may refuse a seniority claim where a mistake is obvious. As stated in the Communication, "it is for the applicant to make certain that the requirements of the triple identity are met".

Revised Practice on Filing Observations

Article 41 CTMR is the legal basis for third parties to submit observations explaining why in their opinion a trademark should not be registered with respect to Article 5 CTMR (persons who can be proprietors of Community trademarks) or Article 7 CTMR (absolute grounds for refusal). The Community Trademark Office has recently revised its practice concerning the handling of observations.

Accordingly, the Office will consider observations concerning the registrability of a Community trademark if they have been filed within four months after the publication date. In case opposition has been filed, observations will be considered if they are received before the termination of the opposition proceedings. The Office will issue a receipt to the person making the observation ("observer"), but the observer will not receive any further communications from the Office. Specifically, he will not be informed about the outcome of any possible re-examination of the application. However, the observer may at any time and of his own accord check the status of the trademark online (<http://www.oami.eu.int>).

The decision on whether the observations raise serious doubts concerning the registrability of the CTM application will generally be made within one month. Only where serious doubts are raised will the applicant be under any "duty" to reply. If no reply is filed, the Office will take a decision on the basis of the information contained in the file.

The Community Trademark Office will accept observations filed in any of the five official languages of the Community Trademark Office (English, French, German, Italian and Spanish) and also in another language, provided that it is the language

of the registration proceedings of the CTM application.

It has to be stressed that arguments relating to absolute bars to protection (Article 7 CTMR) of trademarks made in opposition proceedings are not admitted. If an opponent wishes to raise grounds relating to the registrability of the trademark, he has to do this in a **separate submission** pursuant to Article 41 CTMR.

IV. THE COMMUNITY TRADEMARK OFFICE: RECENT DECISIONS

- Opposition Decision No. 371/1999 of June 15, 1999, ruling on "TAMRON/AMRON".

As reported in our last NewsLetter of May 2000, the OHIM's opposition practice is influenced by the decisions of the European Court of Justice. As in the Sabel v. Puma case (OJ OHIM No. 1/1998, p. 91, paragraph 23) the Office points out that in determining the existence of likelihood of confusion one has to compare the earlier trademark "TAMRON" and the CTM application "AMRON" by making an overall assessment of the visual, phonetic and conceptual similarities between the marks.

The Office ruled that a visual comparison of the two trademarks shows a number of identical features. Both marks have five letters in common and in the same order, namely the letters "A, M, R, O, N". Thus, the CTM application forms part of the earlier mark. The only difference between the marks is the additional letter "T" at the beginning of the earlier mark.

Phonetically, both marks are two-syllable words and end with the same sound. Taking into account that five out of six letters are identical and in the same order and that neither of the trademarks has an obvious conceptual meaning, the Office concluded that the marks are similar. The opposition was nevertheless finally rejected, because the goods of the trademarks were considered to be dissimilar.

- Opposition Decision No. 1394/2000 of June 28, 2000, ruling on "IVAC/VAC".

The earlier word mark "IVAC" consists of one word written in normal typeface and with four letters. The CTM application is a device mark consisting of the word "VAC" presented in bold black letters which get progressively smaller towards the end of the mark. From a visual point of view the Office held that the device mark "VAC" has to be regarded as a word mark, since the level of its graphical arrangement is low. The opponent's trademark "IVAC" is a word consisting of four letters and the applicant's trademark "VAC" is a three letter word. Both marks contain the letters V, A, C in the same order. However, the earlier mark begins with the vowel "I". Considering that three out of four letters are identical and in the same order, the signs were held to be visually similar.

Phonetically, the difference at the beginning of the words creates a certain phonetic emphasis. Nevertheless, the Office concluded that the overall impression given by the two marks is similar. Since the goods of the marks were identical, the CTM application "VAC" was rejected.

Our comments:

In principle the Opposition Divisions consider two trademarks beginning with different letters to be dissimilar, because words are usually stressed on the first syllable, especially words beginning with a vowel. But in the decided cases the Opposition Divisions emphasized that several letters common to both signs and being in the same order render the trademarks similar even if the earlier sign consists of an additional letter at the beginning of the mark.