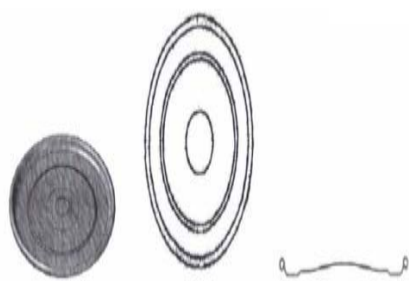


### CASE LAW

The General Court renders its first decision in a Community Design Case:

Grupo Promer Mon Graphic SA defeats PepsiCo Inc in the “Tazos Case”



Challenged Community Design



Prior Design

#### [Case T-9/07](#)

On March 18, 2010, the General Court issued its first decision in a Community Design Case. The case concerned an appeal filed by Grupo Promer Mon Graphic SA (the “applicant”) seeking to invalidate a Community design registration by PepsiCo Inc. The designs related to ‘pogs’ or ‘tazos’ – small circular discs used as promotional items for merchandise, usually aimed at children, generally used to promote biscuits or potato snacks.

In its appeal of the Board of Appeal’s decision, the applicant raised three pleas:

- (1) Bad Faith: the Court rejected the plea based on bad faith, advocating a restrictive interpretation of Regulation No. 6/2002, since bad faith is not specified in the list provided in Article 25(1) of the Regulation, which the Court considered to be exhaustive.
- (2) Lack of novelty: the second plea based on Article 25(b) of the Regulation (lack of novelty) was also rejected. Although the applicant stated that the prior Design was disclosed to the intervener on a private and confidential basis, by a letter of February 21, 2003 and made available to the public on November 1, 2003, the Court found that such design was not available to the public on February 21, 2003 and that the referred “disclosure” cannot be relied on for the purpose of applying Article 25(1)(b) and (d) of the Regulation No.6/2002.
- (3) Conflict with a Prior Design pursuant to Article 25(1)(d) of the Regulation.: this plea was accepted by the Court for the reasons set forth below.

With respect to the notion of being “*in conflict*” with a prior design, which is not defined in the Regulation, the Court confirmed the Board’s holding that this situation arises when the challenged design does not

produce on the “informed user” a different overall impression from that produced by the prior design, taking into account the freedom of the designer in developing the relevant design.

With respect to the “informed user” in this case, the Court confirmed the Board’s holding that this would include not only a child from 5 to 10 years (end user) old but also a marketing manager working in the food industry (intermediate user).

With respect to the “product on which the design is intended to be incorporated or to which it is intended to be applied”, the applicant had contested the Board’s finding that the relevant category of goods was “pogs”, “rappers” or “tazos” as opposed to the larger category “promotional items for games”, arguing that such subset of goods was not a homogeneous category. The Court upheld the Board’s reclassification to the smaller subset of game pieces known as “pogs”, “rappers” or “tazos”, however.

Nevertheless, unlike the Board, it considered that the two designs presented sufficient similarities to create a similar overall impression since:

(1) both consisted of small almost flat discs, (2) both had a concentric circle very close to the edge intended to convey the idea that the disc curls over all the way round the edge, (3) both contained a concentric circle approximately one third of the way from the edge to the centre, (4) they were similar in that the rounded edge of the disc in both designs was raised in relation to the intermediate area of the disc between the edge and the raised central area, and (5) the respective dimensions of the raised central part and the intermediate area of the disc between the edge and the raised central part were similar.

Further, concerning to the *freedom of the designer*, the Court held that there was no specific constraint imposed on the designer concerning the last three similarities discussed since, with respect to such elements, the designer was free to develop the contested design otherwise.

The Court concluded that the Board had erred in considering that the designs at issue produced a different overall impression on the informed user and that they were not in conflict within the meaning of Article 25(1)(d) of Regulation No. 6/2002. Therefore, the Board of Appeal’s decision annulling the Invalidity’s Division decision declaring the referred Community Design invalid was reversed.

This first decision of the General Court is important as clarifies several of the main concepts of Article 25(1)(d) of the Regulation and confirms the protection of the rights of the owners of prior registered designs.

### GENERAL COURT'S DECISIONS ON RELATIVE GROUNDS

There is a likelihood of confusion between YOKANA (fig) and YOKONO(fig)



CTM applied for



Prior Mark

#### [Case T-103/06](#)

The General Court confirmed the Second Board of Appeal's holding that there was a likelihood of confusion between the signs YOKANA and YOKONO as depicted above.

The Court held that even if the phonetic similarity has only a relative importance in the case of products which, like clothing, are commercialized in such a way that marks are perceived visually, the signs should be considered to be similar in spite of their graphical differences.

Further, the argument based upon the fact that both marks coexisted peacefully in Spain was rejected as the Court considered that the EU market could not be assimilated to the Spanish market.

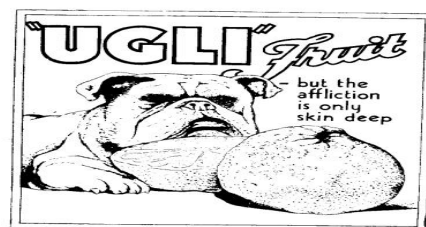
### CANCELLATION PROCEEDINGS

There is no likelihood of confusion between

EGLÉFRUIT (word mark)

v.

UGLI (word mark) and



#### [Case T-488/07](#)

The General Court confirmed the Board of Appeal's decision confirming the Cancellation's Division decision that had rejected the cancellation action filed by the owner of the prior marks UGLI (word mark and figurative) against CTM Registration EGGLEFRUIT (word mark) on the ground that the earlier signs were not, based upon their overall impressions, similar to the contested mark. It held that in light of the visual differences and the absence of a conceptual link between the signs at issue, and despite the fact that a low degree of phonetic similarity can be identified, the marks at issue were overall dissimilar and, therefore, there was no likelihood of confusion.