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The Protection of Trade Marks with Reputation in the European Union

THE DIRECTIVE 2015/2436/EU OF THE EUROPEAN PARLIAMENT AND COUNCIL OF 16 DECEMBER 2015 TO APPROXIMATE THE LAWS OF THE MEMBER STATES RELATING TO TRADE MARKS, HEREAFTER REFERRED TO AS THE TRADE MARKS DIRECTIVE, BROUGHT SOME CHANGES TO THE PROVISIONS RELATING TO THE PROTECTION AFFORDED TO TRADE MARKS ENJOYING REPUTATION. AS A PART OF ITS STUDY ON THE IMPLEMENTATION OF THE DIRECTIVE BY THE DIFFERENT MEMBER STATES, THE ECTA HARMONIZATION COMMITTEE EXAMINED THE IMPLEMENTATION OF ART. 5 (3)(A), 43 (1) AND 45 OF THE TRADE MARKS DIRECTIVE.

Article 5

Relative grounds for refusal or invalidity

[...]

3. Furthermore, a trade mark shall not be registered or, if registered, shall be liable to be declared invalid where:

(a) it is identical with, or similar to, an earlier trade mark irrespective of whether the goods or services for which it is applied or registered are identical with, similar to or not similar to those for which the earlier trade mark is registered, **where the earlier trade mark has a reputation in the Member State in respect of which registration is applied for or in which the trade mark is registered or, in the case of an EU trade mark, has a reputation in the Union and the use of the later trade mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.**

Art. 5 (3) differs from the previous legislation since the protection of national trade marks with reputation is now mandatory while in the previous Directive

the protection of reputed national marks was optional and only the protection of EU trade marks with reputation was mandatory. Further, under the new Directive it is now mandatory that EU and national trade marks with reputation must constitute grounds for opposition (Art. 43 of the Trade Marks Directive) and invalidity (Art. 45 (3) of the Trade Marks Directive). The purpose of this project is to analyse how the EU Member States provide protection to trade marks with reputation under Art. 5(3) and to illustrate the changes that the new Directive brought about in the different EU countries.

IMPLEMENTATION OF ARTICLES 5(3), 43 AND 45 OF THE TRADE MARKS DIRECTIVE

In the majority of the EU Member States, it was already possible to file an opposition or an invalidity action on the basis of a national trade mark with reputation prior to the implementation of the Trade Marks Directive. However, before the implementation, there were some exceptions:

In **France** and **Austria** invoking the reputation of a prior national mark was only possible in the framework of a cancellation proceeding.

In the **Benelux**, it was not possible to file an invalidity action before the Benelux Office for Intellectual Property (BOIP). Only opposition proceedings were available before the BOIP and the grounds in those proceedings were limited to 'identity' or 'likelihood of confusion' with a Benelux mark.

In **Latvia**, there was no possibility to initiate an invalidity action based on a

prior trade mark with reputation. The Latvian trade mark legislation only provided the possibility to oppose a later trade mark based on a well-known earlier mark, but not on the basis of a national mark with reputation.

In **Spain**, the trade mark legislation made a distinction between 'well-known' and 'reputed' trade mark depending on the sector in which the trade mark was known. A 'well-known' trade mark was considered to be a trade mark known '*by the relevant sector of the public to which the goods or services covered by the trade mark were destined*', and a mark was considered to be a 'reputed' trade mark when it was known '*by the general public*'. With the new wording of Art. 8 of the Trade Mark Law after the implementation of the Directive, this distinction disappears and reference is made only to trade marks which '*enjoy reputation*'. As in the past, national trade marks with reputation can be invoked in opposition and invalidity proceedings.

All of the European Union countries have now implemented Art. 5(3) of the Trade Marks Directive. In this respect, it should be noted that in most of them, there was no need for further implementation because the previous legislation already foresaw the possibility of invoking marks with reputation as a relative ground for refusal, which could be invoked in opposition and invalidity proceedings.

Indeed, in the responses from the members of the Harmonization Committee to the question as to whether there has been any change relating to the previous law in respect to the protection of trade marks with reputation, **Croatia, Denmark, Estonia, Finland, Germany, Greece, Hungary,**

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Ireland, Italy, Portugal, Romania, Slovakia and **Sweden** responded that there was **no change at all**.

In conclusion, it should be noted that about half of the Member States already had adopted provisions in line with the mandatory provisions of the 2015 Trade Marks Directive.

DEFINITIONS AND CONDITIONS FOR RECOGNISING REPUTATION

Definition

The laws of the different Member States do not include a definition of the concept of reputation. Reputation is thus assessed on a case-by-case basis in the different Member States.

Criteria adopted by the national offices and the courts to recognise reputation

In general, the criteria for establishing reputation is the degree of knowledge of the mark by the relevant public. This can be identified *inter alia* by:

- Market share;
- Intensity, geographical extent and duration of use;
- Extent of the investments made by the company to promote it;
- Duration of the registration;
- Awards granted;
- Court and administrative decisions granting protection against infringements.

Under the CJEU case law, knowledge of a mark by a significant proportion of the relevant public is sufficient to establish reputation. It was held in the PAGO judgment that all the relevant elements of the specific case must be taken into consideration, namely *'the market share*

achieved by the mark, the intensity, geographical extent and duration of its use, as well as the importance of the investments made by the company to promote it' (Judgment PAGO International, C 301/07, EU:C:2009:611, para. 25).

The kind of evidence to be provided to demonstrate reputation

In terms of the evidence required, it should be noted that the same kind of evidence is required in the different Member States, including the following:

- Affidavits;
- Invoices and other commercial documents;
- Annual reports;
- Market surveys and opinion polls;
- Media coverage;
- Advertising and promotional material;
- Licensing agreements;
- Decisions of courts or administrative authorities confirming reputation;
- Audits and inspections;
- Certification and awards;
- Articles in the press or in specialised publications;
- Annual reports on economic results, financial reports;
- Price lists, orders, delivery notes;
- Data related to volumes of sales, market shares;
- Market researches;
- Statements of organisations.

Regarding the need for translation of the evidence of reputation if it is not in the official language of the Member State, it should be noted that in **Austria, Bulgaria, France, Germany, Greece, Italy, Latvia, Lithuania, Poland, Romania, Slovenia and Spain** the documents or their relevant

parts must be submitted or translated in the national language.

In the **Benelux, Cyprus, Croatia, Czech Republic, Estonia, Hungary and Portugal**, the national offices accept evidence in their own official language and in English, but, in the latter case, a translation of it into the national language may be requested.

In **Denmark** and **Sweden**, evidence is accepted in their own official language and in English. In the latter case, no further translation may be required.

Regarding **Malta** and since it has two official languages, English and Maltese, evidence in both languages is accepted.

In **Finland**, the proof of reputation may be provided in Finnish, English or Swedish (Finnish and Swedish being both official languages in Finland).

The relevant public to be taken into account

According to the vast majority of responses submitted (**Austria, Benelux, Czech Republic, Estonia, France, Germany, Hungary, Italy, Malta, Poland, Portugal and Spain**), the relevant public is determined according to the goods or services covered by the trade mark. The public thus could be the general public or a more specialised public.

In **Spain**, the Explanation of Reasons of the Royal Decree 23/2018, the norm that implemented the European Directive 2015/2436, defines reputed trade marks as the trade mark known *'by a significant part of the public interested in the goods or services'* that it covers. Therefore, in order to determine whether the earlier mark is known by a *'significant proportion of the interested public'*, it must be examined on a case-by-case basis, taking

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into consideration the target public of the relevant goods or services, the degree of knowledge of the mark and any other relevant factor.

In the Chevy judgment of 14 September 1999, C-375/97, the CJEU had already ruled that *'the public among which the earlier mark must have acquired a reputation is that interested in the mark, that is, depending on the goods or service marketed, it may be the general public or a more specialized public, for example, a particular professional sector'*. Thus, the relevant public could either be the general public at large or a more specific part of a particular sector only. When the trade mark covers mass consumption goods or services, the relevant public will be the general public at large, while if the trade mark covers more specific goods or services with a very specific application or destined to professional or industrial users, the relevant public will be formed of those specific consumers.

In **Finland**, it is important to indicate the target group in which the mark has a reputation. If there is no given target group, the Office considers all Finns to be the target group.

OTHER REMARKS REGARDING PROCEEDINGS RELATED TO TRADE MARKS WITH REPUTATION

With the exception of **Italy**, none of the national or regional offices of the EU would accept decisions of reputation from other offices. However, the existence of national decisions recognising reputation from other Member States can serve as strong supportive evidence in most of the countries. In all the EU Member States, it is possible to file an opposition or invalidity action on the basis of both, likelihood of confusion and reputation. Regarding the need for the offices to analyse both legal grounds in its decision, the situation varies from one country to another.

In **Cyprus, France, Latvia, Lithuania, Romania and Spain**, the national offices will render a decision on each of the legal grounds invoked in the case. In **Portugal and Slovakia**, in most cases. In **Austria, Benelux, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, Germany, Greece, Ireland, Italy, Malta, Poland, Slovenia and Sweden**, it is sufficient for the national / regional offices to base their decisions on only one of the grounds invoked.

In **Hungary**, the practice of the office appears inconsistent. In case an opposition is based on both grounds, reputation and likelihood of confusion, the office will first examine the likelihood of confusion. In some cases, if the opposition is successful on the basis of the similarity between the signs, the office will not necessarily further decide whether the opposition should also succeed on the basis of reputation. This can create a problem when an appeal has been filed.

In **Portugal**, if the opposition or the action is based on the two legal grounds, both should be taken into account in the decision. However, in practice, there are cases where only the likelihood of confusion is considered.

In **Slovakia**, although the office is generally obliged to analyse the case on every legal ground submitted in the opposition/ invalidity action and must evaluate and consider all the evidence submitted by parties, in practice, it sometimes happens that the decision is simplified and not all legal grounds are reasoned diligently. Nevertheless, the total omission of one of the legal grounds in the decision is a basis for filing the legal action with the regional court to review the legality of the administrative decision.

In **Ireland**, it is possible that reputation is recognised even if it has not been claimed, although it does not happen in

practice generally. In the rest of the EU, a reputation claim must be filed in order to be recognised.

Nevertheless, in **Greece**, reputation can be considered as a matter of common knowledge and acknowledged by a court even without the need to provide supporting evidence.

With the exception of the Finnish Office, which created a register of trade marks with reputation, such a register does not exist in the remaining EU Member States.

From the survey results, we can conclude that all the Member States have implemented the provisions regarding protection of trade marks with a reputation and that the practices in applying these provisions are rather similar.«



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