

ECTA Round Table

ECTA is organizing a Round Table on Design at **the VITRA Kongresszentrum, Weil am Rhein on March 23, 2007.**

“The Community Design in particular relation to Austria, France, Germany and Switzerland”

The details of the Round Table are available on ECTA’s website under the “Conference/Round Tables” section.

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1· Law**1-1 Domain Name****.eu**

Code of Conduct for .eu registrars.

Eurid, the registry for .eu, has drawn up a code of conduct for accredited registrars. This is to be implemented within the next couple of months. The Code which, it appears will be voluntary; will be administered by a board of representatives elected by the .eu registrars themselves.

Although all accredited registrars must meet the conditions laid out in the .eu registrar agreement, those registrars who subscribe to the Code of Conduct will be deemed to offer a superior level of service by fulfilling the criteria contained in the Code. They will also be able to identify themselves by displaying an .eu Code of Conduct logo on their websites, and will be listed on a separate EURid website dedicated to the Code.

Eurid is now inviting all interested parties to review the draft document and to comment by email before Monday, 19 February. Further details can be found by viewing <http://www.eurid.eu/en/general/news/introducing-the-eu-registrar-code-of-conduct>

As ECTA will provide comments please send any comments you may have to Eric Ramage, Chair of the Internet Committee at: eric@ramage.co.uk and/or Sandrine Peters, ECTA Legal Co-ordinator at: sandrine.peters@ecta.org

Reported by:

Eric Ramage

Chair of the Internet Committee, Alexander Ramage Associates

2· Office Practice**2-1 OHIM****CTM E-filing availability incidents**

The OHIM draws user's attention to the following:

"after completing the first page of the CTM application form, you may encounter an error page "The application is currently unavailable". If this message appears, please try to e-file your application later.

The Office is working to ensure full availability of the e-filing CTM system as soon as possible. Should you have an urgent filing, please contact OHIM at e-businesshelp@oami.europa.eu

Alicante news

The OHIM has released issue # 01-07 of the Alicante News, which includes the following items:

- Bulgaria and Romania - implications for OHIM.
- Country Overview: France.
- RCD Board of Appeals decision on Underwater Motive Devices.
- An update on the status of the EU accession to the Hague Agreement.
- The standard Case Law review.
- New CTM-Download Version 3.

3· Case Law

3·1 Court of First Instance of the European Court of Justice

On absolute grounds for refusal

Case No: T-283/04
Date: January 17, 2007
Parties: Georgia-Pacific v OHIM

Trade mark:



classes: 16 and 21

Contested decision: Case R / dated

Decision:

The 3D device mark for a waffle effect is devoid of any distinctive character for kitchen roll.

The waffle effect is perceived by the consumer as an indication of the absorption capacity of the product (para 47 to 49).

The waffle effect is only a variation of those usually used in the market for kitchen roll (para 51).


The combination of the waffle effect and the design does not significantly differ from the waffle effects used by other producers, but appears as a variation of the other (para 54).

The application is rejected.

On relative grounds for refusal

Case No: T-53/05
Date: January 16, 2007
Parties: Calavo Growers Inc. v Luis Calvo Sanz and OHIM

Trade marks:

CALAVO	
Earlier trade mark	Community trade mark applied for

classes: 29, 30 and 31

Contested decision: Case R 159/2004-1 dated November 8, 2004

Decision:

The decision refers to a procedural question relating to the opposition proceedings.

The notice of opposition was composed of two parts. The first part written in Spanish, the language of the proceedings, corresponded to the official form as provided by the OHIM and provided for the marks involved and the legal basis of the opposition, namely that there is a likelihood of confusion. The second part, written in English, provided for the arguments.

It was not contested that the arguments could not be taken into consideration as they were not drafted in the language of the proceedings and were not translated.

The question relates to the fact whether the OHIM could take a decision on the sole basis of the information provided within the first part of the notice of opposition, namely the marks involved and the legal basis.

Contrarily to the opposition division, the Board of Appeal concluded that it is not possible.

The court annuls the decision.

The analysis of the opposition could only be done on the basis of a comparison between the signs and the goods. The information necessary to comply with these criterias were contained in the first part of the notice and the court did not need to refer to the arguments contained in the second part, and not at any other sources of information (para 66).

3-2 The European Court of Justice



1. Case No: C-48/05

Date: January 25, 2007

Parties: Adam Opel AG and Deutscher Verband der Spielwaren-Industrie eV v. Autec AG

Trade mark:



1 .The facts.

Adam Opel AG, a motor manufacturer, is the proprietor of the German figurative mark reproduced hereabove, for, inter alia, motor vehicles and toys.

Autec AG manufactures, inter alia, remote-controlled scale model cars, which it

markets in Germany under the trade mark " Cartronic ".

Having discovered that Autec marketed a remote-controlled scale model of the Opel Astra V8 coupé bearing its figurative trade mark, Adam Opel has sued Autec before the Landgericht Nürnberg-Fürth on basis of article 5 (a) of the Directive which provides that the proprietor of a mark shall be entitled to prevent all third parties not having his consent from using in the course of trade, any sign which is identical with the trade mark in relation to goods and services which are identical with those for which the trade mark is registered.

Before the Court, Autec, supported by Deutscher Verband der Spielwaren-Industrie stated:

- firstly, that the affixing of a protected trade mark on scale models which are a true replica of vehicles of that mark, does not constitute use of a trade mark as such.
- further that it was authorised to use Opel's trade mark by virtue of article 6 (a) of the Directive which provides "the trade mark shall not entitle the proprietor to prohibit a third party from using, in the course of trade, indications concerning the kind, quality.....or other characteristics of goods and services".

2. The questions referred to the ECJ

Regarding article 5 (1) (a) of the Directive :

Does the use of a trade mark registered also for toys constitute use as a trade mark if the manufacturer of a toy model car copies a real car in a reduced scale, including the trade mark of the proprietor of the trade mark as applied to the real car, and markets it ?

Regarding article 6 (1) (a) of the Directive :

Is the type of use of the trade mark described hereunder an indication of the kind or quality of the model car within the meaning of Article 6 (1) (a) of the Directive ?

3. The answers of the Court.

Regarding article 5 (1) (a) of the Directive :

The Court recalls, at para. 21, that the exercise of the trade mark right must be reserved to cases in which a third party's use of the sign affects or is liable to affect the functions of the trade mark, in particular its essential function of guaranteeing to consumers the origin of the goods?

It is for the referring court to determine, by reference to the average consumer of toys in Germany, whether the use at issue affects the functions of the Opel logo as a trade mark registered for toys (par. 25).

If it is demonstrated that the relevant public does not perceive the sign appearing on the scale models as an indication that those products come from Adam Opel or an undertaking economically linked to it, the German Court will have to conclude that the use by Autec does not affect the essential function of the Opel's trade mark registered for toys (par. 24)

Regarding article 6 (1) (a) of the Directive :

This provision is not applicable : the affixing of a sign which is identical to a trade

mark registered, inter alia, in respect of motor vehicles to scale models of that make of vehicle in order to reproduce those vehicles faithfully is not intended to provide an indication as to a characteristic of those scale models, but is merely an element in the faithful reproduction of the original vehicles (par. 44).

In order to provide the referring Court with all those elements which may be of assistance in adjudicating on the case pending before it, the ECJ recalls that use of Opel's trade mark, which has a reputation in Germany, may be prohibited by virtue of article 5 (2) of the Directive if the use at issue constitutes use without due cause which takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the registered trade mark (par. 36).

2. Case No: C-321/03

Date: January 25, 2007

Parties: Dyson Ltd v. Registrat of Trade Marks.

Trade mark:



1 .The facts.

Dyson lodged an application at the UK Registry for the registration of several trade marks described as follows : "the mark consists of a transparent bin or collection chamber forming part of the external surface of a vacuum cleaner as shown in the representation ".

The application was rejected for lack of distinctiveness.

Dyson brought an appeal before the High Court of Justice of England and Wales, Chancery Division. The Court took the view that the trade marks were devoid of any distinctive character and were also descriptive of the characteristics of the goods. The High Court was uncertain, however, whether the trade marks had acquired a distinctive character as a result of the use made of them. The High Court was also uncertain whether a mere de facto monopoly can suffice to confer a distinctive character or whether it is necessary to require in addition promotion of the sign as a trade mark.

The High Court decided to refer questions in that regard to the ECJ for preliminary ruling.

2. The answer of the Court

Quite surprisingly, the Court did not answer to the questions posed by the High Court

since it took the view that it should first examine whether the subject matter of the application in question may be viewed as a " sign " of which a trade mark may consist within the meaning of Article 2 of the Directive.

Dyson has stated that its application does not seek to obtain registration of trade mark in one or more particular shapes of transparent collecting bin, but rather to obtain registration of a trade mark in the bin it itself.

The Court decided that if Dyson would obtain a registration, it would in fact obtain an unfair competitors advantage since it would be entitled to prevent its competitors from marketing vacuum cleaners having any kind of transparent collecting bin on their external surface, irrespective of its shape (par. 38) .

The Court concluded that the subject-matter of the application was a mere property of the product concerned and does not therefore constitute a sign within the meaning of Article 2 of the Directive (par. 39).

3-3 European Court of Human Rights

Trade marks as well as trade mark applications are protected against unlawful expropriation

Case No: 73049/01 (Only available in French)

Date: January 11, 2007

Parties: ANHEUSER-BUSCH INC. v. PORTUGAL

On January 11, 2007 the Grand Chamber of the European Court of Human Rights (ECHR) issued the long-awaited decision in the case Anheuser-Busch Inc. v. Portugal. It is the first trade mark case ever heard by the 17 judges of the Grand Chamber of the ECHR. The Court held that not only do finally registered trade marks enjoy protection, but also that trade mark applications come within the protections of Art. 1 of Protocol No. 1 of the Convention for the Protection of Human Rights and Fundamental Freedoms (The Convention). The ECHR concluded that trade mark applications have a proprietary nature protected under the Convention against unlawful expropriation. We reported on the decision of the Second Section of the ECHR in ECTA Flash No. 27-05 of November 2005. The Second Section held that only finally registered trade marks enjoy protection under Art. 1 of Protocol No. 1, but not trade mark applications or trade marks conditionally registered. The decision of the Second Section of the ECHR was appealed by Anheuser-Busch to the Grand Chamber.

The facts of the case:

Anheuser-Busch filed in 1981 in Portugal its well-known trade mark Budweiser for registration. After Anheuser-Busch was successful in cancelling Budejovicky Budvar 's designation of origin protected in Portugal pursuant to the Lisbon Agreement, the Budweiser trade mark was registered in 1995. In 1986, Portugal concluded a Bilateral Agreement with Czechoslovakia on the protection of geographical indications, which included the protection of the designations

"Ceskobudejovicke pivo" and "Ceskebudejovicky Budvar" (the 1986 Agreement). Based on that Agreement, Budejovicky Budvar challenged the decision of the National Institute for Industrial Property (NIIP) to grant the Budweiser trade mark registration before the Portuguese courts. The Court of First Instance dismissed the action, but the Court of Appeal overturned the decision and ordered the cancellation of the Budweiser registration. The Portuguese Supreme Court confirmed that decision

holding that the trade mark Budweiser violated the 1986 Agreement. Although it held that in Portugal, the trade mark Budweiser was neither misleading nor understood as a reference to the Czech Republic, the Court considered that the mark conflicted with the protected designations of origin *Ceskobudejovicke pivo* and *Ceskebudejovicky Budvar* arguing that the 1986 Agreement applies also to translations and Budweiser was a translation of the Czech appellation of origin.

Anheuser-Busch brought an action against Portugal before the ECHR arguing that the finding of the Portuguese Supreme Court, with its excessive interpretation of the Bilateral Treaty, constituted an unlawful expropriation of Anheuser-Busch's property rights in the Portuguese trade mark Budweiser.

The majority of the Second Section of the ECHR dismissed the action on the basis that Anheuser-Busch had not obtained definitive registration of its trade mark because under Portuguese law, third parties could still raise objection within three months of the registration and that a trade mark application, as opposed to a registration, did not constitute a "possession" protected under Article 1 of Protocol No. 1 of the Convention. Anheuser-Busch had therefore obtained only conditional rights which could still be extinguished retrospectively.

Anheuser-Busch appealed the decision arguing that not only trademark registrations but also applications were protected property. The Second Section's judgment was contradictory insofar as it correctly listed numerous attributes of trade mark applications that reflected their property character and yet stopped short of acknowledging that an application as such was indeed protected property. Anheuser-Busch also emphasized that in accordance with the priority principle, a fundamental principle of international intellectual property law, an applicant for a trade mark has a legitimate expectation, protected under Article 1 of Protocol No. 1, that its application will not be thwarted based on third party intellectual property rights only emerging later in time. In the case at hand, there were no prior rights to its trade mark application

on which a cancellation could be based. The cancellation of the trade mark was based on the abovementioned Czech geographical indications which enjoyed protection in Portugal only by the 1986 Agreement – 5 years after the Budweiser application was filed. The finding of the Court that Anheuser-Busch's trade mark registration violates the 1986 Agreement totally ignores the internationally accepted principle of priority. The Grand Chamber accepted the appeal.

Art. 1 of Protocol No. 1 reads as follows:

"Every natural or legal person is entitled to the peaceful enjoyment of his possessions. No one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by law and by the general principles of international law.

The preceding provisions shall not, however, in any way impair the right of a State to enforce such laws as it deems necessary to control the use of property in accordance with the general interest or to secure the payment of taxes or other contributions or penalties."

Reasoning of the Court

The Grand Chamber analysed in detail the proprietary elements of a trade mark application. It concluded in No. 78 of the decision:

"These elements taken as a whole suggest that the applicant company's legal position as an applicant for the registration of a trade mark came within Art. 1 of Protocol No. 1, as it gave rise to interests of a proprietary nature. It is true that the registration of the mark – and the greater protection it afforded – would only become final if the mark did not infringe legitimate third party rights, so that, in that sense, the rights attached to an application for registration were conditional. Nevertheless, when it filed its application for registration, the applicant company was entitled to expect that it would be examined under the applicable legislation if it satisfied the other relevant substantive and procedural conditions. The applicant company therefore owned a set of proprietary rights linked to its application for registration of a trade mark ... This suffices to make Art.

1 of Protocol No. 1 applicable in the instant case ...”

Despite its finding that Anheuser-Busch’s trade mark application “is entitled to a peaceful enjoyment of its possession” within the meaning of Art. 1 of Protocol No. 1, the Grand Chamber dismissed the appeal. It considered that the complaint concerned mainly the manner in which national courts interpreted and applied domestic law in proceedings essentially between two rival companies. In this context, it stated that its jurisdiction to verify that domestic law had been correctly interpreted and applied, is rather limited and that it is not its function to take the place of the national courts, its role being rather to ensure that the decisions of those courts are not flawed by arbitrariness or are otherwise manifestly unreasonable. It is not function of the ECHR to deal with errors of fact or law committed by a national court unless and insofar as they may have infringed rights and freedoms protected by the Convention. The fact that Budejovicky Budvar’s appellation of origin pursuant to the Lisbon Agreement were still on the register when Anheuser-Busch filed its trade mark application although it was successfully cancelled by Anheuser-Busch made it unclear whether Anheuser-Busch had the right of priority in respect of the Budweiser trade mark when the 1986

Agreement came into effect and it was questionable whether the 1986 Agreement were retrospectively applied. Under these circumstances, the Grand Chamber could not conclude that the decision of the Supreme Court was effected by any element of arbitrariness or that it was otherwise manifestly unreasonable. The judgment of the Portuguese Supreme Court did therefore not constitute an interference with Anheuser-Busch’s right to the peaceful enjoyment of its possessions.

Dissenting opinion

It is noteworthy that the Portuguese judge Mr. Cabral-Barreto and the Swiss judge Mr. Cafilisch wrote a strong dissenting opinion. They rejected the findings of the majority of the Court as “debatable and contradictory” and stated the only point that matters is whether there has been “any arbitrariness or manifest unreasonableness” on the part of the organs of the Portuguese state. The dissenting judges came to the conclusion that there was an unlawful interference because Anheuser-Busch enjoyed a legitimate expectation, protected by Art. 1 of the Protocol No. 1 and that the expectation, and in particular the priority inherent therein, was destroyed through the retroactive application of the 1986 Agreement.

Conclusion

There is no doubt that the decision of the Grand Chamber of the ECHR has far reaching consequences. First, it establishes that intellectual property, generally, is protected by Art. 1 of Protocol 1 of the Convention. Second, the Court determined that trade mark applications are specifically protected by the Convention against expropriation. The decision is a milestone in the longstanding and highly controversial debate on the relationship between trade marks and geographical indications. The decision will likely play a role in the ongoing WTO negotiations about amendments to the TRIPS Agreement. It is also an important precedent for future Bilateral Agreements as well as for the EU System for the protection of geographical indications. The EC Commission will have to take the decision into account when drafting the new Wine Regulation respecting the priority of prior trade mark registrations and applications in the area of wine designations.

Reported by:
Dietrich C. Ohlgart
Member of the Law Committee

To find the full text of the national decisions mentioned in ECTA Flashes, please search the ECTA Info Database including the free Darts Europe Case Law database available on ECTA’s website in the members’ only section.

4- ECTA News**4-1 Madrid System**

The third session of the Ad Hoc Working Group on the Legal Development of the Madrid System for International Registration of Marks at WIPO will take place from January 29 to February 2, 2007.

ECTA will be represented by Jan Wrede (Member of the Law Committee) and Sandrine Peters (ECTA Legal Coordinator).

4-2 19th ECTA OHIM-Link

The 19th ECTA OHIM-Link meeting will take place in Alicante on February 5, 2007.

4-3 2007 Joint Meeting

The 2007 Joint Meeting with APRAM, BMM, ECTA, GRUR, ITMA and MARQUES will take place in Copenhagen (Denmark) on March 1, 2007.

ECTA will be represented by Mireia Curell (President of ECTA), Simon Reeves (First Vice President of ECTA) and Sandrine Peters (ECTA Legal Co-ordinator).

4-4 ECTA meeting with WIPO

ECTA will meet WIPO's representatives on March 5, 2007.

Should you have any issues to be raised at this meeting, please send an e-mail to Sandrine Peters (ECTA Legal Co-ordinator) at: Sandrine.peters@ecta.org.

4-5 14th OAMI Users Group

The 14th OAMI Users Group meeting will take place in Alicante on March 9, 2006.

Should you have any issues to be raised at this meeting, please send an e-mail to: Joao Pereira da Cruz (Chairperson of the OHIM link Committee) at: jpcruz@mail.telepac.pt, and/or Sandrine Peters (ECTA Legal Co-ordinator) at: Sandrine.peters@ecta.org

4-6 ECTA meeting with the Commission

ECTA will meet the Commission's representatives from DG Internal market on March 15, 2007.

Should you have any issues to be raised at this meeting, please send an e-mail to Sandrine Peters (ECTA Legal Co-ordinator) at: Sandrine.peters@ecta.org.