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## 1. LAW

### ENFORCEMENT OF INTELLECTUAL PROPERTY RIGHTS

The Commission has made a statement concerning Article 2 of [Directive 2004/48/EC](#) of the European Parliament and of the Council on the enforcement of intellectual property rights where it provides a list of property rights that at least should be considered as covered by the scope of the Directive:

The statement can be found at:

[http://europa.eu.int/eur-lex/lex/LexUriServ/site/en/oj/2005/l\\_094/l\\_09420050413en00370037.pdf](http://europa.eu.int/eur-lex/lex/LexUriServ/site/en/oj/2005/l_094/l_09420050413en00370037.pdf)

### .EU

#### Czech Arbitration Court to provide ADR for .eu disputes

On April 12, 2005, EURid has appointed the Czech Arbitration Court to provide Alternative Dispute Resolution for .eu domain names in the 20 official languages of the European Union.

For further details please refer to EURid's website at:

<http://www.eurid.org/news/press/ADRproviders>

### GEOGRAPHICAL INDICATIONS

#### Geographical Indications in conflict with Trade Marks Decision of the WTO Dispute Settlement Panel of March 15, 2005

In the last ECTA Flash of April 4, 2005, we reported that WTO Dispute Settlement Panel rendered the decisions in the cases filed by the US and Australia against the EU claiming that the EC Regulation 2081/92 protecting geographical indications (GIs) for agricultural and food stuff products violate the provisions of the TRIPS Agreement as well as the provisions of GATT 1994 and the Paris Convention. The Panel Report is not only interesting to holders of geographical indications, but to trade mark owners. It is interesting to note that the US as well as the EU claimed victory in their press releases immediately issued on the date the Panel's report was published<sup>1</sup>. However, if one analyses the Panel's report (which consists of more than 170 pages), one reaches the conclusion that the EC can hardly claim a victory, although it was successful on some points of dispute.

The United States and Australia challenged the EC Regulation on two primary grounds, (1) discrimination against Australian and US holders of GIs (national treatment) and (2) failure to protect trade marks. The US and Australia prevailed on their claims that the provisions of the EC Regulation requiring WTO members outside the EU to provide procedures for applying for GI protection in the EU and restricting protection only to applicants for countries that provided equivalent and reciprocal systems as well as allowing only governments and not private parties to object to GI registrations.

The second challenge regarding the conflict between GIs and trade marks is more important for ECTA members. According Art. 14 (2) of the EC Regulation on GIs, a prior trade mark that conflicts with the younger GI has to co-exist with an identical or confusingly similar GI. Only if the prior trade mark has gained reputation and renown and has been used for quite

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<sup>1</sup> See references in the [ECTA Flash No. 7, April 4, 2005](#).

some time, the trade mark owner can prevent the registration of a later registered GI if its registration "is liable to mislead the consumer as to the true identity of the product" (Art. 14 (3)).

The US argued that the general co-existence provision of Art. 14 (2) constitutes a violation of Art. 16 (1) TRIPS, which grants the trade mark owner "the exclusive right to prevent all third parties from using an identical or confusingly similar sign for identical or similar goods or services". Moreover, Art. 16 TRIPS establishes the basic rule of priority (first in time, first in right), which was recently also confirmed by the ECJ<sup>2</sup>. The EC defended the complaint by arguing the co-existence between a prior trade mark and a later identical or confusingly similar GI is justified by Art. 24 (3) and Art. 24 (5), as well as by Art. 17 of TRIPS.

The WTO Panel found that Art. 24 (3) and 24 (5) of TRIPS do not provide exceptions to the rights accorded to trade mark owners under Art. 16. Rather, the Panel concluded that Art. 24 (3) and 24 (5) provide exceptions to the scope of protection that may be granted for geographical indications. Specifically, the Panel found that Art. 24 (5) creates an exception to the obligation to protect geographical indications generally under Art. 22 and to the additional protection granted for GIs for wines and spirits under Art. 23<sup>3</sup>. Moreover, the Panel expressly rejected the argument made by the EC that Art. 24 (5) TRIPS permits the co-existence of a registered geographical indication with a pre-existing trade mark<sup>4</sup>. In this connection, the Panel concluded that the EC Regulation is inconsistent with Art. 16 (1) TRIPS. Specifically, the Panel found that the EC Regulation fails to allow the owners of any and all validly registered, pre-existing trade marks the rights to prevent confusing uses of geographical indications registered under the EC Regulation.

However, the WTO Dispute Settlement Panel accepted the EC's arguments regarding Art. 17 TRIPS, which provides "limited exceptions to the rights conferred by a trademark, such as fair use of descriptive terms, provided that such exceptions take account of the legitimate interests of the owner of the trademark and of third parties". The Panel interpreted the exception to the exclusive right very narrowly. It highlighted two major qualifications that considerably circumscribe the permissible uses of conflicting GIs.

First, the Panel found that Art. 17 will apply only to a narrow category of GIs. The provision will not allow a geographical indication to be accorded protection under the EC Regulation if it causes a "relatively high" likelihood of confusion with a pre-existing registered trade mark<sup>5</sup>. In each and every case, therefore, the EC Commission must examine whether such likelihood of confusion exists, and if it does, must refuse protection to the GI pursuant to the EC Regulation. It can be concluded from the Panel's report that even in the event of a "relatively high" likelihood of confusion, in only a single EU Member State, the trade mark will be fully safeguarded and the protection of the GI must be refused<sup>6</sup>. The Panel's reasoning indicates further that, where GI registration is sought for a designation that is identical to a pre-existing registered trade mark, and is for use on identical goods, protection for the GI must be denied; the presumption of Art. 16 would apply and a "relatively high likelihood of confusion" would be presumed.

Very important are also the findings of the Panel as to the scope of a registered GI. Since Art. 13 of the EC Regulation on GIs provides protection of a registered GI against "any misuse, imitation or evocation, even if the true origin of the product is indicated, or if the protected name is translated ..." it has been argued that the registered GI grants also the

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<sup>2</sup> Judgement of 16 November 2004 ([C-245/02](#)) Anheuser-Busch v. Budejovický Budvar, narodni podnik.

<sup>3</sup> [Panel Report](#), para. 7.614.

<sup>4</sup> [Panel Report](#), paras 7.618, 7.625 and 7.688.

<sup>5</sup> [Panel Report](#), para 7.670.

<sup>6</sup> [Panel Report](#), para 7.657.

positive right to use it in translation<sup>7</sup>. That argument has been rejected by the Panel. The Panel emphasized in its report that the EC must ensure that use of any GI registered under the EC Regulation is confined strictly to the GI as registered. Registration of a GI "does not confer a positive right to use any other signs or combinations of signs, nor the use of the name in any linguistic versions not entered into the register"<sup>8</sup>. It is noteworthy to quote the Panel's finding in para. 7.657:

*"We recall our findings in paragraph 7.518 that the GI registration does not confer a positive right to use any other signs or combination of signs, nor to use the name in any linguistic versions not entered in the register. The trademark owners' right is not curtailed any such uses. If the GI registration prevented the trademark owner from exercising its rights against these signs, combinations of signs or linguistic versions, which do not appear expressly in the GI registration, it would seriously expand the exception [of Art. 17TRIPS] and undermine the limitations on its scope."*

That statement will surely be read with pleasure by trade mark owners, because it assures them that their rights in their trade marks continue to enjoy their full TRIPS rights to prevent the confusing use of anything other than the specific sign registered as a GI under the EC Regulation – including the right to prevent the confusing use of the translation of the registered GI.

The WTO Panel addressed also the well-known litigation between Anheuser-Busch and the Czech brewery Budejovický Budvar on Budweiser. Pursuant to the Accession Treaty with the Czech Republic, the three designations Budejovicke pivo, Ceskobudejovicke pivo and Budejovický Mestansky have been acknowledged as GIs and enjoy protection under the EC Regulation. The Panel made it clear that the registration of these GIs do not give the Czechs the rights to use Budweiser Beer as a claimed translation of Budejovicke pivo<sup>9</sup>. Anheuser-Busch will therefore be able to enjoin the use of Budweiser by Budejovický Budvar in all EC countries where it has pre-existing trademark rights of Budweiser.

Reported by Dietrich C. Ohlgart, Chairman of the Law Committee, DE

## 2. OFFICE PRACTICE

### .EU

#### EURid updates timetable for launch of .eu

Following conclusion of negotiations with ICANN to have .eu put in the root, the final preparations have begun for the launch of .eu.

These include:

- Publication of the Registrar agreement and accreditation of .eu registrars;
- Translation of the web site into all 20 official EU languages;
- Publication of registrant terms and conditions (in 20 languages);
- Publication of the draft .eu registration policy (full rules and procedures for .eu registration, including the sunrise period) to be approved by the European Commission.

<sup>7</sup> This argument has not been made by the EC, but it is made in various cases pending before courts in a number of Member States of the EU.

<sup>8</sup> [Panel Report](#), para 7.657.

<sup>9</sup> [Panel Report](#), para. 7.521.

Provided the European Commission approves the .eu registration policy in good time, EURid hopes to begin the .eu sunrise period before the end of 2005. General registrations will begin 4 months later.

You can see a more detailed timetable on EURid's web site at:

<http://www.eurid.org/euDomainNames/timetableLaunch>

### **Accreditation of Registrars to start May 05, 2005**

By registrar it is meant Internet Service Provider or other body who will access EURid's automated systems in order to register .eu names on behalf of their clients.

EURid is currently finalising the .eu registrar agreement and hope to publish it on May 05. Interested parties will be able to download the document from their website. Once EURid receives a signed agreement and the pre-payment, the registrar will be added to the list of .eu registrars to be published on their web site.

Those wishing to register a .eu name must do so through an authorised .eu registrar. EURid is not permitted to accept direct requests.

You can read more about becoming .eu registrar at:

<http://www.eurid.org/registrarInfo/becomingARegistrar.html>

## **OHIM**

### **Ordinary mail was not delivered in the city of Alicante on March 24, 2005**

As per Decision No EX-05-1 of the President of the Office dated March 30, 2005, please be informed that on March 24, 2005, ordinary mail was not delivered in the city of Alicante.

For further details, please refer to <http://oami.eu.int/EN/office/aspects/pdf/Ex05-1.pdf>

### **Neutral Background in Design Representations**

The OHIM has published an Examination Practice Note (1/2005) on the necessary neutral background of Design representations as per Article 36(1)(c) of the Community Design Regulation. The Office provides with some explanations as to the interpretation of "neutral background" and the possible consequences should this condition not be fulfilled.

For further details, please refer to <http://oami.eu.int/EN/design/pdf/practicenote1-2005.pdf>

### **Alicante News**

The OHIM has released issue # 04/2005 of the [Alicante News](#):

It include, amongst others, comments on:

- The OHIM's commitment to quality.
- Search reports online.
- Legalisation of certified copies from the Register of Community Trade Marks.

## United Kingdom

### Offensive Trade Marks in the UK - Corrigenda

Please be informed that the correct link to the UK Patent Office website is <http://www.patent.gov.uk/tm/reference/pan/pan0305.htm>

## 3. CASE LAW

### Court of First Instance of the European Court of Justice

#### On absolute grounds for refusal

##### 1. Case No: [T-260/03](#)

**Date:** 14 April 2005

**Parties:** Celltech vs OHIM

**Concern:** Provisional refusal of CTM application No [1731678](#) – CELLTECH applied for:

- 'Pharmaceutical, veterinary and sanitary preparations, compounds and substances', in class 5;
- 'Surgical, medical, dental and veterinary apparatus and instruments', in class 10;
- 'Research and development services; consultancy services; all relating to the biological, medical and chemical sciences', in class 42.

The examiner rejected the application for registration, basing the rejection on Article 7(1)(b) and (c) of Regulation No 40/94. He took the view that the sign at issue consisted of the grammatically correct combination of the two terms 'cell' and 'tech' (an abbreviation of 'technical' or 'technology'). As a consequence, he found that the mark applied for could not serve as an indicator of origin for the goods and services in respect of which registration was sought, because all of them fell within the field of cell technology. (4)

The Board of Appeal OHIM dismissed the appeal on the ground that Article 7(1)(b) of Regulation No 40/94 was a bar to registration of the word mark CELLTECH, since the latter was such as to be immediately and unambiguously perceived as a term designating activities in the field of cell technology and products, apparatus and equipment used in connection with, or resulting from, those activities. The Board of Appeal stated that the mark CELLTECH, which consisted of the combination of the English word 'cell' and the English abbreviation 'tech', each of which lacked any distinctive character individually, was nothing more than the sum of those two parts. Accordingly, the Board of Appeal found that the connection between the goods and services to which the application for registration related and the trade mark was not sufficiently indirect to endow the mark with the minimum level of inherent distinctiveness required under Article 7(1)(b) of Regulation No 40/94. (6)

#### Most relevant paragraphs:

At least one meaning of the word mark CELLTECH is 'cell technology'. (33)

The Board of Appeal did not establish that the term 'celltech', even taken as meaning cell technology, is such as to be immediately and unambiguously perceived as designating activities in the field of cell technology and products, apparatus and equipment used in connection with or resulting from such activities. Nor did it establish that the public targeted will view it purely as an indication of the type of goods and services designated by the sign. (40)

The Board of Appeal did not establish that the sign concerned, taken as a whole, would not allow the public targeted to distinguish the applicant's goods and services from those having a different commercial origin. (44)

**Outcome:** The court annuls the decision.

## On opposition

**1. Case No:** [T-353/02](#)

**Date:** 13 April 2005

**Parties:** Duarte y Beltrán vs OHIM

**Concern:** Opposition by Mirato S.p.A. (article 8.1.b - likelihood of confusion) against CTM application No [99747](#) – INTEA applied amongst others for :

- Perfumery, cosmetics, hair care products, soaps, oils for cosmetic purposes, depilatories, deodorants, nail polish, cosmetic pencils, toiletries, hair dyes, bath salts, false nails, nail care preparations in class 3.
- Sponges, soap boxes, toilet paper holders, towel rails, brushes, combs, comb cases, fitted vanity cases, powder compacts, perfume sprayers; electric combs; perfume vaporizers and burners in class 21.

The opposition was based on various trade mark registrations for the word mark INTESA, namely:

- Italian trade mark registration No 663887 registered for goods falling in classes 9-14-18 and 21;
- Italian trade mark registration No 390 998 registered for goods falling in class 3;
- Greek trade mark registration No 113 262 registered for goods falling in class 3;
- Finnish trade mark registration No 128 999 registered for goods falling in class 3;
- Swedish trade mark registration No 255 150 registered for goods falling in class 3;
- UK trade mark registration No 1 550 555 registered for goods falling in class 3;
- Irish trade mark registration No 161 650 registered for goods falling in class 3;

The Opposition Division refused the application for registration in respect of part of the goods opposed. Namely for all the goods in classes 3 and 21 with the exception of “toilet paper holders, towel rails and powder compacts. (9)

The Board of Appeal of OHIM dismissed the appeal considering that there is a likelihood of confusion between the marks. Indeed, the parties did not contested the fact that the goods are identical or similar. Visually and phonetically, the Board concluded that the marks were highly similar. Conceptually, the Board concluded that INTEA has no meaning in any of the languages where the earlier rights have been registered. However, “intesa” in Italian refers to a contract or agreement.

### Most relevant paragraphs:

The court considers the marks are visually similar as they differ only by one letter, namely the additional s in “intesa”, which is not in an important place in the word. (27)

Phonetically, for the Italian, Greek, Finnish and Swedish public, there is only a slight phonetical difference between both marks. (28)

Conceptually, the court concludes that the only meaning to be found for both marks, is the Italian meaning of “intesa” which means contract or agreement. (30-31)

**Outcome:** The action is dismissed.

## **2. Case No:** [T-286/03](#)

**Date:** 13 April 2005

**Parties:** The Gillette Company vs OHIM

**Concern:** Opposition by Wilkinson Sword GmbH (article 8.1.b - likelihood of confusion) against CTM application No [1486745](#) – XTREME RIGHT GUARD sport device applied for “Non-medicated preparations for use in the bath or shower; anti-perspirants; deodorants” in class 3.

The opposition was based on four German trade mark registrations, namely 3 figurative marks "WILKINSON SWORD XTREME" (Nos 399 23 715, 399 23 717 and 399 45 175) and 1 word mark for XTREME ( No 399 21 827) all registered in respect of goods in Class 3 and 8 . However, the opposition was only based on the following goods: shaving cosmetics.

The Opposition Division rejected the opposition considering that the marks were sufficiently different so as to avoid any risk of likelihood of confusion. (8)

The Board of Appeal of OHIM annulled the Opposition Division's decision. Indeed, it concluded that due to the high similarity between the goods involved and the existing similarity between the signs, there is a risk of confusion between the opposed trade mark and German trade mark registrations Nos 399 23 715 and 399 45 175 due to the dominant element XTREME.

### **Most relevant paragraphs:**

On public's degree of attention:

The court states that there is no reason to conclude that there will be a higher level of attention by the public for the cosmetics products concerned. (20)

On the similarity of the goods:

The court states that the public concerned will consider that the products of both parties make part of a same family and that there is no reason to conclude that there will be a higher level of attention by the public for the cosmetic products concerned. (20)

On the similarity of the signs:

- Visually, in the CTM the term XTREME has a dominant position and so does the German trade mark registration No 399 45 175. (55-56)
- Conceptually, in both marks (CTM and DE TM No 399 45 175), it is the element XTREME that has the most distinctive character. Being identical in both marks, the marks are conceptually similar. (72)
- Phonetically, the dominant element XTREME is phonetically identical and the other elements will not help to differentiate the marks. (74)
- On the likelihood of confusion, the court concludes that there is a likelihood of confusion between the CTM and DE TM registration No 399 45 175. (83)

**Outcome:** The action is dismissed.

## **4. ECTA News**

- ECTA will be represented at the **Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT)**, 14<sup>th</sup> Session, Geneva, April 18 to 22 by Jan Wrede (member of the Law Committee) and Sandrine Peters (ECTA Legal Co-ordinator).

- ECTA will be represented at GRÜR's Annual meeting in Frankfurt, Germany on May 25 to 28, 2004 by Robert Freitag (ECTA Past President and Member of the Council and Advisory Committees).

## 5. COMMUNICATIONS

Please be informed that the search engine on ECTA's website is now available.