

Flash ECTA Flash

European Communities Trade Mark Association

No. 04-05, February 7, 2005

ECTA

1980-2005



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1. LAW

ITALY

Italy Adopts New Industrial Property Code, Speedier Court Proceedings Expected

The new Code, approved on 23 December 2004 but not yet in force, greatly simplifies the procedures for obtaining or transferring industrial property rights, but above all introduces important changes in rules for court proceedings, which as a result should become much quicker.

The recently approved Italian Code of Industrial Property Rights repeals current national laws on patents and inventions, designs, trade marks, plant breeders' rights and semiconductor topographies, most of which date back to the years between 1939 and 1942, as well as the later amending laws and decrees issued until 2003 on industrial property matters.

The new Code, drafted by a special Committee of the Italian Ministry of Productive Activities which includes the ECTA member and Past-President Fabrizio de Benedetti, will come into force fifteen days after its publication in the Official Journal, which is expected during January 2005, except for the provisions concerning court proceedings, which will enter into force only six months later.

In substance, there have been no relevant changes in the provisions on the protection of patents for inventions, models, designs, trade marks etc., as these must conform with several international conventions and European Community directives. However, there have been significant changes and additions concerning several points, such as inventions by employees and researchers, the legal value of claims in determining the scope of patent protection, the limits within which preparing patented drugs in a pharmacy is legitimate, the prohibitions against adopting a company domain name in conflict with third parties' trade marks or distinctive signs, the publication of models and designs registered according to Italian copyright law, the exemption from application of copyrights until 19 April 2011 to designs and models that were in the public domain on 19 April 2001.

Greater changes concern the provisions on filing and examination of applications. In particular, rules have been introduced to simplify the filing of applications pursuant to provisions of the Trade Mark Law Treaty and Patent Law Treaty, although these two conventions have not been ratified by Italy yet. The opposition procedure to trade mark registration, which the previous laws provided for but was never applied, has been amended and better defined but will only come into force after a further decree is issued. The procedure for recordal of deeds of assignment and transfer of industrial property rights has also been streamlined.

The system for appeal against decisions by the Italian Patent and Trade Mark Office has been amended substantially and will work like a jurisdictional appeal. The procedure will be similar to the one used in appeals before administrative courts, and is therefore likely to be more complicated than the current one.

One fundamental change introduced concerns court actions. The competence of the specialised sections in twelve Italian Courts (Bari, Bologna, Catania, Florence, Genoa, Milan, Naples, Palermo, Rome, Turin, Trieste and Venice) is outlined more precisely and confirmed as far as industrial property matters are concerned. These courts, although they are defined as Community trade mark and design courts within the meaning of Regulations (EC) No. 40/94 of 20 December 1993 on the Community trade mark and No. 6/2002 of 12 December 2001 on Community designs, will have competence not only for trade marks, patents, utility models, plant breeders' rights, models, designs and copyrights, but also for other industrial property rights as defined by the new Code, which are geographical indications, denominations of origin, semiconductor topographies, reserved company information and

distinctive signs other than trade marks, which should include business and company names, signboards and company domain names. Rules of procedure provided for by Law No. 5/2003, which so far only applied to company and financial law, will also apply to all court proceedings concerning industrial property rights, including those involving the rights of inventors employed by companies, universities of public research organisations, as well as proceedings concerning industrial property related infringements of anti-trust or competition laws. These provisions are extremely innovative with regard to the current Code of Civil Procedure. During the first part of proceedings, parties will exchange statements within very short time limits, and during a second phase the court will intervene to attempt a settlement, decide on evidence to be produced by parties, or order technical expertise, especially when the conflict concerns the validity or infringement of a patent. This second phase should also take place in a much shorter time than the terms provided for by current rules, with the aim of concluding proceedings swiftly. However, the new rules of procedure will be applicable only six months after entry into force of the new Industrial Property Code, and it remains to be seen whether the shorter terms introduced – as feared by some experts - will prove inadequate for proceedings to progress correctly in view of the complexity of the issues involved in assessing the validity or infringement of industrial property rights.

Criminal sanctions for infringements of industrial property rights have been stepped up and extended, and courts now have more leeway in assessing damage not only on the basis of lost profit, but also of profit made through infringement of rights, as well as of royalties due had a license been granted.

Rules against piracy have been introduced, but are applicable only where there is evidence of intent and of systematic infringement. Along the lines of Law No. 350/2003, but with greater preciseness, the Code provides that the Ministry of Productive Activities, or mayors at a local level, will act against acts of piracy to seize counterfeit goods, which may be destroyed with a court's authorization. The sphere of competence of the National Anti-Counterfeiting Committee, established by Law 350/2003, is also better defined.

The role and tasks of the Italian Patent and Trade Mark Office and of the Ministry of Productive Activities have also been outlined more precisely, and include competence for granting fees applicable to industrial property rights and terms of payment. Lastly, pending patents, models, designs, trade marks, records, etc. will be examined under, and subjected to, the new Code's provisions.

Reported by Fabrizio de Benedetti, Italy

2. OFFICE PRACTICE

WIPO

[WIPO](#) has published a summary of all the new parties to WIPO-Administered Treaties in 2004, being in the field of Industrial Property, Copyright and related rights and to the international convention for the protection of new varieties of plants.

3. CASE LAW

1. COURT OF FIRST INSTANCE OF THE EUROPEAN COURT OF JUSTICE

On absolute grounds for refusal

1. **Case No:** [T-387/03](#)
Date: 19 January 2005

Parties: Proteome Inc vs OHIM

Concern: Refusal on basis of Article 7(1)(c) – descriptiveness of Regulation No 40/94 of CTM application No [1544766](#) – BIOKNOWLEDGE for “Databases, in physical and electronic form, providing information relating to organisms, and computer software for use in searching, retrieving, compiling, organising, managing, analysing, communicating and/or integrating data in and among repositories of information in electronic form, including computer databases” in class 9., “Printed material, including guides and manuals, concerning repositories of information relating to organisms” in class 16 and “Information and computer services, namely developing and/or providing access to databases containing information relating to organisms, and computer software related thereto” in class 42.

The examiner refused the CTM application on the ground of Article 7(1)(b) and 7(1)(c).

The Board of Appeal dismissed the appeal on the ground that the word BIOKNOWLEDGE is descriptive of the goods and services concerned and is devoid of any distinctive character.

Most relevant paragraphs:

- “Having regard to the definition of the relevant public in this case, juxtaposition of the terms ‘bio’ and ‘knowledge’ to form the word BIOKNOWLEDGE prompts the conclusion that that word has at least one possible meaning, namely, specific information about living organisms, that is to say, information particular to those organisms” (32).
- “Furthermore, the Court has earlier stated, in connection with a term including the element ‘bio’, that ‘since the abbreviation BioID is composed of abbreviations which are part of the vocabulary of the reference language [namely, English], it does not represent an exception to the lexical rules of that language and is therefore not unusual in its structure” (33)
- “There exists, from the point of view of the relevant public, a sufficiently direct and concrete connection between the meaning of that term and the characteristics of the goods and services concerned “ (35)

Outcome: Appeal dismissed. The court concluded that “the structure of the term BIOKNOWLEDGE cannot be perceived as unusual by the consumers concerned, since it complies with the English rules of word composition” (41) and that “the term BIOKNOWLEDGE is descriptive of the goods and services in respect of which registration has been applied for” (42).

On opposition

2. Case No: [T-57/03](#)

Date: 1 February 2005

Parties: SPAG vs OHIM

Concern: Opposition by Société provençale d’achat et de gestion (SPAG) SA against CTM application No [7179](#)– HOOLIGAN for “Clothing and headgear” in class 25 on the basis of two earlier marks of which it is the rightholder, namely:

- the international word mark OLLY GAN No 575552, with effect inter alia in Germany, Spain, Italy and Portugal, covering inter alia clothes in Class 25;
- the French word mark OLLY GAN No 1655245, covering inter alia clothes in Class 25.

Grounds for opposition: article 8(1)(b) – likelihood of confusion

The Opposition division upheld the opposition on the grounds that, in France and in Portugal, there was a likelihood of confusion due to the identical nature of the products covered by the marks in conflict and the phonetic and, consequently, conceptual similarity between the word marks at issue.

The Board of Appeal annulled the decision and found essentially that the average French or Portuguese consumer was aware of the usual meaning of the English word 'hooligan' and its spelling and pronounced the marks in conflict in a different manner. The Board of Appeal concluded that there was no visual, phonetic or conceptual similarity between the marks in conflict and that, accordingly, there was no likelihood of confusion between the marks in conflict

Most relevant paragraphs:

On the admissibility of the matters of fact and law put forward before the Court of First Instance

- The Court finds that OHIM was not required to examine the reputation of the earlier marks in question because that reputation was not part of the opposition proceedings brought before it. (31)

- Regarding the inherent distinctive character of an earlier mark, the Court finds, conversely, that OHIM was required to examine that matter, if necessary of its own motion, once opposition proceedings had been brought. Unlike reputation, the assessment of intrinsically distinctive character does not presuppose any matter of fact which is up to the parties to establish. Moreover, that assessment does not require the parties to provide facts, arguments or evidence tending to establish that inherent distinctive character, since OHIM alone is able to detect and assess the existence thereof having regard to the earlier mark on which the opposition is based. (32)

On the substance

- The Court notes that the visual similarity is limited to the common components put forward by the applicant. However, the marks in conflict contain significant visual differences. The earlier marks are made up of two words, beginning with an 'o' and containing a double 'l' and a 'y'. The mark for which registration is sought is made up of a single word, beginning with an 'h' and containing a double 'o' and an 'i'. It must therefore be held that the Board of Appeal was right in finding that the marks in conflict are visually different. (56)

- The phonetic similarities are stronger than the differences and the marks HOOLIGAN and OLLY GAN do contain phonetic similarities for the relevant public. The Board of Appeal therefore committed an error of assessment in finding that the marks in conflict are phonetically different for the average French and Portuguese consumers. (62)

- Conceptually, the average consumer will register the earlier marks as a first name and a surname. (66)

- In the context of the overall assessment of the marks in conflict, the Board of Appeal was right in finding that the relevant public would not be likely to confuse the mark for which registration is sought with the earlier marks, particularly in the field of clothing. (69)

Outcome: The action is dismissed

2. UNITED KINGDOM

On Bad Faith

Date: November 22, 2004

Parties: Reckitt Benckiser (UK) Limited v. Robert McBride Limited

Concern: Opposition in the United Kingdom to trade mark application 2304053

Summary:

This was an Appeal in the UK to the Appointed Person (Robert Arnold QC) from a Decision by the Hearing Officer at the UK Patent Office that the trade mark in question had been applied for in bad faith.

Robert McBride Ltd (the Applicant) had applied for a figurative trade mark which consisted of a hexagon divided by 3-pointed star which touched 3 of the angles of the hexagon and with 3 lozenge shapes in-between the points of the star. There was no indication on the application form that the mark was a 3-dimensional device and indeed in their covering letter, the agents for the Applicant described it as "Hexagon 2D mark".

The application was opposed, *inter alia*, on the grounds that it was actually being used as a 3-dimensional mark, namely as the container for an air freshener and so, since the Applicant had no *bona fide* intention of using it in the form in which it had been applied, the application had been made in bad faith.

The opposition was upheld for this reason by the Hearing Officer and the application was refused. The Applicant appealed, citing 6 reasons why the decision was wrong, underlying most of which was the contention that the Hearing Officer was wrong to proceed on the basis that there is a sharp distinction between a two-dimensional mark and a three-dimensional one, at least in the circumstances of this case.

In a long judgement, the Appointed Person made an extensive review of the case law in the UK on bad faith and came to the conclusion that he was bound by a recent Decision in the Court of Appeal in which it had been held that any case involving bad faith would turn on its own facts, and that the test for bad faith was a combination of a subjective test and an objective one "*..... which requires that before there can be a finding of dishonesty it must be established that the defendant's conduct was dishonest by the ordinary standards of reasonable and honest people and that he himself realised that by those standards his conduct was dishonest*".

The Appointed Person made it clear that he himself had some reservations over this judgement, but that he was bound by it as coming from a higher authority. He then went on to dismiss most of the Applicant's grounds for appeal. However, he did decide that there was in fact a strong chance that the mark was being genuinely used, because the actual packaging for the product contained a window through which the side of the container could be seen and this view very closely resembled the trade mark applied for. Therefore, the Applicant's statement made at the time of filing that he intended to use the trade mark could have been true at the time, and it was agreed by all that the Applicant's state of mind at the time of filing was highly relevant.

In conclusion, the Appointed Person held that for a finding of bad faith "*.....it is not enough for the applicant to have made a statement of intention to use the mark applied for that turns out to have been incorrect: it must be shown that the applicant knowingly made a false statement An honest but mistaken, statement that the applicant intends to use the mark is not bad faith.*"

Outcome: The appeal was upheld and the opposition was dismissed.

Reported by David Tatham, UK

4. ECTA NEWS

- On January 17, 2005, the **OHIM Link Committee** met **OHIM officials** in Alicante (Spain). The report of the meeting is to be found on [ECTA's website](#) in the OHIM-Link Paper section.
- On February 18, 2005, ECTA is having a meeting with ITMA (UK) – APRAM (FR) – BMM (Benelux) – GRUR (Germany) and MARQUES in Cambridge (UK). ECTA will be represented by Max Oker-Blom (President), Simon Reeves (Second Vice-President), Norman MacLachan (Treasurer) and Sandrine Peters (Legal Co-ordinator).

5. COMMUNICATION

We would like to remind members that the Membership Directory is provided for the convenience of members who wish to contact other members on an individual basis. These addresses may not be used for mailing circulars, advertising, etc.

The list can only be used for other purposes with the explicit consent of ECTA's Council. Any such request must be sent to the Secretariat.