

Boult Wade Tennant launches in Spain

This is an exciting time for our firm. Not only has it been another successful year at INTA with record numbers attending our annual reception, we have also opened another office in Europe. Spain, the Eurozone's fourth largest economy, and arguably emerging as one of the fastest growing, will be home to a team of Boult Wade Tennant trade mark and patent attorneys.

Located in Madrid, the office is headed up by Principal and Partner, Álvaro Cabeza, a well-known and respected practitioner who has a longstanding relationship with the firm. The team, including Ana S Maeso and Dr Isabel Blanco-Esguevillas (who will be transferring from our London office), has international experience and an in-depth knowledge of the local market. We expect to be able to leverage the resources and skills of our integrated network of trade mark attorneys to service our clients not only in Spain but the whole Hispanosphere.

With our sights set on launching another office in Europe late this year, it is a busy but thoroughly rewarding period for the firm. We will update you on our new ventures shortly.

John Wallace, Managing Partner and Head of Trade Mark and Domain Names practice group



HEADLINE ARTICLES

Brexit and EUIPO Oppositions and Invalidations

The UK government, and the EU Commission, continue to negotiate the terms of Brexit. Nothing is agreed until everything is agreed, and whilst there is increasing harmony and convergence of opinion, many points of difference remain at time of writing (May 2018).

One particular complication is that the EUIPO runs on the basis of "procedural economy". Thus, a right which has been asserted in proceedings has to be in force throughout those proceedings. For example at the EUIPO, if an opposition is lodged on the basis of one prior registration, and if that registration falls due for renewal before the opposition decision has issued, and if that registration is not renewed, then the opposition is deemed abandoned because the asserted right is no longer in force.

Applying this to Brexit, that could mean that in oppositions and invalidations, all asserted rights which relate only to the UK – including UK Trade Mark registrations and applications – would cease to be a basis of oppositions and invalidations, which are still undecided at the Brexit point. For example, an opposition based on an EUTM, a French registration and a UK registration would progress only on the basis of the EUTM and French registrations. An opposition based only on a UK application would go straight to decision, in favour of the Applicant, because the opposition would have no ongoing basis.

It is important to remember that nothing is yet certain. The principle of "legitimate expectation" is particularly key in this circumstance and discussions are ongoing. However, considering strategies in light of Brexit possibilities, we strongly recommend that, for those who would previously have filed only a UK national application despite having an interest in EU trade, a parallel EUTM should now also be considered.

Author: Catherine Wolf, Partner

NEWS FROM THE TEAM

> OLÉ Madrid

Boult Wade Tennant has opened an office in Madrid, Spain. This is part of the firm's strategy of growth and consolidation. The team includes **Álvaro Cabeza**, Principal and Partner, **Ana S. Maeso**, Partner and **Dr Isabel Blanco-Esguevillas**, Lawyer, who will be transferring from the London office in the near future.

The team in Madrid will be led by Álvaro Cabeza who has held a variety of senior roles during his career, including managing partner in another firm. The team combines local expertise, international experience and commercial acumen. With more than 30 years' experience advising domestic and international clients from a wide range of sectors, the group advises regularly on highly complex IP matters.

The office is located on Avda. De Europa 26, ÁTICA 5, Planta 2, 28224 Pozuelo de Alarcón.

> Events

Catherine Wolfe, Partner and **Daniela Paull**, Attorney, are attending the 37th Annual ECTA conference in June. To find out more about the programme, speaker and to register visit: <http://conference.ecta.org/welcome/>

.eu domain names and Brexit

The European Commission recently issued a "Notice to Stakeholders" ([here](#)) highlighting that, in the absence of any transitional arrangement, the regulatory framework governing .eu top level domain names will cease to apply to the UK as of 30 March 2019, the date of the UK's withdrawal from the European Union.

The stated effect of this is that as things stand:

1. UK entities and residents will no longer be eligible to apply for or renew .eu domains post-Brexit;
2. the Registry for .eu domains, EURid, may take action of its own volition to revoke any domains which are found to be held by registrants who no longer meet the eligibility criteria post Brexit, with no recourse to appeal;
3. It will no longer be possible to invoke a UK right, such as a UK trade mark, in recovery proceedings taken against a speculative or abusive .eu domain name registration;
4. Registrars who sell on.eu domains will be obliged to ensure that agreements with registrants of .eu domains designate an applicable law of one of the EU-27 countries, and to amend any existing agreements for which the applicable law is currently UK law.

It is estimated that there are over 300,000 .eu domain names registered to UK holders currently. We recommend that clients act now to audit their domain name portfolios and identify any .eu domains registered to UK based entities or individuals. Action beyond this is not necessarily immediately required, but plans should be put in place to safeguard any .eu domains post-Brexit, in case no transitional arrangements are agreed.

The easiest solution is to transfer (or put plans in place to transfer, subject to further news on transitional arrangements) .eu domains registered to UK based holders to EU-27 based individuals, subsidiaries or sister companies where possible. Clients currently hosting their main website at a .eu domain who do not have an EU-27 home to which it can be transferred may wish to consider registering another domain name now and re-directing traffic there, to avoid any major disruption. Clients who have registered .eu domains for defensive purposes and could risk losing the right to renew them post-Brexit should ensure that it has EU trade mark rights in place which could be relied on to base a challenge to any abusive registrations.

Author: Donna Trysburg, Attorney

No break for KitKat from Advocate General Whatelet

In this latest instalment in Nestlé's long struggle to register its KitKat 4 finger chocolate bar as a shape mark in the European Union, Advocate General Whatelet provides his **Opinion** in relation to an appeal against a 2016 decision by the General Court which found that Nestlé had failed to show that its shape mark had acquired distinctiveness throughout the EU.

Nestlé and the EUIPO appealed the decision arguing that by focusing on individual national markets, the General Court's interpretation is incompatible with the unitary character of the European trade mark and the very existence of a single market.

The case is no longer about whether the shape falls foul of the functionality issue. It is clear that Nestlé was able to show that the shape had acquired distinctiveness through use in some territories and we are now looking at whether the evidence was sufficient to support this throughout the EU.

The Advocate General reviewed the CJEU's 2012 decision in *Chocoladenfabriken Lindt & Sprüngli v OHIM* concerning the shape of Lindt's chocolate bunny, in which the Court had held that it would be unreasonable to require proof of acquired distinctiveness for each individual Member State, however, this does not imply that a trade mark applicant can leave out entire regions and markets.

AG Whatelet's interpretation is somewhat less strict and bears in mind commercial realities. He acknowledges that quantitatively sufficient evidence adduced for some national markets may be sufficient to extend to markets for which such evidence has not been provided, depending in each case on the goods/services covered by the application.

For example, the lack of any evidence in relation to Luxembourg in itself would not automatically be fatal to an attempt to establish acquired distinctiveness for the whole of the EU, where it can be extrapolated that for the particular goods/services concerned Luxembourg is the same market as Belgium, France or Germany and sufficient evidence had been provided with regard to those territories.

In the present case, Nestlé had filed compelling evidence in relation to 10 of the 15 Member States relevant at the time but had not filed any evidence in relation to Luxembourg and, according to the General Court, insufficient evidence in relation to Belgium, Ireland, Greece and Portugal. Nestlé further had not filed any evidence that showed that the Belgian, Irish, Luxembourg, Greek and Portuguese markets are comparable for the product in question to the territories for which they had been able to show that the mark acquired distinctiveness.

The Advocate General concludes that in the absence of such evidence the General Court had no choice but to find against Nestlé and proposes that the CJEU dismiss the appeals.

Although the Advocate General's Opinion, if followed by the Court, is another blow for Nestlé, it is encouraging in that his overall approach is more pragmatic and takes into account marketing considerations. Nevertheless it is clear that proving acquired distinctiveness for a trade mark throughout the EU remains time consuming and expensive.

Author: Daniela Paull, Attorney





Putting their best foot forward

Adidas has prevailed in a long running series of disputes regarding their three stripe position mark.

In two General Court decisions Adidas has succeeded against Shoe Branding Europe BVBA in long running oppositions against a position mark application for a two stripe mark applied to shoes.

Adidas are the proprietors of a three stripe position mark applied to shoes. This, it is fair to say, is a well-known mark enjoying a reputation. This was something Adidas were able to prove.

In the first application Shoe Branding Europe applied for a position mark on shoes consisting of two stripes and covering footwear. Adidas opposed. Although initially unsuccessful, they had subsequently successful before the General Court. This was then upheld by the CJEU and remitted back to the Board of Appeal who then found in favour of Adidas. This decision was appealed to the General Court which has now issued a decision.

In the meantime, Shoe Branding Europe filed a second application for an identical mark covering "safety footwear for the protection against accidents or injury". Unsurprisingly this was also opposed by Adidas who were unsuccessful at first instance. On appeal to the Board of Appeal Adidas succeeded and this was appealed to the General Court who upheld the decision of the Board of Appeal.

Both Board of Appeal decisions found for Adidas based on their enjoying a reputation in the mark. Pleas under likelihood of confusion were not examined. Shoe Branding raised a number of lines of attack against these decisions.

The most interesting of the attacks related to the possible impact

of co-existence of the two marks and the previous use that had been made of the Applicant's mark. The Applicant claimed that such co-existence could weaken the link made between the two marks in the eyes of the consumer. They also argued that such co-existence could give them due cause such that Article 8(5) did not apply. They also claimed that earlier use should be considered.

Although the General Court confirms that earlier use of the mark and co-existence can provide a "due cause" defence there are a number of criteria which must be met. These are:

- The mark must have been used throughout the territory of the earlier mark (in this case the EU)
- The use should not have been challenged by the proprietor of the earlier mark (co-existence must be "peaceful")
- The Applicant must have acted in good faith when using the mark

Failure to show these, or even some of these conditions, can result in a finding that there is a link between the marks and that there is no "due cause" defence.

On the facts of the case the Applicant failed to demonstrate any of the above three criteria and their attacks were therefore rejected.

The appeals have therefore been upheld and Adidas continues to prevail. It remains to be seen whether a further trip to the CJEU is now on the cards.

Author: Peter Vaughan, Attorney

Afghanistan joins the Protocol

Afghanistan joins the Madrid Protocol from 26 June 2018. In March the Afghan Government deposited its instrument of accession to the Madrid Protocol, making it the 101st member of the Madrid System which will cover 117 countries. From 26 June 2018, local brand owners in Afghanistan can protect their trade marks elsewhere using the Madrid System. This also means that foreign applicants based outside of Afghanistan can, from the same date, protect their trade marks in Afghanistan through the Madrid System when they either file a new international application, or a subsequent designation to extend an existing registration. Details of the fees and individual requirements are yet to be published. For further information please see **Information Notice 5/2018** published on 25 April. This is a potentially cost effective solution for any trade mark owners that would like to protect their mark in Afghanistan using the benefits of the Madrid system. If you would like to discuss the possibility of designating Afghanistan in a new application or a subsequent designation via the Madrid system please speak to your usual advisor.

Author: Daniela Paull, Attorney

New administrative route for Benelux trade mark cancellation proceedings

As a result of changes to Benelux trade mark law, which come into force on 1 June 2018, requests for cancellation of a Benelux trade mark registration can as of that date be filed via the Benelux Office for Intellectual Property (BOIP). The BOIP will be able to handle non-use revocation as well as invalidity actions (both on absolute and relative grounds). This offers a cost effective and potentially faster alternative to the existing cancellation route via the Courts, which also remains available.

Author: Daniela Paull, Attorney

Dr Blanco Esguevillas, Spanish Lawyer and Trade Mark Assistant, publishes her latest book

Dr Blanco Esguevillas, an expert in the fashion sector, has recently published her latest book: *Legal protection and effectiveness of unregistered industrial design*. It delves into the complexities of design protection, governed by the EU Community Design Regulation (6/2002). It considers the obstacles, the process of registration and the disadvantages of the unregistered community design. Click [here](#) to read an abstract.

Dr Isabel Blanco Esguevillas

Spanish Lawyer and Trade Mark Assistant

Isabel is a qualified Spanish Lawyer and a Trade Mark assistant in the Trade Marks and Domain Group and joined Boulton Wade Tennant in 2017.

Before joining Boulton Wade Tennant, she worked in the Operation Department as examiner of EUIPO (European Union Intellectual Property Office). In addition, she has experience lecturing at University to graduate students, PhD students and lawyers. She also is a professor in several online courses of Tirant Lo Blanch (see profesorado, Prof Dra. Isabel Blanco Esguevillas. Abogada y Doctora en Boulton Wade Tennant: Patent & Trade Marks Attorneys, London.)



OLÉ Madrid

Announcing the opening of our new office

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PUBLICATIONS

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