

Welcome to the Summer edition of Boult.bites.

This year's INTA was in Boston USA, and was as busy, enjoyable and fruitful as ever. We held a very well attended reception at The City Winery; thank you to all our friends who attended. We are looking forward to meeting our friends, old and new, at next year's meeting in Singapore.

Now we are back to normality, in this edition we take a look at the EUIPO's decision on the invalidity of a three-stripe mark by Adidas; G4S PLC's successful opposition to an application by F & G Kites Limited; a useful reminder of the evidence required when defending a registration that has been challenged on the grounds of non-use; the 4th Latin American country that will be joining the Madrid Protocol; and a new rule introduced by the US Patent and Trademark Office.

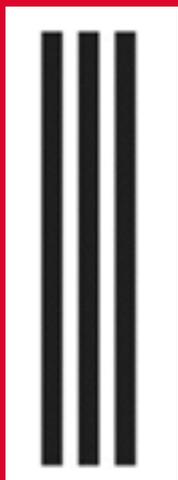
John Wallace, Managing Partner and Head of Trade Mark and Domain Names practice group



HEADLINE ARTICLES

General Court confirms EUIPO's decision on the invalidity of a three-stripe mark by Adidas

In a very recent decision of June 19, 2019 (Case T-307/17) the General Court had to decide whether or not the following trade mark registered by Adidas AG (hereinafter referred to as "Adidas") had to be declared invalid based on absolute grounds:



What had happened?

On December 18, 2013 Adidas had filed an EUTM application (No. 012442166) for the above sign covering *clothing, footwear and headgear* in Class 25. The sign was filed as a figurative trade mark and the following description was added: *The mark consists of three parallel equidistant stripes of equal width applied to the product in whichever direction.* The EUIPO accepted the application which proceeded to registration on May 21 2014.

Shortly thereafter, on December 16, 2014, Shoe Branding Europe BVBA (hereinafter referred to as "Shoe Branding"), filed an application for revocation of invalidity against Adidas' trade mark at issue, claiming that it was devoid of any distinctive character.

In the following proceedings the Cancellation Division, the Board of Appeal as well as the General Court had to determine as to whether Adidas' trade mark possesses sufficient inherent distinctive character and/or had at least acquired distinctiveness through use. In that respect, Adidas had submitted various arguments along with various evidence; claiming also that notwithstanding the fact that the trade mark in question had been filed as a *figurative trademark* it rather should be considered as a *pattern trademark* (which for Adidas would be more favourable in light of the evidence submitted). Interestingly, Adidas had not disputed the lack of inherent distinctive character of the trade mark at issue

Since neither the Cancellation Division nor the Board of Appeal decided in Adidas' favour, Adidas ended up filing an appeal before the General Court claiming that the Board of Appeal

- had wrongly dismissed numerous items of evidence on the ground that that evidence related to signs other than the trade mark at issue,
- made an error of assessment in holding that it was not established that the trade mark at issue had acquired distinctive character following the use which has been made of it within the European Union.

Continued

NEWS FROM THE TEAM

> Partner **Charlotte Duly** and Trade mark Attorney **Daniela Paull** will be attending the 33rd Marques Annual Conference in Dublin from 17-20 September.

> Partner **Emma Pitcher** will be attending the American Bar Association (ABA) IP West Meeting in San Antonio, Texas from 1-3 October.

> Managing Partner **John Wallace** and Principal and Partner of Boult Wade, S.L. **Álvaro Cabeza** will be attending the XXI Work Sessions and Administrative Council of ASIPI event in Lima, Peru 27-30 October.

> Partners **Emma Pitcher** and **Michael C. Maier** will be attending the INTA Leadership meeting being held in Austin, US , 19-22 November.

As always, if you are attending any of the above conferences and wish to arrange a meeting please get in touch.

> Boult Wade Tennant are proud to be supporting charities: Bowel Cancer UK and Plastic Oceans UK as this year's staff chosen charities, alongside the others we have committed our support to.

Following Adidas' roadmap, the General Court had to discuss various legal aspects associated with the brought claims.

Dismissal of evidence

Firstly, the General Court stated that in the context of an invalidity proceeding for the lack of inherent distinctive character, acquired distinctiveness must be demonstrated (1) either before the trade mark was registered or (2) in the period between being registered and the date of which a declaration of invalidity was sought.

Decisive for the assessment whether or not the evidence provided by Adidas was sufficient was, *inter alia*, the question whether the mark at issue had to be considered as figurative trade mark (in which case its proportions of the registered form would be a crucial factor) or whether it needed to be rather seen as a pattern trade mark (in which case deviations of the registered form would not be very relevant as proportions are not fixed). In that respect, it needs to be noted that at the time of the filing the EUIPO did not offer applicants the option to distinguish between both forms. After taking the various arguments into consideration the General Court came to the conclusion that Adidas' trade mark was a figurative and not a pattern trade mark.

This conclusion had, however, a tremendous impact on the following logical consequences as the evidence provided by Adidas included, to a great extent, specimen showing variations of the trade mark in question, namely with different proportions, such as:



Adidas argued that the use shown in the provided evidence does not alter the distinctive character of the sign and thus, similar to the proceedings in a revocation action, must be considered as sufficient proof of use. However, in contrast, the General Court held that in the framework of demonstrating acquired distinctiveness, the evidence must show exactly the sign applied for and not any variations of it. Thus, in its view, the trade mark proprietor can only rely on the use of the trade mark such as it was registered. The General Court explained this reasoning by the fact that different rationale needs to be applied for trade marks which have already been registered and whose distinctive character is not disputed from trade marks that acquire trade mark protection only through specific use made of that sign.

Acquired distinctiveness through use of the trade mark within the European Union

Adidas claimed that it provided a large amount of evidence (12,000 pages!) regarding the use of the trade mark in question in the EU along with figures relating to turnover, marketing expenses etc. and surveys. However, the General Court confirmed the Board of Appeal's point of view that it was not possible to establish a link between the figures provided and the trade mark at issue.

With respect to the provided market surveys covering Germany, Estonia, Spain, France, Italy, the Netherlands, Romania, Finland, Sweden and the United Kingdom, the General Court criticised the way consumers were asked, stating that it could not be ruled out that the formulation of the question facilitated the association of the mark with a particular undertaking and, besides other reasons, concluded that the Board of Appeal was right to dismiss the market surveys.

Finally, the General Court confirmed that, in principle, when a trade mark is inherently devoid of distinctive character throughout all Member States of the European Union, the acquisition of distinctive character through use must not be demonstrated in each individual Member State. However, pointing out further, the General Court concluded that the overall evidence provided by Adidas was not sufficient as it covered only a limited part of the European Union.

Consequently, the General Court dismissed Adidas' action.

Comment

The General Court's decision feels convincing in many aspects but certainly still leaves room for Adidas to appeal to the Court of Justice of the European Union.

In any case, the decision covers many interesting legal topics and shows (again) how important it is to collect the right type of evidence, be it in a revocation action or to demonstrate acquired distinctiveness in the context of a cancellation action, which as the General Court clearly pointed out, is subject to different rationales and requirements. I would strongly recommend reading the full decision.

Author: Michael C. Maier, LL.M. Partner

G4S secure a win

Summary

G4S PLC and G4S Cash Services (UK) Limited (together “G4S”) successfully opposed an application by F and G Kites Limited (“F and G”) for the stylised word SECURICOR in Class 9 on the grounds of passing-off and bad faith. The decision highlights how it is possible to retain goodwill in historical marks that are no longer used, and how an applicant’s pattern of behaviour can contribute to a finding of bad faith.

Background

F and G (previous name Securicor Group Limited) filed UK Application No. 3254422 for the following mark, covering various security and detection goods, amongst others:



G4S opposed this application on the basis of various UK and EU word mark registrations for SECURICOR, as well as UK Registration No. 2391942 for the following logo:



The opposition was originally based on registered marks and likelihood of confusion, in addition to the ground of passing-off. G4S did not rely on the ground of bad faith at first, but were successful in requesting its inclusion during the proceedings. As the registered marks had not been used, the opposition turned on passing-off and bad faith.

Passing Off

G4S claimed they had used the mark SECURICOR since 1953 in respect of “security apparatus, equipment and instruments” and “services supplied in the protection and guarding of people, buildings, property and assets”.

Even though G4S has stopped using SECURICOR on its own in 2004, the proof of use requirements do not apply to the ground of opposition under Section 5(4)(a) and so the opposition proceeded under this ground. The evidence demonstrating goodwill could come from any time period and G4S were able to provide enough evidence of substantial revenue under the SECURICOR mark up until 2004.

The key issue was whether G4S still had goodwill in 2017, the date of the application, and whether it was attached to the business. They submitted two pieces of evidence dated after 2006 to show ongoing goodwill in the mark SECURICOR. The first was an article from 2012 stating that G4S was contracted to do the security for the Olympics. The second was an article from September 2017, dated 11 days after the application was filed, confirming that G4S was operating two detention facilities in the UK. Although the second article was dated after the date of the application, it was held that it was still valid evidence given the context. Overall, it was held that G4S still enjoyed reasonable goodwill at the relevant date in

relation to “Services supplied in the protection and guarding of people, buildings, property and assets”. No goodwill was found in relation to “security apparatus, equipment and instruments”.

Despite G4S ceasing to use the mark, it was held that use had not ceased entirely as it was being used to an extent as the composite logo mark. In addition, the success of the mark when it was used on its own was significant and could not be ignored. Due to this, it was held that an association between the mark SECURICOR and G4S was maintained.

Turning to misrepresentation, a factor identified in the decision was the closeness of the parties’ respective fields. Many of the goods applied for were products for use in the security industry. There was therefore not a high burden for demonstrating misrepresentation. Taking into account F and G’s propensity to register famous marks, which is discussed further in relation to the bad faith ground below, it was held that there was likelihood of misrepresentation, and that damage could follow from this in a number of ways.

The ground of passing off therefore succeeded, but only in relation to some of the goods in Class 9, mainly those relating to or for use in the security industry. This left some goods in Class 9 which had not yet been refused.

Bad Faith

To succeed under the ground of bad faith, G4S needed to show that, on the balance of probabilities, in seeking to register the trade mark F and G’s conduct, when judged by the ordinary standards of honest people, was dishonest or fell short of the standards of commercially acceptable behaviour.

It was held that the motives of the director of F and G, Mr Oliver, could be attributed to F and G itself. This was key as G4S claimed that Mr Oliver was a director of 35 active companies, which had registered various famous marks between them, including NIVEA, NIKE and ADIDAS. G4S therefore argued that there was a clear pattern of bad faith behaviour. This, combined with F and G offering no explanation as to why they had chosen this mark and the fact the marks previously registered by companies owned by Mr Oliver were invented, led to a conclusion that the Applicant must have known of the use made by G4S of the mark at the date of the application and therefore the opposition succeeded on this ground with the application being rejected in its entirety.

Practical Points

- A useful case if you have ceased using a mark that was used extensively, as there may be residual goodwill on which you could base an opposition.
- A good example of the pattern of behaviour of the applicant contributing to a bad faith finding.
- Also a good example of successfully including a ground of opposition, in this case bad faith, some time after the opposition has been filed.

Author: Connor Thorogood, Trade Mark Attorney

Big Mac - evidence and best practice in defending non-use cases

The decision by the EUIPO's Cancellation Division in Revocation No 14 788 C Supermac's (Holdings) Ltd v McDonald's International Property Company, Ltd is a useful reminder of the evidence required when defending a registration that has been challenged on the grounds of non-use. McDonald's filed evidence of use that included a claim of significant sales in relation to 'Big Mac' sandwiches along with examples of the product packaging, promotional brochures, menus, and website pages but the evidence was criticised and the registration was revoked. Our previous article on that decision can be found [here](#).

The EUTM Regulation allows for the cancellation of a registered EUTM if, within a continuous period of five years, it has not been put to genuine use in the EU for the goods/services covered by the registration. If the mark has only been used for part of the specification, it will be partially revoked for those terms where use was not demonstrated. There is an equivalent provision in the UK Trade Marks Act.

The EUTM Regulation and UK Act do not define 'genuine use' but case law has provided clear principles and in practice evidence proving use must demonstrate the time, nature, place and extent of use. The evidence must relate to the goods and services covered by the registration within the relevant time period (often, but not always, five years before the revocation action was filed) and should comply with the following principles:

- genuine use means actual use of the mark, rather than merely token use;
- genuine use must be consistent with the essential function of a trade mark, which means the use should guarantee the identity of the origin of goods or services to distinguish the product or service from those that have another origin;
- the use should be in commerce and not just internal use, with the intention being to create or maintain a market share for the goods or services at issue;
- genuine use must relate to goods or services of the registration;
- the use should relate to the territory covered by the registration.

If some of the evidence of use is undated, it can still be useful if, in conjunction with other material filed, it builds up a picture of the use. Relevant to the McDonalds case, menus are often undated and if additional material was submitted to show that the goods or services were offered under the mark in the relevant period, the undated menus could be used to support use of the registration.

Use of a mark on a website may not be sufficient in itself, unless there is proof the website was available during the relevant time period and could be used to access the goods or services of the registration in the relevant territory. Such material can be strengthened by including data on internet traffic/hits per day from visitors within the relevant territory and evidence that orders for the relevant goods and services have been made through the website.

Each example of use should be explained and tied back to the relevant period of time, to the goods and services the use proves, to the relevant territory and, of course, to the mark itself.

Author: Charlotte Duly, Partner

Brazil joins the Madrid Protocol

Long awaited news for users of the Madrid System, Brazil has signed and deposited the accession papers to the Madrid Protocol which will now enter into force for Brazil on 2 October 2019. This is great news for trade mark owners as it should make the registration process easier and more cost effective. Brazil will join Colombia, Cuba and Mexico and become only the 4th Latin American country to accede the Madrid Protocol. Hopefully this will encourage others in the region to follow suit. The full WIPO press release can be found [here](#).

Author: Daniela Paull, Trade Mark Attorney



US Patent and Trademark Office introduces new practice rule

The United States Patent and Trademark Office (USPTO) has amended its Rules of Practice to introduce a new rule requiring all non-US Trade Mark applicants, registrants and parties to Trade Mark proceedings to be represented by an attorney, who is licensed to practice law in the United States. The rule will come into effect on **3 August 2019**.

The new rule will affect all US Trade Mark applications, including applications filed via the International Madrid Protocol system where a provisional refusal has been issued by the USPTO during examination. It will also affect Trade Mark proceedings before the Trademark Trial and Appeal Board.

If you have an existing portfolio of US Trade Marks on our books, then no action is required in response to the new rule. Boulton Wade Tennant has a strong network of trusted attorneys in the US, who act on behalf of clients in Trade Mark matters before the USPTO and Trademark Trial and Appeal Board.

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