

In this New Year issue of *boult.bites* we take a look at the issues of descriptiveness and distinctiveness when it comes to securing trade mark protection, as demonstrated by Pizza Express Limited's recent failed attempt to register 'PizzaExpress' as an EU trademark; a reminder about taking into account PDO's when selecting a trade mark, as cider brand "Applesecco" recently discovered when their trade mark was opposed by Prosecco, a registered PDO; what constitutes 'genuine use' and the importance of proprietors keeping evidence banks in case of revocation action, as demonstrated by two recent rulings handed down by the EU General Court; and Indonesia becoming the latest country to join the Madrid Protocol.

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



HEADLINE ARTICLES

PIZZAEXPRESS or just "express pizza"?

Case reference: R622/2017-4

By way of a decision dated 14 September 2017, the EUIPO Board of Appeal dismissed an appeal filed by Pizza Express, and rejected its EU application for PIZZAEXPRESS for goods and services in classes 30 (pizzas, pasta, desert, coffee, bread, confectionary, rice, and related goods), 39 (food delivery services) and 43 (restaurant and catering services).

Pizza Express Limited's trade mark application (dated 7 March 2016) was rejected at first instance on the basis that it was descriptive and non-distinctive. The objection applied to pizza based goods in class 30, and all goods in classes 39 and 43. Pizza Express adduced evidence of acquired distinctiveness in order to overcome the EUIPO's objection. The EUIPO examination board maintained its objection, and held that the evidence adduced demonstrated use of the trade mark only in the UK and Ireland (which was insufficient), and only a limited amount of evidence was adduced in relation to Cyprus and Gibraltar.

An appeal was filed by Pizza Express. Evidence and observations were submitted to demonstrate that the Pizza Express trade mark had achieved a recent turnover in the UK and Ireland of over 350 million per year, and that an investment of more than 5 million GBP was spent on publicity and advertising. In addition, the brand had been in use for over 50 years and there were more than 470 restaurants in the UK and Ireland.

The Board of Appeal upheld the EUIPO first instance objection on two main basis. Firstly, the Board of Appeal was of the view that Pizza Express had a clear descriptive meaning as a combination of two known and recognised terms. Both elements of the trade mark would be expected to be recognised by the entire European public as they are well known words in many of the EU languages.

Secondly, the Board of Appeal found that the trade mark was devoid of distinctive character, and would be perceived as information describing the designated products and services. As a result, it could not be held to perform a function as an indicator of commercial origin. In reaching its conclusion, the Board of Appeal took the view that recognition of EU tourists visiting the UK and Ireland was not sufficient to overcome the lack of commercial use outside of those countries.

The case re-enforces the extremely high level of actual commercial use and recognition which is required to overcome a distinctiveness objection where the trade marks concerned are potentially weak or have low distinctiveness. It does appear that in these circumstances, the proprietor would need to adduce extensive evidence of actual commercial use in all the individual European countries where the trade mark would be recognised as having the alleged descriptive meaning. Evidence of such commercial use, no matter how strong or extensive, in just a few such countries will not be sufficient to sustain EU-wide trade mark protection.

Author: Ai Ling Lim-Lee, Trade Mark Attorney

NEWS FROM THE TEAM

> The firm's trade mark practice has also been awarded **top tier** status by the Chambers and Partners in the 2018 Intellectual Property: UK-wide category. Partner's **Tony Pluckrose**, **Emma Pitcher**, and **Catherine Wolfe** were also individually recognised as 'notable practitioners', being commended for their IP expertise and outstanding client care.

> Partner **Emma Pitcher** will be attending the International Bar Association's (IBA) **conference** in India, 9-10 March 2017, on Mergers and Acquisitions in India: New opportunities and challenges in a dynamic India.

> **Emma Pitcher** will also be speaking at the American Bar Association's 33rd Annual IP **conference** in April, which will be held in Arlington, US. Emma will be part of a panel discussing dealing with abandoned marks or non-use when prosecuting trade mark applications.

> And finally, the trade mark group would like to welcome trade mark attorneys **Gillian Farmer** who recently joined the team.

Prosecco wars: protected designations of origin and trade marks

UKIPO Decision BL O/437/17

A UK trade mark application for OLDFIELDS APPLESECCO covering “cider” in Class 33 by Lambswick Drinks Company Ltd (“the Applicant”) was opposed by the Consorzio Di Tutela Della Denominazione Di Origine Controllata Prosecco (“the Opponent”), a legal person created under Italian law with a function to protect the appellation Prosecco which is registered as a Protected Designation of Origin (PDO).

The opposition was based on a number of grounds under the UK Trade Marks Act as follows:

- Section 3(3) – the trade mark would deceive the public by making it appear that the goods comply with a PDO specification when this is not the case;
- Section 3(4) – use or registration is prohibited by UK or Community Law, namely Articles 102 and 103(2) of EU Regulation No. 1308/2013 (“the Regulation”), as the goods of the application do not comply with the PDO specification;
- Section 3(6) – the trade mark was applied for in bad faith as there is no connection to Prosecco;
- Section 5(2)(b) – the marks at issue are similar, as are the goods, and there is a likelihood of confusion;
- Section 5(4)(a) – the application should be refused on the grounds of a passing off right in PROSECCO in the UK.

The Opponent was of the opinion that Section 3(4) was the strongest ground, namely relying on the fact that Prosecco was a PDO. They submitted that there was a high degree of similarity between OLDFIELDS APPLESECCO and PROSECCO.

The parties agreed that Prosecco was a PDO and that it was protected before the application was filed. Article 102 of the Regulation includes a provision that a trade mark applied for after the date of the PDO application, which consists of or contains a PDO, will be refused if the product does not comply with the PDO specification. There are certain exceptions that did not apply in this instance. Article 103(2) states that a PDO shall be protected against *inter alia* comparable products not complying with the product specification of the PDO and misuse,

imitation or evocation of a PDO, even if the true origin is indicated. This prevents use of expressions such as “Prosecco style”.

The Applicant had initially called their product Discovery Cider back in 2013 but the evidence indicated that the Applicant had marketed the drink as “*cider like Prosecco*” and this subsequently led to the change of name to the mark applied for. The Applicant claimed “Applesecco” suggested a dry-style apple drink. It was made in the UK and whilst appearing in a bottle similar to the style used for Prosecco it had a crown cap closure. The cider was intended to be drunk from a flute in the same way as sparkling wine. The Applicant’s website included references to Prosecco and sparkling wine such as “...*this first press astounded us with a cider almost like Prosecco in style. With this in mind we decided to bottle it in beautiful black Italian Prosecco bottles which have been a huge hit with customers...*” and “[w]e soon realised that it was similar in style to sparkling wine so we got hold of some beautiful Italian bottles...”.

The Applicant’s position was that any comparison to sparkling wine was simply to suggest how it should be consumed and it was made clear that it was apple flavoured and a cider and that “secco” meant it was a dry style. The Applicant submitted that the inclusion of “Oldfields” in the mark made it clear where the goods came from but it was pointed out by the Opponent that wine/alcoholic beverages are always accompanied by additional words such as the name of the bottler and/or retailer. Furthermore, the Regulation makes it clear that a mark can fall foul of it even if the true origin of the product is indicated.

Based on this and the shape of the bottles selected for the cider, along with the language used when promoting the product, it was clear that the Applicant was trying to associate their product with the PDO Prosecco. The Applicant’s product would be seen as an Oldfields’ branded item that is either an apple flavoured Prosecco or made from apples in the same style as Prosecco.

The opposition was successful under Section 3(4) and as such it was not necessary to examine the other grounds.

The Applicant offered a fall-back specification but as this was broader than the existing specification it was rejected outright.

This case is a reminder that PDOs must be taken into account when selecting a trade mark as they can be used as a basis for opposing use or registration of a mark.

Author: Charlotte Duly, Partner

O2 crumbles in non-use revocation attack

Case reference: T-418/16

Last month the EU General Court handed down two rulings, annulling decisions by an EUIPO Board of Appeal, in relation to whether EU trade mark (EUTM) registrations had been put to ‘genuine use’.

The basic position behind ‘genuine use’ is a “use it or lose it” principle. Registrations which are not put to genuine use for a continuous period for five years after registration can be cancelled by third parties through the filing of a non-use revocation (cancellation) action.

The cases serve as a useful reminder, not only as to what constitutes ‘genuine use’, but also that registered proprietors should always keep evidence banks, so that they are in the strongest position should their registrations ever be subject to a revocation action.

It also reminds us that if any significant changes or variations are made to a registered trade mark, this could be deemed to alter the distinctive character of the mark as registered, and therefore the original registration could be deemed not to have been used. Reviews should therefore be conducted, from time to time, to check whether any re-filings are required for the latest version of a trade mark.

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The background to these cases is that the telecommunications company O2 filed non-use revocation actions against the following two 3-dimensional EUTM registrations, held by Spanish biscuit company Galletas Gullón, which were originally registered in 2004 and 2009:



Initially, the EUIPO Cancellation Division rejected the applications for revocation in 2015, and O2 appealed these decisions.

O2 was then successful upon appeal: the Board of Appeal found that the criterion relating to the extent of use had not been satisfied. Specifically, the Board of Appeal found that:

- (i) the marks did not appear on the invoices submitted as evidence of use and so could not be associated with the goods mentioned on the invoices;
- (ii) having regard to the nature of the goods in question, the sales were not significant, with respect to both the number of units and the turnover;
- (iii) Galletas Gullón had not been able to prove constant use with regard to the five year period;
- (iv) Galletas Gullón had also not established that there had been genuine use aimed at end consumers.

Galletas Gullón appealed this decision up to the General Court.

This appeal was based on the arguments that the Board of Appeal wrongly concluded that the evidence of use did not prove genuine use of the contested mark (the advertisements, packets and invoices submitted proved genuine use of the contested marks) and that the differences between the marks as used and registered did not alter the distinctive character of the registered marks.

The EUTM Regulation provides that use of an EUTM in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered must be regarded as use.

When assessing whether Galletas Gullón's registrations had been "used as registered", the General Court bore in mind that they had been registered as three-dimensional trade marks, in colour, and included the word elements 'GULLON' and 'mini O2'. The packages the subject of the registrations also have a prismatic-rectangular shape. On the front of that package there are, going from top to bottom: i) rectangular red bands which are folded at the ends and have the element 'GULLON' written in them; ii) on a yellow background, a rectangular-horizontal band, the outer edges of which are wavy and in which the element 'mini O2' is written; iii) on a red/blue background, the graphic representation of biscuits in differing colours.

The General Court held that the only elements which differentiated the registered marks from the marks as used (from the evidence of use provided by Galletas Gullón's) were the colour white being used in the upper part of the packaging, the stylisation of the element 'gullón', and the addition of the word 'chocolate' to the element 'mini O2'.

Contrary to what the Board of Appeal found - the General Court held that those changes were not capable of altering the distinctive character of the registered marks. The changes made to the elements 'GULLON' and 'mini O2' in the registered marks (in particular, the use of lower case rather than upper case, the presence of a green square rather than a blue rectangle, and the addition of the descriptive term 'chocolate' to the element 'mini O2') were deemed minor changes, principally ornamental in nature, and were held to not in any way stand out by virtue of their originality.

The General Court held that these changes did not therefore significantly alter the overall impression created by the trade marks as registered: "It follows from all of the foregoing that the use of the mark[s] as used by the applicant must be considered to be use of the registered mark[s]".

The General Court then went on to examine whether the evidence of use originally filed by Galletas Gullón was sufficient. This case provides a useful summary of the legal background and position on this point:

- It is settled case-law that there is 'genuine use' of a trade mark where the mark is used in accordance with its essential function, which is to guarantee the identity of the origin of the goods or services for which it is registered, in order to create or preserve an outlet for those goods or services; genuine use does not include token use for the sole purpose of preserving the rights conferred by the mark. In addition, the condition relating to genuine use of the trade mark requires that the mark, as protected in the relevant territory, be used publicly and outwardly.
- When assessing whether use of the trade mark is genuine, regard must be had to all the facts and circumstances relevant to establishing whether the commercial use of the mark is real, particularly the practices regarded as warranted in the relevant economic sector as a means of maintaining or creating market shares for the goods or services protected by the mark, the nature of those goods or services, the characteristics of the market and the scale and frequency of use of the mark.
- Genuine use of a trade mark cannot be proved by means of probabilities or presumptions, but must be demonstrated by solid and objective evidence.
- The extent or scale of the use to which the contested trade mark has been put, account must be taken, in particular, of the commercial volume of the overall use, as well as of the length of the period during which the mark was used and the frequency of use.

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- The turnover and the volume of sales of the goods under the contested trade mark cannot be assessed in absolute terms but must be looked at in relation to other relevant factors, such as the volume of business, production or marketing capacity or the degree of diversification of the undertaking using the trade mark and the characteristics of the goods or services on the relevant market. Accordingly, use of a mark need not always be quantitatively significant in order for it to be deemed genuine.

In reviewing the evidence filed by Galletas Gullón the General Court held that the Board of Appeal had been wrong in its decision.

The evidence submitted included several invoices, from multiple years, advertisements and press articles.

The General Court held that “although the commercial volume of the use of the contested mark is limited, the invoices submitted nevertheless make it possible to conclude, in view of the fact that they were issued very regularly, that the goods at issue were, in the course of the relevant period, marketed for a sufficient length of time to establish that that use was genuine”.

The invoices submitted, examined in conjunction with the other items of evidence, were sufficient to prove that the contested mark had been put to genuine use in order to create or preserve an outlet for the goods covered by the mark.

In certain circumstances, even circumstantial evidence such as catalogues referring to the mark, although it does not provide direct information as to the quantity of goods actually sold, may, by itself, suffice to show the extent of use in the context of an overall assessment.

Galletas Gullón therefore succeeded in its appeal and remains unaffected as proprietor of its registrations.

Author: Luke Portnow, Trade Mark Attorney

The international expansion— Indonesia joins the Madrid Protocol from 2 January 2018.

In October, the government of Indonesia deposited its instrument of accession to the Madrid Protocol. From 2 January 2018, local brand owners in Indonesia can protect their trade marks elsewhere using the Madrid system. This also means that foreign applicants based outside of Indonesia can, from the same date, protect their trade marks in Indonesia through the Madrid system when they either file a new international application, or a subsequent designation to extend an existing registration.

Indonesia has confirmed that the period for refusal of Indonesian designations will be 18 months. The Indonesian government has also confirmed that a licence recorded on the international register will have no effect in Indonesia; a licence relating to an international registration will also need to be recorded nationally at the Indonesian Registry.

This marks a useful and potentially cost effective solution for trade mark owners who wish to protect their mark in the Far East as Indonesia is one of the most significant countries in the region.

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