

Welcome to the Autumn roundup of trade mark related news and stories. As always in the IP world, there is change afoot. Sometimes the change is exciting, like the opening of our new office in Madrid, new additions to our trade mark team, or celebrating the promotions of our newly qualified attorneys. Sometimes the change is challenging but provides an opportunity to revisit strategies, like preparing your trade mark filings in light of Brexit, learning from Puma's leaping cat case about taking decisions on reputation earlier on, or the new opposition procedures in Argentina that came into force last month.

You can read more about these changes, challenges and opportunities in our news roundup below. And as always, if there anything you would like to discuss further please do not hesitate to contact your dedicated IP advisor here at Boult Wade Tennant.

Finally let me take this opportunity to point you to our [LinkedIn](#), [Twitter](#), and [Thoughts](#) pages, where you will be able to stay informed on all the latest developments from our team and the world of trade marks in-between our newsletters - we hope to see you there!

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



HEADLINE ARTICLES

Welcoming Álvaro Cabeza to the Boult Wade Tennant family

Álvaro Cabeza, a highly experienced and respected Spanish Lawyer, has joined as Head of Boult Wade Tennant's Madrid office. Read on as he talks to us about IP trends, Brexit challenges, and the wonderful city of Madrid.



Key IP trends in Spain

In terms of patents, the entry into force of a new Patent Act on April 2017 has introduced substantial changes in the patent system, also affecting utility models and renewal rules. In respect of trade marks, we are moving forward to the modification of the current Trade Mark Act, which will finally implement EU Directive 2015/2436. The final draft has now been approved very recently.

European companies need to be ready for...

They need to be ready to operate in a new European scenario. They will need to redefine their intellectual property strategies after the departure of the UK.

The challenges that Brexit pose for UK businesses

Increasing barriers and conflicts in a global trade will have a negative impact, but not only for UK companies, also for EU (and non-EU) companies. We must bear in mind that at present, about 44% of UK exported goods and services have a destination in EU countries.

My leadership motto

Never be afraid to recruit people who are more talented and better than you are.

Best advice I received

Always apply the rules of common sense in business decisions.

5 great things about Madrid

Our beautiful blue skies, painted by Velázquez

One of the best public transport networks in the world

The Guadarrama mountain range and its close proximity to the city

A vibrant artistic and cultural life

Food, food, food...

My way of unwinding

Reading and listening to jazz and bossa nova at dusk, which is for me the most magical and favourite time of the day.

Author: Álvaro Cabeza, Principal and Partner

NEWS FROM THE TEAM

> Events

Partner **Emma Pitcher** will be attending the Asian Patent Attorneys Association (APAA) 18th General Assembly and 68th & 69th Council Meetings, 17-21 November in New Delhi, India.

Isabel Blanco gave a lecture at Carlos III University Madrid last month on the "The importance of the European Union brand is the fashion sector – double identity and risk of confusion"

> New starters and promotions

Welcome to new Trade Mark group starters **Jessica Guest** and **Hannah Cramp**. Hannah took part in our voluntary vacation scheme earlier this year. The application process for the 2019 scheme is now open! Please visit our [graduate site](#) for further details about the scheme and how to apply.

Congratulations to **Roshani Muniweera**, **Emily Scott**, and **Henry Schlaefli** who have now qualified as Trade Mark Attorneys.

Breaking a KitKat into pieces



The long-running story of Nestlé's attempt to protect the shape of its four-fingered KitKat bar as an EU registered trade mark continues.

The shape on the left, as shown on the Nestlé application, does not share the real-world chocolate's embossing of the KitKat name on each finger. So, the application for registration stands or falls on its shape alone. It has previously been agreed that the shape in question, shown above on the left, is not inherently distinctive. That meant that, in order to get a registration, Nestlé needed to show acquired distinctiveness in the European Union. After much struggle, Nestlé successfully pushed the mark through to registration on the grounds of acquired distinctiveness, and as soon as the mark registered, its competitors promptly applied to have the mark invalidated on the ground that acquired distinctiveness had not been shown.

The question most recently answered is – where in the European Union must this acquired distinctiveness be evidenced?

The evidence Nestlé filed earlier on in the proceedings showed distinctiveness in many EU Member States, but not in Belgium, Ireland, Greece, Luxembourg and Portugal. Nestlé argued that this did not matter, as the whole ethos of the EU system is to ignore borders and focus on the EU as a whole region. However, the Court of Justice in the most recent decision has found that Nestlé hadn't shown distinctiveness in all the relevant geographical areas. That doesn't necessarily mean that evidence in every country is required: where countries share culture to such an extent that one country knows about another country's products, it may be sufficient only to put evidence relating only to one, together with an explanation of why the countries are linked in that way.

This appears unclear, and for brand owners wishing to show acquired distinctiveness – either for shape marks or for any other kind of mark – it appears prudent to gather evidence in every Member State where the mark isn't distinctive.

There are varying reports as to what happens next with the Nestlé registration. The Nestlé press release indicated that the matter would now be passed back down to the lower tribunals, and that may be right – the EU Office may now examine whether the existing evidence does enough to show distinctiveness in the five "missing" territories. However, if the evidence was insufficient, it is not certain that Nestlé will be allowed to put in more evidence. Usually, once the appeal stages have passed, it is too late to supplement a file with further evidence. They can certainly file a fresh application and put in broader evidence in support of the new mark, but it may be that the older registration, now pending since 2002, may eventually die.

Author: Felicity Hide, Partner

Filings in light of Brexit

Executive Summary

There is no "one size fits all" approach to Brexit. We recommend discussing strategies with your usual advisor.

In Trade Mark terms, the only step to help insure against Brexit is to file a new UK Trade Mark application. With a possible Brexit date of 29 March 2019, we are now recommending that for new Trade Marks, UK applications should be filed in parallel with new EUTMs, especially for key marks. Also, for the most important marks in a portfolio which are registered at the EUIPO, it is worth considering filing afresh at the UKIPO. A new application will set a new five-year use period, and it gives an excellent opportunity to review and update specifications and ownership.

However, we also advise that if there is a smooth Brexit, this should lead to the continued protection of all existing EUTM registrations and applications in the UK: so if new UK Trade Mark applications are filed and all is well with Brexit, there could be duplication.

Background and Detail

On 23 June 2016, the UK voted by referendum voted, narrowly, to leave the EU (Brexit).

On 19 March 2018, draft transition terms were published, which preserved the status quo for EUTMs until 31 December 2020. It also proposed a special nine-month priority period, for all EUTM applications pending at the Brexit date, for a UK application to be filed which tracks that pending

EUTM. However, these terms were issued under the rubric “nothing is agreed until everything is agreed” and, in September 2018, it looks as if agreement is not likely. Therefore, the UK is scheduled to leave the EU without a deal, on 29 March 2019.

On 19 July 2018, it was confirmed in the UK Parliament that on Brexit day, all European Trade Mark Registrations will automatically “clone” into UK national rights, without official fees being paid.

On 24 September 2018, the UK Government’s Department for Business, Energy & Industrial Strategy published a Guidance Notice in the event of a no-deal scenario, which reiterated that statement for registrations, and also stated that EUTM applications which are still pending at the Brexit point will have a special nine-month period during which a UK application can be filed, mirroring that EUTM application and preserving all its details and dates. However, no formal comments have yet been made about the status of ongoing contentious issues at the EUIPO such as revocations, invalidations and oppositions. Possibly, contentious issues will be allowed to remain at the EUIPO until they are completed; and if the contentious matter relates to a pending application, the applicant might be able to file a “mirrored” UK national application within that nine-month period.

However, at time of writing (September 2018), there has been no legislation yet. A Guidance Notice can easily be changed, and a statement in Parliament can be amended, though that would be more controversial.

Therefore, due to the uncertainty around opposed EUTM applications in particular, and in the absence of an official statement on these, for caution, we now recommend that new EUTM applications are now filed at the UKIPO alongside the EUIPO filings. This is because marks filed in September and early October 2018 which meet no objections are likely to be registered before 29 March 2019; but as that date grows nearer, the chances of an application being still pending and possibly under opposition on 29 March 2019 increase.

As a corollary, we also recommend that when a new UK Trade Mark application is filed, an EUTM is filed alongside it. This is particularly because, after Brexit, it will no longer be possible to attack an EUTM on the basis of a UK national right. Therefore, it is prudent to file new marks at the EUIPO as well as at the UKIPO, in order to maintain the ability to challenge later EUTMs.

If you wish to discuss any Brexit-related issues, then please contact your usual advisor.

Author: Catherine Wolf, Partner

Exhaustion (of IP rights) in the event of a ‘no deal’ Brexit

The thought of a no deal Brexit in itself seems exhausting enough, fortunately, the UK Government provided clarity on exhaustion of IP rights post Brexit in an announcement on 24 September 2018. The UK is currently part of a regional European Economic Area (EEA) exhaustion scheme which means that IP rights are considered exhausted once they have been put on the market anywhere in the EEA by or with the permission of the rights holder.

The UK Government unilaterally confirmed that the UK will continue to recognise the EEA exhaustion scheme post Brexit in order to give certainty to businesses and consumers in the immediate term. The

wording ‘immediate term’ implies some uncertainty about the longer term but it remains to be seen.

This means that even in the event of the UK leaving the EU without a deal in March 2019, branded goods placed on the EEA market with the proprietor’s consent will continue to be considered exhausted in the UK. However, goods placed on the UK market with the rights holder’s consent after March 2019 will not be considered exhausted in the EEA and businesses exporting these goods may therefore need to seek consent from the rights holder

The full Government announcement can be found [here](#).

Author: Daniela Paull, Trade Mark Attorney

Cuba: new regulations, is it time to file?

Cuba has recently revised its laws affecting businesses operating there. A new resolution entered into force in July 2018 regarding trade names used to identify businesses in Cuban establishments. From now on, all businesses using a trade name must have a registration in place granted by the Cuban Patent and Trademark Office. Without such a registration, businesses may only use generic or descriptive terms to identify the goods or services they offer.

It is expected that this resolution will lead to an increase in the filing of trade marks in Cuba. Even if you are not active in the Cuban marketplace, a registration is worth considering at this time, particularly if there are plans to expend there in the future; should a third party be using your brand without consent, or one that is highly similar, they will likely apply to register in light of the resolution or otherwise would need to cease their use of the mark. This could lead to brand owners being restricted from using in, or expanding into, Cuba due to the unauthorised third party registering the mark first, in turn preventing the legitimate owner from obtaining a Cuban registration in the future.

If you would like to discuss this further please speak to your usual advisor.

Author: Charlotte Duly, Partner



Update on Puma's leaping cat case

The EUIPO loses its appeal against the General Court's (GC's) decision overturning its rejection of an opposition filed by Puma SE against a leaping cat device in the name of Gemma Group.

Background

In its opposition against Gemma Group's leaping cat application Puma relied on Article 8(5) CTMR, i.e. on the basis that Puma had reputation in two of its leaping cat EUTM registrations, and that these marks were similar to Gemma Group's cat mark, such that use without due course of Gemma Group's mark would take unfair advantage of, or be detrimental to, the distinctive character or repute of Puma's earlier trade marks.

The EUIPO rejected the opposition. In its decisions the EUIPO indicated that, for reasons of procedural economy, it did not need to examine the reputation evidence provided by Puma for one of the marks relied upon. Instead the EUIPO proceeded on the basis that the mark had enhanced distinctiveness.

As part of its appeal before the Board of Appeal (BoA), Puma argued that the EUIPO had confirmed the earlier marks had a reputation. This point was rejected by the BoA on the basis that the EUIPO had stated the marks had enhanced distinctiveness not reputation. Further, the BoA examined and rejected Puma's evidence of reputation, which included references to three earlier recent EUIPO decisions that had found in favour of Puma having a reputation in its leaping cat devices.

This decision was overturned by the GC. By diverging from other recent decisions of the EUIPO without giving reasons for doing so, the EUIPO had infringed the principle of sound administration. Despite this failure on the part of the EUIPO, the BoA had, in its decision, ruled on the question of reputation for completeness. The GC stated that this error in law by the BoA was such that it might have had a decisive influence on the outcome of the opposition and so upheld Puma's appeal.

The CJEU upheld this decision noting that, when diverging from previous decisions, the EUIPO or the BoA should provide an "explicit statement" of its reasoning for doing so. Further, the CJEU found that by putting forward the previous decisions in its submissions to the EUIPO, Puma had "duly relied" upon the decisions and had made the content of them known to the EUIPO and the BoA, such that they should have been considered.

Takeaway

This case sets out that, where reputation is found in earlier decisions and the marks relied on are the same, the EUIPO should take these decisions into account. Further, if the EUIPO diverges from the earlier findings of reputation, then it has to give explicit reasons for this.

Therefore, whilst we would still advise filing strong evidence when relying on reputation, if you have earlier decisions on this point in your favour, then we would certainly recommend that you also include reference to these in your submissions.

Author: Angharad Rolfe Johnson, Trade Mark Attorney

New opposition procedures in Argentina

As of 17 September 2018, significant changes to contentious proceedings came into effect in Argentina, following the first revision of the country's trade mark law since 1981.

A trade mark applicant whose application is opposed now has three months, rather than one year, to negotiate an amicable resolution with the opponent. Currently, if an opposition is not withdrawn within the year-long period, the applicant must seek its dismissal through the courts, or the application will be considered abandoned. From 17 September, if an opposition is maintained following the 3-month negotiation period, the National Institute of Intellectual Property (INPI) will examine and issue a decision on the merits. Importantly, the opponent must actively confirm its intention to take the opposition forward, substantiate its grounds and pay an opposition fee of \$8,500, in order to initiate this adversarial stage.

Invalidation (on absolute grounds) and non-use revocation remains under the jurisdiction of the country's courts, until the INPI introduces its own procedures to administer those actions.

These changes are a welcome simplification, in particular from the perspective of opposed applicants, who were previously compelled to pursue lengthy negotiations (including compulsory mediation) followed, if unsuccessful, by an application for dismissal of the opposition through the courts, in order to remove the block to their trade mark application.

Author: Emma Pitcher, Partner

Introduction of the revised eleventh edition of the Nice Classification

The World Intellectual Property Organization (WIPO) has announced that the new edition of the eleventh International Classification of Goods and Services, the Nice Classification*, will enter into force on 1st January 2019.

Any new International applications received by an office of origin (e.g. the EUIPO or the UKIPO) after this date will automatically be classified under this new edition. If the office of origin fails to forward on any applications received in December and November within their two month deadline then this will also result in these applications being classified under the new edition.

Given that there have been no large scale re-classification of goods or services this is unlikely to have significant impact on brand owners. As always, any extensions of existing International Registrations (subsequent designations) or renewals will not be affected.

The official notification from WIPO can be found [here](#) and the new edition of the Nice Classification can be found [here](#).

**The Nice classification dictates the International Class that each specific good and service claimed in a trade mark application should belong to. It also contains an alphabetical list of terms falling in each class.*

E.g. Class 25 is the International Class for "Clothing, Footwear and Headgear"; the alphabetical list includes specific terms such as: bath sandals, bath slippers, bath robes, bathing caps, bathing trunks, bathing drawers, bathing suits/swimsuits, beach clothes and beach shoes etc etc.

Author: Henry Schlaefli, Trade Mark Attorney

Myanmar – New Draft Trade Mark Law

A new draft trade mark law has been approved in Myanmar. A summary of the key changes to trade mark protection in Myanmar are outlined below:

Key changes

- Owners of marks currently registered with the Registry of Deeds must refile in order to obtain protection under the new law.
- Myanmar will adopt a first to file system. This highlights the importance of obtaining registration promptly once the new law is enacted.

Procedural matters

- Myanmar will introduce the right to claim priority.
- Well-known marks will be recognised and may be raised as a relative ground for refusal.
- An absolute ground for refusal may be raised if the mark is deemed detrimental to public peace, stability, morality, faith or the respected culture of the nation
- The registration process will include both formal and substantive examination. The mark will then be published for opposition for a period of 60 days.

An opposition may be filed by anyone, provided the opposition fee is paid. In the absence of any opposition, the mark will proceed to registration.

- It will be possible for a party to apply to revoke a registered mark if it has not been used for a period of three consecutive years following the date of registration and there are no good reasons for non-use.
- An appeal process will be set up and a decision of the Registrar may be appealed to the Director General within 60 days. It will be possible to further appeal the decision of the Director General to the court, provided this is done within a period of 90 days.
- An IP court will be set up within the Supreme Court to decide on trade mark litigation, including both criminal and civil matters

If Myanmar is a territory of interest to you and you would like further advice, please speak to your usual advisor.

Author: Roshani Muniweera, Trade Mark Attorney

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