

### **Preamble**

The European Directive 2015/2436 (hereafter referred to as the Trade Marks Directive) in its Article 5 (3) "*Relative grounds for refusal or invalidity*" provides:

### **Article 5**

#### ***Relative grounds for refusal or invalidity***

[...]

3. *Furthermore, a trade mark shall not be registered or, if registered, shall be liable to be declared invalid where:*

(a)

*it is identical with, or similar to, an earlier trade mark irrespective of whether the goods or services for which it is applied or registered are identical with, similar to or not similar to those for which the earlier trade mark is registered, where the earlier trade mark has a reputation in the Member State in respect of which registration is applied for or in which the trade mark is registered or, in the case of an EU trade mark, has a reputation in the Union and the use of the later trade mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark;*

This is a new provision. In the earlier Directive only reputation of EU marks in the EU was protected, and the protection of reputation of national marks in the Member States was only optional but not obligatory.

Under the new Directive it is now obligatory that reputation of national marks in Member States is a ground for invalidity (Art. 45 (3) b) and opposition (Art. 43) of the Trade Marks Directive:

### **Article 43**

#### ***Opposition procedure***

1. *Member States shall provide for an efficient and expeditious administrative procedure before their offices for opposing the registration of a trade mark application on the grounds provided for in Article 5.*

The purpose of this project is to find out how Member States provide for the protection of trade marks with reputation under Art. 5 (3) and to illustrate the changes that the new Directive brought along.

The questions to be investigated were the following:

July 2022

1. Has it been possible before the introduction of Art. 5 (3) of the Trade Marks Directive in your country to file an opposition/invalidity action based on a national trade mark with good reputation? (i.e. has a national trade mark with reputation been earlier a relative ground for refusal or invalidity?)
2. Has Article 5 (3) a) been implemented in your country, and is a national trade mark with reputation a relative ground for refusal or invalidity?
3. If no, what is your experience according to your local law regarding the protection of trade marks with reputation? Please cite any relevant decision.
4. How is reputation defined in your local law? Please cite the relevant provision.
5. What kind of evidence is required by your National Office to prove reputation (please list some possible types of documents)?
6. What is the relevant public: the general public at large or a relevant sector only?
7. Can your National Office accept good reputation where it has been declared by another National or Regional Office's decision?
8. Are evidence documents accepted for example in English, or shall documents be available in your national language?
9. Can you submit an opposition/invalidity action on several legal grounds? (e.g. is it possible to submit an action at the same time based on simple confusing similarity and also on good reputation?)
10. If the answer to question 9 is 'Yes', does your National Office need to analyse its decision on both legal grounds, or in case the opposition is won on grounds of simple similarity can your Office omit on deciding and arguing on the legal ground of good reputation?
11. May the Court or the Office recognise the reputation of a trade mark and take it in consideration even if not claimed?
12. Is there in your country a specific register dedicated to trade marks with reputation and what is the consequence of having its trade mark registered or not on this register?

**Members were asked to add any additional comments or give a brief summary of any relevant decisions of the national authority/courts.**

The questionnaire and the compilation of the answers are enclosed. The survey was made in 2020-2021.

### Summary Report

We obtained answers from 16 EU countries, the United Kingdom and Turkey. The answers may be summarised as follows:

**1. Has it been possible before the introduction of Art. 5 (3) of the Trade Mark Directive in your country to file an opposition/invalidity action based on a national trade mark with good reputation? (i.e. has a national trade mark with a reputation been earlier a relative ground for refusal or invalidity?)**

In the majority of the answering countries it was possible to base an opposition/invalidity action on a national trade mark with good reputation. In the case of France and Austria, only in the framework of a cancellation proceeding it was possible for a national trade mark with reputation to serve as a legal basis.

In the Benelux, before the implementation of the Trade Mark Directive in the Benelux, there was no possibility to start an invalidity action before the Benelux Office for Intellectual Property (BOIP) and the only grounds for opposition were “identity” and “likelihood of confusion”.

In Latvia, before the implementation of the Trade Mark Directive there was no possibility to start an invalidity action based on good reputation. The Latvian Trade Mark legislation only provided the possibility to oppose later trade mark registration based on a well-known earlier mark.

Since Turkey is not a member of the EU, the Directive’s related article is not directly applicable before Turkish PTO/courts. However, Turkey has quite similar articles in its national legislation:

*“A trade mark application which is identical with, or similar to, an earlier registered trade mark or application irrespective of whether the goods or services for which it is applied or registered are identical with, similar to or not similar to those for which the latter trade mark is applied for, and the use of the latter trade mark without due cause would take unfair advantage of, or be detrimental to the distinctive character or the repute of the earlier trade mark due to the reputation the earlier trade mark has in Turkey, shall be refused upon opposition of the proprietor of that earlier trade mark.”* The aforesaid relative ground can be applied to registered national well-known trade marks.

**2. Has Article 5 (3) a) been implemented in your country, and is a national trade mark with reputation a relative ground for refusal or invalidity?**

All of the answering countries already implemented Article 5 (3) a). In case of a number of countries there was no need to implement it as the previous regulations already included reputation as a relative ground for refusal and invalidity.

**3. Was it a change to the previous law? If no, what is your experience according to your local law regarding the protection of trade marks with reputation? Please cite any relevant decision.**

Yes, it was a change to the previous law	No, it was not a change to the previous law
Austria	Croatia
Benelux	Denmark
Bulgaria	Estonia
Cyprus	Finland
Czech Republic	Germany
France	Greece
Latvia	Hungary
Lithuania	Ireland
Malta	Italy
Spain	Portugal
Slovenia (however only slightly change)	Poland
United Kingdom	Romania
	Slovakia
	Sweden
	Turkey

**Relevant decisions:**

**Austria:** Austrian Supreme Court decision with all possible elements to consider when assessing reputation is OGH 17 Ob 28/08d of 16.12.2008, Mazda-Logo;

**Denmark:** Decision No. AN 2018 00011 (Board of Appeal): Netto vs. Nettofitness.dk. Netto was considered a trade mark with reputation. Nettofitness.dk could not be registered for goods/services in the classes 10. 25. 28. 35 and 41;

**France:** Decision from 1998 regarding the reputation of the trade mark Cartier: Cour d'appel de Versailles, du 10 Septembre 1998, 1996-7640;

**Germany:** Decision from the German Supreme Court dealing with all possible elements to consider when assessing reputation is BGH GRUR 2002, 1067 - DKV / OKV (judgment of 8. 5. 2002 - I ZB 4/00);

**Greece:** Athens' Court of First Instance No 640/2021, 1025/2021, 3895/2019 Thessaloniki's Court of Appeals 32/2019, 2213/2019;

**Italy:** Italian Supreme Court (Corte di Cassazione Civile, Sez. I, 8 June 2018, n. 26000);

**Sweden:** "For a trade mark to be considered incorporated, it is sufficient that the relevant public can link the brand to one special product or service. It is not necessary for the relevant public to know who the proprietor of the trade mark is." - PMÄ 7243-19.

#### **4. How is reputation defined in your local law? Please cite the relevant provision.**

The compilation of the answers is attached to the present document, where all the definitions of reputation can be found.

#### **5. What kind of evidence is required by your National Office to prove reputation (please list some possible types of documents)?**

The evidence listed by the answering countries can be considered similar. In summary the lists include the following types of documents:

- Affidavits, declarations
- Invoices and other commercial documents
- Annual reports
- Market surveys and opinion polls
- Media coverage
- Advertising and promotional material
- Licensing agreements
- Decisions of courts or administrative authorities confirming reputation
- Audits and inspections
- Certification and awards
- Articles in the press or in specialised publications
- Annual reports on economic results, financial reports
- Pricelists, orders, delivery notes
- Data related to volumes of sales, market shares
- Market researches
- Statements of organisations

In Turkey, apart from the above documents, the Turkish guidelines include “Activities undertaken by the proprietor of the trade mark, in order to protect the trade mark”.

## 6. What is the relevant public: the general public at large or a relevant sector only?

In Austria, Benelux, Czech Republic, Estonia, France, Germany, Hungary, Italy, Malta, Poland, Portugal, Spain, and Turkey (i.e. the **vast majority** of the answering countries), it depends on the goods or services covered by the trade mark. So, the relevant public depends on the goods/services, it may be the general public or a more specialised public.

In **Spain**, the Explanation of Reasons of the Royal Decree 23/2018, the norm that transposed the Trade Mark Directive, defines reputed trade marks as the trade mark known "by a significant part of the public interested in the goods or services" that it covers.

Therefore, in order to determine whether the earlier mark is known by a "significant proportion of the interested public", it must be examined on a case-by-case basis, taking into consideration which is the target public of the relevant goods or services, the degree of knowledge of the mark and any other relevant factor (for example, if the relevant territorial scope of a particular good or service is very specific and limited only to part of the relevant territory).

In its judgment of 14 September 1999 C-375/97, *Chevy* and in *Spa-Finders*, the Court of Justice of the EU had already ruled that "*the public among which the earlier mark must have acquired a reputation is that interested in the mark, that is, depending on the goods or service marketed, it may be the general public or a more specialised public, for example, a particular professional sector*".

Thus, we could say that the relevant public could either be the general public at large or a more specific part of a particular sector only. When the trade mark covers goods or services of mass consumption, the relevant public will be the general public at large, while if the trade mark covers some goods or services with a very specific application or destined to professional or industrial users, the relevant public will be those specific buyers.

In **Finland**, it is important to indicate the target group in which the mark has a reputation. If there is no given target group, the Office considers all Finns to be the target group.

## 7. Can your National Office accept good reputation where it has been declared by another National or Regional Office's decision?

Except from Italy, none of the answering countries accept good reputation declared by the decision of another National or Regional Office. However, such decision can serve as a strong supportive evidence in case of most answering countries.

**8. Are evidence documents accepted for example in English, or shall documents be available in your national language?**

In **Austria, Bulgaria, France, Germany, Greece, Italy, Latvia, Lithuania, Poland, Romania, Slovenia and Spain**, the documents or the relevant parts of it must be submitted in the national language.

In **the Benelux, Cyprus, Croatia, Czech Republic, Estonia, Hungary and Portugal**, the National Office accepts evidence in English, but can request the translation of it to the national language.

In **Denmark and Sweden**, evidence is accepted in English and no further translation may be required.

In **Ireland**, English is an official language, so documentation in English will absolutely be accepted by the Intellectual Property Office of Ireland. In the **UK**, the evidence must generally be in English.

**Malta** has two official languages, English and Maltese. Therefore, evidence documents in the English language are accepted.

In **Finland**, evidence documents may be in English or in Swedish (Finnish and Swedish being both official languages in Finland).

In **Turkey**, there is no restriction for submitting an English document to the PTO, since the examiners can understand the document and the PTO's regulation does not have a rule regarding this. However, they prefer also to submit a Turkish translation if it is a strong evidence for the reputation claim (i.e. a court decision or affidavit). As to the litigation part, all the evidence should be submitted to the court with its sworn translation.

**9. Can you submit an opposition/invalidity action on several legal grounds, e.g. is it possible to submit an action at the same time based on simple confusing similarity and also on good reputation?**

In all the answering countries an opposition/invalidity action can be based on several legal grounds.

**10. If the answer to question 9 is 'Yes', does your National Office need to analyse its decision on both legal grounds, or in case the opposition is won on grounds of simple similarity, can your Office omit on deciding and arguing on the legal ground of good reputation?**

In **Cyprus, France, Latvia, Lithuania Romania, Spain, UK and Turkey**, the National Office will present its decision on each of the legal grounds raised in the case.

In **Austria, Benelux, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, Germany, Greece, Ireland, Italy, Malta, Poland, Slovenia, Sweden**, it is sufficient for the National Office to present its decision only on one ground.

In **Hungary**, the practice of the Office is inconsistent. In case the subject opposition is based on both grounds, reputation and simple similarity, the Office first examines simple similarity. In some cases, if the opposition is won on the grounds of simple similarity, the Office omits deciding and arguing on the legal ground of good reputation. However, in other cases, the Office still assesses reputation. We are of the opinion that the scenario where the Office only assesses simple similarity and omits on deciding reputation may cause problems in the future. Since, in case one of the parties appeals the decision of the Office, which ignored the claim for reputation, the Court could order the Office to initiate a new proceeding in this respect.

In **Portugal**, in case the opposition or the action is based on the two legal grounds, both grounds should be taken into account in the decision. However, there are cases where only simple similarity is considered in the decision.

In **Slovakia**, although the Office is generally obliged to analyse its decision on every legal ground submitted in opposition/invalidity action and must evaluate and consider all the evidence submitted by parties, it sometimes happens that the decision is simplified and not all legal grounds are reasoned diligently. That being said, the total omission of one of the legal grounds in decision making is a basis for filing the legal action with the Regional court for review of the legality of the administrative decision.

#### **11. May the court or the office recognise the reputation of a trade mark and take it in consideration even if not claimed?**

In case of **Ireland** the principle is yes, but it generally does not happen in practice.

With regard to all the other answering countries, the National Office only recognises reputation when claimed.

In **Greece**, the reputation of a trade mark should be claimed. However, according to Greek jurisprudence, the reputation of a trade mark is possible to be considered as a matter of common knowledge, namely can be acknowledged by the Court even without submitting evidence proving such reputation.

There was an interesting remark with regard to the past:

In **Slovakia**, there used to be a register for trade marks with reputation and such register had to be abolished because it had created (allegedly) an unequal position of the parties, where



the owner of the trade mark with reputation did not have to prove anything before the Office and/or court, just to claim the good reputation, and the adverse party did not have any chance to argue against the non-existent evidence.

In **Bulgaria**, there also used to be a register for trade marks with reputation.

**12. Is there in your country a specific register dedicated to trade marks with reputation and what is the consequence of having its trade mark registered or not on this register?**

In **Finland**, on 6 June 2007, the Finnish Office decided to establish a list into which trade marks with reputation in Finland can be entered on application. The list is one of the Office's services liable to be charged, and it was carried out within the framework of the legislation.

The list is, in other words, a database separated from the Trade Mark Register.

The purpose of the list is to serve commerce and industry, agents and all other stakeholders that, for one reason or another, need information on reputable marks. If the Office finds a confusingly similar mark in the list while processing a trade mark application, this will be notified to both the person who filed the trade mark application and the owner of the earlier trade mark with reputation. They are both notified regardless of the class(es) in which the mark is sought to be registered.

In the registration process, the Office will not take the information in the list into consideration as a relative obstacle. It is, therefore, up to the owner of the earlier trade mark with a reputation to decide whether or not it wants to file an opposition against a later registered trade mark. The final outcome of an opposition procedure will not automatically change the information contained in the list.

In **Turkey**, there is a specific register dedicated to trade marks with reputation, but this register is **not binding** for the PTO or courts. The courts or the PTO may decide regarding the trade mark's reputation even if it is not registered in the specific registry.

In the case of all the other answering countries, there is no specific register dedicated to trade marks with reputation.

**Members were asked to add any additional comments, or give a brief summary of any relevant decisions of the national authority/courts.**

**Benelux:** Regarding "taking unfair advantage of" Court of Appeal The Hague, 20 September 2011; Red Bull/Osborne case 200.048.217/01: No taking unfair advantage by Osborne of Red Bull's trade marks, because use of the sign TORO XL & bull device by Osborne is motivated by Osborne's own history and not by a desire to ride on the coattails of Red Bull's trade marks.

**Estonia:** the EU case-law is generally followed. In past, the terms like “well-known” or “reputed” mark had kind of same interpretation on the local level, while during the last years a distinction started to be made between these legal terms.

**Italy:** Article 12, clause 1, letter e) IPC introduces certain marks which, over time, have acquired a certain reputation and whose protection is extended to goods and/or services which are not similar (and even less identical) to those for which the mark is registered.

The provision aims to counteract the counterfeiting phenomenon due to an undue appropriation of commercial advantage, also known as “selling power” of the trade mark.

The selling power of the trade mark consists of its capability of being evocative and suggestive of a certain quality in the product sector. This capability is the result of the owner’s effort (e.g. a huge advertising investment) and thus leads to a type of protection referred to as “ultra-goods” protection, as stated by the relevant Italian Courts case law, which is independent of the likelihood of confusion referred in for Article 12, clause 1, let. d) ICP.

First, the proprietor has the burden of proof that his sign has a reputation, both territorially and in relation to the relevant public.

In order to benefit from the ultra-commercial protection, these rules require the owner of the trade mark be able to provide adequate proof that the appropriation of the sign by a third party constitutes an unfair advantage for him or, alternatively, that it is detrimental to him.

The alleged infringer can also provide proof of just cause and could be exempted from the application of the provision.

The proprietor of the trade mark is not obliged to prove an actual injury as it is sufficient, according to the Italian case law, a non-hypothetical future risk of undue advantage or injury, albeit serious and concrete.

Damage occurred may relate to the distinctive character of the earlier mark, may concern the reputation or may occur when the third party “parasitically attaches” his own mark to the reputation or distinctiveness of the well-known mark and acquires undue benefits out of it.

A famous Italian case of ultra-commercial protection involved Barilla, a well-known company within the Italian foodstuffs industry, and a textile company. The latter marketed cushions reproducing the shapes of some of the most famous Barilla’s biscuits. The textile company first used the same trade mark owned by Barilla, then, following a warning letter, used the same names with the addition of the suffix “-oso” (e.g. “Abbraccioso”).

The Tribunal of Milan, in its judgment of 25 January 2018, ruled inter alia that this behaviour constituted a case of parasitic unfair competition, pursuant to Article 2598 of the Italian Civil Code.

Protection of trade marks with reputation under Art.  
5(3) of the Trade Marks Directive  
Summary Report by ECTA Harmonization Committee

In conclusion, it can be stated that most of the regulations and practices of the answering countries were similar, and about half of the answering countries had already implemented the stipulations defined in Art. 5 (3) of the Trade Marks Directive before it was compulsory. It is clear from the given answers that most of the countries follow the EU legal practice.

The compilation of answers is also attached.

\* \* \*