



European Communities Trade Mark Association

11 June 2012

**ECTA COMMENTS ON PRELIMINARY QUESTIONS
ON GENUINE USE & COMPOSITE MARK
in case Colloseum Holding AG v Levi Strauss & Co. (Case C-12/12)**

ECTA has become aware of the reference for a preliminary ruling from the German Bundesgerichtshof (BGH) lodged on 9 January 2012 in the case *Colloseum Holding AG v Levi Strauss & Co. (Case C-12/12)*.

Although ECTA does not consider it appropriate to take sides in the above dispute, ECTA is aware that some other organizations in the trade mark fields have raised concerns, stating that the answers to be given by the Court of Justice (CJ) may have legal and economic consequences for the trade mark portfolios of some brand owners, and that longstanding strategies of trade mark prosecution and use which are considered to be “*best practice*” in some EU countries might be at risk of being reversed and become outdated.

While ECTA is not in a position to assess whether or not the answers which will be given by CJ might indeed have such consequences, ECTA nonetheless wishes to express its own strictly legal assessment of the questions posed by the referring Court to the CJ.

Question 1: Is Article 15 (1) of Regulation (EC) No 40/94 (actually now known as 207/09) to be interpreted as meaning that “a trade mark which is part of a composite mark and has become distinctive only as a result of the use of the composite mark can be used in such a way as to preserve the rights attached to it if the composite mark alone is used”?

ECTA believes that the question at issue cannot be answered in absolute terms because the answer in any particular case seems more to involve questions of fact that can only be answered on a case-by-case analysis. ECTA firstly observes that it is arguable whether any answer to the above question would be the same regardless the distinctiveness or lack of distinctiveness of the sign in question. If the sign in question were distinctive per se, then the question would be likely to revolve around the extent to which the insertion in a composite mark would alter the distinctive character of the mark. If on the other hand the sign was not distinctive per se, but had acquired distinctive character as a result of use in the context of the composite mark, then ECTA considers that an argument can be made that since Article 15.1(a) says that: “*The following shall also constitute use within the meaning of the first subparagraph: (a) use of the Community trade mark –CTM- in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered*”.

On the interpretation of Article 15.1(a) in the light of the Court’s ruling in the ‘HAVE A BREAK’ case *Société des produits Nestlé SA v Mars UK Ltd (C-353/03)* and the observations of the Advocate-General in that case it seems possible to argue that use of a CTM as registered, even as part of a composite mark, may constitute use of the original CTM and that if so, such CTM should not be revoked. However, ECTA recognizes that in the

HAVE A BREAK case the issue was the possibility to register of the separate portion/element of the already registered CTM, where instead in the present case the portion/element has already been registered and has acquired distinctiveness only through use in the composite mark and thus the extension by analogy of the HAVE A BREAK holding to the case at issue is debatable.

It may be observed that a trade mark is an indication of origin and it is protected for its function to allow consumers to identify a certain product/service and to be able to exercise a reasonably attentive and well informed choice among competitors' products/services. A mark may still perform that function even when never used per se, if it is perceived as a distinctive mark by consumers. Such a conclusion, which depends upon the correct interpretation of Article 15, does not conflict with the general proposition (see the 10th recital of CTM Regulation 207/09) that genuine use of a trade mark is a condition for the rights conferred by it to exist.

It may be added that if the additional element were purely/merely generic and/or exclusively descriptive for the goods or services concerned (in the sense expressed by the CJ, at last in Techopol, case C-51/10, at §§ 35-39) then an argument could be made that for an average consumer, well observant and circumspect, such use could be seen as not altering the distinctive character of the mark (as originally registered). For instance the addition of the word "LIGHT" in conjunction with the distinctive mark of a soft drink could well be descriptive and not adversely affect the distinctive character of the mark, so that COKE LIGHT would constitute use of COKE.

In conclusion, having regard to the matters discussed above, ECTA believes that an absolute answer to Question 1 is not possible, the matter being too fact dependant.

In the case at issue, as far as ECTA knows, Levi Strauss & Co. had always used the red "flag" with the name "LEVI'S" appearing on the flag, having separate registrations for both the combination of the "flag" with the "LEVI'S" word, and for an image of a blank red "flag" per se which, apparently, was never used per se.

ECTA observes that the real issue may be whether the mark, which is only used as a part of a composite mark, if not distinctive per se, has truly acquired a distinctive character as a result of its use (albeit as part of the composite mark) so as to justify it being registered. Such matters fall to be considered as questions of the validity of the original registration.

Question 2: Is Article 15 (1) of Regulation (EC) No 40/94 (actually now known as 207/09) to be interpreted as meaning that "a trade mark is being used in such a way as to preserve the rights attached to it if it is used only together with another mark, the public sees independent signs in the two marks and, in addition, both marks are registered together as a trade mark"?

ECTA notes that here the BGH basically asks whether a registered trade mark be said to be genuinely used when its use occurs a) only in conjunction with another mark and b) consumers perceive independent signs in the two trade marks and c) the combination of the two marks is registered as only one trade mark.



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ECTA believes that it has examined and given its views also as to these questions in its analysis of Question 1, more specifically in the part where it analysed the situation of a composite trade mark made up by two inherently distinctive terms.

However ECTA feels that this question could also concern the question whether use of one composite mark can be considered to be use of two different (registered) marks which are different, if the distinctive character of each of the two registered marks is not affected. Again, having regard to the above, this should be possible, but it involves a fact-finding exercise and the result may vary according to the specifics of the case.

Finally ECTA is aware that BHG has also asked if there are divergent rules for defensive trade marks. Since it may be quite difficult to accurately define what is a defensive mark and what is not, and since analysis of this matter would appear to be unnecessary for answering the questions referred to the Court, ECTA reserves further comments for the future.