



European Communities Trade Mark Association

19 September 2012

## **ECTA POSITION PAPER ON DRAFT OF OHIM MANUAL REGARDING ARTICLE 7 (1) (I) OF REGULATION NO 207/2009 ON THE COMMUNITY TRADE MARK (CTMR) - PROTECTION OF EMBLEMS OTHER THAN THOSE IN ARTICLE 6TER OF THE PARIS CONVENTION**

### **A. Introduction**

ECTA would like to thank the Office for the opportunity given to provide feedback in relation to the draft Examination Manual relating to Article 7 (1) (i) of CTMR.

The draft forwarded for our consideration improves to certain extent the current wording of the Manual on Article 7 (1) (i) CTMR because it treats the topic in a more clear and less fragmentary way and is more in line with the wording of Article 7 (1) (i) and 7 (2) CTMR.

However, at least a couple of important Board of Appeal decisions of the Office interpreting the provision have been ignored, we do not know whether deliberately or not.

Additionally, insufficient guidance is provided on the concept of "particular public interest" which is crucial for applying this provision. There will be particular difficulties in the case of a geographically limited symbol.

Furthermore, it is questionable whether Article 7 (1) (i) CTMR should not apply to heraldic imitations.

In the following we will treat these issues and put forward some remarks that hopefully may contribute to make the whole section more complete. We trust the Office finds our comments useful and will take them into account.

### **B. Boards of Appeal case law on Article 7 (1) (i) CTMR**

The Boards of Appeal have analysed the ground of refusal in question at least on 3 occasions, namely:

- 1) Decision of the Third Board of Appeal of 25 July 2000 in Case R 190/1999-3 [euro];
- 2) Decision of the First Board of Appeal of 28 June 2007 in Case R 315/2006-1 [D&W REPAIR];
- 3) Decision of the Second Board of Appeal of 5 October 2011 in Case R 1804/2010-2 [MEMBER OF €e euro experts]. An appeal against this decision was filed with the General Court of Luxembourg ("GC") on 3 January 2012 under the reference T-3/12.

Decisions under a) and c) above dealt with the € symbol while the decision under b) touched the Red Cross emblem.

There is no mention to any of these decisions in the draft and that is surprising considering that:

- a paragraph of the draft is expressly devoted to the Red Cross emblem, the inclusion of such a sign in a number of CTM applications and the objectionability of the same;
- a recent Board's decision on the € symbol has been appealed to the GC which therefore will rule on this article in the next future.

## **C. Requirements of the application of Article 7(1)(i) CTMR**

### **1. Geographical scope**

Comparing the two versions of section 7.8.3.3. of the Manual, i.e. the current version as amended on June 23, 2010 and the proposed draft, it becomes clear that OHIM intends to broaden the scope of Article 7 (1) (i) CTMR.

The current version applies only if the symbol is of particular public interest and its protection is reserved by some kind of regulation and if this regulation is valid in all Member States.

In contrast, according to section (a) of the proposed draft, the application of Article 7 (1) (i) CTMR depends solely on the existence of a particular public interest in the symbol. The existence of e.g. an international instrument is merely an indication of such particular public interest. Furthermore, it is not necessary that all Member States are party to that international instrument. More precise, Article 7 (1) (i) CTMR may be applied if a symbol is of particular public interest in only a single Member State or even only a part of a Member State.

In our opinion this change in the practice is generally to be appreciated since a) the dependence merely on the existence of a particular public interest in the symbol rather follows the wording of Article 7 (1) (i) CTMR and b) the observance of the existence of this ground of refusal in only one Member State complies with Article 7 (2) CTMR.

However, this change increases the uncertainties both for examiners as applicants which result from the vague concept of particular public interest. These uncertainties shall be outlined as follows:

### **2. Concept of particular public interest**

It remains unclear when the requirement of a particular public interest in a symbol is fulfilled. This is true at least in cases where there are no (legal) regulations concerning the respective symbol (as e.g. the 'Red Cross' Convention mentioned in the Manual or the Nairobi Treaty on the 'Olympic Rings').

In the Opposition Proceedings relating to CTM No 6 480 073 below



the Board remitted the file back to an examiner to re-examine the mark inter alia under Article 7(1)(i) CTMR. However the examiner concluded upon further examination that the CTM could not be objected on that basis because there were no evidence of any "particular public interest" in the flag concerned i.e. the flag of California. Accordingly, the file was returned to the Board to decide on the merit of an opposition<sup>1</sup>.

This example illustrates very well that the notion of 'particular public interest' is decisive in order to apply Article 7 (1) (i). Unfortunately pages 2 and 3 of the draft do not shed much light on it. The draft only clarifies that such public interest can be shown by an international convention or treaty signed by some or all of the Member States and it adds that 'it is also possible for such symbols to be of particular public interest in only a single Member State or part of a Member State (Article 7 (2) CTMR)' (this underlined text is actually a useful addition which was inserted in this draft). It is felt that the Office could provide more guidance on this topic rightly because one of the purposes of the Manual is to explain practical application of broad and indefinite legal concepts such as this one.

ECTA believes that more detailed test criteria is necessary with regard to the requirement of a particular public interest in a symbol.

We understand that this might be difficult because there is not much case law dealing with Article 7 (1) (i) CTMR. Most cases where Article 7 (1) (i) CTMR was applied to refuse a trademark application dealt with either the 'Red Cross' or the € symbol. However, we believe there are more case groups where Article 7 (1) (i) CTMR may be applied.

The Office may clarify whether signs of high symbolic value and, more particularly, religious symbols would be included in Article 7 (1) (i) CTMR. Prohibition to register such signs as trade marks is spelt out in the optional provision of Article 3 (2) (b) of the trade mark Directive, but this provision has not been transposed in the CTMR<sup>2</sup>. Another case group might be political symbols or symbols of local authorities (e.g. municipalities) which are not likely to fall under State symbols pursuant to Art. 6ter Paris Convention.

ECTA therefore believes that the mentioned criteria concerning particular public interest are not sufficient and likely to create arbitrary decisions. For example, the decision of the Third Board of Appeal of July 25, 2000 in case R 190/1999-3 merely alleged that there was a public interest in the € symbol without further explaining why this is the case.

<sup>1</sup> Decision of the First Board of Appeal of 24 May 2012 in Case R 2359/2010-1 paragraphs 9 to 12.

<sup>2</sup> In favour of including religious symbols in Article 7 (1) (i) CTMR prohibiting their registration as CTMs through this article is Carlos Lema Devesa in the book mentioned above at page 91.

In this connection we would also like to point out that Article 7 (1) (i) CTMA refers to 'the competent authority to their registration' which seems to suggest that the symbol, to be of particular public interest, requires a national or international recognition in a law or public regulation of some sort. Furthermore, the draft of the Manual states that in case the Office raises an objection on the ground of Article 7 (1) (i) CTMR, such an 'objection can only be waived if the applicant brings evidence from the competent authority consenting to the registration of the mark'. Therefore it seems not to be possible for the applicant to argue that the requirement of particular public interest is not fulfilled. However, the guidelines draft is silent on any formal requirements. Is formal legal recognition of the symbol a requirement or would mere use or tradition be sufficient?

As a result, ECTA believes it is nearly impossible that the examiner at OHIM could decide whether a sign is of particular public interest or not. There is no comparable list to Art. 6ter of the Paris Convention and the examiner will not have the means to establish and assess a particular public interest or its absence. The determination whether a sign is of particular interest will be especially difficult if the sign exists only in a single Member State or part thereof.

The meaning and scope of the word 'particular' is also unclear. In fact Article 3 (2) (c) of the Directive 2008/95/EC ('Trade Mark Directive') which bears close resemblance to Article 7 (1) (i) CTMR provides that a trade mark shall not be registered if it includes badges, emblems and escutcheons other than those covered by Article 6 ter of the Paris Convention and which are of public interest (emphasis added). The addition of the word "particular" in Article 7 (1) (i) CTMR seems significant and may suggest that a strong public interest is required<sup>3</sup>. Moreover, the strict and broad protection for signs in the meaning of Article 7 (1) (i) CTMR, namely for all goods and services, is quite far-reaching and seems only be justified if the particular public interest is important enough. The Office may take the present opportunity to explain whether this is the case.

In addition, we believe that the applicant should have the possibility to contest the decision of OHIM if a trade mark is refused on the basis of Article 7 (1) (i) CTMR. Otherwise it would be contrary to a fair process. The possibility to contest should be positively stated in the Manual.

### 3. Proposals

This leads to the question how not only the Office, but also the applicant (who may come from a different country) comes to know these national or regional badges, emblems or escutcheons.

ECTA believes that, as a rule, the examiners at OHIM should only be permitted to refuse signs where the particular public interest is laid down in a public document, meaning an international treaty, law, regulation or other normative acts. The link between the public act demonstrating the public interest is, in our opinion, necessary, because if other signs are included this would raise the problem of when the particular public interest arose and when it may have ceased to exist.

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<sup>3</sup> See Carlos Lema Devesa in "Comentarios a los Reglamentos sobre la Marca Comunitaria" vol I Universidad de Alicante (1996) pages 90-91. The author argued that that a special public interest is necessary for applying the provision.

ECTA therefore believes that it should be defined in which normative form such particular public interest has to be laid down in order to enable the examiner to refuse such trademark applications. The Examiner should have to state this document when refusing an application on the grounds of Article 7 (1) (i) CTMR.

One option would be to establish a register which lists such symbols. Any application for entry in this register should be examined, and the register should be open for inspection by all. It should also indicate the competent authority where an applicant may seek authorisation.

## C. Refusal of heraldic imitations

Section (b) of the draft of the Manual states that Article 7 (1) (i) CTMR applies only if the mark applied for is an identical reproduction of the symbol or includes an identical reproduction of the symbol. The draft of the Manual further states that if the mark applied for is or includes merely a heraldic imitation of the symbol, it shall not be refused on the ground of Article 7 (1) (i) CTMR.

The respective section reads as follows:

'In the absence of indications as regards the test to apply, and since the wording of Article 7 (1) (i) CTMR indicates "include", the test the Office applies is a stricter one than the one applied under Article 7 (1) (h) CTMR, and protection will be afforded only when the symbol is identically reproduced or included (so no protection is given to heraldic imitations)' (emphasis added).

First of all we would like to point out that it would be clearer if the words in bracket read '(so no protection is given against heraldic imitations)'.

However, we do not see why the test of Article 7 (1) (i) CTMR when comparing the mark applied for and the symbol of public interest should be stricter than the one applied within the scope of Article 7 (1) (h) CTMR and therefore not include heraldic imitations.

As far as State flags and symbols are concerned, the ratio of Article 7 (1) (h) CTMR is to avoid that the public believes the products originate from the State or are somehow approved by the State (cf. Manual 7.8.3.1., p. 75). The refusal of marks containing symbols of international intergovernmental organizations is to avoid the risk that the public may believe that there is a connection between the Applicant and the international intergovernmental organization (cf. Manual 7.8.3.2., p. 84 et. seq.).

In our opinion Article 7 (1) (i) CTMR shall just as well prevent the registration of marks which convey an unfounded connection between the applicant and the symbol of public interest respectively what it represents (e.g. the 'Red Cross': humanitarian aid for the wounded; the € symbol: the official European currency; an escutcheon of a municipality: the symbol of the local authority etc.).

Also the Board of Appeal and apparently the ECJ take this view as mentioned in R 1804/2010-2 – MEMBER OF € euro experts. In paragraph 28 the following is said:

'It should be mentioned that the identical reproduction of the badges, emblems or escutcheons considered under Article 7 (1) (i) CTMR is not expressly required in the wording of this article.



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However, established case-law has already recognised that the scope of application of Article 7 (1) (i) and 7 (1) (h) CTMR are analogous and that it should be assumed that Community legislature is intended to grant at least an equivalent level of protection (see judgment of 16 July 2009, joined Cases C-202/08 P and C-208/08 P, 'representation of a maple leaf', paras 79 and 80). Article 7 (1) (h) CTMR also applies when there is 'any imitation from a heraldic point of view'.

Said decision R 1804/2010-2 sustains also that there is an analogy with Article 7 (1) (h), meaning that Article 7 (1) (i) should authorize the registration and use of a mark if that mark is not of such a nature so as to mislead the public regarding the existence of a connection between the user of the trade mark and the organization.

In this respect we would further like to point out the Decision of the Cancellation Division of December 23, 2005 (OHIM Ref. No. 895C 002362085) which is also examining whether there is a connection between the mark applied for and the symbol of public interest respectively the organization it represents (para 21 et. seqq.). This decision explicitly applies Article 6ter (1) (c) Paris Convention (concerning a 'connection') by analogy (para 21).

A heraldic imitation contains all the characteristic elements of the original symbol and the public is therefore able to recognize the original symbol in the heraldic imitation. Accordingly, there is the risk that the public might believe that there is a connection between the mark applied for and the heraldic imitation in which the public recognizes the original symbol of public interest.

ECTA therefore takes the opinion that the risk of an unfounded connection between the mark applied for and the symbol of public interest, respectively the 'image' that it represents, is also given in cases where the mark applied for contains only a heraldic imitation of the symbol of public interest.



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## ECTA POSITION PAPER

### **REVISION OF THE OHIM MANUAL - ARTICLE 7(1)(I) REGARDING THE PROTECTION OF EMBLEMS OTHER THAN THOSE IN ARTICLE 6 TER OF THE PARIS CONVENTION AND ARTICLES 7(1)(J) AND (K) REGARDING THE PROTECTION OF GEOGRAPHICAL INDICATIONS**

#### **Introduction**

ECTA is thankful to the OHIM for providing the opportunity to comment on its draft text for the new examination practice of Articles 7.1.(j) and 7.1.(k). ECTA, in particular through its Geographical Indications Committee, is very attentive to the complex relationship between GIs and trade marks, and is indeed willing to cooperate as much as possible in the establishment of appropriate Guidelines for the examination of trade marks.

As a general remark, ECTA is very satisfied with this draft. It is a great step forward in the implementation of a more effective protection of GIs in the CTM system, in accordance with the standards established in the European Union's GI Regulations. This is particularly true with respect to the scope of protection of GIs in the field of wines and spirits.

The implementation of these Regulations by the Office is – to a relevant extent – in line with the recommendations of ECTA. We refer, in particular, to the ECTA-OHIM meeting of 17<sup>th</sup> February 2012, during which we expressed the need for the Office to apply directly the relevant parts of the GI Regulations.

We note from the introductory comments of the draft that not all the relevant issues are dealt with at this stage. We acknowledge that there are complex issues pending, and that in view of the little case law available, it is difficult for the Office to set up some standards (for example in the field of homonyms). We will not touch upon these pending issues in this paper.

Considering, also, the upcoming entering into force of the new EU Regulation on quality schemes for agricultural products and foodstuffs, which will replace and substitute Regulation (EC) No 510/06 and which contains a modified version of Article 13 of Regulation (EC) No 510/06, the manual is likely to have to be updated rapidly.

We also note that the draft does not mention the EU legislation on the protection of traditional terms (Regulation No 538/2011 amending Regulation (EC) No 607/2009 laying down certain detailed rules for the implementation of Council Regulation (EC) No 479/2008 as regards PDOs, PGIs, traditional terms, labelling and presentation of certain wine sector product). The traditional terms are not GIs, and as such they have no direct relationship with articles 7.1 (j) and (k). This is, however, an issue that will have to be addressed in the near future.

While the draft as a whole is very satisfactory, there is however room for some improvements. These will be developed hereafter. We will first make some general comments (many of them applicable to both Articles 7.1 (j) and 7.1 (k)), and then some more specific comments relating to some indications or examples provided for in the draft.

ECTA remains at your full disposal for subsequent clarifications, discussions and exchanges on this subject. We will be happy to be of assistance.

## General comments

### 1. The relevant legal framework

The amended manual on Article 7.1 (j) is a great improvement because the Office is prepared, for the first time, to refer its examiners directly to Regulations No 110/2008 – spirits – and No 1234/2007 – wines, even if they are not mentioned in the CTMR. The situation with respect to Regulation No 510/2006 is different as this is the only Regulation expressly referred to in the CTMR.

However, we have not seen in the draft any reference to the following:

- EU legislation on the protection of geographical Indications of aromatized wines (Council Regulation (EEC) No 1601/91 of 10 June 1991 laying down general rules on the definition, description and presentation of aromatized wines, aromatized wine-based drinks and aromatized wine-product cocktails). This legislation – currently under revision – does certainly not have the same impact in practice. Still, it is an additional instrument of protection of GIs in EU legislation.

- GIs protected under other instruments: namely the Lisbon system and bilateral agreements. The Lisbon system provides for the protection of about 1.000 GIs, and the EU is actively engaged in a policy of bilateral negotiations for the protection of GIs with third countries (policy already resulting in the protection of many GIs originating from third countries). The draft does not mention the protection of these GIs. We acknowledge that this is a difficult issue. For instance the EU is not a party to the Lisbon Agreement (unlike various member States are), and the EU legislation provides a sui generis system of protection. Yet, whether or not OHIM will apply the absolute grounds examination to Lisbon registrations, to third country GIs protected under bilateral agreements between the EU and such third countries, or to GIs protected under bilateral agreements among EU member states should be addressed in the Guidelines. ECTA considers that in any event OHIM should apply the protection resulting from agreements between the EU and third countries as well as protection resulting from the Lisbon Agreement.

### 2. The direct application of the relevant EU legislation

The draft refers several times to objections “*based on Article 7.1 (j) in conjunction with the above mentioned Regulations*”.

We are not quite sure about the relationship between the implementation of the relevant EU legislation and the application of Article 7.1 (j).

Article 7.1 (j) has a limited scope. It was added in the CTMR in order to comply with the commitments assumed by the EU under the TRIPS agreement.

As such, we do not see any objective link between the EU GI legislation and this provision.



ECTA has already expressed the view – supported in our opinion by the case law of the Court of Justice in COGNAC II, Case C-4/10 – that the relevant EU legislation must be applied directly not only by national IP offices but also by OHIM, notwithstanding the fact that it is not expressly referred to in the CTMR and more particularly in Article 7.

We understand that opening the path to absolute grounds that are not listed in Article 7 raises concerns, but this is – in our opinion – the only correct solution. Certainly, the EU legislature can determine absolute obstacles to trade mark registration in legislative acts outside of the Harmonization Directive and the CTMR.

### 3. Scope of protection of GIs

Defining a predictable policy regarding the scope of protection of GIs, in the manual, is indeed a difficult task (all the more so as we have very little guidance from the CJEU in this field).

With respect, first, to the notion of “comparable goods”: the draft offers a restrictive approach. This offers a number of advantages (again the issue of predictability), but might not be the most appropriate solution. Some “corrections” of such a restrictive approach may be available for GIs with a reputation

In any case, we are happy to read that the examiners are invited to refer to their legal advisors to define the scope of refusal of applications.

With respect, second, to the scope of protection provided for in the EU legislation, we note that the protection extends beyond the goods specified to other goods where the GI enjoys reputation, at least in compliance with the spirits regulation (No. 110/2008). We assume that OHIM will be reluctant to use its ex officio examination to refuse trade marks unless the reputation is “common knowledge” and the exploitation of the reputation is also obvious.

Clearly, guidance from the CJEU will be necessary in these two fields, in the incoming years.

With respect, third, to the notion of evocation: it has to be recalled that it is possible for a PDO/PGI to be evoked even where no Community protection extends to the “parts” of that designation which are echoed in the term or terms at issue (see Case C-87/97, CAMBOZOLA, paragraph 26, see also C-132/05, paragraph 45). An evocation can occur with the mere use of a device that calls a particular GI to the mind of the consumers. For example: a trademark containing the generic name PECORINO (Italian for “SHEEP CHEESE”) and a picture of the Coliseum, may be able to evoke the PECORINO ROMANO PDO. As regards applying the “evocation” criterium, ECTA would like to assume that OHIM will limit the refusals to obvious cases of evocation.

One should not forget that in addition to observations which may be filed by third parties the proprietors of GIs may seek protection of their rights in opposition or invalidation proceedings.

## 4. Non protectable elements of compound GIs

The draft mentions (for both Articles 7.1 (j) and 7.1 (k) that “*it is important to distinguish between parts of a PGI/PDO having geographical significance and other parts having only a generic or non-geographical significance (...). The question whether a term is generic/non geographical needs to be determined on the basis of the understanding in the Member State in which the geographical indication has its origin*”.

ECTA agrees with the principle expressed. Obviously, a designation like “Vin d’Alsace” enjoys no protection for “Vin”. Likewise, a designation like “Turrón de Alicante” enjoys no protection for “Turrón”. However, under the case law of the ECJ the situation not only in the country of origin must be taken into account, but also the situation elsewhere in the EU. Further, protected GIs may have their origin also in third countries. In general, we would therefore propose that the rule should be that were an element of a protected GI is generic in the country of origin it does not participate in the protection as an independent element, but that even it is not so perceived as a generic indication in the country of origin, nevertheless that element of the name may, on the whole, be considered to be generic in view of the situation in the EU as a whole.

### Specific comments

#### 1. With reference to article 7.1 (j) CTMR:

(i) Under: **7.6.5.5.3 Signs caught by the prohibition** (page 6),  
b): A CTMA which consists or contains of a term or a sign which is ‘evocative’ of the PDO/PGI should also be refused.

With reference to the LAMBRUSCO example given in the last sentence on page 6, stating: “*For example: ‘LEM BRUSCO’ for a wine is an evocation of **the Italian PGI LAMBRUSCO***”:

We are not sure whether “LAMBRUSCO” as such is a PGI, as the E-Bacchus database only mentions the following 5 wines (containing, but not limited to, the LAMBRUSCO term) with a Protected Designation of Origin: LAMBRUSCO DI SORBARA, LAMBRUSCO GRASPAROSSA DI CASTELVETRO, LAMBRUSCO MANTOVANO whether or not followed by VIADANESE-SABBIONETANO, LAMBRUSCO MANTOVANO whether or not followed by OLTRE PO MANTOVANO, LAMBRUSCO SALAMINO DI SANTA CROCE. Accordingly, the draft could be modified as follows: “For example: LEM BRUSCO for wine is an evocation of the Italian PDOs which include the word LAMBRUSCO, such as LAMBRUSCO DI SORBARA, LAMBRUSCO DI GRASPAROSSA DI CASTELVETRO and others”.

(ii) Under: **7.6.5.5.3 Signs caught by the prohibition**  
Special Considerations concerning Scope of Protection for PGI/PDO’s: (page 7):

“Chateau” being a traditional term, in this context this term is not the most appropriate example of a PGI/PDO part having only a non–geographical significance to which no protection should be granted. The Office could adapt the draft by referring to the Italian word VALLE: it is part of many Italian and Spanish PDOs for wines, is not a traditional term and can be considered as being generic.

## 2. With reference to article 7.1 (j) CTMR:

(i) Under: **7.6.5.5.6.2. Signs caught by the prohibition** (page 2), it is stated as follows:

*“If the goods in a CTMA are identical or comparable to those protected by a PDO/PGI, in accordance to what has been stated in the previous paragraph, this absolute ground of refusal is to be applied to the following situations:*

*a) Article 7(1)(k) excludes trade marks which contain or consist of the geographical name of a PDO/PGI for the same goods registered under that name. [..]”*

However, Article 7(1)(k) uses the wording “the same type of product”, so we would suggest using the same wording.

(ii) Under b) Article (7)(1)(k) also applies where the trade mark itself contains or consists of a term or sign which is ‘evocative’ of the PDO/PGI.

The example is given of PARMESO as an evocation “**of the PARMESAN cheese PDO**”:  
However, the registered PDO is not PARMESAN but PARMIGIANO REGGIANO. We would therefore suggest replacing PARMESAN by PARMIGIANO REGGIANO (we note that it was indeed PARMESAN, as well, amongst others, PARMESO and REGGIANITO, which have been held evocative of the PARMIGIANO REGGIANO PDO by national courts.).