Lack of Distinctiveness as an Obstacle for EUTM Registration

Wednesday, June 21, 2017

The distinctiveness of a trademark is one of the conditions for obtaining a European Union trade mark (“EUTM”) registration. The concept of a trademark is defined through the prism of distinctiveness as its inherent characteristic, and also its basic function. This distinctiveness may be inherent (due to the unprecedented and extraordinary structure or content of the sign) or acquired (as a result of use of the sign on the market). Distinctiveness should be possessed by each representable and sensory perceptible sign capable of distinguishing goods or services that should perform the functions of a trademark in business or trade.

1. ABSTRACT AND SPECIFIC DISTINCTIVENESS

- Distinctiveness is of fundamental importance to the recognizability of a trademark in trading, and constitutes a basic condition for a protection right being granted for a trademark by the registration authority. An exclusive right may be granted to a designation that has abstract distinctiveness and specific distinctiveness. Abstract distinctiveness exists when an abstract evaluation of a trademark, i.e., made apart from specific goods or services, is sufficient to distinguish goods or services, while specific distinctiveness exists when a trademark makes it possible to distinguish the goods or services for which it has been designated from those of other businesses.
- A trademark is given the task of distinguishing in trading the goods or services of a given business from those deriving from other businesses. Designations that do not permit goods to be identified as originating from a particular source do not possess adequate distinctiveness. When evaluating distinctiveness, account must be taken of the characteristic form of the designation itself, for it is the form that ensures consumers make correct choices with regard to the origin of goods.

1. INHERENT OR ACQUIRED DISTINCTIVENESS

- The distinctiveness of a trademark should be of a primary nature, meaning that the mark’s structural characteristics should ensure that the mark is capable of identifying the goods or services for which it was submitted under normal trading conditions. An absence of inherent distinctiveness constitutes an absolute obstacle to registration, though this may be removed if, as a result of an extended use in trading, a mark becomes capable of distinguishing goods or services. In such a case, it is deemed that the mark has acquired distinctiveness.
- When assessing distinctiveness, it must first be established whether the mark is sensorially perceptible at all and can be presented in an accepted form, that is, whether it can be recognized by consumers. Only when these criteria have been met, should verification be made to the extent to which the mark is suitable for trademark protection. It must be emphasized that an absence of graphic (or nongraphic) representation cannot be overcome by a mark acquiring distinctiveness.

1. EVIDENCE OF ACQUIRED DISTINCTIVENESS

- In accordance with established case law, when assessing whether a given mark has acquired distinctiveness through use, particular attention must be paid to:
  - the mark’s market share, its intensity, geographic range, territory, and length of use;
  - the amount of outlays of the business in promoting the mark;
• the percentage of the target group of consumers who, thanks to the mark, recognize goods as originating from a particular business;
• opinions of chambers of commerce, industry associations, and other professional organizations.
• It is worth emphasizing that the market share of a mark is an important indicator of whether the mark has acquired distinctiveness through use. Similarly, the amount of advertising addressed to the market for given products, as reflected by advertising outlays incurred in promoting the mark, can also constitute an important indicator of whether the mark has acquired distinctiveness through use.

1. ANTA CASE T-291/16

• It is worth looking in this context at the conditions for the distinctiveness of the trademark application made by the Chinese company Anta Co. Ltd. which may be of importance especially for clothing and footwear industry. The EU General Court has upheld an EUIPO Board of Appeal decision that a figurative mark comprising two lines forming an acute angle, applied for in respect of various goods in classes 18, 25 and 28, lacked distinctiveness. (Anta (China) v EUIPO, Case T-291/16, 5 April 2017.)

The mark in respect of which registration was sought is the following figurative sign:

In the course of examining the application, EUIPO found that the mark was devoid of primary distinctive character; hence it did not obtain registration. According to the EUIPO expert who analyzed the application, the sign presented had no distinctive features that would distinguish it from other signs on clothing existing in trade. The Applicant argued that the relevant public were used to perceiving purely figurative simple signs as trade marks, especially in relation to clothing. However, the General Court held that the fact the public recognizes such trade marks does not necessarily mean that they have inherent distinctive character. As such, the public will not regard such a mark as a trade mark, unless it has acquired distinctiveness through use. Failing any specific feature or other distinctive elements, the relevant public would perceive the sign at issue as an ordinary decorative element. The sign at issue was not capable of attracting the attention of the relevant public so that, faced subsequently with the goods concerned, they would be likely to remember it and attribute it to a particular undertaking. The mark applied for has no element that is visually eye-catching or likely to be remembered by the relevant public. The General Court confirmed that it presents no characteristic likely to create an impression sufficiently far removed from that produced by the mere combination of the two lines that form it so that it confers on the mark the minimum distinctive character necessary for its registration as a EUTM.

1. CONCLUSIONS

• Demonstrating acquired distinctiveness entails preparing appropriate material evidence. Such materials should clearly show that the relevant group of consumers perceives the trademark submitted as an indicator of origin, regardless of other trademarks that may accompany it in advertising or during the sale of goods. Material evidence should refer, in as much detail as possible, to the form of the trademark submitted for protection. In particular, in order to have significant evidential value, all data sets on sales and product promotion identified with a specific trademark should refer to the protected form of that trademark. This is of particular importance when demonstrating the acquired distinctiveness by figurative and three-dimensional trademarks. When preparing documentation confirming the use of a designation as a trademark, one must establish the scope of use, territorially and quantitatively, as well as the amounts of outlays incurred on advertising. It is worth pre-analyzing whether a significant number of consumers identify the trademark with the right holder, and whether, before the mark acquires adequate hallmarks of distinctiveness, other entities use identical or similar designations.

Copyright 2019 K & L Gates

Source URL: https://www.natlawreview.com/article/lack-distinctiveness-obstacle-eutm-registration