

CLARIFICATION OF THE NOTION AND SCOPE OF REPUTED TRADEMARKS

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Reputed trademarks, a creation of the Trademarks Directive and Regulation, are of paramount importance, and yet the qualification criteria are still ambiguous. In September, the Court of Justice of the European Union's (CJEU) decision in *Iron & Smith v Unilever* brought welcome clarification.

Unilever, the owner of a Community trademark (CTM) for the term 'Impulse', had filed an opposition against a Hungarian trademark application by Iron & Smith at the Hungarian Intellectual Property Office (HIPO) for the term 'Be impulsive'.

Unilever deemed the trademark to be too similar to its own despite the fact it covered different products.

Following this opposition, the HIPO refused registration of the trademark. Iron & Smith then filed an appeal before the Hungarian courts.

The judges brought to light the central issue of this litigation: Unilever had not proved that its CTM was reputed in Hungary, but only that it was reputed in some EU member states. The Hungarian court then referred a question to the CJEU in order to clarify the notion of reputed trademark and the conditions under which it can be enforceable against third parties.

First of all, the CJEU recalled that a CTM is considered reputed in the EU if it is recognised in a substantial part of the territory of the EU by a significant part of the public concerned. Nevertheless, the court provided a very important clarification: the "substantial part" of the territory of the EU may coincide with the territory of a single member state.

Then the CJEU proceeded with a more flexible analysis of the conditions for the qualification of a reputed CTM and considered that it is of little importance whether the trademark is reputed in Hungary, as long as it can be validly qualified as a reputed CTM within the EU.

However, in such a situation, the owner of the CTM may benefit from the protection of reputed trademarks only if "a commercially significant part of the public in question recognises this trademark, establishes a connection between it and the later national trademark and, bearing in mind all relevant factors to the case, there exists either an effective and actual violation of the CTM, or simply a serious risk that such a violation may take place in the future."

Therefore, in order to assess the conditions for the enforcement of the reputed trademark in question against third parties, the CJEU adopted a practical approach, taking into account the actual situation in the concerned member state where the owner of the reputed trademark seeks its protection.

The CJEU also mentioned that the requirement for serious use of a CTM in the EU has a different objective from the provisions regarding the wider protection conferred on reputed trademarks.

Consequently, the criteria used to establish the existence of a serious use are not relevant to establish whether a trademark is reputed.

So the CJEU made a clear distinction between the requirement for serious use of a trademark and establishing its reputed character.

Regarding the serious use of a European trademark in the EU the court

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considered the 2012 CJEU decision *Leno Marken v Hagelkruis Beheer*.

The decision found that although it is clearly reasonable to expect a CTM to be used over a wider territory than a national trademark, it is not necessary for this usage to be geographically widespread in order to be qualified as "serious", because such a qualification depends on the characteristics of the product or service concerned in the corresponding market.

However, the trademark at issue must be used in accordance with its essential function and in order to maintain or create market share within the community for the products or services designed by this trademark. Finally, we must also recall that in order for a CTM to be considered distinctive it must have this character in all member states of the EU, to the extent that if this is not the case in a single member state, the registration of the trademark will be refused. ■

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