

# perspectives

THE JOURNAL OF INTELLECTUAL PROPERTY MANAGEMENT

Novagraaf

## Sign of the times

### Protecting non-traditional trademarks in the EU

#### **Body of evidence**

Preparing proof of trademark use

#### **Sharing best practice**

A step-by-step guide to IP auditing

#### **Up in smoke?**

Trademark infringement and e-cigarettes

# Together we take IP further

*“Businesses looking for an ally who will guide them from the initial stages of brand creation to the signing of lucrative rights transfers should consider Novagraaf.”*

World Trademark Review, The World’s Leading Trademark Professionals 2018

*“Entrepreneurs, start-ups and multinationals have all sent work Novagraaf’s way; dedicated life sciences, mechanics and electronics teams ensure that everyone receives the red-carpet treatment.”*

IAM, The World’s Leading Patent Professionals 2018

## EDITOR

Emma Jones, e.jones@novagraaf.com

## EDITORIAL TEAM

Hannah Damjanovic, Frouke Hekker,  
Marloes Smit

## NOVAGRAAF HEAD OFFICE

Hoogoorddreef 5  
1101 BA Amsterdam  
The Netherlands  
T +31 20 564 14 11  
F +31 20 696 23 03  
www.novagraaf.com

## REGIONAL OFFICES

UK	T +44 20 7469 0950
Belgium	T +32 2 675 57 07
France	T +33 1 49 64 60 00
Switzerland	T +41 22 979 09 30
US	T +1 240 668 0139
Hong Kong	T +852 9155 3183
Japan	T +81 3 4530 3803

## SUBSCRIBE TO OUR NEWSLETTER

To receive Perspectives electronically every two weeks, please visit [www.novagraaf.com/subscribe](http://www.novagraaf.com/subscribe) or email [marketing@novagraaf.com](mailto:marketing@novagraaf.com).

Published on behalf of Novagraaf by Engelen & de Vrind.

© 2019 Novagraaf. All rights reserved.  
For editorial matters, please contact the editor.  
The views of contributors do not necessarily reflect the policy of Novagraaf nor that of the publishers. The publishers cannot be held responsible for loss or damage to unsolicited manuscripts or photographs.

# New perspectives on pervasive IP issues

Welcome to the latest edition of *Perspectives*, Novagraaf’s specialist journal of intellectual property management.

This has already been a busy year for IP professionals, not least as a result of the uncertainties caused by Britain’s now delayed exit from the EU. While the date and form of Britain’s exit remains unclear, there is at least clarity now for IP rights holders on what will happen to their valuable EU trademark and design rights on Brexit, as well as the steps that they need to take to prepare (p5).

In this special issue of *Perspectives*, we focus in detail at some of the key issues facing IP professionals today. In particular, our experts provide practical advice on protecting non-traditional trademarks in EU territories, such as multimedia (p5), and shapes, colours and smells (p6), as well as guidance on how to counteract the threat of trademark infringement in the growing e-cigarette sector (p10).

Elsewhere, we provide a handy guide to approaching patent annuities (p20), as well as best practice advice for preparing evidence of trademark use (p14), tips on developing an effective trademark watching strategy (p12), and techniques for auditing and valuing IP portfolios (p17). We hope you find these insightful guides both informative and helpful when it comes to navigating many of the challenges ahead.

Join the discussions by contacting us at [marketing@novagraaf.com](mailto:marketing@novagraaf.com).

## Subscribe to *Perspectives*

Keep up-to-date with all the latest patent, trademark and design news by subscribing to our newsletter in English, Dutch or French. To activate your subscription, visit [www.novagraaf.com/subscribe](http://www.novagraaf.com/subscribe) or email [marketing@novagraaf.com](mailto:marketing@novagraaf.com).



## Content

### 4 News

The latest Novagraaf updates

### 6 Sign of the times?

Protecting non-traditional trademarks, such as shapes, colours and smells

### 10 Up in smoke?

Fighting trademark infringement in the e-cigarette sector

### 12 On your marks

The how and why of trademark watching

### 14 Body of evidence

Best practice advice for preparing proof of trademark use

### 17 Know your rights

A step-by-step guide to trademark auditing

### 19 Online forces

Is it time to rationalise your domain name portfolio?

### 20 Patent annuities

Guidance on when and what to renew

### 22 Catch that phrase

Protecting slogans and taglines as trademarks



## NEWS The latest Novagraaf updates

### Novagraaf's trademark practice recommended in WTR 1000

Novagraaf has been recognised for its trademark expertise again in the 2019 edition of the *World Trademark Review 1000* (WTR 1000) World's Leading Trademark Professionals survey.



*"Storied outfit Novagraaf is one of Europe's top IP firms, whether measured by the number of marks it is responsible for, by the breadth of its brands service, by the strength of its team or by the quality of its work." WTR 1000*

Novagraaf appears as a 'recommended' firm in this year's rankings. Several Novagraaf specialists were also singled out for their expertise.

The magazine undertook an exhaustive qualitative research project to identify the firms and individuals that are deemed outstanding in this critical area of practice. This included factors such as depth of expertise, market presence and complexity of work, as well as positive peer and client feedback.

Novagraaf was specifically recommended in the Benelux category in this year's rankings. From the Amsterdam office, attorneys Gerard van Hulst, Helma van de Langenberg and Bart Schweitzer were singled out for their expertise. From Belgium, Ingrid Mennens and Daphne Vervaeke also received individual praise. ■

Managing  
Intellectual  
Property **IP STARS**  
TOP TIER FIRM 2019

### IP STARS: Novagraaf recognised as a Top Tier Firm

*Managing Intellectual Property* also published its IP STARS 2019 trademark rankings earlier this year covering more than 70 jurisdictions. Its rankings are based on expertise, workload, market reputation/track record, outcomes achieved for clients, and unique strengths in a given practice area. Judgements about which firms to include in the rankings, and which tier and practice area they should be in, take account of all this information.

Following this research, Novagraaf was recognised as a 'Top Tier Firm' for its trademark prosecution work in Benelux, as well as being included in 'Tier Two' of the France rankings for its trademark filing and prosecution work.

Commenting on the firm's recommendations, Novagraaf Belgium's Managing Director, Ingrid Mennens said: *"We're happy to see that the hard work and dedication of our IP attorneys and back-office specialists are recognised once again in the WTR 1000 and IP STARS rankings. It is our mission at Novagraaf to take IP further for the businesses and organisations we work to support. Our goal is to deliver innovative and purpose-built solutions that add measurable value for our clients. We achieve that by building partnerships based on trust, respect and knowledge of our clients' businesses, and their goals and projects."* ■

## Time to get moving?

The amended Benelux Convention on Intellectual Property (BCIP) came into force on 1 March 2019, bringing Benelux trademark law in line with the EU Trade Mark Directive. Among other changes, it introduced new opportunities for the registration of non-conventional trademarks, such as multimedia or motion marks.

Among the changes introduced into EU national laws by the implementation of the EU Trade Mark Directive was the removal of the requirement for graphical representation for non-conventional trademarks (see page 6). In the Benelux, as in other EU jurisdictions, this change paves the way for the registration and protection of less traditional trademarks, such as sound and motion marks via an MP3 or MP4 multimedia file.

### Novagraaf first to move

Novagraaf is proud to have been announced as the very first applicant for registration of such a multimedia mark in the Benelux. Filed on 1 March, the registration for a multimedia version of our logo has already been published and passed the absolute grounds examination.

### Is a multimedia trademark right for your business?

*"The elimination of the graphic representation requirement is an important step in a more modern trademark law, which now offers businesses throughout the EU broader possibilities in protecting 'signs' that they use to distinguish their products and services from those of other businesses,"* comments Mariëlle Zwart-Hoffer, IP Consultant at Novagraaf.



## Brexit update

In April, the EU agreed a further Brexit extension to 31 October 2019 with the option for the UK to leave earlier if Prime Minister Theresa May can secure support for the withdrawal deal.

While it now seems clear that both the UK and EU are keen to avoid a no-deal exit, IP owners are nonetheless advised to continue to prepare their IP for Brexit based on the information currently available.

# Novagraaf

*"My advice to EU businesses, therefore, is to take a fresh look at everything you do in your branding to see if you use signs to distinguish your products or services that can now be protected as a trademark in this way."*

### Other considerations

The law still requires the applied-for mark to have distinctive character, and to be presented clearly and precisely so that others can understand and identify the mark. Furthermore, if an owner intends to use a Benelux trademark as the basis for an international application, it should be noted that the World Intellectual Property Office (WIPO) will still require a graphic representation of the mark, as electronic formats are not currently accepted. ■

To see Novagraaf's new multimedia trademark, visit [www.novagraaf.com/multimedia](http://www.novagraaf.com/multimedia).

### Helpful resources

Please visit [www.novagraaf.com/insights](http://www.novagraaf.com/insights) to subscribe to our IP newsletter, *Perspectives*. On the website, you can also download a helpful range of white papers, including:

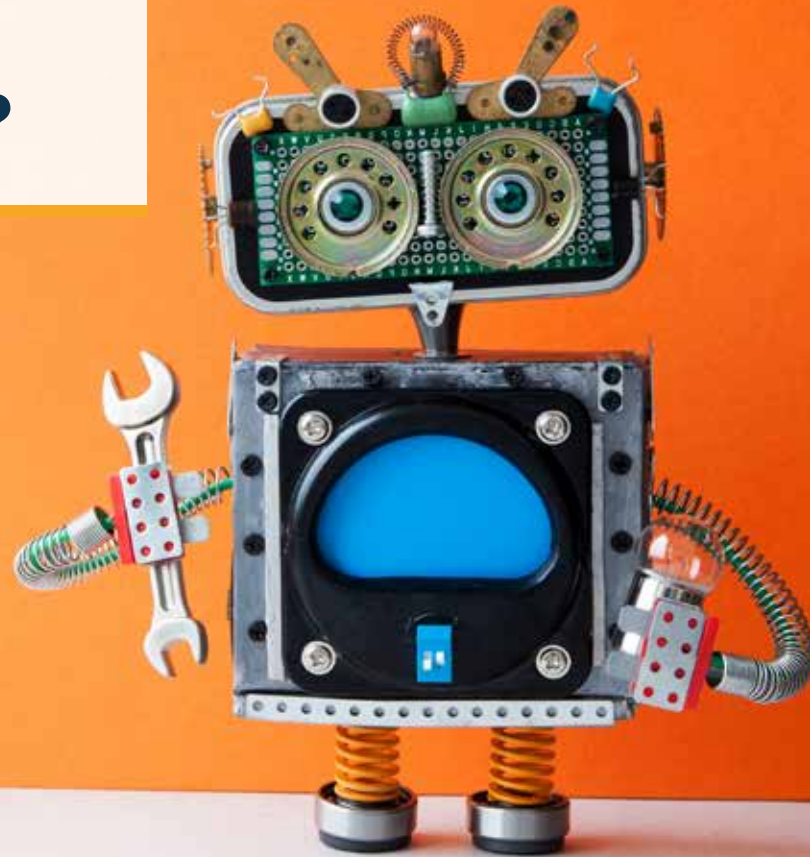
- Brexit – what will it mean for your IP?
- Trademark auditing: A practical guide
- Is your anti-counterfeiting strategy up to scratch?
- Best practices in trademark management
- GDPR: Vade-Mecum

The good news, from an IP perspective, is that it is now clearer what will happen to IP rights in both the event of a deal (with transition period) and a no-deal without. However, there are steps that brand owners will need to take, both pre- and post-Brexit, to ensure their registered and unregistered European trademark and design rights, as well as associated rights and agreements, remain protected and enforceable when the UK exits the EU (in whichever form that occurs). We have summarised these into a handy checklist of IP action points.

Please visit [www.novagraaf.com/insights](http://www.novagraaf.com/insights) to receive our future updates and download our Brexit checklist of IP action points. ■

## NON-TRADITIONAL TRADEMARKS

# Sign of the times?



**Even traditional businesses are calling on once unusual forms of branding, such as colours, smells and jingles, to differentiate themselves from their competitors.**

As the criteria for registering an EU trademark (EUTM) no longer includes the requirement for 'graphic representation', it's possible to file a trademark to protect a sign in any appropriate form – at least in theory. This enables IP owners to more easily register non-traditional signs (such as shapes, sounds, smells, holograms and multimedia), so long as they can be represented in a manner that is 'clear and precise', and fulfil the general requirement of distinctiveness.

## PART 1: SHAPES

Protecting shapes as trademarks is not as common or as simple as acquiring trademark protection for other types of signs, such as words or logos. Many high-profile brands (e.g. KitKat) have struggled to meet (or prove they meet) the criteria for shape marks set by trademark offices, and national and EU courts. This is because registration limits have been imposed to prevent companies from acquiring a monopoly over technical solutions or a product's functional characteristics.

EU legislation excludes shapes and other characteristics, such as colours or sounds, from trademark protection, if:

- They consist of a shape or characteristic which results from the nature of the goods themselves;
- The shape or characteristic gives substantial value to the goods; or
- If the shape or characteristic is necessary to obtain a technical result.

Shapes or characteristics that are not excluded on these grounds can obtain trademark protection, but – as with trademarks in general – only if they satisfy criteria for distinctiveness.

## Acquired distinctiveness

If a sign is initially unsuitable to be registered as a trademark, it could still be eligible for trademark protection by acquiring distinctiveness through use. 'Acquired distinctiveness' means that the trademark has been widely recognised by long-term and/or intensive use, as a result of which the sign will function as a distinguishing sign, and thus as a trademark. In practice, this is quite a hurdle as it can be difficult to argue that consumers recognise a shape or characteristic as a distinguishing mark of a particular undertaking. The greater the similarity of the shape

or characteristic to a product's obvious shape or characteristic, the less distinctive it will be deemed to be. Ideally, shapes or characteristics need to depart significantly from the norm or customs of the sector in order to fulfil the essential function of a trademark of indicating a product's origin.

## The KitKat saga...

In 2002, Nestlé filed an application to register a trademark for its four-fingered KitKat bar. As the application was for a shape mark, the (word) mark KitKat was not included in the image. Cadbury applied for a declaration of invalidity in 2007. This was dismissed by EUIPO in 2012, which held that the shape had acquired distinctiveness through intense and frequent use in the EU; EUIPO's Board of Appeal (BoA) found that:

- The surveys conducted in 10 EU member states showed sufficiently that the shape mark had acquired distinctiveness throughout the EU;
- Acquired distinctiveness was demonstrated in respect of all the goods specified in the goods and services description.

In its December 2016 judgment, the General Court of the EU disagreed with the BoA findings; in particular, stating that acquired distinctiveness must be proven in all EU member states and not only in a substantial part of the territory of the EU. That ruling was confirmed by the Court of Justice of the EU (CJEU) in July 2018.

Of particular, in paragraphs 83–86 of the 2018 ruling state the regulation does not require that the acquisition of distinctive character through use to be established by separate evidence in each individual member state. However, the evidence submitted must be capable of establishing such acquisition throughout the EU member states.

It explains that: *"for certain goods or services, the economic operators have grouped several member states together in the same distribution network and have treated those member states, especially for marketing strategy purposes, as if they were one and the same national market. In such circumstances, the evidence for the use of a sign within such a cross-border market is likely to be relevant for all member states concerned."*

The case now returns to EUIPO, which will examine proof of use across the relevant EU member states. For its part, Nestlé has already indicated that this latest judgement is "not the end of the case" and that it believes EUIPO will side with the confectioner.

**Frouke Hekker** is Manager, Novagraaf Academy and Coordinator, Competence Centre at Novagraaf in Amsterdam



## PART 2: COLOURS

Colours form some of the world's most recognisable and valuable trademarks, but the bar for registration is high. Once registered – if they can be registered – they provide the trademark owner with an exclusive right to use that shade of colour, in relation to the goods/services for which it is registered and in the territory for which it is registered, and to stop others from using an identical/similar colour in relation to identical/similar goods/services, in the territory of registration.

Nonetheless, colour trademarks are difficult to protect. The courts resist attempts to claim a monopoly on a colour, for reasons of general interest and free competition. The long-running dispute between Cadbury and Nestlé over the colour purple (see page 8) is just one of the colour disputes to have hit the headlines in recent years.

## Single colours

Single colour registrations often fail on the grounds of lack of distinctiveness; however, it is possible to overcome this by showing acquired distinctiveness through long-standing use. Well-known registered trademarks consisting of a single colour include magenta for T-Mobile, yellow for Zwitsal and purple for Milka chocolate bars.

The CJEU ruled in *Libertel* that a single colour can be registered as a trademark, provided that it can be displayed graphically in a clear and precise manner. This last condition will not be fulfilled by simply reproducing the colour on paper, but will be met by also mentioning an internationally recognised colour code (e.g. Pantone reference) in combination with a colour sample.

## Combinations of colours

In addition to a single colour, a combination of colours can be registered as a trademark. Specific conditions also apply to such trademarks.

According to CJEU case law, a combination of colours can be registered as a trademark, only if the application for registration includes a 'systematic arrangement associating the colours concerned in a predetermined and uniform way'. In other words, if the description of the application for registration only consists of two colours that can be used in all conceivable forms, the application will be refused. Applicants must clearly describe how the combination of colours will be used on the goods or services applied for. This ruling has meant that many registrations of (well-known) combinations of colours are no longer seen as valid trademarks, as was the case with the Red Bull combination of colours, which was annulled by EUIPO in 2015 and later confirmed by the EU General Court.



## Strict requirements

Colours and combinations of colours are used by many companies to distinguish their goods or services. However, when applying to obtain trademark protection of a colour or combination of colours, be aware that strict requirements apply. Demonstrating acquired distinctiveness is almost always required, while the concerned colour or combination of colours must be described in a clear and precise manner, as Cadbury has found to its cost (see box, right).

The CJEU's judgements emphasise that colour marks do not easily meet the condition of distinctiveness, and that a well-considered strategy must be used to acquire distinctiveness for the goods and services applied for.

## PART 3: SMELLS

The CJEU ruled in August 2018 that the taste of a Dutch cheese spread did not qualify for copyright protection (*Levola Hengelo v Smilde Foods*). The news will have come as little surprise to most patent and trademark professionals, who are well aware that existing IP legislation is not set up to provide effective protection for intangible attributes such as smells or tastes.

Nonetheless, the use of scents in business and marketing continues to grow. As far as technological aspects are concerned, science fiction may become a reality. Indeed, major university and telecom players are closely interested in the subject of olfactory transmission, and therefore, the remote reproduction of a complex odour using a myriad of basic odour capsules. Thus, international patent applications have recently been published, as well as patents granted in leading regions in these fields of activity, such as the US, Japan and Europe.

Remember that, in order to be patentable, an invention must be set out in the patent application in a sufficiently clear and complete manner for a skilled person to be able to carry it out. This leads us to believe that augmented reality could in the future make it possible to profitably reproduce a smell in the cinema, in a video game, in an online purchase, in an advertisement or on a smartphone.

## Breaking down barriers

Historically, of course, one of the biggest barriers to the protection of scents as trademarks was the need for the smell to be graphically represented (the same applied to other 'non-traditional' trademarks, such as shapes, sounds and holograms). Now that requirement has been removed it is possible to file a trademark to protect a sign in any appropriate form, so long as it is 'clear and precise' (*Sieckmann*), and the mark fulfils the general requirement of distinctiveness.

# Cadbury battles to protect its purple

The long-running dispute between Cadbury and Nestlé over the colour purple hit the headlines again at the end of 2018 when the UK Court of Appeal ruled against Cadbury's attempt to update its Pantone 2685C trademark.

The trademark had been registered in 1995 covering chocolate bars. Cadbury attempted to update the description of the 1995 UK trademark after the UK's Court of Appeal took issue with the 'imprecise' description of one of its other 'purple' trademarks and 'in particular' the use of the word 'predominant' in the description of the mark. Cadbury's 1995 trademark featured similar wording, including references to 'predominant colour'. However, its attempt to update the description was refused by the UKIPO and then the UK Court of Appeal in December 2018; in part on the basis that only limited alterations are allowed to be made to a registered trademark.

Cadbury was also unsuccessful in its attempt to argue that the description covered two marks that should be considered as a series. This ruling was based on the original application for the 1995 mark, which was found not to contain evidence to substantiate that claim. Cadbury has since indicated that it does not intend to

launch any further appeals to protect this trademark for the colour purple, potentially leaving the door open to further challenges by rival brands. However, it can potentially still rely on the UK law of passing off.

Commenting on the ruling, Novagraaf's Claire Jones says: *"The attempt by Cadbury to split the description was an innovative attempt to maintain protection of a colour registration. Although the decision has not gone in its favour, which is not surprising, it has continued to show the lengths that Cadbury will go to protect the iconic shade."*

*"Given that the mark was not filed as a series of two marks, merely a trademark description with two sentences, the decision is a logical one and maintains the structure of the trademark registration system. However, it does again raise a cautionary tale for other brand owners about the importance of continually reviewing non-traditional trademark registrations in light of new case law and precedents."*

The registration was filed under the UK's previous Trade Marks Act and before any leading case law on colour marks was decided. *"The law around non-traditional marks is changing on a regular basis, and regular audits can ensure that registrations are still protecting what they are intended to protect,"* advises Claire.

## Rights on which it can still rely

Of course, not all is lost for Cadbury when it comes to the colour purple. *"What has been very clear throughout the various colour purple decisions is that Cadbury does have a long-standing and well-known colour variant in respect of chocolate*

*bars,"* explains Claire. *"While its registrations for Pantone 2685C are potentially vulnerable to attack, the company has strong rights in respect of the colour and can still enforce those rights against third parties. In passing-off claims, one of the most difficult elements to substantiate is the evidence on the use of the unregistered right. This is definitely not an issue for Cadbury as the various disputes have likely amassed a significant evidence bundle."*

In addition, Cadbury has significant evidence to substantiate a claim for acquired distinctiveness on any subsequent filings (although these applications will of course be subject to potential opposition from third parties). New filings that were made by Cadbury in 2013 following the Supreme Court's decision are listed as 'opposed' by Nestlé, so the saga is not yet over.... ■

IP professionals, to work with businesses to deliver the legal certainty they need to support these valuable innovations. ■

**Chantal Koller** is Managing Director, Trademarks, and **François Grange** is a Patent Engineer at Novagraaf Switzerland

If you would like to discuss registering a non-conventional mark for your business, please speak to your Novagraaf attorney or contact us at [customerservice@novagraaf.com](mailto:customerservice@novagraaf.com).

In truth, the removal of the graphical representation restriction has yet to result in an uptick in non-traditional trademark applications, and there remains no real clarity as to how such applications should be approached at the EUIPO. Nonetheless, technological advances that allow for olfactory transmission (and in the process, taste transmission) could offer the chance to companies involved in perfumery and other forms of odour creation to capture scents in a way that could be used to obtain legal protection for their work.

This brings us back to the issues at the core of the CJEU's *Levola* judgement: How do trademark examiners assess such applications in light of the criteria for trademark registration and, in particular, in light of the absolute grounds for refusal (e.g. is the odour descriptive of the product it designates and does it fulfil the function of a trademark)? What would the

practice be in the event of a conflict and how would the courts determine whether two odours are similar and one copied? As the CJEU reasoned in *Levola*, such an analysis can only be subjective as it depends essentially on the sensations and experiences of the person who smells or tastes the product, and the environmental factors that surround it.

Here, perhaps the courts could look to how they approach the issue in graphic marks. While these are based on a certain number of objective elements (e.g. basic geometrical forms), they also elicit a certain level of subjective response. Surely, the objective approach taken to the visual criteria of appreciation for graphic marks could be transposable to other mediums?

It has been quite some time since marketers first introduced scents, sounds and other non-traditional branding concepts into their branding repertoire. It is now incumbent upon us, as

# Up in smoke?

**As e-cigarette use grows, so do the dangers of trademark infringement for well-known brands, as Claire Jones explains.**

E-liquids have taken hold at an astonishing speed, with vape shops offering a dazzling array of flavoured products popping up on nearly every high street. But, whether by ignorance or design, many e-liquid products piggy-back on the familiarity and reputation of well-known consumer brands.

From a consumer's perspective, the ability to go into a vape shop and purchase a flavour named after a favourite soft drink or confectionery makes absolute sense. Selections might be made based on nostalgia (perhaps the taste of an ideal childhood

breakfast involving a hazelnut and chocolate spread) and brand reputation, but do these e-liquid businesses have the right to use those brand names? Have they licensed the recipes and trademarks, as current practice would suggest? Overwhelmingly, the answer to these questions appears to be no.

## Heady rise

The modern-day e-cigarette was first launched in Beijing in 2004 by a Chinese pharmacist named Hon Lik. The battery-powered devices are designed to simulate the effects of smoking by heating a nicotine liquid into vapour that is then inhaled by the user. The liquid, which contains propylene glycol, varying levels of nicotine and flavourings, is known as e-liquid or e-juice.

Global use of e-cigarettes and e-liquids has grown exponentially in recent years, and the promotion of such products, especially via the internet and high-street vape shops, is on the rise. Numerous e-liquid strengths and flavours are available from a range of sellers, all of which are in competition with each other to grab a share of this increasingly lucrative market.

As the base liquids are available in numerous flavours – including confectionery and soft drinks – there is rising concern that e-cigarettes are attracting a younger, non-smoking audience, rather than acting as a nicotine-replacement therapy for existing smokers, as they were originally marketed. For brand owners and IP practitioners, however, there is another concern: trademark infringement.

## Taste the difference

Common categories of e-liquid flavour include sweets, foods, drinks and cocktails, which are sold alongside the 'original' tobacco-flavoured liquids. This can cause issues for brand owners in these sectors. Often, they do not have trademark registrations in class 34, covering tobacco and tobacco-related products, such as e-liquids – and they may not want their brands to be associated with such products.

Even a quick internet search will bring up sites selling e-liquids that are also using registered brands or images of identical/similar packaging to sell their products. Some examples from easily found web shops include 'Snickers', 'Skittles', 'Kahlua' and 'Nutella' e-liquids.

## Plans of action

If a company selling e-liquids markets its goods under a brand name, what can be done?

Without a trademark registration, it is not possible for the brand owner to claim trademark infringement on the basis that the goods are identical or confusingly similar. For example, in the UK, any infringement claim would need to be based on reputation, unfair advantage or detriment under s10(3) of the Trade Marks Act 1994: *"A person infringes a registered trade mark if he uses in the course of trade in relation to goods or services a sign which (a) is identical with or similar to the trade mark, where the trade mark has a reputation in the United Kingdom and the use of the sign, being without due cause, takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark."*

A mark has a "reputation" if it is known either by the public at large or by a significant part of the public concerned by the product or services covered by that mark, and if there is a link with the mark. If the infringing mark calls the earlier mark with a reputation to mind,

that is tantamount to the existence of such a link in the mind of the average consumer.

An alternative (in the UK) would be for a brand owner to bring an action for passing off, a common-law action that provides protection against misrepresentation of a trademark and the damage that can subsequently be caused.

However, the responsibility of proving reputation for the purposes of infringement or passing off can be burdensome and expensive for brand owners who simply want to prevent their brand being used in relation to tobacco/nicotine products, such as e-liquids. Not only will there have been significant investment in the creation of such brands, but also they may include family-oriented products, and links with tobacco replacements can be seen as detrimental to the ethos of the brands involved.

In the US, Wrigley (Skittles and Starburst), General Mills (Cinnamon Toast Crunch), Ferrara Candy Company (Fruit Stripe) and Girl Scouts of the USA have all taken action against trademark infringement in this area, and the number of lawsuits relating to e-liquid flavours in the US is growing. In its complaints about trademark infringement, Girl Scouts of the USA noted the questionable ethics of selling flavours based on products aimed at the youth market.



In the UK, energy-drink company Red Bull took similar action against third-party use of the Red Bull brand in connection with the sale of unauthorised e-liquids in 2015. Red Bull issued proceedings at the IPEC for trademark infringement against thevapourplanet.co.uk and its sole director. The action was successful, and the Court granted an order restraining the defendants from infringing Red Bull's rights and ordering them to pay Red Bull's costs (Claim No. IP.2015.000119).

## Taking steps

As brand owners and IP practitioners know all too well, trademark registration is only the first step in the effective use and protection of a chosen brand, company or product name; these assets also need to be monitored for unauthorised and potentially damaging use.

The starting point in any e-liquid infringement action will generally be to send a cease-and-desist letter to the infringer, informing it of a brand's rights/trademarks and requesting that the infringing products are removed/rebranded. Further action can then be assessed in light of the response received (if any). If a company is receptive and removes the infringing mark, the costs of infringement or passing off actions can be avoided. Remember also that, if the e-liquid companies use platforms like eBay and Facebook, such websites have in place protection measures to take down infringing products quickly and easily.

As a general rule, the earlier trademark infringement or misuse is identified, the easier it is for a company to enforce its trademark rights. Early detection helps in identifying and considering the level of risk (and in which markets), and allows brand owners to amass a portfolio of evidence of misuse and use it in action against infringements. Here, online trademark watching also plays a crucial role (see page 12). →



If a company owns a sizeable portfolio and trades globally, it may not be possible or cost-effective to watch every trademark in every jurisdiction. Where that is the case, it is generally advisable for the brand owner to focus its efforts by identifying and prioritising core brands and jurisdictions that warrant complete protection, in contrast to the “nice to have” or secondary brands. The same applies, of course, to markets, and it is here that infringing use by e-liquid providers must be assessed for risk and impact on a brand and its reputation.

Interestingly, Trading Standards in the UK became involved in a number of e-liquid disputes, removing brands and packaging from the market that look like children’s sweets and other well-known food brands. While this is clearly good news, these actions were taken on the basis that non-food products cannot resemble food, and that the packaging did not contain adequate labelling warning of the harmful effects of certain chemicals. However, it does provide an additional avenue for brand owners to explore.

### Watch and wait?

At present, e-liquid companies appear able to sell products with infringing names without notable repercussions. As more brand owners take action, however, the use of infringing names is becoming less attractive. Incorporating vaping websites and sales channels – including social media and auction sites – in trademark watching strategies will help brand owners gather the evidence needed to battle this growing source of trademark infringement, and also educate the vaping market against launching infringing flavours. ■

**Claire Jones** is a Trademark Attorney in the Novagraaf’s London office



## On your marks

**It is good practice to monitor trademark registries for potentially infringing trademark applications. The challenge is in developing the right watching strategy to avoid being swamped with results.**

Most companies already understand the benefits of registering corporate brands as trademarks in the countries and regions in which they trade, manufacture and transport their products. In reality, however, registration is only the first step in the effective use and protection of a chosen brand, company or product name. In order to ensure that valuable marks are fully protected and enforced, third-party trademark applications also need to be monitored against potentially infringing marks.

### The importance of early detection

As with any type of trademark infringement or misuse, the earlier such applications are identified, the easier it is for companies to enforce their IP rights. This is particularly the case where a third party is seeking to register a potentially conflicting trademark, as brand owners with prior rights need to adhere to strict deadlines for submitting objections (or oppositions) to challenge such registrations.

In some cases, such oppositions need to be filed within as little as 30 days from publication of a potentially conflicting trademark. If that deadline is missed, it will still be possible to challenge the trademark registration; however, it will be more costly and difficult to do so.

Early detection is also important when it comes to acting against conflicting use and/or applications more widely (e.g. bad faith applications), and for building up evidence of misuse to be used when acting against such conflicts. Here, online trademark watching also plays a crucial role.

Trademark watching is also a useful way to generally monitor what competitors or third parties are doing, even if you do not intend to take action. For instance, by watching a competitor’s trademarks, you may be notified of a new application in a different market, thereby providing early detection that the competitor may be considering entering a new market. This information can, of course, benefit your overall commercial strategy.

### Types of watching

Trademark watching will monitor for potentially conflicting applications and will typically take one of two forms:

- Identical trademark watch: Identifies marks or devices (e.g. logos) that are visually or phonetically identical; and
- Similar trademark watch: Identifies identical and confusingly similar marks.

Both of the above types of watches can be provided with or without opinion. Trademark watches with opinion include an attorney’s recommendation on the results of the identical or similar trademark watch, based on their consideration of prior rights and the likely impact on a business.

The geographical scope of the watch will be determined by the registers which are monitored. For example, a watching service could cover just one country, all countries in Europe or even be worldwide.

### What to watch

Trademark watching is an important tool in the proactive monitoring of registered marks and devices, helping companies to identify and act against infringement and misuse of trademarks in a timely manner. However, to be truly effective, a trademark strategy needs to take into account the size and reach of the brand owner’s portfolio.

Whether managed in-house or outsourced to a specialist, a brand owner’s trademark watching strategy should ideally cover all relevant trademark registers to identify applications for identical and similar trademarks.

Generally, watching services can cover plain word marks, stylised words and logos. If the visual impact of a trademark is particularly important, it is worth ensuring this element is captured by watching the stylised word or logo.

If a company owns a sizeable portfolio and trades globally, it may not be possible or cost-effective to watch every trademark in every jurisdiction. Where that’s the case, it should seek to prioritise its efforts by identifying and prioritising core brands and core jurisdictions that warrant complete protection, as opposed to the ‘nice-to-have’ or secondary brands – bearing in mind that those brands may also become core in future.

### Managing watching results

Companies with large trademark portfolios and broad watching strategies can find they are receiving vast amounts of watching data from their suppliers. Not only can this take them considerable time to sift through, but it also means they risk missing the important results.

Opting for a trademark watch with opinion can help take the pressure off, as you will receive a first sift of results with the important notifications and deadlines highlighted for your attention.

Taking the time to clearly define the scope of the watching work in advance – for example, goods or services, competitors, markets or word elements – will also help to focus the results. ■

**For further information and advice about trademark watching, please speak to your Novagraaf attorney or contact us at [customerservice@novagraaf.com](mailto:customerservice@novagraaf.com).**

## Body of evidence

The need to file evidence of trademark use can crop up in many cases and the requirement to show historic use can cause problems for businesses. Failure to provide adequate evidence could have a devastating impact on a case. Vanessa Harrow explains why preparation is key and provides some practical advice, while on page 16, Florence Chapin looks at what constitutes 'genuine use' in the EU.

Trademark rights can be vulnerable to cancellation actions where brand owners are not able to demonstrate evidence of use. This applies no matter how big the brand, as fast-food giant McDonald's recently found to its cost when seeking to defend its 'Big Mac' trademark in the EU. However, this isn't the only time that a company may be called upon to substantiate use of a trademark. There can be any number of actions where evidence of use is needed, including:

- To overcome a descriptiveness/non-distinctive trademark refusal by showing acquired distinctiveness gained through use;
- To secure or maintain a registration where use is a requirement of registration (e.g. the US);
- To defend a non-use cancellation launched by a third party;
- To enable you to rely on registered rights which are now subject to a use requirement; or
- To enforce unregistered rights acquired through use.

The evidence must show use of the trademark, in the relevant territory, in relation to the goods/services and it must cover the relevant period. This period will vary in each case, but this can include evidence to show current use, evidence to show use within the last three to five years or even evidence dating back to the very first use of the mark.

### Fail to prepare and prepare to fail

The need to gather evidence of use for trademark matters is often not considered during the life of brand promotion. This can lead to difficulties if you are suddenly in a position where you have a short time, perhaps as little as two months, to gather evidence showing historic use of your trademark. Nonetheless, a case may turn on the adequacy of the evidence of use supplied. Failure to submit suitable evidence can lead to an otherwise successful case being lost.

### Which type of evidence is best?

The type of evidence that you will be required to supply will ultimately depend on the action at hand but, as a general rule, the following items are extremely helpful to evidence use:

- Photographs showing the mark embossed, printed, transferred or otherwise applied to goods;
- Labels/tags (these are best evidenced with dated design drawings and/or photographs);

- Packaging/storage or transport boxes (these are best evidenced with dated design drawings and/or photographs);
- Brochures, leaflets, price lists etc;
- Company stationery (if shared externally);
- Invoices;
- Show cards/display devices (these are best evidenced with dated design drawings and/or photographs);
- Photographs of exhibition stands and the like;
- Independent press publications/third-party commentary;
- Extracts from advertising (including printed, online, TV etc);
- Photographs of vehicles or company property bearing the mark; and
- Website extracts.

### Evidence gathering: best practice

Keep a store of material showing use of your trademark. The strongest evidence will be dated and ideally, the country of use should be clear.

When assessing and storing evidence, consider:

- Does this show the mark?
- Is it clear from the evidence what goods/services the use relates to? (If not, make a contemporaneous note of this information.)
- Does the evidence show a date? (If not, make a contemporaneous note of this information.)
- Does the evidence show a location? (If not, make a contemporaneous note of this information.)
- Does the evidence contain any information which should remain confidential? If so, can this be redacted?

If evidence is gathered each year and stored safely, you will ultimately have a wealth of material available to ensure the best case is presented if and when evidence of use is needed. ■

Vanessa Harrow is a Trademark Attorney in Novagraaf's Manchester office



### Further information

If you require any further information or guidance on evidence gathering, please contact one of our trademark attorneys at [customerservice@novagraaf.com](mailto:customerservice@novagraaf.com).



# European trademarks and the question of genuine use

The question of what constitutes 'genuine use' of an EUTM, in particular in terms of territorial requirements, is one that is frequently asked at European level. In some cases, national registrations may be preferable, says Florence Chapin.

Many companies will opt to register EUTMs instead of national trademarks. This is sound business practice if, for example, you manufacture, sell or export your goods or services in several countries in the EU (or plan to do so). If this European presence fails to materialise, however, you may find your marks liable for revocation for non-use.

Registered EUTMs can be at risk of revocation actions on the basis of non-use (after the five-year grace period has expired), even when the mark is actually in substantial use in one EU member state.

Indeed, the question of what constitutes 'genuine use' of an EUTM, in particular in terms of territorial requirements, is one that is frequently asked at European level. Is use required throughout the EU, for example; or, is proof of use of the mark in one market sufficient?

It's a topic on with the Court of Justice of the European Union (CJEU) and the EU's Court of First Instance of the EU have had the opportunity to consider several times. In particular, with the 'ONEL/OMEL' case, which established that, depending on the facts at issue, genuine use could be established on the basis of a single member state and information showing gradual expansion into other territories. In fact, according to that decision: *'the territorial borders of the member states should be disregarded in the assessment of "genuine use in the Community" within the meaning of Article 15(1) of Regulation No 207/2009'*. As other rulings have shown, however, use in one country in the European Union is not generally enough to prove use of an EUTM registration.

## What does it mean for your trademark strategy?

Given the ongoing uncertainty in this area, EUTM owners would be advised to review their existing registrations and current applications to ensure that they meet the criteria of use. If in doubt, it is always advisable to supplement the registrations with national rights in key territories, or to consider a different filing strategy that meets the expectations of market expansion and can be adapted to changes in the geographical use of the mark. It is also advisable to keep a record of use should you feel your rights may be at threat, as this could provide crucial proof of use evidence in any revocation action.

When reviewing your current portfolio, keep in mind the following:

- Genuine use of an EUTM will depend both on its geographical extent and also on the specificities of the market for which it is registered;
- Regular evidence of commercial use of the mark will be required to prove such use;
- With particular regard to EUTMs, it's also important to note that EUIPO's assessment of proof of use is rather onerous. EUTM holders will need to provide evidence of 'place, time, extent and nature of use' for the mark in question, including the provision of supporting documents, such as packaging, labels, price lists, catalogues, invoices, photographs, newspaper advertisements, and so on. ■

Florence Chapin is a Trademark Attorney at Novagraaf in Bordeaux



## TRADEMARK AUDITING

# Know your rights

Identifying what you own and checking records for accuracy is an important first step in laying the foundations for maintenance, consolidation and growth projects.

Many companies estimate the health and relative worth of their IP portfolios based on size alone. However, those IP rights will be worth far less if the necessary checks and balances aren't also considered. A thorough audit of your trademark assets could help you to identify ways to streamline and exploit your portfolio, saving you money while also improving the efficiency of your assets.

## Why undertake an IP audit?

Before you can value or exploit IP, you need to first know what it is that you own and also verify that those rights are valid and enforceable; for instance, by checking that they are in use and their records (title) have been kept up to date.

Just as important, audits will also identify any potentially damaging gaps in coverage, such as products or services that haven't been properly protected, geographical coverage that may be missing, opportunities to update the existing portfolio in light of legislative changes or, even, political changes, such as Brexit.

Undertaking an IP audit will also enable you to consolidate your rights and agreements by providing you with a clearer picture of your IP assets, and their respective strengths and weaknesses. Similarly, it will provide the opportunity to refocus IP holdings in light of your future business strategy; for example, by ring-fencing key (or 'core') IP rights and identifying less

strategic or unused rights that may no longer justify the renewal fee.

Other reasons to undertake an IP audit may include:

- The purchase and/or sale of (individual) business units (due diligence);
- Setting up a licensing programme;
- A substantial change in legislation (e.g. Brexit);
- An initial public offering;
- The desire to centralise your assets.

## Where to begin

We typically find that many companies can reduce their spending on IP matters and ring-fence the strength of their rights by auditing their IP portfolios, using the following three-step process.



## STEP 1: Review data

The data in your IP portfolio needs to be accurate and up-to-date, otherwise you may find that you don't quite own the rights that you think you do. Taking the time to cleanse, update and rationalise your IP data can save you both time and money in the long-run, as it will identify potentially costly errors in the records.

The extent to which companies are diligent (or are able to be diligent) in the maintenance of IP and IP records can vary considerably. If your company has followed best practice, either as a matter of ongoing routine or as part of an acquisition or sale, then your portfolio should be in good shape.

If rights have not been kept up-to-date, however, then they could be at risk in terms of validity and enforceability. Consider:

- Exactly which entity is recorded as the owner of each right?
- What is the status?
- Are the rights in force?
- Are licences in force and recorded against any rights?
- Are charges or other interests recorded against any rights?
- Do the registered rights match those used in the business?
- Are there any unregistered rights?

Obtaining the answers to these questions enables effective planning for any record updates that are required.

## STEP 2: Audit for ROI – and efficiency

The next step of the IP audit should be to assess the value of your portfolio against the costs involved in growing and maintaining the IP rights it contains. It helps to identify, for example, trademark rights that are being renewed despite never being used, as well as gaps in protection, which might leave a company exposed.

To undertake this part of the audit, we would first recommend:

- Reviewing your trademark strategy to ensure that it takes into account your strategic business goals;
- Prioritising your IP rights (e.g. between 'core' and 'non-core'), and markets (countries and goods/services) based on current branding/product strategy and future plans;
- Auditing licensing and royalty agreements to ensure that the rights have been correctly maintained and the revenues received; and
- Reviewing your supplier list to see if it is possible to generate further cost savings by consolidating your IP portfolio with one provider.

## STEP 3: Undertake regular health checks

Completing an IP audit is only the first step in what should be a regular programme of portfolio reviews. By conducting audits at regular intervals (ideally at least every six months), you can ensure that your portfolio continues to evolve as your business does, and it could also identify additional savings in the future; for example, by:

- Merging registrations;
- Allowing possible duplicate (local) registrations to lapse; and
- Identifying unexploited rights that could be sold, licensed or allowed to lapse.

This last step will also be crucial in light of possible changes to trademarks and designs in the UK and EU following Brexit, as well as additional risks and opportunities offered by territories that may become important in the future; for example, should you wish to expand your activities in countries such as the US or China.



## Further information

For further guidance, please download our trademark auditing white paper at [www.novagraaf.com/insights](http://www.novagraaf.com/insights).

## Cost or investment?

Trademarks and associated forms of IP are the one constant in brand creation. A product's name, the design and colour of its packaging, and the corporate logo are not just marketing tools – they are legal rights which can bring great benefits and growth when nurtured and used properly. Yet, they can often be overlooked in the rush to market, or simply considered a drain on resources – an outgoing cost to the business that seems to bring in little return.

That's why it's important for a business to be able to showcase the contribution made by trademark assets to brand strength. We all know that a strong, well-managed registration portfolio has a direct influence on brand value, and therefore business value. Valuation of that asset can also unlock its true worth, and show that the right trademark registration strategy is an investment, not just a cost.

Novagraaf has developed a tried-and-tested methodology (the 4Ws: Who, What, What for, Where?) to undertake IP audits and measure trademark value, assessing the extent to which a company's core brands are strategically protected by trademark registrations in key markets and territories, as well as the comparable strength of those registrations. The approach also covers such factors as scope of coverage, effective use of trademark registration systems, ownership and portfolio consistency. The service has been specifically designed to provide businesses with greater insight and clarity into the brand and trademark valuation process, via a robust and transparent methodology, and clear advice on how to identify and remedy the issues that may be undermining asset value. ■

# Online forces: rationalising domain names

Trademark rights are not limited to the branding used in the physical world; company and product names also need to be pro-actively protected on the web.

Given how large a role the internet plays in all our daily lives, focused domain name management is arguably just as important to the success of a company's brand protection and growth strategies. Yet, few businesses have established a clear and consistent strategy for registering and renewing domain names. Therefore, the first step for any business should be to assess what has already been registered in light of the company's brand portfolio. For example, by linking domain name registrations to brand and product lines, in order to assess whether:

- the domain names accurately reflect the brand names and associated trademark registrations;
- there are any gaps in coverage (e.g. for core brands, product lines or trademarks);
- domain name registrations are being maintained for products or trademarks that are no longer in use (bearing in mind there may be good reasons for doing so); and
- there is consistency in the registries used to register the company's domain names.

## Rationalising your assets

Domain name registrations may not be a major expense when assessed individually, but add them together and that picture will look very different. Even in the unlikely event that budgets aren't tight, it's good business sense to rationalise a domain name portfolio in order to decrease costs and maximise protection. The exercise also facilitates future budgeting efforts, whether for new registrations or portfolio renewals.

## Step 1: Analysis

The goal here is to collate an accurate picture of a company's domain name registrations to establish key patterns; for example, are some gTLD or ccTLDs more popular than others? Are some brand names better protected? Are some trademark assets covered by domain name registrations at all? Are there any domain name registrations that are active but barely used?



## Step 2: Co-ordination

Decisions on domain name registration and maintenance are not the sole responsibility of the IP department. That's why it's important to involve associated departments, such as IT or marketing. Their involvement is especially important when it comes to designing future registration strategies, which need alignment with marketing and IT activities if they are to achieve their potential online.

## Step 3: Implementation

The purpose here is to deliver a clear strategy for the organisation with goals and deliverables for the year ahead, and priorities for action. Of course, undertaking an audit is only the first phase in the development of such a strategy; the results also need to be analysed and actioned. Depending on how active your business needs to be in terms of identifying and acting against infringement activity online, this is likely to include the need to implement a domain name watching process in order to monitor core rights online, as well as to design a defence strategy for prioritising action. We recommend approaching this in two parts:

- Part 1 defines the domain names that are necessary to achieve a consistent and effective online presence, including the abandonment of obsolete registrations and the acquisition of new ones.
- Part 2 sets out the business's future defence strategy and guidelines to inform future decision-making in light of common infringement situations. For instance, which domain names to monitor, and what action to take when infringement is identified; e.g. should you 'ignore', 'monitor', 'buy back', 'send cease and desist', 'undertake UDRP action' and so on.

This process of audit, co-ordination and implementation is, of course, never final, and any adopted strategy needs regular review and assessment if it is to evolve to support the business as it also evolves. ■

For further information on domain name auditing, please contact us at [customerservice@novagraaf.com](mailto:customerservice@novagraaf.com).



# When and what to renew



**When budgets are tight, IP expenditure will naturally come under scrutiny, with patent annuity payments often one of the first areas to be identified for cuts. However, a knee-jerk reaction to save money in the short-term can actually prove more costly in the long-run, unless the exercise is undertaken in a structured and informed way, as Eric Siecker explains.**

No one wants to lose budget, but if a company has to tighten its belt, everyone within the business should have a good look at their current spending to see what they can do. While IP counsel should seek to fight against any harsh cuts to IP protection budgets, an early offer to reduce cost in a reasonable manner may be seen as good leadership.

Internal education is important here too. In-house IP practitioners know very well the importance of patents and innovation to a business, but that knowledge is not always shared by everyone in the corporate boardroom. As such, the emphasis is on IP counsel to show that the legal rights that protect those patents aren't unnecessary costs.

One way to do this is to communicate that cuts to IP budgets will increase business risk in the short and long-term. Risk is, of course, very difficult to quantify; however, efforts to paint a clear risk picture will be key in the fight against harsh budget cuts.

The annual cost for renewal payments is (or should be) pretty easy to estimate, so it shouldn't come as an unexpected bill each year. However, portfolios tend to balloon over time, as it is easier to add a patent than to cut one. No one wants to be the person that cuts *the* patent, so unless they are 100% sure, it is natural for decision-makers to play safe and keep patents alive.

## Budgeting for annuity payments

Some companies set specific budgets for renewals, forcing x% of cuts to be made each year. This will lead to tricky decisions; for example: should I cut one old and expensive patent, or two new and less expensive patents?

A patent strategy that includes a maintenance/abandonment system will definitely help. Portfolios typically include groups, or buckets, of patents with differing objectives and some of these buckets will be easier to prune than others. Clearly, those rights that protect and support core innovations should be safeguarded. So too should any that make the business money; eg, through licensing or aftermarket parts protection. Other buckets (for example, non-core rights or markets) may be pruned more vigorously.

Of course, it's often difficult to be sure that a patent considered non-core today may not prove valuable in the future. This can

prove to be a nightmare for many patent heads. It is difficult to put a value on individual patents: some are like sleeping guard dogs at the warehouse; the warehouse never got burgled, but was that due to the dog? .

## Predicting the long-term impact

One particular thing to watch out for is the potential impact of successive years of pruning on the geographical scope of coverage of a portfolio.

US patents are up for renewal every four or eight years, whereas in most other countries annuities are paid annually. Let's say a company is pruning its portfolio back over a period of three years. This provides three opportunities to cut, for example, a European Patent (EP), but a US patent will come up for consideration once at the most and possibly not at all during this cost-cutting cycle. Without due care and attention, the portfolio could easily become skewed towards a US patent heavy portfolio, as the non-US portfolio may get trimmed excessively. Such a scenario is unlikely to represent the best interests of the business.

Going through large numbers of renewals each month, quarterly or six-monthly is no fun for in-house counsel or business people. It could trigger a lot of email chains trying

to come to a decision, working out if the technology is in use, and so on. Setting some guidelines for review is often beneficial in such instances, and can ensure that the approach is consistent and well-managed.

## Ensuring consistency in decision-making

The exact approach will vary by business, but age and cost parameters are often a good place to start; for example:

### ✓ Age

- everything over 10 years should always be reviewed to see if the technology is still relevant;
- everything under five years should always be reviewed to see if the technology actually made it through testing and is as valuable as was initially thought;
- automatically renew all those patents that are between 5-10 years old.

### ✓ Cost

- automatically renew all patents that cost less than 500 USD (or whatever the currency may be) to renew.

A combination of age and cost models can also work well.

## Other measures to consider

Allowing rights to lapse isn't the only option when seeking to prune a portfolio, there is also the potential to sell or license unused or unwanted rights. It's important to note, however, that this is generally a slow process and so, not something that can be done quickly when budget cuts kick in. However, IP counsel should consider the possibility of sale or licensing as part of their ongoing patent strategy if it makes sense for that particular business.

A budget-cutting exercise may provide the often necessary prompt for an in-depth audit of patent portfolios and annuity payments. Not only may there be opportunities to make some initial cuts without impacting the overall risk picture, but such an exercise will also put IP counsel in a good position when discussing budgets in general. It's important to know what you own if you are to be able to justify its cost. ■

**Eric Siecker** is Managing Director, Patents of Novagraaf in the UK



Don't hesitate to get in touch at [customerservice@novagraaf.com](mailto:customerservice@novagraaf.com) if you would like further information or advice on managing patent annuities.

## THE LAST WORD

### Protecting slogans as trademarks: how and why



**Although not impossible, seeking trademark protection for slogans in the EU can prove difficult.**

Slogans are memorable mottos, phrases or taglines used in advertising and for promoting a brand. Generally used alongside the main brand identifier, e.g. the company name, they can help companies to build brand identity, and yet are rarely considered distinctive enough on their own to be registered as a trademark. Registration is possible, however, as Nike's 'JUST DO IT' and McDonald's 'I'M LOVIN' IT' trademarks show.

#### Why register a slogan as a trademark

The right slogan can add significant value to a brand. Businesses understandably wish to protect that value, and the marketing efforts and resources involved in its creation. However, in order to successfully obtain trademark protection for a slogan, the standard criteria for trademark registration still needs to be fulfilled, in that it must be available for registration in the chosen class, not be too 'descriptive' and be 'distinctive'.

It is this final requirement that can often pose the greatest hurdle for brand owners seeking to register their slogans as trademarks. The EUIPO is especially strict when it comes to trademark protection for slogans, and such marks must first and foremost be distinctive. In other words, laudatory, common phrases are unlikely to achieve registration in the EU.

#### Easily memorable

It was previously held that slogans by the very nature were not distinctive enough to function as trademarks. However, Audi's

seven-year battle to register its 'Vorsprung durch Technik' slogan ('advantage through technology') at the EUIPO, marked a change in this view. In its 2010 ruling, the Court of Justice of the EU (CJEU) held that an advertising slogan can have the necessary distinctive character needed to constitute a trademark, if it is seen as more than an ordinary advertising slogan. The CJEU also advised that if the slogan is easily memorable, imaginative, surprising, unexpected, or is a play-on-words, it will have the necessary distinctive character to be regarded as a trademark.

#### Acquired distinctiveness

KitKat's 'HAVE A BREAK' slogan also overcame the hurdle of being non-distinctive, but in this case it was due to its long-standing use. In this instance, the CJEU confirmed that use of the slogan in conjunction with the registered 'KitKat' trademark is possible if the mark has acquired its own distinctiveness, through use. Thus, a good advertising campaign showing substantial use over a number of years will help to overcome the hurdle of a slogan that is otherwise descriptive and non-distinctive, if the mark has acquired distinctiveness.

To be registrable as a trademark in the EU, a promotional slogan should indicate commercial origin. We recommend opting for unique, distinctive, catchy phrases that are easily distinguishable to allow consumers to identify the source of the goods or services. ■

**If you are looking to register a slogan, please contact us for advice on registrability at [customerservice@novagraaf.com](mailto:customerservice@novagraaf.com).**

## NovumIP: Software to harness the power of your patent data

NovumIP is a user-friendly software-as-a-service (SaaS) solution that can be integrated with any third-party software. Inventors, agents, cases, documents, contracts, products, revenue, invoices, costs, claim charts, declarations and standards, and all associated correspondence, is all accessed via one portal, providing complete insight into your patent portfolio.

#### Technology to unlock your IP value

- Integrates with any IP management system
- Improves collaboration between the business, R&D and IP
- Enables advanced reporting and easily customisable dashboards
- Connects, aligns and supports internal and external IP stakeholders



# Together we take IP further

With 17 offices in Europe, China, Japan and the US, Novagraaf has built its reputation by thinking globally while acting locally. Contact our team of specialists for answers to your IP questions wherever you are in the world.



## THE NETHERLANDS (HEADQUARTERS)

■ Amsterdam [info@novagraaf.nl](mailto:info@novagraaf.nl)

## BELGIUM

■ Brussels [tm@novagraaf.be](mailto:tm@novagraaf.be)  
■ Ghent [tm@novagraaf.be](mailto:tm@novagraaf.be)

## FRANCE

■ Paris & Marseille [tm.fr@novagraaf.fr](mailto:tm.fr@novagraaf.fr)  
[pat.fr@novagraaf.fr](mailto:pat.fr@novagraaf.fr)  
■ Besançon [agence-besancon@novagraaf.fr](mailto:agence-besancon@novagraaf.fr)  
■ Bordeaux [agence-bordeaux@novagraaf.fr](mailto:agence-bordeaux@novagraaf.fr)  
■ Lorient [agence-lorient@novagraaf.fr](mailto:agence-lorient@novagraaf.fr)  
■ Strasbourg [agence-strasbourg@novagraaf.fr](mailto:agence-strasbourg@novagraaf.fr)  
■ Toulon [agence-toulon@novagraaf.fr](mailto:agence-toulon@novagraaf.fr)

## SWITZERLAND

■ Geneva [info@novagraaf.ch](mailto:info@novagraaf.ch) (tm)  
[mail@novagraaf.ch](mailto:mail@novagraaf.ch) (pat)

## UNITED KINGDOM

■ London [info.london@novagraaf.com](mailto:info.london@novagraaf.com)  
■ Manchester [info.manchester@novagraaf.com](mailto:info.manchester@novagraaf.com)  
■ Norwich [info.norwich@novagraaf.com](mailto:info.norwich@novagraaf.com)

## GREATER CHINA

■ Hong Kong [china@novagraaf.com](mailto:china@novagraaf.com)

## JAPAN

■ Tokyo [japan@novagraaf.com](mailto:japan@novagraaf.com)

## UNITED STATES

■ Washington, DC [unitedstates@novagraaf.com](mailto:unitedstates@novagraaf.com)

Additional contact details available at:  
[www.novagraaf.com/find-us](http://www.novagraaf.com/find-us)