

Meeting Distinctiveness Requirements for International Trademarks

Protecting Global Brands in the EU, UK, China, Canada, and More

TUESDAY, MAY 25, 2021

1pm Eastern | 12pm Central | 11am Mountain | 10am Pacific

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Agenda

Introduction

I. Distinctiveness Generally

II. Is the mark inherently distinctive?

III. Can the mark acquire distinctiveness?

IV. How is acquired distinctiveness proven?

V. Enforceability

Conclusion

I. Distinctiveness Generally

Terms incapable of identifying source

Generic
Informational
Functional
Common phrase
Deceptive

Other non-merely descriptive marks that lack inherent distinctiveness

Geographically descriptive or misdescriptive

Primarily merely a surname

Trade dress - 3-dimensional, color marks, etc.

Descriptive or misdescriptive

Inherently distinctive

Arbitrary

Fanciful

I. Distinctiveness Generally

Several different scenarios in which distinctiveness comes into play in Canada

- During prosecution (at the TMO)
- During opposition (before the TMOB)
- In a confusion analysis (for e.g. in a passing-off action)
- In an expungement proceeding (to invalidate an existing registration)

Different scenarios call for different thresholds

**IS THE APPLIED-FOR MARK
SUFFICIENTLY INHERENTLY
DISTINCTIVE?**

II. Is the Mark Inherently Distinctive?

U.S. Issues:

- **Functional/Common Phrases – incapable of being distinctive**
- **Surnames – Increasingly less likely to be inherently distinctive**
- **Geographically descriptive v. geographically deceptively misdescriptive**
- **Product packaging v. product configuration**
- **Color marks**



II. Is the applied for mark sufficiently inherently distinctive?

Article 9. A trademark seeking registration shall be so distinctive as to be distinguishable....

Article 11. The following marks are not permitted to be registered:

- 1) Names, devices, or designs that are ***generic*** to a class or group of goods;
- 2) Marks that ***merely indicate*** the quality, principal raw materials, function, use, weight, quantity or other features of the goods in respect of which the marks are used; (*The line between a suggestive mark and a merely descriptive mark is often blurry*)
- 3) Other marks that lack distinctive characteristics.



II. Is the applied for mark sufficiently inherently distinctive?

Article 12. 3D design—**Non functional**--merely indicates the shape inherent in the nature of the goods concerned; is only dictated by the need to achieve technical effects or the need to give the goods substantive value.



(Refused)



(Registered)



II. Is the applied for mark sufficiently inherently distinctive?

Under current practice, *the basic rule* (for standard Characters) is that a trademark must have a minimum of three letters (plus numbers, perhaps) or it may be rejected as not distinctive.

A4

(x)

A4L

(x)

A4PRO

(✓)



II. Is the applied for mark sufficiently inherently distinctive?

How to make your mark distinctive?

A4



Yes



II. Is the applied for mark sufficiently inherently distinctive?

3D / figurative marks / etc.

- 3D marks – shape of products regularly not distinctive
 - => does the mark depart significantly from the norm or customs of the sector (CJEU, C-136/02 P, Torches, para. 31)?
- Purely figurative, banal signs
- Figurative marks containing descriptive word elements
 - => Convergence programme 3

Word marks

- Languages spoken in the EU
- Slogans

II. Is the applied for mark sufficiently inherently distinctive?

Distinctiveness during prosecution (at the TMO)

- As of June 2019, Examiners may now raise distinctiveness objections
- The trademark must have some degree of inherent distinctiveness or must have acquired distinctiveness at the time of filing of the application
- The *Trademarks Examination Manual* provides some examples of *prima facie* non-distinctive marks
 - Geographic locations
 - Generic designs
 - Names of colours
 - One- and two-letter or -number marks
 - Foreign characters and words
 - Multiple surnames
 - Names and honorifics
 - Laudatory words and phrases
 - Internet TLDs, and URLs
 - Phone numbers

CAN THE MARK ACQUIRE DISTINCTIVENESS?

III. ACQUIRED DISTINCTIVENESS

Acquired Distinctiveness/Secondary Meaning:

Section 2(f) of the Lanham Act states that “nothing herein shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant’s goods in commerce”

Marks that are descriptive or misdescriptive can acquire distinctiveness in the minds of consumers through use, making them eligible for registration on the Principal Register

Through use, the primary significance of the term, in the minds of consumers, is the source of goods or services, not the descriptive nature of the term

Not eligible for marks that are generic, 2(a) deceptive, primarily geographically deceptively misdescriptive, or functional

III. Can the mark acquire distinctiveness?

Generally possible

- Article 7(3) EUTMR - in case of marks:
 - (b) devoid of distinctiveness
 - (c) descriptive signs
 - Kind
 - Quality
 - Quantity
 - Intended purpose
 - Value
 - Geographical origin
 - Or other characteristics
 - (d) customary indications

Not possible

- Article 7(3) EUTMR only refers to Article 7(1)(b),(c) and (d) EUTMR
- Excluded:
 - Shape of the goods
 - Shape or other characteristic necessary to obtain technical result
 - Shape or other characteristic which gives substantial value
 - Contrary to public policy or morality
 - Deceptive
 - Protected geographical indications
 - Etc.

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III. Can the mark acquire distinctiveness?

Article 11.A mark to which the above provisions are applicable but which has **acquired distinctiveness through use** and is **readily distinguishable** may be registrable as a trademark.



(Failed to register: 1. Not inherently distinctive; 2. The evidence submitted was not found to prove the subject mark's capability to distinguish the goods from others)

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III. Can the mark acquire distinctiveness?



(Successfully registered: 1. inherently distinctive; 2. world famous; 3. has been put into actual use in China)

HOW DO YOU PROVE THAT THE MARK HAS ACQUIRED DISTINCTIVENESS?

IV. Proving Acquired Distinctiveness

Converse, Inc. v. ITC, Appeal No. 2016-2497 (Fed. Cir. Oct. 30, 2018)

Test for acquired distinctiveness

- Surveys
- Length, degree and exclusivity of use
- Advertising
- Sales
- Intentional copying
- Unsolicited media coverage

Common Evidence

- Declaration based on 5 years of continuous and exclusive use
- Look for Advertising
- Surveys and consumer affidavits

IV. How do you show acquired distinctiveness? - geographical scope

3D / figurative /sounds etc.

Word marks

- ENTIRE EU

- Dependent on language
 - ⇒ all countries where mark is understood as descriptive
 - ⇒ German: official language in Germany, Austria Luxembourg and Belgium
 - ⇒ Basic English words
 - ⇒ Language understood by a non-negligible part of the relevant public in at least part of the EU, e.g. Turkish

IV. How do you show acquired distinctiveness? - geographical scope

- Throughout the EU
- Not sufficient in merely significant part (CJEU, C-84/17 P, Shape of a 4-Finger chocolate bar, para. 78)
- BUT - not necessary to proof acquired distinctiveness in each individual Member State (CJEU, C-98/11 P, Hase, para. 62)
=> Extrapolation

IV. How do you show acquired distinctiveness?

- Acceptable evidence

- Sale brochures
- Catalogues
- Invoices
- Turnover figures
- Advertising investment figures and reports
- Customer and/or market surveys (Covergence programm 12)
- Affidavits
- Etc.

IV. How do you show acquired distinctiveness?

- Acceptable evidence

- Problem: Manner of use!
- GC, case T-307/17, Device of three parallel stripes (fig.)

	<p>'... reversing the colour scheme, even if a sharp contrast between the three stripes and the background is preserved, cannot be described as an insignificant variation compared to the registered form of the mark at issue' § 77.</p>		
<p>EUTM No 12 442 166</p>			
<p>Examples of the sign reflected in some of the evidence of use</p>			

How do you show acquired distinctiveness?

- Distinctiveness during prosecution (at the TMO)
 - When submitting evidence of distinctiveness, the applicant must file a master affidavit
 - The following information should also be supplied:
 - a statement of the nature of use of the trademark in association with all of the goods or services listed in the application
 - an explanation of the manner of association of the trademark at the time of transfer of property or transfer in the possession of goods;
 - an explanation of the manner of use of the trademark in the advertisement of goods or services, accompanied by specimens of advertising material
 - statements which clearly indicate the extent of use of the trademark for each defined territorial area in which the trademark is stated to have become distinctive
 - information as to the length of time the trademark has been used in Canada in association with the goods or services listed in the application
 - additional acceptable evidence:
 - affidavits from advertising agencies, distributors, wholesalers, retailers and users who can attest as to the secondary meaning of the trademark in association with the goods or services at or preceding the filing date in Canada
 - survey evidence

How do you show acquired distinctiveness?

- In a confusion analysis (for e.g. in a passing-off action)
 - In *Ciba-Geigy Canada Ltd. v. Apotex Inc.*, [1992] 3 SCR 120, the SCC set out the test for passing off:
 - 1) **the existence of goodwill** (in a valid and enforceable trademark);
 - 2) deception of the public due to a misrepresentation (i.e. misrepresentation creating confusion); and
 - 3) actual or potential damage to the plaintiff
 - The Court may consider:
 - inherent & acquired distinctiveness (see s 6(5)(a) of the *Trademarks Act*)
 - length of use
 - surveys
 - volume of sales
 - extent and duration of advertising and marketing
 - intentional copying
 - An applicant may establish goodwill in any number of ways, but must do so based on perceptions in the marketplace
 - The geographic scope of the evidence is critical; the parties' geographic spheres must overlap in a passing-off action



IV. How do you show acquired distinctiveness?

Acceptable evidence
Geographic scope

Standards for Trademark Examination and Trial

Examination of trademarks that have acquired distinctive features through use shall consider the ***awareness of the relevant public*** on such trademarks, the situation of the applicant's ***actual use*** of such trademarks and other elements in the acquisition of distinctive features of such trademarks through use.



IV. How do you show acquired distinctiveness?

The judicial interpretation of the Rules of the Supreme People's Court

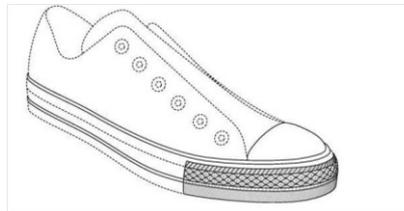
For a disputed trademark in a foreign language, the People's Court shall, based on the common knowledge of ***the relevant public within the territory of China***, judge whether the trademark in the foreign language is distinctive.

**HOW CONFIDENT CAN YOU BE ABOUT
ENFORCING A REGISTRATION FOR A
MARK THAT IS QUESTIONABLY
DISTINCTIVE**

V. Enforceability

Converse, Inc. v. ITC, Appeal No. 2016-2497 (Fed. Cir. Oct. 30, 2018)

- ❑ Converse files ITC complaint based on trade dress infringing its Chuck Taylor shoes
- ❑ Lack of acquired distinctiveness raised by respondents
- ❑ Fed. Cir. clarifies time period during which acquired distinctiveness must be shown:
- ❑ "In any infringement action, the party asserting trade-dress protection must establish that its mark had acquired secondary meaning before the first infringing use by each alleged infringer."
- ❑ Most relevant period for evaluating acquired distinctiveness is five years before alleged infringement or claim of acquired distinctiveness



Enforceability of registered, but questionably distinctive mark

- In a TM infringement action, a relied-upon registration may be subject to challenge
- Under para 18(1)(b) of the *Trademarks Act*, a registration is invalid if “the trademark is not distinctive at the time proceedings bringing the validity of the registration into question are commenced” (i.e. when the counterclaim is filed)
- The counterclaimant need only establish that the trademark in question no longer points to a single source
- The source need not be known to the consuming public
- The registered owner need not be the exclusive user of the mark
- However, the mark must be singularly associated with its registered owner
 - Unless and until the registration is invalidated, the registration affords its owner the right to claim TM infringement
 - Registrations of descriptive or generic marks invite challenge, invalidation

V. Enforceability of registered, but questionable distinctive mark

- Marks registered as EUTMs or national marks enjoy minimum level of distinctiveness
- Though limited scope of protection
- Problem: reputation of marks that only achieved registration by having acquired distinctiveness?



V. Enforceability of registered, but questionably distinctive mark

Article 59. An exclusive rights holder of a registered trademark shall have no right to prohibit other people from using ***in normal use*** the common name, logo or model contained in the relevant registered trademark or the quality, principal raw materials, functions, uses, weight, quantity, geographic name or other features that are explicitly expressed in the registered trademark.

Where three-dimensional registered trademarks are by the product's own nature essentially the shape of the product, and provide the goods bearing the mark with a specific value, a trademark holder shall have no right to prohibit other parties from reasonably using a similar shape to realize a similar special or technical effect.

Thank You



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