

IP TRANSLATOR: the new very bad trip

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The IP TRANSLATOR decision (hereafter "the IPT decision") has highlighted the duality and problems associated with the coexistence of national trademarks and practices on the one hand, and Community trademarks and practices on the other hand. Considering the OHIM's mandate - which is to harmonise the internal market - and that the OHIM is not a supranational office, the decision has shown the significant limitations that exist when it comes to harmonising law throughout Europe. This being said, and nearly a year after the IPT decision was taken, what is the current situation? And what are the impacts and changes in today's practice?

I – The Issue

The IPT decision concerns the definition and contents of the general class headings, i.e.: should we apply a "literal" interpretation (whereby the class heading would include all products and services that fall naturally into a general category) or a broad interpretation (where the general class heading would include the entire alphabetical list of a given class)?

In the end, the issue is on whether or not to include "isolated products" under a general class heading - i.e.: one or more products that do not match the natural definition of a general class heading - or one or more products that relate (or not) to the general spirit of a given class.

This is illustrated for example by the "**chaplets**" in class 16 which are hardly connected - to say the least - to the "*paper, printed matter*" in the same class, or else by the "**translation services**" in class 41, which have little to do with such other listed services as "*education; training; entertainment; sports and cultural activities*", or even the "*alcoholic essences; alcoholic extracts; fruit extracts with alcohol*" in class 33.

This decision would in fact apply to products and services that are unknown to most applicants, or even to practitioners!

II - The Rules of the Game

On June 16th, 2003 the former Chairman of the OHIM issued a Communication (04/03) stating that "*the use of class headings constitutes a claim for protection of **all products and services pertaining to the respective class***".

However, this communication has gone unnoticed by the examiners at the Office, who have continued in practice to apply a literal interpretation to the general class headings.

Consequently, the new Chairman of the OHIM was compelled and forced by the IPT decision to restore the situation and to communicate on the interpretation of the general headings, in Communication 02/12 of June 20th, 2012. He thus confirmed that, before the IPT, in using a given class heading "*the applicant's intent was to cover all products and services included in the alphabetical list of the said class*". But he also wanted to make things clearer concerning the interpretation of the general descriptions, stating that it is essential that the actual protection of the mark reflect the applicant's intent.

Following a change made to the filing form, a "magic" tick-box is now provided for applicants to claim protection for the entire class in just one click.

As far as the French system is concerned, the Director of INPI also took a stance on this issue and recalled that the most important in the system was "*the wording, and nothing but the wording*", and that there is no room for "isolated products" if this does not clearly reflect the applicant's intent.

The consequence is that we were supposed to deal with a two-tier system, i.e. the OHIM system, on the one hand, and the INPI system on the other hand, which for once remains linear.

III – Concrete Applications

1. Oppositions

The major consequences of the IPT decision and of the subsequent Communications of the OHIM or the various national Offices are best reflected in the oppositions.

We have ended up with a three-tier system!

Let's take an example, with an opposition filed against a CTM claiming the general heading "*Alcoholic beverages (except beers)*" on the ground of a prior trademark claiming protection for specific and similar products ("*wine*"):

- Decision rendered before the IPT: The opposition was **accepted in its entirety** by the OHIM, on the ground that *wines* are similar to *alcoholic beverages (with the exception of beers)* and because the Communication of 2003 had not in actual fact been applied...
- Decision rendered after the IPT on a CTM filed before the IPT: The opposition was **rejected in part**, on the ground that *wines* remain similar to *alcoholic beverages (with the exception of beers)*, but are not similar to "*Alcoholic essences; alcoholic extracts; fruit extracts with alcohol*", which are the famous "isolated" products in class 33...
- Decision rendered after the IPT on a CTM filed after the IPT: The opposition was **accepted in full** by the OHIM, which for once did apply the Communication of 2012.

The major risk induced by the IPT decision would be for us as practitioners to file a great number of oppositions against a multiple-page description (for which the famous "magic" tick-box provided in the e-form would have been used at the time of the filing thus contested).

To avoid going into the game of a product by product comparison, and to make the analysis truly pragmatic, the taxonomy would have made it possible to relate the specific products to general descriptions, and thus to focus on the isolated products.

However, this solution was promptly banned by the OHIM, when Tom Clark - who is the OHIM expert in this area - rejected this possibility, which now is a "simple" informative tool deprived of any legal effect.

The only solution would therefore be that the OHIM publish a list of the "isolated products" per class, to avoid opposition proceedings with endless argumentations.

2. Availability Search

The IPT's impact on the availability search is more limited. The sole impact occurs in the relatively unusual case where an applicant wants to file a CTM for "isolated products" or similar products, and where it is necessary to evaluate the risk of being sued before the OHIM, should any third party decide unexpectedly to contest our client's trademark, following such a diligent search...

In terms of the responsibility, it is now necessary to sort the CTMs by their filing dates. In other words, a CTM that claims protection for a general description and has been filed before the IPT will be considered as a true priority, in relation to our client's project; but the same trademark will not necessarily have priority if filed after the IPT (it would then be necessary to verify whether the isolated products are not similar to at least one product or service in the general description).

3. Revocation for non-use

According to case law, *"if a trademark has been registered for a **category of products or services** that is sufficiently broad to allow a distinction to be made, within such category, between several sub-categories that could be envisaged individually, proof of genuine use of the trademark, for part of these products and services, would only secure protection (...) **for the sub-category or sub-categories that effectively concern the products and services for which the trademark has effectively been used**".*

Accordingly, the use - for jeans - of a trademark claiming protection for "clothes" does validate the use of the trademark whose description claims for the "trousers" sub-category.

Although it is clear, this principle is not easy to apply and it is not easy either to determine with certainty whether it is possible or not to distinguish sub-categories in our client's description.

So, how does this connect to the IPT? The answer is this: If the owner of a trademark wishes to obtain maximum protection and thus claims protection for an entire class, this decision may turn against him at the end of the fateful 5-year period.

For example, a manufacturer of football boots claiming all products in class 25 will claim protection, in particular, for "football boots, beach shoes, sports shoes, ski boots". However, will use for these sole football boots validate use for the "shoes", "sports shoes" and/or "football boots" categories?

The stakes are high, as the said owner could eventually lose all protection for products - such as sneakers - he would need to manufacture one day...

It is most likely that, should the description solely claim for "**shoes**", it would remain the same or would at most be limited to "**x shoes for sport**"...

4. Filing

Considering the issues involved in the oppositions (for which a broad description proves preferable to ensure maximum protection) and the actions for cancellation (where the client's description should preferably match his activity, without going into too much details), when it comes to filing, the best is the enemy of the good!

Only well-balanced descriptions that are not too broad or precise will ensure optimum protection, bearing in mind also that a description giving broad protection at the time of filing may eventually reduce the owner's rights to an absolute minimum after 5 years.

Filing an application for the general category of the product of interest, and possibly the isolated products, may be an option to consider - but this certainly requires a case by case analysis.

5. Renewal

The case of particular interest here is the renewal of CTMs that claim protection for a general description.

It would have been better, in order to limit this dual interpretation system over time, concerning the filing date of the trademark concerned, that the OHIM now require the applicant - when renewing his trademark - to specify the scope of his description by answering the following question: does the renewal apply to all products and services or only to the general description according to its literal interpretation?

But no... Unfortunately, the OHIM did not take this opportunity and does not require the trademark owner to give any specific information at the time of renewal!

Complicated intellectual work is therefore only just beginning!

6. Conversion of a CTM into a national TM:

No Office has yet rendered any decision concerning this situation. However, it appears from the informal discussions we have had with the French Office that they will apply its literal interpretation to CTMs (irrespectively of these CTMs' filing dates!).

This is where the divergence of interpretation between Offices takes on its full meaning!

In concrete terms, a CTM that has been filed before the IPT and claims protection under a general description should be given a broad interpretation (as advocated by the OHIM). And yet the French office will go for a literal interpretation and hence should reject the insertion of "isolated products" in the description.

The French Office totally rejects the statement whereby the applicant intends to protect the entire class of interest - which had been introduced between the Communication of 02/2012 and the creation of the "magic" tick-box, owing to the urgent communication of 20 June 2012 that followed the tsunami that was caused by the IPT. In this context, what will be the position of the French office when it comes to converting CTMs of this type?

Conclusion

At first glance, one may well ask "What was all the fuss about?"... A decision by the Court of Justice, a new Communication from the OHIM Chairman, Communications from the Offices of 27 EU countries, countless debates during international conferences, let alone the huge amount of articles on the subject... All this for "Isolated products"? Yes! The aim of the IPT decision was to fulfil an urgent and substantiated legal requirement, but it did not establish the general framework that was necessary in view of the implications, uncertainties and risks, or even the dangers that have resulted from this decision and that the latter will no doubt continue to generate for practitioners.

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