Umbrellas for Estonia

Not to be confused with The Umbrellas of Cherbourg (Les Parapluies de Cherbourg)

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It is no secret that after analysing the feedback of European right holders and IP professionals the Office for Harmonization in the Internal Market (OHIM) came to the conclusion that – regardless of the increasing popularity of the Community trademark (CTM) – the national offices of EU member states have a different approach to estimating the protectability and distinctive character of a trademark. This practice often deprives the right holder of the possibility to exercise his right to the CTM when settling disputes in a specific EU member state and thus impedes normal business practice and fighting for market share. Allowable discrepancies in resolving specific issues cannot always be regulated by existing decisions of the European Court of Justice because each member state has traditional ways and well-established practice when dealing with specific matters.

So OHIM decided it was time to start harmonizing the practice and creating a unified and transparent approach to several important criteria that are examined during trademark registration proceedings. The aim was to look out for the interests of both right holders and the European consumer. Under the designation project CP3 (Figurative marks containing descriptive words) this programme focuses on establishing the distinctive capacity of a trademark, whereas in project CP5 (Relative grounds – likelihood of confusion) considerable attention is paid to examination of trademarks with non-distinctive elements running a comparative analysis against prior rights.

The projects enlist the national offices of the EU, OHIM, as well as the offices of Norway, Switzerland and Turkey. Estonian Patent Office got actively involved in 2012, so let's use the example of this country to get an insight into the level of unification that has been reached in establishing the distinctive character of a registered device, as well as the subtleties of registering descriptive devices as parts of trademarks.

From the very entry into EU in 2004, which coincided with the enforcement of a new edition of Estonian Trademark Act, Estonia waived the obligation of disclaiming the parts of trademark, verbal or graphical, that couldn't be subject to protection – i.e. unprotectable elements.

As a result the practice of and approach to formulating the examination results cardinally changed as the previous requirement of mandatory disclaimer of unprotectable elements was replaced with disclaimers set at the discretion of the examiner.

At the same time, ever since the restoration of independence in 1992 and the enforcement of Estonian Trademark Act the examiners have steadfastly maintained that an exclusive right cannot apply to a device that is devoid of distinctive character regardless of the language of the device or whether the average Estonian perceives it as descriptive. Thus the manufacturer of any country can be assured that he will not be violating third party rights when exporting his goods.
This allows Estonian examination to substantiate refusal decisions using not only examples from sources relevant to Estonia, but also examples abundantly available on the Internet, often in foreign languages and quite unrelated to the perception of the Estonian consumer. As a rule these sources are inadmissible from the viewpoint of their timestamps – in Estonia it is necessary to establish the descriptive character of a refused mark at the moment when it was filed, not later when the examination began.

In the light of recent practice it can be asserted that Estonian examination prefers to omit including disclaimers in their decisions to avoid extended exchange of correspondence with the applicant to establish whether he agrees with the disclaimer of one element or another. In essence the burden of determining whether an element is unprotectable is delegated to the Board of Appeal and Court institutions who must in each individual case conclude whether one element or other included in the trademark has distinctive character.

This in turn has led to a situation where the verdict of the examination can only be one of the two – the filed device either has distinctive character or not.

If the filed device only consists of unprotectable elements, it will be rejected. If the device contains both protectable and unprotectable elements, then a serious analysis is conducted to establish whether the mark as a whole is distinctive, and the registration decision is made without indicating which elements are subject to protection and which are not.

So, what instruments can be used to obtain protection to a mark that contains descriptive elements?

There is only one answer to that – a highly distinctive element must be added, and this element can be:

- Design
- Colour combination
- Combination with the company name or logo
- Combination with the umbrella brand, preferably already registered

Deciding upon marks that include design elements and company names Estonian Patent Office analyses the following criteria:

- Typeface
- Colour combination
- Use of punctuation marks
- Positioning of the verbal element in the reproduction
- Complexity of geometric figures
- Positioning of graphic elements relative to verbal elements
- Whether an image used in the mark is a depiction of the product
- Whether a graphic element is commonly used in respect of the filed goods or services
For example Estonian Patent Office has rejected the following devices:

**DAILY FRESH**
GOURMET FOOD & COFFEE

Refused in classes 29, 32, 43 and 31.

**hää**
EESTI KAUP

Refused in respect of sale services in class 35 (translation: GOODE ESTONIAN MERCHANDISE)

**La Crepe**

Refused in respect of flour and bakery products, sweets and confectionery in class 30 and catering services in class 43.

**PURE NATURE**

Refused in class 25.

**PERTUSSIIN**

Refused in class 5.

**parts24**

Refused in class 35 in respect of trade services and trade-related services.
These decisions rejecting devices that included graphics and colour combinations weren't exactly welcomed with enthusiasm by the applicants and professionals representing them before the Estonian office. The novel approach constituted a stark contrast to the previous registration practice where minimal design was considered sufficient to ensure protectability.

Thereby the new practice brought an element of unpredictability to pre-filing estimation of trademark protectability. It is hardly a secret that meticulous companies and big corporations often consult with trademark professionals before risking their time and money to obtain legal protection for their designations.

The situation is hardly improved by the huge number of registered trademarks, which following current practice should never have been registered due to their weak distinctive character. It would be counterproductive to give specific examples because it could cast doubt on registered trademarks that are currently recognized in Estonia on all levels and can prevent the use of similar signs based on their earlier priority.

Thus, adding graphics, colour solutions or a registered logo can provide a positive outcome, but only if they increase the distinctiveness of the filed device. It is often assumed that the company name can serve that purpose, but it does not always lead to the desired result. Primarily, this applies to designations that can function as trade names but not trademarks.

A striking example of such situation is the decision of the Estonian Board of Appeal number 1467-o dated July 30, 2014.

In a nutshell this case concerned the Estonian Patent Office's decision to refuse the device Autoekspert ("car expert" in English) for 'retail and wholesale of spare parts' in class 35 and 'car repair' in class 37.

The Estonian Patent Office claimed that the mark which only consisted of the verbal element Autoekspert written in stylized blue letters, lacks distinctiveness and is descriptive. When bringing the case before the Board of Appeal, among other objections, the applicant argued that Autoekspert should be considered distinctive since it replicates the applicant's registered company name OÜ Autoekspert.

The Board of Appeal did not agree that a trademark is distinctive, if the same word is used in the company name of that legal person. The Board noted that the registration of a company name and granting legal protection to a trademark are actions with a different legal meaning and purpose. The question whether a company name or words contained therein could be protected as trademarks, is not analysed upon registering a company name in Estonia. Thus the Board concluded that the registration of a company name does not give a legal person the legitimate expectation or right to register the same sign as a trademark. Pursuant to Article 15, Section 1 of the Estonian Commercial Code, registration in the Business Register gives an undertaking the exclusive right to its company name, not to a trademark.
Despite the fact that this decision concerns a trademark containing a company name with no additional word elements, it can nevertheless be concluded that according to Estonian practice, upon evaluating the distinctiveness of a trademark, the fact that the trademark also includes the applicant's company name does not automatically help to overcome lack of distinctiveness. When examining the registrability of a sign that contains the applicant's company name, the latter itself also has to be distinctive in order to ascertain that it adds distinctiveness to the sign as a whole.

This becomes especially awkward if you look up the existing black & white mark No. 28455 in class 35 registered for 'retail and wholesale of spare parts' with the word “AUTOEKSPERT” disclaimed.

On the one hand, the Estonian Trademark Act provides among grounds of refusal that, if the filed device contains a company name owned by a third party, it can only be registered with the written consent of the owner of the company name (Article 10 section 10 item 4). On the other hand, when using said provision, the Patent Office analyses the protectability of the juxtaposed company name in consideration of the listed goods and services. If the company name has distinctive character, it cannot prevent registration of the trademark.

**DESCRIPTIVE DEVICES - GIVE UP OR REGISTER?**

Experience shows that the attitude towards descriptive trademarks does not change in time. They remain attractive providing more information on the product or service. Since registrable devices may not directly indicate the type of goods and must be arbitrary, their creators are free to let their fantasies soar and they pick very interesting combinations. As a rule a well-chosen image is the key to the marketability of the mark.

Under current practice such combinations cannot be protected even if nobody has used them before. But should they given up, then? Definitely NO.

Any person who has tried to register a trademark knows that what is allowed in one country can be prohibited in another. Estonia is a jurisdiction where the filed device will not only be examined from the viewpoint of the Estonian language but using all available linguistic resources, especially those of the applicant's origin country. There is no single point of view on what words should invariably be considered descriptive, but if there is any doubt, then the device should be further analysed. Of course, it is better to give this job to an IP professional with good knowledge of the Estonian language. Another important task is to determine to which extent the device can be freely used – namely whether prior trademarks exist that may have been registered under looser criteria or protectability.

Should the verdict be "not registrable," the easiest way to obtain protection is to use the device in combination with the company name (provided the name is protectable), or a logo, or an umbrella brand. Chances improve, if the added elements are already registered. This method allows obtaining protection as long as the unprotectable part doesn't dominate, and the overall impression of the mark doesn't give rise to associations with an earlier third party right.
And afterwards it's up to the owner to make active use of his creation, not always in combination with the protectable element, but often without it, so that such use would contribute to acquiring distinctiveness. And, after accumulating indisputable evidence of acquired distinctiveness, file the device again without the umbrella brand.

Are there any examples of protection being granted to a device deemed unprotectable by Estonian examination? Probably the most prominent recent example is the trademark PARTNERKAART which was refused in respect of 'magnetic data media, encoded magnetic cards' in class 9 and services in class 35. The Patent Office claimed that in class 9 the word "partnerkaart" (partner card) can be perceived as information that the consumer is dealing with a discount card used in trade, and in regard of services in class 35 the consumers would presume that they are offered a discount card for a customer loyalty program. The owner disagreed and found that the designation PARTNERKAART has acquired distinctive character through long term use.

The Board of Appeal dismissed Patent Office's notion that the consumers are unable to associate the word PARTNERKAART with one specific service provider, on the contrary – according to the Board the sign PARTNERKAART has become well-known in Estonia thanks to long-standing customer loyalty program. It can be seen from the appeal materials that on the filing date of PARTNERKAART, there were 500,000 clients who had joined the customer program and were using the corresponding magnetic data media, therefore a big part of the Estonian population associates the trademark PARTNERKAART specifically with its owner and there is no danger that the consumer might associate it with similar services offered by another company. The appeal was sustained.

At the same time there is no point in using the argument of acquired distinctiveness to seek protection to an overused device. There is no effort that can make a designation that is widely used in descriptive capacity protectable. A good example is the adjective ОТБОРНЫЙ (OTBORNÝ) that means "selected" in English (decision of the Estonian Board of Appeal in opposition No. 1311-o).

The owner of the combined colour trademark АРАРАТ ОТБОРНЫЙ for alcoholic beverages, trying to contest a combined colour trademark МОЛДАВСКИЙ ОТБОРНЫЙ that had been granted a protection in Estonia, failed to prove that the single word ОТБОРНЫЙ can be considered a highly distinctive standalone element in Estonia. And this despite the fact that the word ОТБОРНЫЙ is of Russian origin and has been protected as a well-known trademark in Russian Federation since 1990, i.e. when Estonia was still a part of the Soviet Union.

The verdict of the Board of Appeal was that "the appearance of the Opponent's sign ОТБОРНЫЙ does not have a strong distinctive character in the relevant field since it is a customary label. The only identical element of the conflicting trademarks, namely the word ОТБОРНЫЙ does not make the trademarks visually or phonetically similar enough to cause confusion." The opposition was dismissed.
As can be seen from the above, not all trademarks filed in Estonia can be registered. Taking into consideration that pre-filing analysis can immediately exclude a significant number of designations that have no chance of registration, it will be easier to choose which devices to focus on.

Sure enough, thorough preparation takes more resources and time than purely intuitive approach, but it is fully justified nevertheless. In order to exercise your rights in the market it is paramount that the validity of these rights not be contested, and that the trademark can fulfil its primary function - to identify the product of a particular manufacturer.

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