

[2002] *Intellectuele rechten Droit Intellectuels* 292; for a dissenting judgment, see President of the Brussels District Court, 7 April 2003, *Steps v D.B. and Franzoni* [2003] I.R.D.I. 282.

An important difference between the two cases, however, is that in this case the defendants were domiciled in non-EC member states, Brazil and South Korea. The court held that since patent law was not a subject matter excluded from the Brussels-I Regulation, the domicile of the defendants was irrelevant for the purpose of considering jurisdiction under Article 31 of the regulation (see also Case C-391/95 *Van Uden Maritime v Kommanditgesellschaft in Firma Deco-Line* [1998] Eur Court Rep I-7091). Therefore, referring to its earlier ruling in the *Medtronic v Therex* case of 23 June 2000 ([2002] *Intellectuele rechten Droit Intellectuel* 328), the court held that the domicile of the defendants in a non-EC member state did not prevent Article 31 from applying since this was an autonomous ground of jurisdiction which existed independently of Article 4(1) of the regulation.

## Practical significance

This case can be seen as good news for patent holders. It shows that Belgian courts, which were—often unfairly—renowned for their alleged tardiness in dealing with patent cases and were sometimes reluctant to get into the technical complexity of (bio-) pharmaceuticals and medical devices, seem more aware of the international impact that patent infringements can have on a patentee's business and appear willing to offer swift interim relief. It is worthwhile noting that the present case took little more than three months from start to finish.

Although the outcome of each case will of course depend on its facts, and although other courts may prefer a different approach (see P. de Jong, 'The Belgian Torpedo: From Self-Propelled Armament to Jaded Sandwich' [2005] *Eur Intellectual Property Rev* 75), this ruling could have a positive impact on patent litigation in summary proceedings. It is, in particular, likely to make it easier for patentees to take legal action against companies who believe that their non-European status will deter patent holders from enforcing their patent rights, in particular at international fairs. Article 31 of the Brussels-I Regulation or, alternatively, the relevant provisions of the new Belgian Code on Private International Law seem to be

useful tools in keeping such companies in check in Europe.

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doi:10.1093/jiplp/jpi009

Advance Access Publication 2 November 2005

## Trade Marks

### ■ ECJ allows service marks for retail trade and tells Nestlé it can 'HAVE A BREAK' without having a Kit Kat

*Société des produits Nestlé SA v Mars UK Ltd* (Case C-353/03)

**In response to a reference from the UK Court of Appeal, under trade mark Directive 89/104/EEC of 21 December 1988, the ECJ determined that distinctive character may be acquired through use as part of an already registered trade mark.**

## Legal context

The ECJ was asked to rule on a reference made by the English Court in relation to the application for registration by Nestlé of the words 'HAVE A BREAK'. The questions referred related to interpretation of First Council Directive 89/104/EEC of 21 December 1988 (the 'Directive').

Under Article 2 of the Directive,

a trade mark may consist of any sign capable of being represented graphically, particularly words, including personal names, designs, letters, numerals, the shape of goods or of their packaging, provided that such signs are capable of distinguishing the goods of one undertaking from those of other undertakings.

Article 3 of the Directive deals with grounds for refusal to register/invalidity of a trade mark. Specifically, Article 3(1)(b) provides that trade marks which are 'devoid of any distinctive character' shall either not be registered or shall be liable to be declared invalid, and Article 3(3) provides that 'a trade mark shall not be refused registration or be declared invalid

in accordance with paragraph 1(b) ... if, before the date of application for registration and following the use which has been made of it, it has acquired a distinctive character.'

## Facts

The name KIT KAT and the slogan 'HAVE A BREAK...HAVE A KIT KAT' are existing trade marks owned by Nestlé. In March 1995, Nestlé also applied to register the words 'HAVE A BREAK' as a trade mark in their own right.

The application was opposed by Mars UK Ltd, on the grounds that the words 'HAVE A BREAK' were not 'distinctive' under Article 3(1)(b). The trade mark registry and High Court (on appeal from the registry) agreed with Mars and refused registration of the mark. On appeal to the Court of Appeal, the Court agreed that on the evidence, the mark itself was devoid of any distinctive character and was precluded from registration under Article 3(1)(b). The Court held that registration may therefore *only* occur on the basis of Article 3(3) of the Directive, subject to proof of distinctive character acquired through use.

The mark had thus far been rejected on the basis that the phrase 'HAVE A BREAK' was not used genuinely as an independent trade mark but was essentially used only as part of the registered trade mark 'HAVE A BREAK...HAVE A KIT KAT', such that the words 'HAVE A BREAK' alone had not acquired distinctiveness through use. Nestlé argued that this was wrong and that rejecting marks on this basis could have serious consequences for registration of *shapes* as marks, as such marks are seldom used by themselves. It further argued that a slogan-like phrase used in association with a trade mark could over time acquire distinctiveness through repetition and use.

On the basis of Nestlé's submissions on this point the Court of Appeal stayed the proceedings and the ECJ was asked to make a preliminary ruling on the question: 'may the distinctive character of a mark referred to in Article 3(3) of [the Directive] and Article 7(3) of [the regulation] be acquired following or in consequence of the use of that mark as part of or in conjunction with another mark?'

## Analysis

**The ECJ decision** The ECJ handed down its decision on 7 July 2005. The ECJ considered the previous case

law on acquired distinctiveness and, in particular, what was meant by the following words in the judgment in Case C-299/99 *Philips* [2002] Eur Court Rep I-5475: 'in regard to acquisition of distinctive character through use, the identification, by the relevant class of persons, of the product or service as originating from a given undertaking must be as a result of use of the mark as a trade mark'.

It held that the expression 'use of the mark as a trade mark' did not necessarily mean that the mark must have been used independently and, in fact, that Article 3(3) contained no such restriction on use—Article 3(3) refers to 'use which has been made' of the mark. Therefore, 'use of the mark as a trade mark' must be understood as referring solely to use for identification by the relevant class of consumers. Acquisition of distinctive character could therefore be as a result 'both of use, as part of a registered mark, of a component thereof and of the use of a separate mark in conjunction with a registered trade mark'.

What is relevant, therefore, in both use as a component of and use in conjunction with a separate mark, is whether the relevant class of persons actually perceive the product (or service), as designated by the mark, as originating from a given undertaking. In assessing this, the Court must continue to have regard to the well-established 'global assessment' test, as described in the ECJ's judgment in *Windsurfing Chiemsee* [1999] Eur Court Rep I-2779.

## Practical significance

It will be for the UK Court now to decide whether, in fact, the words 'HAVE A BREAK' alone have acquired distinctiveness by their use in the slogan 'HAVE A BREAK...HAVE A KIT KAT' (we would expect the evidence to support this). This ruling represents a further development in the law of trade marks from registration of shapes and slogans to registrations of shapes which are not used independently and parts of slogans—provided that these are proven to be distinctive in their own right. In practice, it is unlikely that this will result in a flood of new applications, but it will extend the monopoly for retailers who have succeeded in creating suitably distinctive merchandising for their goods, and clearly the ECJ, at least, recognizes the sector's investment in such.

*Praktiker Bau und Heimwerkermärkte AG v Deutsches Patent- und Markenamt (Case C-418/02)*

**In response to a question from the German Courts, the ECJ also determined that trade marks could be registered for ‘services provided in connection with the retail trade’.**

## Legal context

On the same day as the *Nestlé v Mars* ruling, the ECJ ruled on two questions referred to it by the German Federal Patents Court also on the interpretation of the Directive. The questions were:

- (i) Does the Community Directive on trade marks allow protection of service trade marks in the retail trade?
- (ii) What details are required for registration?

## Facts

Praktiker, a German DIY store, had filed for registration of the trade mark PRAKTIKER for the service of ‘retail trade in building, home improvement, gardening and other consumer goods for the do-it-yourself sector’. The German Patent and Trade Mark office (Deutsches Patent- und Markenamt) rejected the application, taking the view that the concept of ‘retail trade’ did not denote independent services having autonomous economic significance: retail trade related only to the distribution of goods as such, and therefore trade marks could be registered only in respect of the goods distributed in each case.

Praktiker appealed to the Federal Patents Court (Bundespatentgericht), claiming *inter alia* that ‘the economic trend towards a service society necessitated a re-appraisal of retail trade as a service’. The Federal Patents Court stayed the proceedings and referred the above questions to the ECJ.

## Analysis

**The ECJ Decision** The ECJ confirmed that in the absence of a definition of ‘services’ in the Directive, it falls to the Court to supply a uniform interpretation. It noted that the objective of retail trade is the sale of goods to consumers and that this trade includes, in addition to selling *per se*, all activity carried out by the trader for the purpose of encouraging consumers to buy. Therefore, it ruled that a service mark may be registered for services provided in

connection with the retail trade; that it is not necessary to specify in detail the service(s) in question, but that the applicant must specify details of the goods or types of goods to which those services relate. The reasoning behind this is to make it easier to identify prior registrations and determine the exclusive right conferred on the proprietor, without appreciably limiting the protection afforded to the trade mark.

## Practical significance

The *Praktiker* decision on services in connection with the retail trade is not surprising (to an English eye at least), confirmatory, as it is, of the position already adopted by the English courts.

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doi:10.1093/jiplp/jpi010

## ■ Trade mark damages for infringement in multiple jurisdictions: a German court rules

*HOME DEPOT*, Higher Regional Court (Oberlandesgericht) Hamburg, Decision 5 U 36/04 of 27 January 2005

**A recent decision of the Higher Regional Court of Hamburg in Germany provides useful guidance as to which law applies when trade mark infringements are committed in several EU member states; the Court found an effective and workable solution that enhances Community Trade Mark Regulation enforcement and strengthens its unitary character throughout the Community.**

## Legal context

Since the Community Trade Mark Regulation (CTMR) came into force in 1996, we have seen little on litigation procedure in national courts. The CTMR’s overwhelming importance, proven by the volume of applications and the vast number of decisions given by the Office for Harmonization in the Internal Market (OHIM), the Court of First Instance, and the European Court of Justice, has not been reflected at the level of enforcement. So few CTMR