

Infringement – Can you defend yourself

Enforcement of Trade Mark Rights - A European Perspective

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Jurisdiction – Council Regulation EC No. 207/2009

- *"Community trade marks must have effect and cover the entire area of the Community, as this is the only way of preventing inconsistent decisions on the part of the courts and the Office and of ensuring that the unitary character of Community trade marks is not undermined. The provisions of Council Regulation (EC) No 44/2001 of 22 December 2000 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters should apply to all actions at law relating to Community trade marks, save where this Regulation derogates from those rules" – CTMR Preamble – Para. 16*
- Community trade mark courts designated by the EU member states have exclusive jurisdiction for infringement and counterclaims for revocation or declaration of invalidity (CTMR Art 96)

CTM system operates in tandem with National marks

- *“Contradictory judgments should be avoided in actions which involve the same acts and the same parties and which are brought on the basis of a Community trade mark and parallel national trade marks. For this purpose, when the actions are brought in the same Member State, the way in which this is to be achieved is a matter for national procedural rules, which are not prejudiced by this Regulation, whilst when the actions are brought in different Member States, provisions modelled on the rules on lis pendens and related actions of Regulation (EC) No 44/2001 appear appropriate” – CTMR Preamble – Para. 17*
- *Lis Pendens rule* - when proceedings involve the same cause of action and parties brought in different courts, the later courts stay proceedings in favour of the court “first seized”

Enforcing Registered Trade Mark Rights in the EU

- Considerations where infringement of CTM in one or numerous EU member states
- Pan-European relief
- Considerations where there is infringement by a party of CTM and national trade marks

Where to sue – CTMR Art 97(1) to (4)

- Member state where defendant is domiciled, or if not domiciled in the EU, the member state where he has an establishment
- If defendant has no domicile or establishment in the EU, the member state where the Claimant is domiciled, or if not domiciled in the EU, the member state where he has an establishment
- If neither is domiciled or has an establishment in the EU, in the Courts of Spain being the member state where OHIM has its seat
- These must be treated in order – it is not possible to pick the most convenient
- Or if parties have agreed that a particular member state has jurisdiction e.g. jurisdiction clause in co-existence agreement (Art 23 Brussels Reg. 44/2001)

Where to sue – CTMR Art 97(5)

- Infringement actions can be brought in the member state where the infringing act is committed or threatened – CTMR Art 97(5)

BUT the jurisdiction of the CTM courts is limited only to acts committed in the member state in which that court is situated (CTMR Art 98(2))

Important consequences...

Available Relief

- Order prohibiting infringement (injunction) – CTMR Art 102(1)
- Whatever is available under the law of the Member State where the acts of infringement were committed – CTMR Art 102(2) – e.g. damages, account of profits (NB Enforcement Directive (2004/48/EC))
- Interim injunctions are available in CTM courts even if another CTM court has jurisdiction over the substance of the matter - CTMR Art 103 (1)
- Interim injunctions can be granted across any member state PROVIDED jurisdiction is based on Art 97(1) to (4) – CTMR 103(2)

Pan-European Relief

- A CTM court whose jurisdiction is based only on Art 97(5) has jurisdiction only in respect of acts committed or threatened within that Member State – CTMR Art 98(2) – i.e. it cannot grant pan-European injunctions

Pan European Relief and the potential for forum shopping?



- Limited owing to provisions of Art 97
- Defendant is not domiciled in the EU but has establishments in more than one member state e.g. US company with multiple EU establishments (branches not subsidiaries)
- Defendant and Claimant are both entirely outside the EU but Claimant has establishments in more than one member state
- Where there are multiple defendants in different member states, provided the claims are so closely connected they should be heard together – proceedings may be brought in the member state where any one of them is domiciled - Brussels Reg Art 6 and CTMR 94(1)
- Consider available relief, speed, process, language, cost

What about Torpedos?



- “Torpedos” used in EU patent actions – defendant gets in first with invalidity proceedings in favoured jurisdiction
- Limited application in relation to CTMs as invalidity actions can only be brought at OHIM unless via a counterclaim
- But – in jurisdictions where threats actions are available (e.g. the UK), a threats action could be used as a torpedo by the defendant to potential infringement proceedings

Related Actions - CTMR Art 104

- Validity – A CTM court shall unless there are special grounds for continuing the hearing, stay the infringement proceedings where the validity of the CTM is already in issue either before another CTM Court (in a counterclaim) or if an application for revocation or invalidity has been filed at OHIM
- Defendant's tactic for delay?
- BUT CTM Court may impose protective measures (e.g. injunction) during the course of the stay (Art 104(3))

RODEO DRIVE



Rodeo/Rodeo Drive

- CTM Infringement action against Christian Dior in France in relation to Rodeo Drive on sunglasses – no LOC according to French law and the French average consumer
- Decision was reversed by the Cour d’appel; Jurisdiction accepted on the basis of CTMR 97(5) – place of infringement even though Christian Dior was domiciled in France; decision limited to France
- Subsequent proceedings by licensee against Christian Dior in Germany – for infringement of the same CTM based on CTMR 97(5)
- Held no LOC but decision was again reversed on appeal. German appeal court found that earlier French proceedings had national effect only and found that there was a LOC in Germany

THE HOME DEPOT



THE HOME DEPOT

- Claimant owned CTMs for THE HOME DEPOT (in word and figurative forms) for various goods and services relating to building and construction
- Defendant was the German branch of a Swiss company which operated DIY stores in Germany and other EU states which adopted THE HOME STORE in addition to Bauhaus
- Claimant succeeded in Hamburg Regional Court, and in Hanseatic Court of Appeal
- Appealed to the Bundesgerichtshof on a point of law

THE HOME DEPOT

- If the Hanseatic Court of Appeal were to give judgment against the defendant the injunction would be for the entire territory of the EU as a matter of principle – it is not necessary that an infringement actually takes place or is threatened in all member states
- Question as to whether the CMTR permits or requires territorially limited injunctions in cases where the LOC does not apply across all Member States owing to language differences, geographically distinct customer interpretation or differing levels of distinctiveness
- No rules in the CTMR regarding compensation claims – calculated by reference to national law

PAGO



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Pago International GmbH v Tirolmilch...[2010]

ETMR 5

- Pago argued Tirolmilch taking unfair advantage of CTM in Austria under Art 9(1)(c) CTMR
- Was it entitled to a pan European injunction
- Meaning of “has a reputation in the Community”
- CTM must be known by a significant part of the public concerned by products and services covered by the trade mark in a substantial part of the territory
- Austria was capable of meeting that test BUT does not answer whether it is sufficient to show that a CTM has a reputation in any member state regardless of size, or in part of a member state only

DHL Express France SAS v Chronopost SA

Case C-235/09

The screenshot shows the DHL Web Shipping website interface within a Windows Internet Explorer browser window. The browser's address bar displays the URL <http://www.dhl.com/publish/g0/en/eshipping/webship.high.html>. The website features a yellow and red color scheme with the DHL logo prominently displayed.

Navigation Menu: Products / Services, eShipping, Tools, Information, Press, Careers, About DHL.

Main Content Area:

- DHL Web Shipping Good Afternoon** (with a photo of a DHL employee)
- Track your Shipment:** Includes a search box with "DHL Air Waybill" and a "Track" button.
- Log on and ship now with DHL Web Shipping**
- What is DHL Web Shipping?** A paragraph explaining the on-line express shipping tool.
- What does DHL Web Shipping do?** A paragraph describing the simplified navigation guides.
- With a click of a mouse you can:** A list of capabilities:
 - Select the right shipping and value-added services for each shipment
 - Prepare air waybills and customs documentation on-line
 - Get the latest service bulletins and customs information
 - Book collections and track shipments on-line
 - Save up to 300 customer addresses
 - Access shipment records for 99 days
 - Alert recipients and other interested parties

Right Sidebar:

- The Group** and **Investor Relations** sections.
- Contact** section with a search box and "Search" button.
- Select your Location:** A dropdown menu currently set to "Global".
- Good to Know:** Links to "DHL Web Shipping FAQ" and "Tracking Tools".
- Shipping Support Tools:** Links to "Find DHL", "Volumetric Weight", "Conversion Calculator", "Currency Converter", "World Clock", and "Customs Paperwork".
- DHL Shipping Tools:** "Automated solutions to simplify shipping" with a "more" link.

Left Sidebar: A vertical menu with links to "eShipping: Quick Access", "Web Shipping", "Booking", "Tracking", "Logistics eServices", "DHL Interactive", "Trade Automation Service", "Order Supplies", and "DHL ProView".

Footer: "Deutsche Post DHL" logo.

The browser's taskbar at the bottom shows the Windows Start button, several application icons, and the system tray with the time 12:25.

DHL and Chronopost

- Chronopost sued DHL in France for infringement of national and CTM WEBSHIPPING
- French national mark found valid, revoked for non use but infringed prior to date of revocation
- CTM still within 5 year period, valid and infringed
- Chronopost requested an EU-wide injunction, subject to a penalty of 1,500 Euros for failure to execute
- The Appeal Court, sitting as a second instance CTM Court, found such an order would not be appropriate and limited the prohibition to France

DHL and Chronopost

- Appeal Court held that in accordance with Article 98 of Council Regulation 40/94 (now Art 102), in order to make an EU-wide order with a penalty provision, it would need to have access to the relevant national rules
- In addition, LOC had only been only assessed in relation to French consumers
- Chronopost said the prohibition and related penalty payment, should apply EU wide

CTMR 102 (formerly 98)

- 1. Where a Community trade mark court finds that the defendant has infringed or threatened to infringe a Community trade mark, it shall, unless there are special reasons for not doing so, issue an order prohibiting the defendant from proceeding with the acts which infringed or would infringe the Community trade mark. **It shall also take such measures in accordance with its national law as are aimed at ensuring that this prohibition is complied with**
- 2. In all other respects the Community trade mark court shall apply the law of the Member State to which the acts of infringement or threatened infringement were committed, including the private international law
- Cour de Cassation refers issue to the ECJ ...

Reference to the ECJ – lodged 29 June 2009

- 1. Must Article [102 CTMR] be interpreted as meaning that the prohibition issued by a CTM Court has effect as a matter of law throughout the entire area of the Community?
- 2. If not, is that court entitled to apply specifically that prohibition to the territories of other States in which the acts of infringement are committed or threatened?
- 3. In either case, are the coercive measures which the court, by application of its national law, has attached to the prohibition issued by it applicable within the territories of the Member States in which that prohibition would have effect?
- 4. In the contrary case, may that court order such a coercive measure, similar to or different from that which it adopts pursuant to its national law, by application of the national laws of the States in which that prohibition would have effect?

Pan-European Injunctions

- Pros:
 - One action resulting in a single decision and an injunction across all member states of the EU – avoidance of multiple proceedings in multiple languages; cost saving
- Cons:
 - Little or no choice of forum (Art. 97)
 - Risk of EU-wide adverse decision
 - Courts may not grant where doubt as to LOC across all member states (nb also DHL v Chronoplast)
- Most appropriate for clear cut cases e.g. counterfeiting

Enforcement of Pan-European Injunctions

- Brussels Regulation Chapter III
- Judgment not recognised if:
 - Manifestly contrary to public policy in the Member State where recognition is sought
 - It was given in default of appearance defendant not served so as to enable defence unless he failed to challenge the judgment when it was possible to do so (see ECJ in Denilauler 125/79; EMI Records v Modern Music [1992] All E.R. 616)
 - Irreconcilable with existing decision between the parties (see Art 34(3) & (4))
- EU Judgment in England & Wales - see CPR Part 74 IV

Simultaneous Actions – CTMR 109(1) (formerly 105)

- For infringement actions for the same cause of action, and same parties in different member states one based on a CTM and one on an equivalent national mark
 - Later court shall decline jurisdiction where the trade marks are identical and the goods are identical (or stay proceedings if jurisdiction in the first court is contested)
 - Later court may stay proceedings where the marks are identical and the goods are similar or the marks are similar and the goods are identical or similar
- If there is already a final judgment between the same parties in relation to the same cause of action on the basis of identical mark and identical goods one national and one CTM (or vice versa) the action must be rejected
- These do not affect applications for interim relief

Successive Actions – CTMR 109(2) and (3)

- A Court hearing an infringement action based on a CTM must reject the action if there is already a judgment on the same cause of action between the parties on the basis of an identical national mark valid for identical goods
- The same applies if the Court is hearing an infringement action based on a national mark and there is an existing CTM judgment between the parties regarding the same mark and goods

PRUDENTIAL



PRUDENTIAL

Prudential Assurance Co v Prudential Insurance Co of America [2003] ETMR 69

- PUK – used name PRUDENTIAL in UK/Commonwealth; PUS used same name in USA and other countries; they co-existed for 25 years
- Proceedings by PUK to stop use of PRUMERICA in the UK /EU based on 2 CTMs and 7 UKTMs
- PUS challenged jurisdiction, saying proceedings inadmissible before English courts because of a final judgment on the merits where PUK failed in opposition proceedings against PRUMERICA in the French IPI and Cour d'Appel)

PRUDENTIAL and PRUMERICA

- Art 109(2) only applied where there was an earlier judgment on merits where there was double identity (identical mark registered for identical goods)
- Opposition proceedings are not to be equated with an action for infringement under Art 109
- CA did not rule out that CTM Court may be required to reject infringement action where there is double identity if the same point has been determined by a national court in revocation or invalidity proceedings

Where National Marks only

- Dealt with under laws of the member state concerned
- Jurisdiction decided by reference to the Brussels Regulation No 44/2001:
- Art 22(4) (*“In proceedings concerned with registration or validity of ... trade marks...the Courts of the Member State in which the ... registration has been applied for...” has exclusive jurisdiction*)
- Art 25 (*“Where a court of a Member State is seized of a claim...over which the Courts of another Member State have exclusive jurisdiction... it shall declare of its own motion that it has no jurisdiction”*)
- Art 27 (*“Where proceedings involving the same cause of action and between the same parties are brought in the Courts of different Member States ...any court other than the court first seized shall decline jurisdiction in favour of that court”*)
- Art 28 (*“Where related actions are pending in the courts of different Member States any court other than the court first seized may stay its proceedings”*)
- Art 29 (*“Where actions come within the exclusive jurisdiction of several courts, any court other than the court first seized shall decline jurisdiction in favour of that court”*)
- Art 31 Provisional and protective measures not affected

CONCLUSIONS

- If there is infringement in multiple countries, think about tactics and effects at outset
- Think about need for pan-European relief (even where dealing with UK infringement of CTM and a UK defendant)
- Is the mark distinctive across the whole EU; is there LOC across the whole EU? No such thing as an average European Consumer?
- If you want a pan-European injunction, ask for it
- Once you have it, can you enforce it?
- Consider how you will deal with damages and other relief
- National marks/proceedings?