



THE SPTO TECHNICAL REPORTS

The High Court of Madrid (Contentious-Administrative Division-Section 2. St. 377/2018, May 23rd) has made an interesting assessment on the value that the technical reports issued by SPTO may play in contentious-administrative appeals related to the validity of Utility Models.

Instead of being a conclusive and decisive element in the conformation of the final ruling, the new line tempers this criteria in favour of more autonomy for the judges. The fact that they do not master the technical field of the report do not deprive them from their critical capacity of integrating its conclusions with the rest of factual elements of the proceeding.

This always controversial figure of minor inventive step has a new legal framework as of April 2017 with the final enactment of the Spanish Patent Law. The new regime sets forth that UMs' undergo no substantive examination before grant. Only if the owner plans to enforce the right against a third party, it is then compulsory, before commencing proceedings, to request a Search Report that it will be later on attached to the official file together with the Preliminary Written Opinion of the Office.

PARALLEL IMPORTS OF MEDICINES

The Falsified Medicines Directive 2011/63/EU (FMD) and the Delegated Regulation (EU) 2016/161 set out stricter rules for the packaging of prescription-only and for some non-prescription medicines that will come into force on February 9th, 2019.

Following the mandate of the FMD, Marketing Authorization Holders will be now responsible for attaching a unique identifier on the product packaging to be scanned at fixed points along the supply chain and anti-tamper devices as well.

These requirements will increase the safety and traceability of the whole supply chain and not only that of parallel traders, who are treated as "manufacturers" by the new regulation and therefore also obliged to apply them to the products imported into the market of interest.

BARCELONA TECH CITY

On June 22nd, 2018, PONTI organized the conference "Industrial Property in the Global Hubs of Innovation" at Barcelona Tech City, with the attendance of numerous representatives of public research bodies, technology centres, universities technology transfer offices, Start Ups and technology-based companies.

Barcelona Tech City represents the digital innovation and technology base ecosystem of Barcelona and has recently been highlighted by Forbes magazine as one of the most promising entrepreneurship centres worldwide.



PONTI IP VITAMINS

We are launching a new program of sessions aimed at reinforcing the position of our innovation ecosystem in relation to the management of intangible assets (trademarks, patents, designs, copyrights) that nowadays make up 85% of the value of the most important companies in the world.

The first of these sessions, to be held in Barcelona in November 2018, will be focused on "Managing and protecting trademarks in the digital environment".

AGENDA / EVENTS:

18 - 21.09.2018 MARQUES. European Association of TM Owners. Paris. FRANCE.

22 - 26.09.2018 Association Internationale pour la Protection de la Propriété Intellectuelle. Cancún. MEXICO

18 - 21.11.2018 APAA. Asian Patent Attorneys Association. New-Delhi. INDIA

THE KIT KAT CASE. THE SECONDARY MEANING IN THE EU

It is common knowledge the long running confrontation between Nestlé vs. Cadbury Schweppes (nowadays Mondelez UK Holdings & Services) for more than 10 years.

In 2006, EUIPO registered the 3-D European Union Trade Mark (EUTM) for the shape of the '4 Finger KitKat' product which Nestlé markets and in 2007, Cadbury (now Mondelez) filed a declaration of invalidity of the registration before the EUIPO. Mondelez commercialises the Norwegian bar Kvikk Lunsj:



In 2012, the EUIPO's Second Board of Appeal annulled the decision of the Cancellation Division which had held that the 3-D EUTM was devoid of distinctive character and rejected that application. On the contrary, it took the view that Nestlé had proved that the shape had acquired distinctive character in a substantial part of the EU where the shape had been initially non-distinctive [Case R 513/2011-2 Société des Produits Nestlé SA v Cadbury Holdings Ltd].

Regarding the inherent distinctiveness of the Kit Kat shape, consisting of four trapezoidal bars aligned on a rectangular base, the Board commented that a mere variant of a common product shape will not be distinctive, even if original; such a shape must depart substantially from the norms of the relevant trade in order to function as a trademark. The mark at issue would not be perceived as a business identifier by the public, which would see the bars just as portions of the product.

Nestlé submitted abundant evidence to prove the acquired distinctiveness of its mark, most notably consumer surveys conducted by specialist market research companies in EU countries including France, Germany, Italy, Spain and the UK, where consumers were asked what the product shape brought to mind. The Board agreed that the population of the five countries together made up 79.2% of the total relevant EU population as composed by the fifteen member states of the EU at the time of registration.



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Mondelez brought an Action before the General Court for the annulment of EUIPO's decision and on 15 December 2016, the General Court annulled EUIPO's decision.

It considered that EUIPO had erred in law in finding that the mark at issue had acquired distinctive character through use in the EU, when such acquisition had been proved only for part of the territory of the EU: ten countries (Denmark, Germany, Spain, France, Italy, the Netherlands, Austria, Finland, Sweden, and the UK). This left Belgium, Ireland, Greece, Luxembourg and Portugal.

The controversial question here is the geographical extension of the evidence and if the General Court's interpretation could be incompatible with the unitary character of the European trade mark.

According to the case-law, a sign without inherent distinctive character can be registered as a EU trade mark only if it is proved that it has acquired distinctive character in the part of the EU in which it did not previously have such character. Where appropriate, that part may be comprised of a single Member State.

Consequently, it followed that a mark which was, ab initio, devoid of distinctive character across all Member States, could only be registered if it were proved that it has acquired distinctive character throughout the territory of the European Union.

In this case, the Court upholds the General Court's judgment and concludes that the acquisition of distinctive character by a mark that was initially devoid of inherent distinctive character must be shown throughout the EU, and not only in a substantial part of the territory of the EU.

Therefore, it follows from the above that EUIPO erred in law when in its decision concludes that distinctive character had been acquired through use of the mark at issue without adjudicating on whether that mark had acquired such distinctive character in Belgium, Ireland, Greece and Portugal.

This judgement will have clear implications for future shape mark cases and possibly, applicants may give greater consideration to applying for national trademarks and/or filing for a registered European design right.

However, it is not clear that this is the end of the road for Nestlé's Kit-Kat trademark registration. It is just a... "have a break"!