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Darjeeling: Collective Marks v Geographical Indications considered by CJEU

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The Court of Justice of the European Union (CJEU) has denied the Tea Board's (TB) appeal against the General Court's (GC) decision to allow Delta Lingerie's (DL) application for various 'Darjeeling' marks in classes 35 and 38.

In 2010, DL applied to register four figurative EUTMs including the word 'Darjeeling' in classes 25, 35 and 38. TB opposed these applications on the basis of two EU collective marks, one word and one figurative, which both included the element 'Darjeeling' and were registered in respect of tea in class 30. TB relied on Articles 8(1)(b) and 8(5) of EC 207/2009 (now Articles 8(1)(b) and (5) of Regulation (EU) 2017/1001 '(EUTMR')). It is worth noting that the term DARJEELING is also a protected geographical indication ('PGI') under Regulation 510/2006.

The oppositions were initially refused by the EUIPO and the Board of Appeal rejected TB's appeal. The GC largely upheld the Board of Appeal decision in a further appeal by TB, although annulled the part of the decision concerning the Article 8(5) ground. The GC had some sympathy with TB's submission that its reputation in DARJEELING had not been properly considered and found that there could be a risk of DL's marks benefitting from the "positive qualities" of TB's marks in respect of the goods in class 25 and some of the services in class 35. This issue was therefore remitted to the Board of Appeal for re-examination.

Both parties subsequently appealed aspects of the GC's decision to the CJEU. Neither party was successful. Ultimately, the CJEU dismissed both appeals and upheld the GC's ruling.

The key point of interest in the CJEU decision was the finding on TB's first ground of appeal, which addressed the issue of whether or not the essential function of a collective mark within the meaning of Article 66(2) Regulation EC 207/2009 (now Article 74(2) EUTMR), could be different from the essential function of an EU individual mark. The GC had found that there was no difference.

TB submitted that the essential function EU collective marks consisting of geographical indications is akin to the essential function of PGIs, namely to guarantee to consumers the geographical origin of the goods and the special qualities inherent in them. TB felt that the GC erred in its conclusion that whether or not the public might believe that the goods or services at issue may have the same geographical origin is irrelevant in the assessment of confusion under Article 8(1)(b) EUTMR.

The CJEU, however, stated that PGIs and EU collective marks consisting of geographical indications are governed by differing legal regimes and pursue different aims, and here the assessment was between an EU individual trade mark and an EU collective mark. With this in mind, the CJEU held that the GC was right to find that there is no difference between the essential functions of collective and individual marks and that the possibility that consumers may think the goods/services covered by the signs have the same geographical origin is not relevant for the purposes of establishing confusion under Article 8(1)(b) EUTMR.

It is interesting to ponder whether TB would have been successful had it been able to oppose DL's applications on the basis of its PGI. At the time when these proceedings were initiated, there was no mechanism for opposing on this basis but under the reformed regime it seems likely that they would be successful.

This case confirms that the essential function of EU collective marks consisting of signs or indications which may serve to designate the geographical origin of goods and services does not differ from the essential function of EU individual trade marks. EU collective marks with what are essentially geographical indications within them are still EU collective marks and are to be interpreted as such, whereas a PGI is not limited in its effect by the goods and services for which it is protected.

It is also worth considering whether or not the UK's departure from the European Union will affect the protection and enforcement of collective marks in the UK. The common school of thought is that there will not be any changes, given the wording of section 3(1) of the Great Repeal Bill which states that "direct EU legislation" (including regulations) forms part of domestic law on and after exit day.

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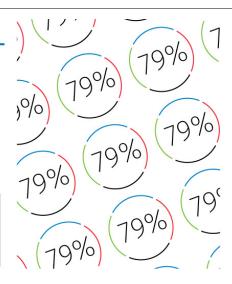
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