“#darferdas?”: The European Court of Justice has expanded the registrability of trademarks
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The European Court of Justice (ECJ) held in its decision C-541/18 of September 12, 2019 that the distinctive character of a sign applied for as a trademark –a prerequisite of eligibility for trademark protection- must be assessed in the light of all the relevant facts and circumstances. This includes all the likely uses of the trademark applied for. The decision expanded the registrability of a trademark in the EU.

In 2015, the applicant filed the word mark “#darferdas?” (a German phrase that means “can he really do that?”) at the German Patent and Trade Mark Office (DPMA) for goods in Class 25. The DPMA rejected the application for lack of distinctiveness on the grounds that the public would perceive the sequence of words simply as a “fun phrase”.

The applicant’s appeal to the German Federal Patent Court (BPatG) was unsuccessful. The Court said that, when assessing the distinctive character of a sign, the way in which a trade mark was commonly used in relation to the goods and services concerned and, in particular, where it was positioned, must be taken into account. However, only the most likely form of use was decisive.

The Court found the most likely use of the sign to be on the front or back of a T-shirt, while the use on a label of a garment was considered less likely. The public would, however, understand the sign –when placed on the front or back of T-shirts – as a simple interrogative phrase composed of common words of the German language inviting the public to discuss the question “darferdas?”. Accordingly, the sign lacked distinctive character.

The applicant appealed to the German Federal Court of Justice (BGH), which referred the following question to the European Court of Justice (ECJ):

‘Does a sign have distinctive character when there are in practice significant and plausible possibilities for it to be used as an indication of origin in respect of goods or services, even if this is not the most likely form of use of the sign?’

The ECJ held that all relevant factors had to be considered when examining
distinctiveness, including all likely types of uses of the mark. When it is obvious that several uses of a mark are practically significant or customary, all such uses should be taken into account in order to determine whether the average consumer will perceive that sign as an indication of origin.

The BGH subsequently ruled that the sign applied-for cannot be denied distinctive character on the basis of the findings to date. In the absence of deviating findings by the BPatG, it must be assumed in favor of the applicant that, in addition to a decorative use, there are also other practically significant and obvious possibilities of using the sign for the goods at issue here, for example on the label of a garment. Since the BPatG only considered the most likely type of use as decisive, its decision must be set aside, and the case referred back to the BPatG for a new ruling.

The BPatG inevitably adopted the case law of the ECJ, according to which all practically significant types of use must be taken into account in the examination of distinctiveness, and thereby determined that the use of the trademark on the label must also be taken into account (Decision of December 15, 2020 – 29 W (pat) 537/20). The Court stated that if signs applied to sewn-in labels of clothing at a place where a trademark is customarily applied in the trade, the public will assume that it is an indication of the origin of the goods. Accordingly, the applied-for sign “#darferdas?” is not devoid of distinctive character.

The use of the hashtag (“#”) does not change this. At the time of filing the subject application, the use of hashtags on labels on the inside or outside of clothing in a decorative or attention-grabbing way was not common. The question whether the use of hashtags beyond social media and advertising has now changed this perception of the average consumer can remain open.

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