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General Court on Burden of Proof in Nullification Proceedings

Kai Schmidt-Hern (Lubberger Lehment) · Friday, July 22nd, 2022

Dispute and Facts

Munich SL owns an EU registration of 2004 for the following figurative mark:



This representation means that the crossed stripes are placed on the side of a shoe. The registration covers ?Sports footwear? (class 25).

In 2010, Munich SL sued Deichmann SE before the Regional Court of Düsseldorf for the infringement of their trade mark.

In 2011, Deichmann SE filed an application for revocation based on non-use of the registration. Munich SL brought evidence for the genuine use of the trade mark and the application was dismissed. The dismissal was confirmed by the General Court (Judgement, of 17 January 2018, T-68/16) and the CJEU (Judgement of 6 June 2019, C-223/18). The General Court had found that the trade mark had at least a minimum degree of distinctiveness and that Munich SL's use of the trade mark, as far as it deviated from the form as registered, did not alter the distinctive character of the registration.

Also in 2011, Deichmann SE filed an application for declaration of invalidity of Munich SL's registration based on a lack of distinctiveness (Article 59(1)(a) of Regulation 2017/1001). In 2019, the Cancellation Division rejected the application. Deichmann appealed and with decision of 7 December 2020, the Fourth Board of Appeal upheld the decision of the Cancellation Division and dismissed the appeal. It found, in essence, that Munich SL had convincingly demonstrated that many undertakings used relatively simple patterns on the side of the shoe to indicate the commercial origin of their shoes. The evidence adduced by the applicant had rather confirmed this, according to the BoA. That evidence consisted of printouts of shoe models with various stripes on the side (Exhibit A1), of an affidavit from a managing partner of a German company, attesting that his company had marketed sports shoes with logos similar to that of the contested mark, among them a logo which was registered as a trade mark (Exhibit A2), and of printouts of registration

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details for past and present designs consisting of various kinds of crossed lines on sports shoes (Exhibit A3). The BoA concluded that the contested mark had distinctive character. This conclusion also relied on the finding of distinctiveness in the General Court's judgement of 17 January 2018 (see above).

Action Before the General Court

Deichmann based their action against the decision by the BoA on the argument that the BoA had erred in assuming that the relevant public perceived simple patterns on the side of sports shoes as inherently distinctive signs. The BoA had misjudged the market realities and ignored that fact that crossed stripes on sports shoes were so common that they were not able to fulfil the main function of a trade mark, namely to distinguish the shoes of one undertaking from those of another.

With judgement of 4 May 2022, T-117/21, the General Court turned the action down.

As to the perception of signs of the kind in question, the Court stated the following:

- The fact that a sign also serves decorative purposes does not in itself speak against it distinctiveness (para. 59).
- However, a design which is simple and banal, is unlikely to be considered distinctive just because it is placed on the side of the shoe and because the side of the shoe is a place where many shoe manufacturers use simple patterns as signs of origin (para. 59).
- The consumer will not necessarily perceive any geometric shape placed on the side of a sports shoe as being a trade mark. Very simple shapes must be free to use by everyone, except when they have acquired distinctiveness through use (para. 60).

Then the Court unequivocally clarified who bears the burden of proof in nullification proceedings:

• The person who has filed the application for a declaration of invalidity must invoke before EUIPO the specific facts which call the validity of that trade mark into question (para. 62).

Finally, the Court confirmed the findings of the BoA:

- As stated by the BoA, the submissions and evidence provided by the applicant did not support the argument that the public does not perceive rather simple shapes as trademarks when placed on the side of a sports shoe.
- The BoA admissibly relied on the General Court's judgment issued in the revocation proceedings, where the General Court had, in the context of the question of genuine use, found that the trade mark was distinctive at least to a minimum degree.

Conclusions

The way the public perceives signs depends on the realities of the markets concerned. When it comes to such market realities, the EUIPO and the courts largely rely and depend on evidence provided by the parties. This is an opportunity to shape the EUIPO's and the Court's perception of the markets concerned. But as shown here, evidence which may seem beneficial at first glance may support the other party's position in the end.

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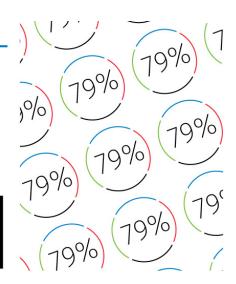
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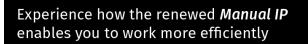
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