

Kluwer Trademark Blog

Do you need a banking licence to own a trademark containing word „bank“?

Michal Havlik (SAK ALO) · Sunday, April 3rd, 2016

The Prague City Court reviewed decision of the Czech Industrial Property Office on invalidity of trademark “Partners banka” logo filed by the largest provider of financial advisory services in the Czech Republic. The trademark owner did not hold a banking licence. The court held that the Office did not err when it invalidated the trademark on grounds of deceptiveness, because the trademark owner did not hold a licence for banking services and the use of such mark could deceive the average customer that such services are provided under the appropriate regulatory framework with the corresponding public financial guarantees..

The invalidity proceedings were initiated by the Czech National Bank („CNB“), which is the public authority supervising banking and financial sector in the Czech Republic. The CNB sought invalidity of the trademark on two grounds: (i) deceptiveness and (ii) violation of the Czech Banks Act. The Office rejected the latter ground because the statutory prohibition concerns the use of word „bank“ only as part of a company name, but not of trademarks. On the other hand, the Office found that the mark was deceptive not due to the mere fact that the applicant is not a bank, but because the trademark as a whole creates the false impression of a logo of a bank and is capable of misleading as to the nature and origin of all protected goods and services, not only of financial and monetary services.

The trademark owner filed a complaint to the court seeking annulment of the decision on the grounds that the decision inappropriately extends the statutory prohibition under the Czech Banks Act. The trademark owner claimed that deceptiveness must be construed in an uniform manner under Directive 2005/29/EC unfair business-to-consumer commercial practices as misleading communication to convince a consumer that is likely to cause him or her to take a transactional decision that he would not have taken otherwise. Moreover, it was argued that deceptiveness must be assessed in relation to specific goods and services. As a result, the use of the mark for goods and services other than financial services cannot be considered as deceptive. The trademark owner argued that the word „bank” can have multiple meanings such as blood bank, food bank or databank and therefore deceptiveness is relative as certain uses of the word “bank” in course of trade do not require a banking licence. The trademark owner also contested that given its reputation as the leading financial advisor, the average consumer will know that the trademark owner is not a bank and thus will not be misled.

The court rejected the law suit stating that in assessing trademarks on absolute grounds, potential deceptiveness is sufficient and the Office does not need to show evidence of actual deception of

consumers on the market. The court held that deceptiveness of a mark must be assessed not only in relation to the specific goods and services, but also in relation to its owner who in the given case does not hold a banking licence.

Under Article 3 (7) (iii) of the Trademark Law Treaty, an indication of the applicant's carrying on of an activity corresponding to the goods or services listed in the application and evidence to that effect may not be required in respect of a trademark application throughout its pendency. Moreover, the court decision resulted from a situation where the invalidity/rejection was sought by a government regulatory authority supervising compliance with financial regulations.

For these reasons, the court decision is not likely to affect the existing practice whereby the Office does not require evidence of a banking licence from an applicant or owner of a mark containing word "bank" or an assignee of such mark. However, the court decision confirms that where the Office concludes in a specific case that the use of such mark would be deceptive by a particular applicant/owner, the Office may reject or invalidate such mark.

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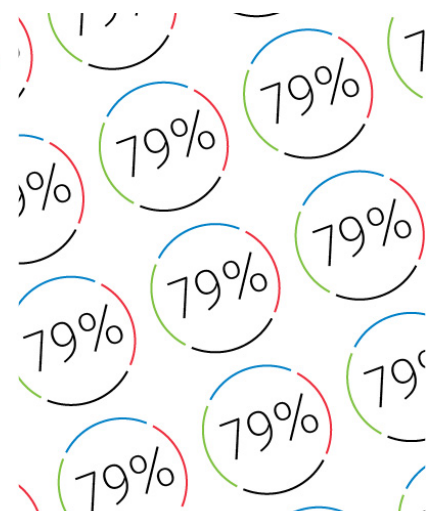
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