Kluwer Trademark Blog

The BASIC NET decision: did the CJEU kiss goodbye to the ‘substantial part of EU’ criterion on acquired distinctiveness?

Sara Parrello (Bugnion S.p.A) · Wednesday, September 19th, 2018

In BASIC NET SpA vs EUIPO, (case C-547/17 of Sept. 6, 2018), shortly after the recent Nestlè/Mondelez KIT KAT case (C?84/17P, C-85/17 P and C-95/17 P; see ‘CJEU on the Kit Kat shape and acquired distinctiveness of EU trade marks for shapes’ in this blog), the CJEU again tackled the issue of how and where to prove acquired distinctiveness of EUTMs. By confirming this latter decision, the CJEU might have finally completed its assessment of acquired distinctiveness.

The facts are fairly straightforward. EUIPO refused Basic Net’s EUTM application for the figurative trademark shown above for goods in classes 18, 25 and 26 as non-distinctive.

The Board of Appeal confirmed the refusal, finding that Basic Net had failed to show acquired distinctiveness in the entire EU. The General Court (GC) upheld the refusal, saying that Basic Net had only shown acquired distinctiveness in four EU Member States (namely France, Italy, Netherlands and UK) and that this was not enough in absence of evidence regarding other EU Member States.

Basic Net then appealed to the CJEU, arguing in essence that it should have been sufficient to proffer evidence of acquired distinctiveness in relation to only a ‘substantial part’ of the EU.

Perhaps unsurprisingly after KIT KAT, the CJEU upheld the GC’s judgment. Surely if that judgment had been available when Basic Net lost before the GC, Basic Net would have thought twice about even appealing.

However, at the time, there was § 62 of the Chocoladefabriken Lindt judgment (C?98/11 P), where the CJEU had held that it would be excessive to require proof of acquired distinctiveness to be provided in respect of each individual Member State. However, as we have by now already learned from KIT KAT, for the CJEU it does not follow from that consideration that it is sufficient to prove that a trade mark has acquired distinctiveness as a result of use in a significant part of the EU, wherever such proof has not been provided for each of the other EU Member States.

Therefore, although it is not necessary to prove acquired distinctiveness through use for each individual Member State, the evidence provided must make it possible to demonstrate acquired

distinctiveness in all EU Member States, as already stated in KIT KAT (at § 83). The CJEU therefore held that the GC did not incur in any error in law, for Basic Net had only provided convincing evidence of acquired distinctiveness with regard to France, Italy, Netherlands and the United Kingdom. The evidence for Belgium, Germany, Austria, Spain, and Hungary, consisting of an affidavit was not sufficient, and for the remaining 15 Member States, Basic Net did not provide any evidence nor did it even claim that acquired distinctiveness with regard to these Member States could have been extrapolated from the evidence provided (§ 36).

So what does this case tell us? The obiter from the Chocoladefabriken Lindt judgment has clearly been reversed. While it is still "excessive" to request evidence of acquired distinctiveness for each of the EU Member States, the CJEU with Nestle and Basic Net has clarified that "shortcuts", i.e. attempts to show acquired distinctiveness only for a substantial part of the EU without serious and well-founded evidence for the remainder, are doomed.

The protection as EUTMs of non-traditional marks, such as the one at hand, is quite difficult. Therefore, it would be better for those aspiring to register a non-traditional mark, to opt for national routes, unless their mark is truly famous in the entire EU.

This entry was posted on Wednesday, September 19th, 2018 at 8:25 am and is filed under CJEU, Distinctiveness, The EU is an economic and political association of certain European countries as a unit with internal free trade and common external tariffs.“>European Union
You can follow any responses to this entry through the Comments (RSS) feed. You can leave a response, or trackback from your own site.