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# Client Alert

Latham & Watkins Advertising & Marketing Regulation Practice

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# EU Trademark Office Proclaims Black and White Are No Longer Colors

## As OHIM announces three primary changes to the treatment of trademarks in color, trademark owners should review their marks to ensure adequate protection.

The Office for Harmonization in the Internal Market (OHIM), which is responsible for Community trademark and design registrations throughout the European Union, announced a new common practice changing the treatment of black and white trademarks that will be implemented in the near future (implementation dates vary by office). Moving forward, trademarks filed solely in black and white (or greyscale) will be considered identical to a mark in color only if the color differences are insignificant. Further, the use of a mark in color will only support a registration for a black and white trademark if the color does not alter the "distinctive character" of the mark. Accordingly, trademark owners and applicants in the EU should examine their current registrations and actual uses of their marks to ensure those marks are fully protected.

#### **Three Primary Changes**

#### Use

To prevent the revocation of an EU Community trademark, the mark must be put to uninterrupted, genuine use in the EU in the five years following registration. Generally, the use of a mark in a form differing in elements that do not change the "distinctive character" of the mark as registered constitutes use of the mark.

Before the endorsement of the new common practice, use of a word or figurative mark in color — where the mark is registered in black and white — constituted use of the mark. In other words, a change in color did not alter the distinctive character of the mark.<sup>1</sup>

The new common practice establishes that the use of a mark, registered in black and white (or greyscale), in color will constitute genuine use only if the color does not alter the "distinctive character" of the mark. The colored mark must meet four requirements to not alter the mark's "distinctive character": (i) the word/figurative elements of the marks coincide and are the most distinctive; (ii) the contrast of shades is respected (particularly relevant for a mark registered in greyscale); (iii) the color or color combination does not have distinctive character in itself; and (iv) color is not one of the main contributors to the overall distinctiveness of the mark.

As a result of the new common practice, use of color marks registered in black and white may be insufficient to maintain the registration of the mark.

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#### **Priority**

OHIM expects that the new common practice's greatest impact will be on priority, and that the change will mean that OHIM "will accept priority claims that it previously would have objected to." Priority of use determines the ownership of a mark — generally, the party who first uses or registers a mark owns the mark. However, ownership rights only extend to marks considered 'identical' to the mark as registered.

Prior to the new practice, EU national offices defined and analyzed the identity of marks differently, so the priority treatment of black and white marks differed between offices. Some offices applied the "black and white covers all colors" approach, meaning a mark registered in black and white was considered identical to that mark in color. Other offices applied the "what you see is what you get" approach, meaning a mark registered in black and white was not considered identical to the mark in any color. As OHIM noted, these differing approaches caused uncertainty for trademark owners regarding the scope of protection. Some offices would accept a priority claim against the use of a mark in color where the registration was only for a black and white (or greyscale) mark; other offices would not.

Under the new common practice, ostensibly all EU offices will apply the same rule: a trademark registered in black and white will not be considered identical to the same mark in color. The no-identity rule will apply unless the differences between the two marks are insignificant — meaning an average consumer would notice the difference only when viewing the marks side by side. Thus, the change is two-fold. In offices previously following the "black and white covers all colors" approach, potentially fewer priority claims will be accepted — the office will reject claims where the average consumer can tell the difference. In office will accept claims even where the mark was used in color, as long as the average consumer cannot tell the difference.

However, the offices in Sweden, Denmark, and Norway will not adopt the new practice, as national laws in those countries have established the rule of "black and white covers all colors." The updated OHIM Guidelines,<sup>2</sup> to be released sometime in 2014, should clarify how these different practices will operate together.

#### **Oppositions and Relative Grounds for Refusal**

For the purposes of both oppositions to registrations and relative grounds for refusal of registration by OHIM, a key issue is whether two trademarks are identical. A finding of identity will result in a successful opposition or rejection of an application.

The earlier OHIM Guidelines did not provide guidance regarding identity with respect to black and white trademarks prior to the endorsement of the new common practice. The Guidelines articulated the general rule for identity: two marks will be found to be identical (i) where one sign reproduces, without any modification or addition, all the elements constituting the other marks or (ii) where, viewing each mark as a whole, the differences are so insignificant that they may go unnoticed by an average consumer, unless viewed side-by-side.<sup>3</sup>

The new common practice specifically addresses the issue of black and white trademarks, establishing that a mark in black and white (or greyscale) and a mark in color are identical only if the differences are insignificant. A difference is insignificant when the average consumer can only notice it upon side by side examination — in other words, if a consumer can tell the difference only when the two marks are seen right next to each other, the marks are identical. OHIM's announcement does not indicate whether this clarification will cause any changes in the actual practice of the various EU offices.

#### What Remains Unchanged

OHIM reported that it did not intend the new common practices to affect several matters, including: (i) assessment of similarities between colors; (ii) use of black and white trademarks in color for the purpose of acquired distinctiveness; and (iii) color marks *per se*. While OHIM also stated that the new common practice would not change the treatment of infringement issues, how the new policy will avoid doing so while making the changes to priority, use, oppositions, and relative grounds for refusal discussed above remains unclear.

#### The Convergence Programme

The new black and white trademark common practice is just one of several changes coming out of OHIM's Convergence Programme. Launched in 2011, the Programme is an effort to harmonize the practices of the various national intellectual property (IP) offices within the EU. The Programme currently encompasses seven projects, each of which aim to coordinate the treatment of a particular IP issue. The OHIM's Administrative Board and Budget Committee endorsed the proposed new common practice of Convergence Programme Project CP4, concerning the scope of protection for trademarks registered exclusively in black, white, and/or greyscale, in November 2013. OHIM announced and outlined the new common practice, as discussed above in the November issue of Alicante News.<sup>4</sup> Implementation dates for the Common Practices coming out of the Convergence Programme vary by office depending on each office's practices and applicable local laws.

#### Conclusion

Additional information regarding the new common practice treatment of black and white trademarks will be included in the forthcoming 2014 update to the OHIM Guidelines. In the meantime, EU trademark owners should determine whether they need to register in color those marks which are currently only registered in black and white. Similarly, potential applicants need to consider how they will use their new trademarks, in color or in black and white, and register them accordingly. Failure to do so may result in OHIM rejecting priority claims as to those marks in color or render those marks subject to revocation due to absence of genuine use.

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#### Endnotes

<sup>&</sup>lt;sup>1</sup> The prior practice can be found in the Guidelines For Examination in the Office for Harmonization in the Internal Market (Trade Marks and Designs) On Community Trade Marks, Part C: Opposition, Section 6: Proof of Use, dated Jan. 2, 2014, available at <a href="https://oami.europa.eu/tunnel-web/secure/webdav/guest/document\_library/contentPdfs/trade\_marks/Guidelines/16\_part\_c\_opposition\_section\_6\_proof\_of\_us\_e\_e\_en.pdf">https://oami.europa.eu/tunnel-web/secure/webdav/guest/document\_library/contentPdfs/trade\_marks/Guidelines/16\_part\_c\_opposition\_section\_6\_proof\_of\_us\_e\_e\_en.pdf</a>

<sup>&</sup>lt;sup>2</sup> The Guidelines For Examination in the Office for Harmonization in the Internal Market (Trade Marks and Designs) On Community Trade Marks.

<sup>&</sup>lt;sup>3</sup> The prior practice can be found in the Guidelines For Examination in the Office for Harmonization in the Internal Market (Trade Marks and Designs) On Community Trade Marks, Part C: Opposition, Section 6: Proof of Use, dated Jan. 2, 2014, available at <a href="https://oami.europa.eu/tunnel-web/secure/webdav/guest/document\_library/contentPdfs/trade\_marks/Guidelines/10\_part\_c\_opposition\_section\_2\_identity\_and\_likelihood of confusion chapter 3 comparison of signs en.pdf">https://oami.europa.eu/tunnel-web/secure/webdav/guest/document\_library/contentPdfs/trade\_marks/Guidelines/10\_part\_c\_opposition\_section\_2\_identity\_and\_likelihood of confusion chapter 3 comparison of signs en.pdf</a>

<sup>&</sup>lt;sup>4</sup> The announcement can be found on page five of the November 2013 Alicante News Newsletter, available at <u>https://oami.europa.eu/tunnel-</u>web/secure/webdav/guest/document\_library/contentPdfs/about\_ohim/alicante\_news/alicantenewsnovember2013\_en.pdf