Non-Traditional Trade Marks issues in Lithuania II

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II. Application for a Colour Trade Mark - Contradictions in the Practice

You may recall our previous article referring to the difficulties of registration of three-dimensional trade mark in Lithuania. Currently we are willing to discuss another type of non-traditional trade marks, namely colour marks, which appears even more complicated to pass through the registration requirements.

To begin with, the Trade Mark Law of Lithuania (hereinafter – Law) defines a mark which may be registered as a trade mark quite liberally. *Colours* or *combinations* of *colours* and their compositions are covered under provision of applicable marks by the Law. However the Rules on Examination of Trade Marks ZR/03/2004 constrict this provision by stating that a mark shall be declared devoid of any distinctive character if it consists of only one colour either two colours (especially basic ones) represented in basic geometrical shape (usually in a square) unless the mark conforms to the following provisions set in the same Rules:

- i) the colour has obtained secondary meaning among consumers;
- ii) the colour does not bear any functional or practical value in relation to the goods/services concerned;
- the colour does not posses any competitive need within the market of the goods/services concerned.

Therefore, in principle allowed for registration, in practice colour marks meet strict requirement of acquired distinctiveness to be fulfilled though. Taking into account the above provisions, it is transparent why only a narrow number of colour mark applications are awarded a registration in the State Patent Bureau of Lithuania (hereinafter – SPB). Below you may find not comprehensive summary chart of colour trade mark registered and refused by the SPB.

The latest decision of the Appeal Division on the discussed issue rejected the above requirements had been fulfilled. A registration was sought for orange colour. Applicant uses the colour applied in Lithuania and some other countries on the packages of magnetic data carriers, recording discs, computer equipment and some other goods of class 9.

Commenting on the inherent distinctiveness of the applied colour mark the Appeal Division stated that public concerned in relation to the goods applied is an average consumer, as these goods may be purchased in general shopping centres (for example, computer mousses, compact discs, headphones and etc.) as well as in specialized shops. It is common in present trade that the related goods are produced in various colours and the orange colour namely is neither unusual nor unique in the market of goods covered by class 9. Moreover the average consumer is deemed to be not accustomed to identify origin of the goods by the colour of their packaging. Usually assumptions on the origin of the goods are made according to graphic or word elements placed on the package. And the Applicant has failed to prove contrary. Therefore it has been concluded that registration of the given colour mark would determine monopolization of orange colour and would provide the Applicant with the unfair competition advantage and would contradict to the general principle not to restrict the availability of colours for the other traders who offer for sale goods of the same type.

Hereby it has been upheld the provision that a colour *per se* do not have a distinctive character. Thus in essence while registering a colour mark one faces a main problem of establishing acquired distinctiveness of the mark applied. Meanwhile the Appeal Division is under obligation to comprehensively examine the provided arguments and evidences concerning use of the mark and to determine if these are sufficient the acquired distinctiveness to be proved.

In the appeal filed it has been provided a considerable amount of evidentiary material which demonstrated that the Applicant is the biggest data storage devices and computer accessories provider in the Baltic States. The orange colour mark applied had been started to use in 2006 and since then it has been used in all over Lithuania as a distinctive element of packages of goods provided by the Applicant. The provided documents showed trade volumes and intensive promotion in 2006 - 2010. However the accurate market share and the exact amount invested in promotion of the colour mark in question could not be estimated due to the objective technical reasons and therefore it was presented data concerning overall advertising expenses incurred by the Applicant. The latter was adversely criticized by the Appeal Division.

Furthermore the Appeal Division has noted that the provided promotional material shows that not only the colour mark in question is advertised but instead it is used together with other word trademark of the Applicant and as a complex part of overall trade dress. And only combination of the orange colour and other trade marks as a whole supposes distinctive character. Thus it has been made a conclusion that this material do not proves separate and individual use of the mark applied. Therein the Appeal Division has quoted decision of the Supreme Court of Lithuania issued on October 19, 2010 which has stated that "the mark used must maintain independency and individuality".

However it must be emphasized that the decision of the Supreme Court of Lithuania, which was used as a basis for the above statement, had been issued in the case examining different factual and legal situation, namely – the conflict between trademarks and the question of the cancelation on the non-use grounds. Furthermore the above statement contradicts to the established practice of the European Court of Justice which has numerously acknowledged that "identification, and thus acquisition of distinctive character, may be as a result both of the use, as part of a registered trade mark, of a component thereof and of the use of a separate mark in conjunction with a registered trade mark. In both cases it is sufficient that, in consequence of such use, the relevant class of persons actually perceive the product or service, designated exclusively by the mark applied for, as originating from a given undertaking" (C-353/03). Moreover the Appeal Division itself has followed the analogous provision in numerous cases. For instance, in decision No. 2Ap-1318 concerning acquired distinctiveness of some applied mark, the Appeal Division has criticised the Examiner for "not taking into consideration evidences solely on the ground that in these evidences the mark was presented together with other wordy or figurative elements. <...> This does not necessarily mean that the mark applied must be used separately and individually".

Summarizing the above it should be pointed out that although it is still arguable if the colour mark in questions has actually acquired distinctiveness through use or not, the major obstacle for clear registration of colour marks in Lithuania today is unsettled and even contradictious practice of the Appeal Division of the SPB as concerns registration of the colour mark. Unfortunately this obvious instability leads applicants into disorientation and even loss of their legitimate rights.

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Colour marks filed with the State Patent Bureau of Lithuania as of Lithuania became member state of the European Union in 2004 (data available in the SPB internet data base http://www.vpb.gov.lt/index.php?l=lt&n=180&kas=rez)

Trade mark	Applicant	Appl. No.	Appl. date	Class of	Status
				goods/servi ces applied	
	UAB "CAUDA"	2004 1761	03/09/2004	35	Refused
Green, red	LIAD "ACME	0040 0000	00/00/0040	0	Defined
	UAB "ACME BALTIJA"	2010 0280	22/02/2010	9	Refused
Orange					
Blue, yellow	VSI "HUMANA PEOPLE TO PEOPLE BALTIC"	2010 1360	04/08/2010	35	Provisional refusal (request for re- examination filed)
Red, white	PAROC OY AB	2011 0679	13/04/2011	17	Pending
Yellow	AB LIETUVOS PAŠTAS	2011 1699	19/09/2011	35, 36, 38, 39	Pending
Yellow, black	AB LIETUVOS PAŠTAS	2011 1789	03/10/2011	35, 36, 38, 39	Pending