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Griffins subject to trademark infringement?

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Introduction

This case regarding infringements of trademarks of one of Sweden's largest and most well-reputed truck manufacturers concerns several interesting aspects of trademark law.[(1)] The Patent and Market Court of Appeal (PMCA) has clarified when non-registered trademark rights are established through use on the market and when they have a sufficient reputation to enjoy an extended scope of protection. The Court established the importance of being able to produce sufficient evidence for a relevant point or period in time and of showing when the infringing measures have in fact taken place if the proceedings concern a limited period in time. It also commented on trademark use in accordance with good business practices.

Facts

One of Sweden's largest truck manufacturers brought an infringement action against a company that assembled and customised truck chassis.

The truck manufacturer was the holder of several EU trademarks (EUTMs) and national trademarks incorporating, inter alia, griffins, a V8 symbol, and the word "SCANIA" (both in word and figure) registered for trucks and related products in class 12, as well as other goods and services in other classes. The truck manufacturer also claimed non-registered trademark rights to the griffin and the V8 symbol in a slightly different design.

The truck manufacturer claimed that the infringing actions consisted of affixing identical or similar marks both on trucks and goods in other classes. The defendant counter-sued for revocation of some of the trademarks, claiming that the holder had not used the trademarks as required by the EU Trademark Regulation.

The Patent and Market Court (PMC) found that none of the trademarks at issue had been infringed and revoked one of the trademarks for goods in classes 7 and 9. The case was appealed to the PMCA, where it was limited to:

- the issues of infringement of some of the enforced registered trademarks;
- the existence of non-registered trademarks established through use; and
- the extended scope of protection for well-known trademarks.

Decision

The PMCA first assessed the existence of non-registered trademarks established through use and, where the elements of the trademarks coincided with the registered trademarks, whether they were sufficiently well known to enjoy an extended scope of protection. Both these assessments concerned whether the trademark was known by a significant part of the relevant public. The Court emphasised that the national provision on extended protection for well-known trademarks must be interpreted in light of article 10(2)(c) of Directive 2015/2436/EU (Trademark Directive).

Notably, the truck manufacturer had not invoked a market survey as evidence in relation to the SCANIA trademarks. The PMCA nevertheless found that the trademark was sufficiently well known, with reference to (for example):

- the fact that the company had a market share of around 40% over a 10-year period; and
- the trademark was prominently exposed on the front of the trucks and in marketing activities.

Regarding the trademarks consisting of a griffin with a bicycle hub, the truck manufacturer had invoked a market survey covering a similar trademark, consisting of the same griffin but without the bicycle hub. The Court found that this provided indirect support for a finding that the griffin with the bicycle hub was also well known.

Unlike the first-instance court, the PMCA therefore held that the trademarks SCANIA and griffin with a bicycle hub were known within a significant part of the relevant public for goods in class 12. Thus they were eligible for protection as non-registered trademarks. The Court also found that the registered trademarks were well known and enjoyed an extended scope of protection.

For the griffin without a bicycle hub, however, the PMCA held that it had not been used to function as a trademark but rather in a mere decorative manner. Furthermore, the PMCA found that the registered trademark V8 SCANIA was not well known, as the use was limited, and the evidence did not include a market survey to show awareness. The market survey which had been invoked only covered the unregistered trademark "V8", which had been used on trucks equipped with V8 engines and always together with the manufacturer's "house trademarks". In relation to the trademark V8, the PMCA particularly noted that "V8" was a descriptive feature of engines and was thus not eligible for protection.

Turning to the alleged infringements, the truck manufacturer had only claimed infringement for a limited period in time. The PMCA emphasised that, in relation to several allegedly infringing measures, there was no evidence on record that showed when the actual measures (affixing the trademarks to the goods) had taken place. Furthermore, the truck manufacturer had not used available legal measures, such as requesting the Court to order the defendant to disclose when the measures had been undertaken, to obtain such evidence. Therefore, the PMCA held that it had not been shown that the infringing measures had taken place within the relevant time period.

As a defence, the alleged infringer invoked that it had not used the relevant trademarks, but rather the griffin as the landscape animal of the province of Skåne. The company had submitted a decision from the County Administrative Board in Skåne permitting such use. In this regard, the PMCA held that the image they had been granted permission to use was in fact not the image actually used. Instead, there was a high level of similarity between the trademarks at issue and the allegedly infringing signs. The PMCA therefore dismissed this argument and found the use to infringe the truck manufacturer's trademark rights.

One of the issues before the PMCA was how trademarks may be used in accordance with good business practice when trucks are customised by other companies, such as in the present case. The PMCA held that what is decisive when assessing if the use is compatible with good business practice is that the exposed trademarks are affixed to the trucks by the trademark holder, meaning that the company customising the truck cannot affix even the trademark of the manufacturer of that particular truck. In addition, the PMCA stressed that the company cannot use the manufacturer's trademarks in a way that gives the impression of a commercial connection between them, for example by using it in marketing materials.

Comment

In practice, the general position seen in case law in Sweden has long been that, in order to prove that a trademark is known within a significant part of the relevant public, and thus either eligible for protection as a non-registered trademark or for an extended scope of protection as a well-known trademark, it is essentially required to submit market surveys to prove the level of awareness within that public. It is interesting in this case to note that the PMCA found in favour of the trademark holder, despite the absence of such evidence. However, it should also be noted that:

- the trademarks at issue were the truck manufacturer's "house trademarks";
- the truck manufacturer was one of Sweden's best known companies; and
- the evidence showed (for example) that it had had a very significant market share for a long period of time.

Unless a case concerns a trademark similarly well known on the Swedish market, trademark holders are still advised to conduct market surveys in order to prove awareness – irrespective of whether the legal assessment concerns acquired distinctiveness, non-registered trademark rights, or well-known trademarks.

The importance of different types of evidence also, yet again, confirms that trademark holders are well placed to regularly review, collect and archive marketing materials, market analyses, sales figures, and so on to be used in potential proceedings, rather than to attempt to collect such evidence only when a dispute has already arisen.

In relation to the non-registered mark V8, the judgment also confirmed the difficulties in acquiring protection for a trademark that is only used together with other signs, in particular if that other sign is the most distinguishing part of the trademark (for example, the holder's "house trademarks"). In order to protect the trademarks independently, it is therefore advisable to register and use both signs separately as well.

Finally, the judgment serves as a reminder that, when infringement is claimed for a limited period in time, it is vital to be able to establish when the infringing acts have in fact taken place. For many types of infringing acts, such as the sale of infringing goods, this may be fairly simple. If the infringement also involves for example manufacturing and the evidence consists of images of the products in marketing materials, the trademark holder must also be able to prove that the actual manufacturing has taken place within the relevant time period. In order to fulfil this burden of proof, the trademark holder should remember to use the different procedural measures available to obtain information and evidence.

For further information on this topic please contact Siri Alvsing or Felicia Taubert at Westerberg & Partners Advokatbyrå Ab by telephone (+46 8 5784 03 00) or email (siri.alvsing@westerberg.com or felicia.taubert@westerberg.com). The Westerberg & Partners Advokatbyrå Ab website can be accessed at www.westerberg.com.

Endnotes

(1) PMCA, PMT 8422-21.