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General Court: name of spa town eligible for registration for mineral waters

European Union - Dr Helen G Papaconstantinou and Partners Law Firm

- **Bulgarian Chamber of Commerce and Industry sought cancellation of DEVIN - a Bulgarian spa town - in Class 32**
- **EUIPO found that mark was descriptive of goods' geographical origin**
- **Court found that general interest in preserving availability of geographical name could be protected without cancelling mark**

In invalidity proceedings between Devin AD, the EU Intellectual Property Office (EUIPO) and the Haskovo Chamber of Commerce and Industry (Case T-122/17, 25 October 2018), the Eighth Chamber of the General Court has ruled that Devin, the name of a Bulgarian spa town, may be registered as an EU trademark to cover mineral waters in Class 32.

Background

In 2011 Bulgarian company Devin AD obtained the registration of the EU word mark DEVIN (No 9408865) to cover, among other things, mineral water and other non-alcoholic beverages in Class 32. The Haskovo Chamber of Commerce and Industry (Bulgaria) filed a petition for a declaration of invalidity of the mark in 2014, which was upheld by the Cancellation Division of the EUIPO in so far as it was based on Article 7(1)(c) of Regulation 207/2009, and resulted in the mark being declared invalid in its entirety.

More specifically, the Cancellation Division found that the geographical name Devin would be understood by the general public in Bulgaria, as well as by part of the public in Greece and Romania and, potentially, by a wider public within the European Union, as the geographical origin of the covered goods, due to the marketing efforts and growth of the Bulgarian tourism sector.

Devin DV appealed the decision in March 2016, but the action was dismissed by the Second Board of Appeal of the EUIPO, which agreed with the findings of the Cancellation Division. The case was brought before the General Court.

General Court decision

The General Court ruled that the Board of Appeal had erred in concluding that the mark in question was descriptive of a geographical origin in Bulgaria's neighbouring countries and in all other EU member states. The General Court, in essence, questioned the way in which the Board of Appeal had considered

the corresponding evidence. Assuming that Devin had acquired a secondary meaning, as well as a distinctive character in Bulgaria, where the term is considered descriptive, the court found that the mere fact that Devin:

- was detectable or had a “non-negligible tourist profile” on the Internet;
- had a “considerable” or “substantial” tourism infrastructure;
- had been hypothetically visited by tourists staying in nearby cities, as deducted by observations taken from popular travellers’ websites; and
- had been visited by 400 Greek and 50 Romanian tourists in 2014;

could not lead to the conclusion that the average Greek or Romanian consumer would know Devin or establish a direct link with it.

The General Court criticised the Board of Appeal for focusing on a very limited fraction of the relevant public and relying on evidence of very little or irrelevant probative value, which led it to “an incorrect factual assessment of the perception of the word ‘Devin’ by the relevant public”. In addition, the mere fact that Greece and Romania are parties to the Lisbon Agreement did not prove that the citizens of those states are aware of Devin as a geographical indication for Bulgarian mineral water, as a result of an extremely high degree of knowledge that they clearly do not have. Further, the fact that a member state legally protects a geographical indication is not sufficient to prove that the average consumer of that member state perceives it as being descriptive of a geographical origin. The General Court came to the same conclusion as regards the average consumer in other EU member states.

Upon ruling on the availability of the geographical name Devin, the General Court pointed out the following:

- While the possibility of a geographical indication of origin influencing competitive relationships is strong in the case of a large area enjoying a reputation for the quality of many of its goods or services, it is weak in the case of a well-defined place with a reputation which is limited to a small number of goods or services; and
- Despite the fact that the term ‘Devin’ may be considered as possessing a secondary meaning and distinctive character in Bulgaria, it can be a valid trademark in the European Union, since Regulation 207/2009 provides safeguards to protect the interests of third parties.

The General Court concluded that the name of the spa town Devin must remain available to third parties, not only for descriptive use, such as touristic purposes, but also as a distinctive sign, where there is “due cause” and where there is no likelihood of confusion. Thus, according to the General Court, the general interest in preserving the availability of geographical names such as Devin can be protected by allowing descriptive uses of such names and by means of safeguards which limit the exclusive right of the proprietor of the contested mark, without it being necessary to cancel the mark or to suppress the exclusive rights that it confers for goods in Class 32.

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TAGS

Portfolio Management, **Food and Beverage**, **Travel & Leisure**, **European Union**, **Europe**