

**DECISION
of the Second Board of Appeal
of 7 March 2017**

In Case R 1515/2016-2

adidas AG

Adi-Dassler-Str.1
91074 Herzogenaurach
Germany

EUTM Proprietor / Appellant

represented by Hogan Lovells, Avenida Maisonnave 22, 03003 Alicante, Spain

v

Shoe Branding Europe BVBA

Meersbloem – Melden 42
9700 Oudenaarde
Belgium

Cancellation Applicant / Respondent

represented by Løje, Arnesen & Meedom Advokatpartnerselskab, Øster Allé 42, 6,
2100 København Ø, Denmark

APPEAL relating to Cancellation Proceedings No 10 190 C (European Union trade mark
registration No 12 442 166)

THE SECOND BOARD OF APPEAL

composed of T. de las Heras (Chairperson and Rapporteur), C. Govers (Member) and H.
Salmi (Member)

Registrar: H. Dijkema

gives the following

Decision

Summary of the facts

- 1 On 21 May 2014, adidas AG ('the EUTM proprietor') registered the figurative mark



for 'clothing; footwear; headgear' in Class 25.

- 2 The mark bore the following description:

'the mark consists of three parallel equidistant stripes of equal width applied to the product in whatever direction'.

- 3 On 16 December 2014, Shoe Branding Europe BVBA ('the cancellation applicant') filed an invalidity request against the registered mark, pursuant to Article 52(1)(a) EUTMR, in conjunction with Article 7(1)(b) EUTMR. Its reasons can be summarized as follows:
 - There is a contradiction between the mark type (figurative) and the description, which indicates 'positioning'. The Office should have invited the cancellation applicant to remedy the discrepancy by changing the mark type to 'other'.
 - According to the Courts, the mark 'type' is essential for assessing the scope of protection. In this instance, it is uncertain and with a very broad protection for a wide range of goods. A formal deficiency should have been notified in respect of those goods for which the mark cannot be positioned in the way indicated in the description.
 - The mark is devoid of any distinctiveness. It is a very simple geometric sign. It consists of no more than a repetition of a stripe three times, which may be used for decorative purposes. The sign cannot be distinguished from other common shapes found on clothing.

- 4 On 15 June 2015, the EUTM proprietor filed observations on the request for invalidity. Its reasons can be summarized as follows:
- The contested EUTM was registered despite a third party filing observations on its supposed lack of distinctiveness. The arguments filed then are essentially the same as those filed in these invalidity proceedings.
 - There is no basis in law to assert that the mark has been wrongly classified as ‘figurative’. The fact that the mark is applied to a product does not make it necessarily a ‘position mark’. There is no contradiction between the mark as ‘figurative’ and its description.
 - The Courts have emphasised the enhanced distinctiveness of the many three-stripped marks filed by the EUTM proprietor. The cancellation applicant itself has filed for several two-stripe marks; therefore, it is contradicting itself. The case-law cited by the latter supports the former in these proceedings.
 - The consumers of the relevant goods have been taught to recognise this mark as designating origin due to the significant and intensive use Adidas has made of the mark over the years.
- 5 The EUTM proprietor filed more than 10,000 pages of evidence of market use and recognition of the mark. The evidence was intended to support the view that the mark had acquired distinctiveness and can be summarized as follows:
- An affidavit of Ms Talbot, Senior Director and Trademarks Counsel for the EUTM proprietor, which states that the ‘3-stripe mark’ has acquired distinctiveness in various configurations in relation to the contested goods, and which attests to the significant market share, intensity, turnover and extent of use of the contested mark (and other marks belonging to the EUTM proprietor) throughout the relevant territory;
 - Advertising and marketing exhibits between 2008 and 2014 in Member States throughout the EU. The EUTM proprietor has sponsored some of the most famous football teams in the EU, for example, Real Madrid, Bayern Munich, AC Milan, Manchester United and Juventus, and well-known individual players and athletes, for example, Lionel Messi, Luis Suarez, Caroline Wozniacki, and Jessica Ennis. The EUTM proprietor has also provided evidence of sponsorship of the Olympic Games, for example, London 2012;
 - Market survey evidence in the various Member States which purports to show that the ‘three-stripe’ sign is recognised by the public as the EUTM proprietor’s trade mark. By way of example, the EUTM proprietor cites surveys for Germany and Spain which show that more than 60% of consumers who buy sportswear or sports shoes recognise the ‘3-stripe mark’ as designating origin. As a result of this use, consumers have learnt to perceive the mark as an indicator of origin. The EUTM proprietor states that the market survey evidence is representative of all European Member States and that the results presented for Estonia, France, Germany, Italy, the Netherlands, Romania, Sweden, Finland, Spain, and the United Kingdom can be extrapolated to all Member States;
 - Numerous press articles from the various Member States which show wide recognition of ‘the three-stripe mark’ by the EU public.

- 6 On 30 June 2016, the Cancellation Division issued its decision 10 190 C (hereafter ‘the contested decision’), which upheld the invalidity request in its entirety. Its reasoning can be summarized as follows:

Formality issues

- The contested mark was not indicated as ‘other’ by the EUTM proprietor, but as ‘figurative’. The mark was described thus: ‘the mark consists of three parallel equidistant stripes of equal width applied to the product in whichever direction’. The applicant argues that the EUTM proprietor tried to unreasonably extend the scope of protection of its mark by providing the Office with a description that breached the Office’s Guidelines.
- Moreover, according to the applicant, the description created confusion as to the nature of the contested mark. It became unclear whether the contested mark was figurative or positional (falling under the category ‘other’).
- The applicant states that the EUTM proprietor should have been requested to clarify the matter, either by deleting the description, or altering the indication of the mark type from ‘figurative’ to ‘other’. However, this did not happen.
- The contested mark was registered as a figurative mark based on the graphical representation filed, along with the supplementary description. This was despite the fact that the applicant in the current cancellation proceedings made third party submissions at the time the application for registration of the contested mark was being examined by the Office.
- The Office failed to apply its own guidelines. In fact, the Office should not have accepted the particular description provided by the EUTM proprietor at all, irrespective of whether the indication regarding the type of mark had been altered to ‘other’. This much is clear from Section 9.8.2 of the Office Guidelines on ‘Formalities’ applicable at the time of registration of the contested mark (10.8.2 of the current Guidelines), which states: ‘A position mark is a sign positioned on a particular part of a product in a constant size or particular proportion to the product’.
- The description supplied by the EUTM proprietor did not position the three parallel equidistant stripes of equal width on a particular part of a product in a constant size or particular proportion to the product. The description sought to place them on the product ‘in whichever direction’.
- The procedural error cannot be remedied in these proceedings. Nevertheless, the contested mark is registered as a figurative mark and not a position mark. Therefore the scope of protection enjoyed by the contested mark is strictly limited to the graphical representation filed.
- It follows that the evidence supplied by the EUTM proprietor in relation to establishing acquired distinctiveness (see below) must demonstrate use of the mark as registered and specifically as graphically represented in the application. In other words, the EUTM proprietor cannot rely on the catch-all caveat of ‘in whichever direction’ contained in the description it supplied in order to extend the range and scope of protection of its EUTM.

Inherent distinctiveness

- The contested mark is likely to go unnoticed by most consumers or will not be perceived as a sign denoting a connection with a specific undertaking. In reaching this conclusion the Cancellation Division notes that the sign consists of three normal black vertical equidistant lines. It is not stylised in any way. There is nothing about the sign that is apt to make it stand out in relation to the contested goods. It is difficult to see why such a simple design in normal font and the colour black should attract the attention of the consumer, even a highly attentive consumer with a particular interest in trade marks and visual signs in general.
- Even if the sign is noticed at all, it is not likely to be perceived *prima facie* as a trade mark. There is no reason to believe that consumers would assume that three straight black vertical lines in ordinary font is primarily intended to denote a connection with a specific provider of clothing, footwear and headgear products. The sign is at least as likely to be perceived as a simple decoration on a shirt or hat.
- Since a sign consisting of nothing more than three straight black vertical lines is clearly capable of being used in many different contexts as a banal design or decoration, it is important to bear in mind the public interest underlying Article 7(1)(b) EUTMR, namely to avoid restricting unduly the availability of certain signs for other operators. The number of available simple signs utilising straight vertical or horizontal lines is extremely limited, like the number of available colours, and there is an obvious danger that their availability for the purpose of indicating commercial origin would be unduly restricted if vertical or horizontal straight lines were treated as inherently distinctive. That is what the General Court means when it says that in view of the extent of the protection afforded to a registered trade mark the public interest underlying Article 7(1)(b) EUTMR is manifestly indissociable from the essential function of a trade mark.
- A different conclusion might be reached if the contested mark contained something in addition to the three vertical lines, that is to say something that would draw attention to the lines or make them stand out against a particular background. The lines might, for example, be stylised or placed inside a geometrical figure, such as a square, a circle or a pentagon or set into a differently coloured background.
- The Cancellation Division is not holding that a sign must necessarily be unusual or striking or endowed with a specific level of creativity or imaginativeness in order to possess distinctive character. All that the Cancellation Division is saying is that, as a matter of fact, a sign consisting of three straight equidistant vertical lines with no stylisation, is less likely to attract the attention of consumers and be perceived as a trade mark than a figurative sign that is represented in an unusual, visually striking form, or that stands out against a coloured background.
- It follows that the contested mark is not inherently distinctive within the meaning of Article 7(1)(b) EUTMR.

Acquired distinctiveness

- The evidence establishes without question that Adidas is a worldwide brand name in relation to sports clothing, footwear and headgear.
- There is evidence to show that the EUTM proprietor has sponsored the FIFA World Cup and the Olympics, as well as other global sporting events. There is, inter alia, market survey evidence demonstrating the public's awareness of Adidas in the whole of the EU. There are impressive turnover figures and proof that the Adidas brand enjoys a considerable market share throughout the EU for sports clothing, footwear and headgear.
- The EUTM proprietor is the owner of at least two Adidas trade marks that are instantly recognisable to almost all EU consumers in the sports clothing sector, and most of the EU general public. The trade marks consist of a logo combined with the Adidas name.
- Such signs are independently registered marks and cannot be conflated with the contested mark. The contested mark does not contain the word 'Adidas', and it cannot be assumed that the relevant consumer will automatically recognise three parallel vertical lines as being the EUTM proprietor's badge of commercial origin, on a par with the famous brand names and logos above.
- The evidence provided in these proceedings by the EUTM proprietor, relating specifically to the contested mark as registered, is paltry. The images of the EUTM proprietor's goods show an array of different uses, in different colours, of the Adidas brand, but hardly any of them come close to the mark as registered, and in respect of which the EUTM proprietor has trade mark protection.
- Stripes, horizontal, diagonal and vertical, appear in various forms, configurations, and colours, sometimes accompanied by the word Adidas, and sometimes without.
- An array of different coloured designs, at different angles, show up in the evidence, but there is little that coincides closely with the contested mark.
- Even by the most relaxed legal standards there are very few images appearing in the evidence that correspond in all important respects to the contested mark.
- All the above notwithstanding, in order to demonstrate that the contested mark has acquired distinctiveness throughout the EU, the evidence must prove that consumers across the EU recognise the contested mark as the EUTM proprietor's trade mark. Some images showing a design on a football shirt or boot that resembles the three lines of the contested EUTM is no basis on which to conclude that the contested mark is recognised as the EUTM proprietor's trade mark in the internal market of 500 million people.
- There must be a close nexus established, on the evidence, between the imposing market share figures, turnover, advertising expenditure, and notoriety of the Adidas brand on the one side, and the exposure of the public to the contested mark, on the other. The EUTM proprietor has not made that connection. There is no way of knowing, on this evidence, whether the considerable sums of money invested by the EUTM proprietor in the Adidas brand, or the colossal sales achieved under the different Adidas trade marks (and name), translate into public recognition of the mark in question in this case. It is not even possible to make a reasonable extrapolation, since the bulk of the 12,000 pages of evidence supplied

by the EUTM proprietor relates to trade marks other than the one that is the subject of these proceedings.

- Therefore, the request for invalidity must be accepted on the basis of Article 7(1)(b) EUTM.
- 7 On 18 August 2016 the EUTM proprietor filed a notice of appeal against the contested decision.
 - 8 On 4 November 2016, the EUTM proprietor submitted its grounds of appeal, together with further evidence of acquired distinctiveness.
 - 9 On 11 January 2017, the cancellation applicant filed observations on the grounds of appeal.

Arguments and submissions of the parties

- 10 The EUTM proprietor requested that the Board annul the contested decision and allow the contested mark to remain registered for all the goods for which it is protected. Its reasons can be summarized as follows:
 - The Cancellation Division carried out an incomplete review of the evidence. There are numerous ‘visuals’ in the evidence which show use of the mark exactly as it is registered.
 - It is not inappropriate to exclude images which show the contested mark in the same size and in the same proportions, but viewed as going in a ‘different direction’. The contested mark is not unrelated to the appearance of the products it covers; as such the length of the stripes will correspond to the product or part of the product covered. They are ‘permissible variations’ which do not alter the distinctive character of the mark.
 - The description of the mark does not conflict with its classification as ‘figurative’.
 - The Cancellation Division insists that mark must be used in exactly the same size and vertical orientation as shown on the registration certificate. But this misconstrues the mark. This is incorrect and contrary to accepted principles. The mark must be considered in relation to the goods. A figurative mark may be related to the appearance of the goods. The mark may correspond to the outer appearance. Established case-law confirms that figurative marks may claim protection for a pattern which is related to the appearance of the product which it covers. The contested mark is no different. In any event, a vast number of the exhibits show the mark in exactly the same dimensions and orientation as registered.
 - The Cancellation Division declared the evidence ‘unhelpful’, because the mark is accompanied by the Adidas logos. However, use of a sign with other trade marks is not a bar for finding acquired distinctiveness.
 - The Cancellation Division did not review any of the evidence submitted, but rather arrived at an unreasoned conclusion that the mark has not acquired distinctiveness. The Cancellation Division failed to discuss the surveys adduced in

respect of Estonia, Germany, Romania and Spain and the affidavit evidence which deal with representations of the sign exactly as registered.

- The visuals in the evidence are not photographs taken at random of people wearing Adidas clothing, they are examples of marketing. They feature famous people and high-profile events.
- Established case-law confirms that it is not necessary to show acquired distinctiveness of the sign for every Member State in the European Union. The evidence allows for ‘extrapolation’ of the survey results to other Member States, when the markets are ‘comparable’ to the remaining markets where no survey evidence was adduced.

11 The cancellation applicant requested that the Board uphold the contested decision. Its reasons can be summarized as follows:

- The EUTM proprietor was required to show use of the mark on its own and not only or predominantly in combination with other marks. The large amount of evidence submitted does not concern the disputed mark.
- Consumers will see the three vertical black stripes as merely ornamental, devoid of any distinctive character. A sign which consists of a simple geometric shape is generally non-distinctive. Lines and stripes are commonly used as a decorative motif for goods in Classes 18 and 25.
- Most of the voluminous evidence submitted serves no purpose.
- The mark’s description is clearly intended to widen its scope by adding ‘in whichever direction’. It is relevant to consider that the mark is a very simple sign, in which direction and length become significant. The direction of the sign will determine the degree of its distinctiveness.
- The contested mark cannot be considered similar to the complex patterns with respect to which the Courts have arrived at judgment. They are not materially similar and so the case-law is not relevant. Nothing is known as to whether the mark is part of a repeated pattern, which may be repeated over and over again.
- The evidence concerns only some of the goods for which the mark is protected.
- The mark must be used in the form in which it is registered, with only minor differences. The length of the stripes is a critical factor, because it may materially alter the distinctiveness of the mark.
- The Courts have held that use of a sign covered by a separate trade mark registration cannot be used to show acquired distinctiveness of another sign.
- The EUTM proprietor acknowledges that its sign is inherently non-distinctive. However, there is no legal basis to claim that three stripes of whatever length and whatever direction can be used to show acquired distinctiveness of the mark as registered. The EUTM proprietor has entirely failed to provide any information about market share, sales figures, turnover, or advertising costs with respect to the contested sign.

- Extrapolation to those Member States where no evidence of acquired distinctiveness has been provided is only permissible when the parallel markets are homogenous and where at least some evidence has been shown for the territory in question. The EUTM proprietor has not submitted evidence to show the markets are homogenous. More focussed and relevant evidence is required.
- The survey evidence provided only relates to Estonia, Germany, Spain and France. They are incomplete and imprecise in relation to the goods in question. The term ‘sports equipment’ may include various goods not covered by Class 25.
- The test for establishing acquired distinctiveness of a graphic sign as simple as the contested sign must be very high.

Reasons

Preliminary remark on the applicable Regulations

- 12 The challenged EUTM was filed at the Office before the entering into force (on 23 March 2016) of the new European Trade Mark Regulation (EUTMR) which was introduced by Amending Regulation (EU) No 2015/2424. Therefore, the former Community Trade Mark Regulation (CTMR) is applicable to this appeal (04/10/2016, T-549/14, *Castello / Castellò (fig.) et al.*, EU:T:2016:594, § 33), at least for non-strictly procedural provisions (13/06/2013, C-346/12 P, *Milram*, EU:C:2013:397, § 2). However, for easy reference the Board will refer to ‘EUTMR’ and the new terminology introduced by the amending Regulation, albeit the material changes in the Regulation will not be applied to the case at hand.
- 13 Since the new European Union Trade Mark Implementing Regulation (EUTMIR) will not enter into force until 1 October 2017, the Board will keep on referring to the current Community Trade Mark Implementing Regulation (EC) No 2868/95 (CTMIR).
- 14 The appeal complies with Articles 58, 59 and 60 EUTMR and Rule 48(1) CTMIR. Therefore, it is admissible.

On substance

- 15 Article 52 EUTMR, bearing the heading ‘Absolute grounds for invalidity’ provides in relevant part the following:
 - ‘1. An EU trade mark shall be declared invalid on application to the Office or on the basis of a counterclaim in infringement proceedings:
 - (a) where the EU trade mark has been registered contrary to the provisions of Article 7;
 - ...
 2. Where the EU trade mark has been registered in breach of the provisions of Article 7(1)(b), (c) or (d), it may nevertheless not be declared invalid if, in consequence of the use which has been made of it, it has after registration

acquired a distinctive character in relation to the goods or services for which it is registered.

3. Where the ground for invalidity exists in respect of only some of the goods or services for which the EU trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.'
- 16 The EUTM proprietor appealed the contested decision which found the registered mark invalid in its entirety, pursuant to Article 52(1)(a) EUTMR in conjunction with Article 7(1)(b) EUTMR. The mark, indicated as 'figurative' and reproduced below, was registered for 'clothing; footwear; headwear' in Class 25.



- 17 In addition, the mark as registered bears the following description:

'the mark consists of three parallel equidistant stripes of equal width applied to the product in whatever direction'.

Nature of the mark

- 18 The Cancellation Division believes that the Office, at the very outset, committed a 'procedural error' by allowing the mark, defined as 'figurative' on the application form, to be accompanied by a description which seemed to imply the mark was more 'positional', although the description failed to adequately specify where such a 'position' mark would be placed on the products in question. In the Cancellation Division's view, the lack of coherence between the graphic representation of the mark as filed, its indication as 'figurative', and the supposedly flawed description could not be resolved even if the mark were re-categorized as 'other'. It concluded by finding that the 'procedural error' could not be remedied and that the mark must be treated as a figurative mark, where its scope of protection would be strictly limited to the graphical representation filed. Contrary to this view, the EUTM proprietor insists that the classification of the mark as 'figurative' is correct and that the description was added merely for 'explanatory purposes'.
- 19 In the Board's view, the description does not fatally conflict with the classification of the mark as 'figurative'; nor does it necessarily imply that the mark is 'positional'. As pointed out by the EUTM proprietor, a figurative mark is frequently 'applied to the product' itself. Given that this is the case, the above description is nothing more than a verbal account of the mark's characteristics—'the mark consists of three parallel equidistant stripes of equal width'—combined with a rather obvious explanation of how it will be used, namely as 'applied to the product'. However, it is the clause 'whatever direction' which causes the controversy, since it appears, at first

sight, to open the door to countless ways in which the mark might appear on the goods in question.

- 20 Nevertheless, in the Board's view, there is nothing to prevent anyone from attaching his trade mark to a product in the manner, or orientation, in which he sees fit, bearing in mind, however, that whether a specific orientation of the mark on a product can be counted as authentic use of the mark as filed is another question entirely. In any event, the definition of the mark as 'figurative', together with the description, are validly entered, and no 'procedural error' has been committed.

Article 52(1)(a) EUTMR in conjunction with Article 7(1)(b) EUTMR

- 21 Under Article 7(1)(b) EUTMR 'trade marks which are devoid of any distinctive character' shall not be registered, notwithstanding that pursuant to Article 7(2) EUTMR, 'the grounds of non-registrability obtain in only part of the Union'.
- 22 The EUTM proprietor does not dispute that part of the contested decision which found the registered EUTM inherently devoid of distinctive character pursuant to Article 7(1)(b) EUTMR. The Board concurs with, and refers to, the contested decision in relevant part. Nevertheless, the EUTM proprietor argues that the mark has acquired distinctiveness in the relevant territory, namely the European Union as a whole. The Board will now assess that claim.

Article 52(2) EUTMR in conjunction with Article 7(3) EUTMR

- 23 In assessing the distinctive character of a mark claimed in accordance with Article 7(3) EUTMR, the following may be taken into account: the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant class of persons who, because of the mark, identify goods as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see judgment of 4 May 1999, C-108/97 and C-109/97, Chiemsee, §46 and 51).
- 24 The Courts have held that it is necessary to assess whether distinctive character has been acquired through use in a way that is both rigorous and precise. The trade mark owner must prove that that mark alone, as opposed to any other trade mark which may also be present, indicates the commercial origin of the goods (16/09/2015, C-215/14, Nestle, EU:C:2015:604 § 66).
- 25 The goods for which the mark is registered, and for which evidence of use has been filed, include sports shoes, shirts and shorts and other sports items, which are everyday consumer goods. It follows that the relevant public is made up of the average consumer, who is reasonably well informed and reasonably observant and circumspect, and whose degree of attention must be regarded as average when purchasing them (see *mutatis mutandis* 21/05/2015, T-145/14, Device of two parallel stripes (posit.) / Device of three parallel stripes et al., EU:T:2015:303, § 33).
- 26 The EUTM proprietor complains that the Cancellation Division did not correctly assess the distinctive character acquired through use of the contested trade mark for the goods in respect of which that mark was registered, 'clothing, footwear, headgear'.

- 27 In particular, the EUTM proprietor disputes the Cancellation Division's finding that the evidence showing use of the mark was 'paltry...even by the most relaxed legal standards', and disputes that there were 'very few images' which corresponded 'in all important respects to the contested mark' (see pp.9 & 10 of the contested decision). On the contrary, the EUTM proprietor claims that the appraisal of the evidence was at best 'incomplete' and that the Cancellation Division failed to apply the correct legal standard to prove acquired distinctiveness.
- 28 The Board, in what follows, will respond to these arguments.

Presence of the challenged mark in the exhibits

- 29 The contested decision concluded that the mark as registered was not found among the visual exhibits presented in the evidence. It claimed that the images of the EUTM proprietor's goods showed an 'array of different uses [*sic*], in different colours...but hardly any of them come close to the mark as registered' (§ 52 of the contested decision).
- 30 Article 15(2)(a) EUTMR applies to a situation where a mark is used in trade in a form slightly different from the form in which registration was effected. The purpose of that provision, which avoids imposing strict conformity between the used form of the trade mark and the form in which the mark was registered, is to allow its owner, on the occasion of its commercial exploitation, to make variations in the sign, which, without altering its distinctive character, enable it to be better adapted to the marketing and promotion requirements of the goods or services concerned.
- 31 In accordance with its purpose, the material scope of that provision must be regarded as limited to situations in which the sign actually used by the proprietor of a trade mark to identify the goods or services in respect of which the mark was registered, constitutes the form in which that same mark is commercially exploited.
- 32 In such situations, where the sign used in trade differs from the form in which it was registered only in negligible elements, so that the two signs can be regarded as broadly equivalent, the above-mentioned provision envisages that the obligation to use the trade mark registered may be fulfilled by furnishing proof of use of the sign which constitutes the form in which it is used in trade.
- 33 It is apparent in this instance that, in large part, the EUTM proprietor is attempting to prove use of its EUTM No 12 442 166 by relying on evidence of other similar marks which it has registered at the Office.
- 34 The Cancellation Division itself notes this fact: '...the bulk of the 12,000 pages of evidence supplied by the EUTM proprietor relates to trade marks other than the one that is the subject of these proceedings' (§ 58 of the contested decision, emphasis added). Moreover, the cancellation applicant reminds the Board (and gives specific examples) that the EUTM proprietor 'has obtained numerous registrations for other marks showing three parallel equidistant stripes in different lengths and different directions' (p.9, § 4 of its observations on the grounds of appeal).
- 35 Nevertheless, the evidence must not be discarded for this reason alone. The Court has held that the proprietor of a registered trade mark is not precluded from relying, in order to establish use of the trade mark for the purposes of that provision, on the fact that it is used in a form which differs from the form in which it was registered,

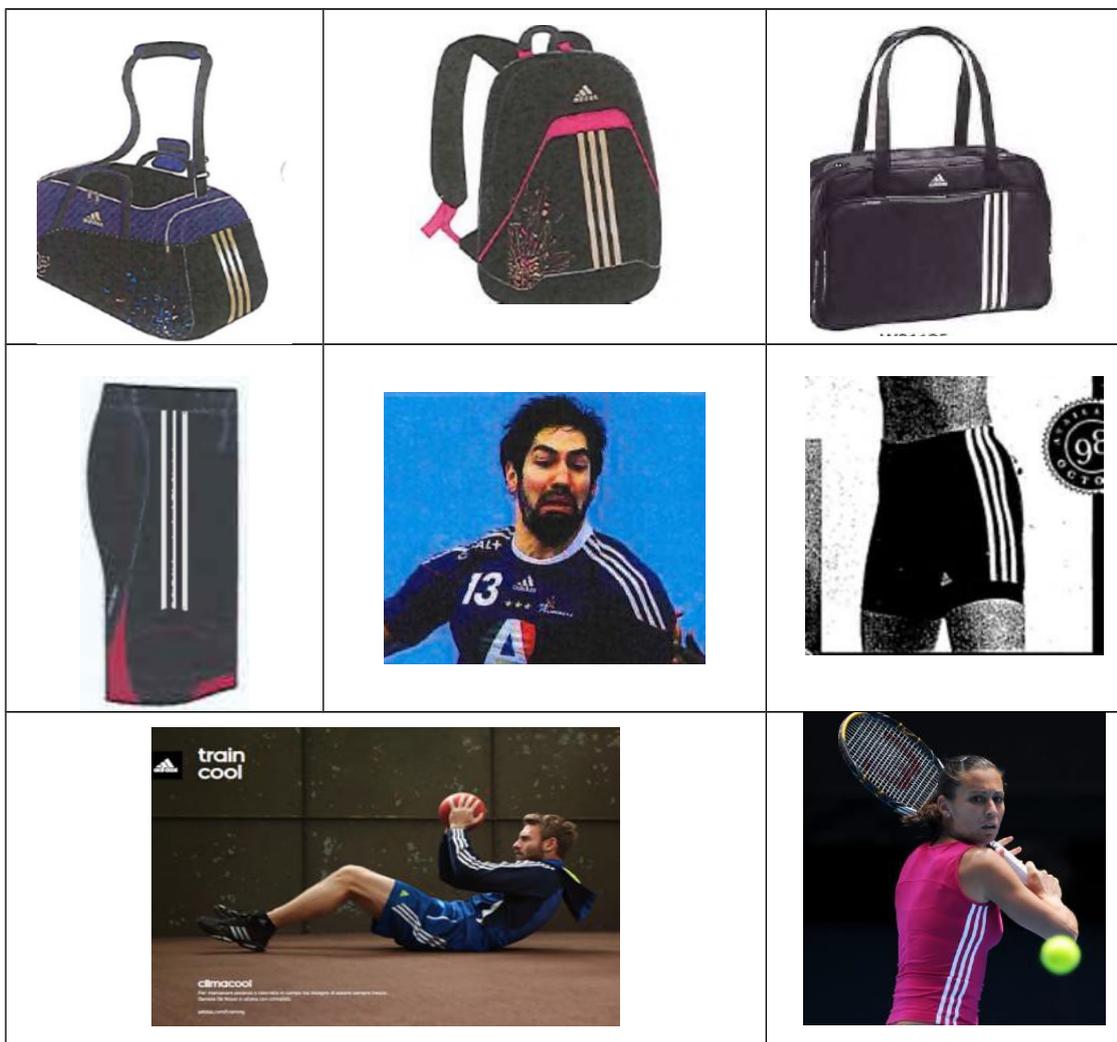
without the differences between the two altering the distinctive character of that trade mark, even though that different form is itself registered as a trade mark (18/07/2013, C-252/12, Specsavers, EU:C:2013:497, § 27; 25/10/2012, C-553/11, Proti et al., EU:C:2012:3861, § 30).

- 36 The question to be addressed is not whether the mark as displayed in the evidence is identical or similar to another mark registered by the EUTM proprietor, but whether it is ‘used in a form which differs from the form in which it was registered’ (18/07/2013, C-252/12, Specsavers, EU: C: 2013:497, § 27; 25/10/2012, C-553/11, Proti et al., EU:C:2012:3861, § 30).
- 37 In this respect, it must be borne in mind that the mark as registered is extremely simple (see below):



- 38 The mark consists of three vertical, parallel, thin black stripes against a white background, whose height is approximately five times the width. The characteristics which it manifests are relatively few in number, consisting of the ratio of height to width (approximately 5:1), the equidistant white space between the black stripes, and the fact that the stripes are parallel. Although the mark consists of three black stripes against a white background, as far as the evidence is concerned, it might be reasonable to accept three coloured stripes against a lighter background as a material equivalent. In any event, a mark which deviates significantly from these characteristics cannot be utilized as legitimate proof of use. For instance, examples of marks consisting of two stripes must be immediately discounted. Equally, examples where the colour scheme of dark stripes against a light background is reversed, may not count as legitimate proof of use of the mark.

39 In the Board's view, the following exhibits picked from the mass of evidence show doubtful use, because the marks here consist of *two* not three parallel black (or dark) stripes against a *white* (or lighter coloured) background:



40 In the Board's view, the following exhibits also have doubtful value:



- 41 The footballer in the top left picture is wearing a shirt with two (not three) parallel green (dark) stripes on the shoulder, but the stripes terminate in a horizontal white strip which produces an entirely different impression to that of the mark as registered. The athlete in the top-right picture features a three-stripe design, but slants at an angle which differs from the mark as registered. Regarding the footwear in the bottom picture, the stripes are significantly thicker than the stripes in the mark as registered. They are also shorter. Moreover, the three stripes are a thick white against a dark background, the mirror image of the mark as registered.
- 42 In all the above examples, the marks on display deviate significantly from the mark as registered, either because they comprise two dark stripes instead of three, comprise three broad white stripes instead of dark stripes, or do not reflect the correct dimensions. Some of the marks on view suffer from more than one defect.
- 43 Other items of proof are even less convincing. Although the EUTM proprietor asserts that the 3-stripe mark has been used continuously in ‘Europe’ since 1949, the advertising materials it reproduces in its submission of 15 June 2015 (p.8), show marks which show a mixture of the mark as registered and marks which are not materially similar to it. Moreover, as found by the Cancellation Division, the evidence is rich in marks where three stripes are combined with the Adidas logos, such as the following:



In the Board’s view, the ‘logo’ exhibits possess little value in demonstrating use of the challenged mark; firstly because the stripe design hardly resembles the mark at issue and, secondly, the figurative element is so completely eclipsed by the word ‘Adidas’, that it looks like mere decoration.

- 45 In conclusion, the evidence features to a large extent exhibits which do not show use of the mark as registered.

Advertising and turnover figures

- 46 While impressive advertising and marketing expenditure figures are given for each of the Member States (see the affidavit filed on 15 June 2015), it is nevertheless not possible to link the data to the particular mark as registered, or to the goods of relevance. For instance, the exhibits feature proportionally more sports shirts and sports shoes than sports bags. However, no concrete figures have been given anywhere on the extent of sales of each category of goods in the Member States. Moreover, since the evidence of use shows marks other than the challenged mark (see the previous section), this sales data does not serve in supporting the claim of acquired distinctiveness of the mark at issue.

The survey evidence

- 47 In the invalidity proceedings, and on appeal, market surveys were filed which purport to show an association in the mind of the public between the challenged three-stripe mark and Adidas, the EUTM proprietor. The surveys were carried out in Estonia, France, Germany, Italy, the Netherlands, Romania, Sweden, Finland, Spain and the United Kingdom.
- 48 Nevertheless, it is clear that the results of these surveys do not serve to establish that the mark has become distinctive through use in the territories in question. Many of the surveys are clearly not particularly relevant to the case at hand. For instance the survey carried out in the United Kingdom (Enclosure 1, Exhibit 15) has little value, since it invites the subjects to mentally associate a picture of a shoe bearing three stripes (one of the EUTM proprietor's marks, but not the mark at issue) with the Adidas brand.
- 49 Or in the case of the Spanish survey shown in Exhibits 31 and 32 (Enclosure 1), which found a significant association (75%) between the phrases '*tres bandas*', '*la marca de las tres bandas y las tres hojas*' and '*el emblema/logotipo (tres hojas)*'—where '*tres hojas*' or '*tres bandas*' can be loosely translated as 'three stripes'—and Adidas. However, since the survey was not based on any visual appreciation of the mark at issue, its value is uncertain.
- 50 The Spanish survey shown in Exhibit 32 (Enclosure 1) also has doubtful value, because the mark in question is a pair of trainers with three stripes, not the mark at issue. These deficiencies in the survey evidence are repeated in the other surveys.

Extent of the territory in which evidence of acquired distinctiveness has been shown

- 51 The evidence consisting of sales, turnover figures, press releases, publicity material has been found wanting, since use of the challenged mark as registered has not been established and the link between the mark and the categories of goods in question is unknown. In other words, it has not been possible to determine the extent of exposure of the mark, for the particular goods in question, in any part of the European Union; therefore, the extent to which the relevant public may associate the mark with the EUTM proprietor is unknown.
- 52 The only evidence which attempts to gauge the recognition of the mark in specific territories, is that provided by the market survey results discussed in the previous section. Nevertheless, even if the results of the surveys proved favourable to the EUTM proprietor—of which serious doubts remain—and demonstrated that the public in these ten territories associated the challenged mark with its sports clothing and equipment, no legitimate extrapolation can be made to the other relevant eighteen Member States of the European Union.
- 53 According to Article 1(2) EUTMR, the EU trade mark is to have a unitary character, which implies that it is to have equal effect throughout the European Union. It follows from the unitary character of the EU trade mark that, in order to be accepted for registration, a sign must have distinctive character throughout the European Union.
- 54 Therefore, under Article 7(1)(b) EUTMR, read in conjunction with Article 7(2) EUTMR, a mark must not be registered if it is devoid of distinctive character in part of the European Union. It has been held that the part of the European Union referred

to in Article 7(2) EUTMR may, where appropriate, be comprised of a single Member State (see, to that effect, 15/12/2016, T-112/13, FOUR-BAR SHAPE, EU:T:2016:735, § 119 and the case-law cited therein).

- 55 Article 7(3) EUTMR, which permits registration of signs which have acquired distinctive character through use, must be read in the light of that requirement. Thus, it follows from the unitary character of the EU trade mark that, in order to be accepted for registration, a sign must have distinctive character, whether inherent or acquired through use, throughout the European Union (17/05/2011, T-7/10, υγεία, EU:T:2011:221, § 41).
- 56 It is apparent from case-law that, in order for the registration of a trade mark to be accepted under Article 7(3) EUTMR, the distinctive character acquired through use of that trade mark must be demonstrated in the part of the European Union where it was devoid of such character under Article 7(1)(b), (c) and (d) EUTMR (15/12/2016, T-112/13, FOUR-BAR SHAPE, EU:T:2016:735, § 121, and the case-law cited therein).
- 57 In addition, in the case of non-word marks, such as the mark under consideration in the present case, it is appropriate to assume that the assessment of the inherent distinctive character will be the same throughout the European Union, unless there is concrete evidence to the contrary (24/02/2016, T-411/14, Shape of a bottle (3D.), EU:T:2016:94, § 68).
- 58 Since the EUTM proprietor has not adduced evidence to this effect, it must be held that there is an absolute ground for refusal under Article 7(1)(b) EUTMR, with regard to the contested trade mark, throughout the European Union.
- 59 Given that, in the present case, it had been found that the contested trade mark was devoid of inherent distinctive character in the European Union, that mark must therefore have acquired distinctive character through use throughout the European Union in order to be registrable under Article 7(3) EUTMR (15/12/2016, T-112/13, FOUR-BAR SHAPE, EU:T:2016:735, § 123, and the case-law cited therein).
- 60 It should be noted that, in the judgment of 24/05/2012, C-98/11 P, Hase, EU:C:2012:307, § 60, the Court confirmed the settled case-law according to which the mark must have acquired distinctive character through use throughout the European Union in order to be registrable under Article 7(3) EUTMR.
- 61 However, in the same judgment (§ 62), the Court clarified the scope of that requirement when it held that, ‘even if it [was] true ... that the acquisition by a mark of distinctive character through use must be proved for the part of the European Union in which that mark did not, *ab initio*, have such character, it would be unreasonable to require proof of such acquisition for each individual Member State’.
- 62 Thus, the criterion to be applied is that of proof that the mark in respect of which registration is sought has acquired distinctive character through use throughout the territory of the European Union, and that acquisition must be ‘sufficiently’ proved in quantitative terms (24/05/2012, C-98/11 P, Hase, EU:C:2012:307, §63).

- 63 In addition, according to case-law, although it must be proved that a mark has acquired distinctive character through use throughout the European Union, the same types of evidence do not have to be provided in respect of each Member State (28/10/2009, T-137/08, Green/Yellow, EU:T:2009:417, § 39).
- 64 Furthermore, the Court has repeatedly held that there was insufficient proof of distinctive character acquired through use of a mark throughout the European Union where evidence was missing for certain Member States (15/12/2016, T-112/13, FOUR-BAR SHAPE, EU:T:2016:735, § 127 and the case-law cited therein).
- 65 From the above cited case-law it is evident that in the case of a mark which does not have inherent distinctive character throughout the European Union, the distinctive character acquired through use of that mark must be shown throughout the territory of the European Union, and not only for a substantial part or the majority thereof. Furthermore, although there cannot be a requirement for proof of distinctive character acquired through use of that mark to be adduced for each individual Member State concerned, such proof may be adduced globally for all the Member States concerned or separately for different Member States or groups of Member States. Consequently, in the event that the evidence submitted does not cover part of the European Union, even a part which is not substantial or consists of only one Member State, it cannot be concluded that distinctive character has been acquired through use of the mark throughout the European Union (15/12/2016, T-112/13, FOUR-BAR SHAPE, EU:T:2016:735, § 139).
- 66 It follows equally that the survey evidence from ten Member States of the European Union, even if it were found sufficient to establish that the mark has acquired distinctiveness for the relevant public in those territories, cannot on its own, and even in conjunction with the vast deposition of visual exhibits, be used to extrapolate the same finding to the rest of the 28 Member States.

Conclusion

- 67 The Cancellation Division estimated that, in total, the EUTM proprietor has submitted around 12,000 pages of evidence (albeit much of it duplicated) during the invalidity proceedings. Yet, the Cancellation Division is accused of making an ‘incomplete’ or ‘no review’ of the evidence (p. 2, § 2 of the Grounds of appeal). Nevertheless, the accusation is baseless. It is unreasonable to expect the Cancellation Division to have commented on each and every one of several thousand pages of exhibits, each page perhaps featuring images of a range of marks on sports clothing and equipment. Moreover, a significant proportion of the evidence is simply not relevant. To take just one example, hundreds—if not thousands—of pages are devoted to topics such as ‘net income attributable to shareholders’, ‘earnings per share from continuing and discontinued operations excluding goodwill impairment..’, ‘effective currency management’, ‘corporate risk evaluation categories’, ‘fraud and corruption risk’, ‘pensions and similar obligations’, ‘property, plant and equipment’ or ‘liabilities and equity’ (see Group Management Report and various financial statements, filed with the affidavit on 15 June 2015, Enclosure 1). Furthermore, a large part of the material appears to have been included merely to beef up appearances, to give a false impression of solidity of evidence. For instance, the newspaper article headed ‘Jamie’s Poppy Day’ (Daily Mail, March 20, 2002, Enclosure 1), features an article about a famous British chef along with a photograph of him, his wife and their newborn baby. The Board can discern no mark whatsoever

in the photograph. Nor does the article mention anything about Adidas. Other press releases show little more than celebrities wearing sports shoes, where the design on the shoe can hardly be made out.

- 68 Given the sheer volume of evidence to be analysed, the Cancellation Division took the only sensible approach possible, by illustrating its global findings through the aid of selected exhibits. The Board might add that the EUTM proprietor itself has adopted the same approach in referring to the evidence. It too has made global assertions which are backed up by specific references to exhibits. Clearly, as the Cancellation Division, it has not provided a detailed commentary on the thousands of pages of items of proof. In similar fashion, although the Board has attempted to do justice to all the evidence submitted, it has for obvious reasons largely focussed on those exhibits, arguments and evidence to which the EUTM proprietor has referred in its submissions.
- 69 Despite the enormous amount of evidence, the Board finds it insufficient to establish that the mark at issue has acquired distinctiveness pursuant to Article 7(3) EUTMR. It is clear that the evidence overwhelmingly shows marks which differ materially from the mark as registered. The EUTM proprietor coins the term ‘the law of permissible variations’ (Grounds of appeal, p.4, § 3), arguing that it is not necessary that the mark be reproduced in the exhibits exactly as it is registered. In principle, this is true. However, given that the challenged mark is extremely simple—consisting of three black parallel lines in a rectangular disposition against a white background—even a slight variation may produce a significant alteration to the characteristics of the mark as registered. In the Board’s view, the evidence largely consists of exhibits showing marks which are not the mark in question.
- 70 Because of this fundamental flaw in the evidence, the otherwise impressive sales and advertising figures cannot be definitely anchored to the challenged mark, on specific goods, in the market place. Moreover, the survey data—which at most covers ten Member States—cannot be extrapolated to the European Union in its entirety. Doubts must also be raised about the methodology used in the surveys.
- 71 In effect, nothing is truly known about the market share held by the particular three-stripe mark which is the subject of these proceedings. Putting the more famous Adidas logos and other registered stripe marks to one side, nothing is known about how intensive, geographically widespread and long-standing use of the mark has been; nor is the amount invested by the undertaking in promoting the mark clear; above all, the proportion of the relevant class of persons who, because of the mark, identify the goods as originating from a particular undertaking, remains entirely unknown.
- 72 For all the aforesaid reasons, the contested decision, which found the mark to have been registered in breach of Article 7(1)(b) EUTMR, must be upheld and the challenged EUTM declared invalid.

Costs

- 73 Pursuant to Article 85(1) EUTMR, the EUTM proprietor, as the losing party, must bear the costs of the appeal proceedings. Pursuant to Article 85(6) EUTMR and Rule 94(3) last sentence CTMIR, it is therefore ordered to reimburse the costs of the cancellation applicant's professional representation for the appeal proceedings at the level laid down in Rule 94(7)(d) CTMIR (EUR 550). As to the invalidity proceedings, the Cancellation Division ordered the EUTM proprietor to bear the cancellation applicant's representation costs in the amount of EUR 450 and the application for invalidity fee of EUR 700.

Order

On those grounds,

THE BOARD

hereby:

- 1. Dismisses the appeal;**
- 2. Orders the EUTM proprietor to bear the total amount of EUR 1700 in respect of the costs of the cancellation applicant in the appeal and invalidity proceedings.**

Signed

T. de las Heras

Signed

C. Govers

Signed

H. Salmi

Registrar:

Signed

H.Dijkema

