

Know your audience: the importance of the relevant public when determining distinctiveness
European Union - Inlex IP Expertise

**Cancellation
National procedures**

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- **Mendes SA sought revocation of VSL#3 in Class 5**
- **Court found that Mendes failed to prove that relevant circles perceived mark as common name for products at issue**
- **Mendes also failed to prove that mark was used misleadingly by its owner**

Background

Mendes SA (the claimant) filed a revocation action against the trademark VSL#3, registered in Class 5 for probiotics, on the grounds, firstly, that the mark had become a common name for the products covered in consequence of acts or inactivity of the mark owner, and, secondly, that the mark misled the public because of its use.

Following the decisions of the Cancellation Division and the Second Board of Appeal of the European Union Intellectual Property Office, the arguments of the claimant were rejected. An appeal was then brought before the General Court, which rendered a decision on May 18 2018 ([Case T-419/17](#)).

General Court decision

The first ground was based on the loss of distinctiveness, owing to the trademark becoming a common name of the products in question. To proceed with its assessment, the court considered it essential to determine the relevant public and its perception of the trademark in question in relation to the class of goods.

The claimant put forth the argument that the relevant public consists of the medical and scientific community, professionals involved in the marketing of the products, and consumers concerned by the product. However, the court used this opportunity to recall established principles when determining the revocability of a trademark on this ground.

Firstly, where intermediaries participate in the distribution of the products in question, the relevant public consists solely of those intermediaries who intervene in the chain of distribution. Thus, if the actors forming part of the chain of distribution consider that the trademark fulfils its primary goal of indicating origin (even if end-consumers might not consider it to be so), the mark is deemed to be distinctive. Indeed, if at any point the sign is considered generic or descriptive by these intermediaries, it loses its distinctive character.

Secondly, the court recalled the necessity of determining the relevant market, which in the present case was the pharmaceutical sector - specifically, non-prescription pharmaceutical products. The nature of the sector is such that intermediaries exert a significant influence over the decisions made by the end-purchaser, by offering, for example, advice regarding the product in question.

Thus, while the court held that relevant public included consumers and end-users due to the product being freely available for purchase, intermediaries must be taken into consideration, in accordance with established case law. Moreover, professionals, such as doctors, were deemed to form part of the relevant public, due to their direct participation in providing assistance to those requiring the product. Finally, the court excluded the scientific community, as invoked by the claimant, establishing that it did not form part of the relevant public.

Considering that the market in question was the pharmaceutical sector, greater emphasis was placed on the perception of medical professionals. Contrary to what was claimed by the claimant, the court held that the term 'VSL#3' was not understood by the professional medical sector as signifying "Very Safe Lactobacilli". Thus, the trademark conserved its function of indicating origin for medical professionals and, therefore, for end-users.

Regarding the second ground, the claimant considered that the verbal sign VSL#3 conveyed incorrect or deceptive information due to its descriptive nature. However, the court considered, firstly, that as the significance of the sign was not clearly understood by the relevant public, it could not be considered to be deceptive. Secondly, although a trademark may be cancelled if it conveys incorrect or deceptive information on the nature, quality of geographical origin of the products, the present mark was not understood as being

descriptive of the goods in question; therefore, it could not convey a clear information, and thus could not deceive the consumer.

Comment

With this decision, it may be observed that the court remained consistent with regard to previous case law. Indeed, the court invoked and confirmed previous decisions to affirm the stated principles. It may thus be suggested that the court prioritised a strict interpretation of the assessment of distinctiveness and ensured a degree of protection. This decision is advantageous for the pharmaceutical and medical sectors, where the marks employed often refer to the products and services concerned. As such, the court compensated for the limited distinctiveness of such trademarks by reinforcing the conditions that allow the revocation of a trademark.

From a practical standpoint, it is noteworthy that, in this case, it was the initial trademark owner that attacked the assignee. Therefore, while the precise background of the case is not known, it may be recommendable to consider adding a clause in all assignment contracts providing that the assignor must not attack the validity of the mark at a later date.

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