

Alicante, 05/04/2019

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ISLANDIA

**Notification of a decision to the applicant**

<i>Your reference:</i>	<b>E1024EU00</b>
<i>Invalidity number:</i>	<b>000014030 C</b>
<i>Contested trade mark:</i>	<b>002673374</b>
	<b>ICELAND</b>

Please find attached the decision terminating the proceedings referred to above. The decision was delivered on **05/04/2019**.

**Please note that decisions of the Cancellation Division are not signed by the officials responsible but only indicate their full names and bear a printed seal of the Office in accordance with Article 94(2) EUTMR.**



**Lucinda CARNEY**

Enclosures (excluding the cover letter): 33 pages

## CANCELLATION No 14 030 C (INVALIDITY)

**Islandsstofa (Promote Iceland)**, Sundagordum 2, Reykjavik 104, Iceland, **The Icelandic Ministry for Foreign Affairs**, Raudararstigur 25, Reykjavik 105, Iceland, **SA - Business Iceland**, Borgartuni 35, Reykjavik 105, Iceland (applicants), represented by **Arnason Faktor**, Gudridarstig 2-4, Reykjavik 113, Iceland (professional representative)

a g a i n s t

**Iceland Foods Limited**, Second Avenue, Deeside Industrial Park, Deeside, Flintshire, North Wales CH5 2NW, United Kingdom (EUTM proprietor), represented by **Mishcon De Reya LLP**, Africa House, 70 Kingsway, London, London WC2B 6AH, United Kingdom (professional representative).

On 05/04/2019, the Cancellation Division takes the following

### DECISION

1. The application for a declaration of invalidity is upheld.
2. European Union trade mark No 2 673 374 is declared invalid in its entirety.
3. The EUTM proprietor bears the costs, fixed at EUR 1 080.

### REASONS

The applicant filed an application for a declaration of invalidity against European Union trade mark No 2 673 374 for 'ICELAND' (word mark) (the EUTM). The request is directed against all the goods and services covered by the EUTM, namely:

Class 7: *Dishwashers; washing machines; domestic machines; parts and fittings for all the aforesaid goods; all included in class 7.*

Class 11: *Apparatus for heating, cooking, refrigerating, drying or ventilating; freezers, refrigerators, combined freezers and refrigerators, microwave ovens; parts and fittings for all the aforesaid goods; all included in class 11.*

Class 16: *Paper, cardboard, paper articles, cardboard articles, wrapping and packaging materials; bags of paper or plastics, all for packaging; toilet paper, paper tissues, carrier bags, plastic bags, paper and plastic sacks; closures for bags; labels; pens and pencils; transfers; price tags and tickets and holders in the nature of envelopes; printed matter, periodical publications and stationery; all included in class 16.*

Class 29: *Meat, poultry and game, meat extracts; preserved, dried and boiled fruit and vegetables; jellies, jams; eggs, milk and milk products; edible oils and fats; meat and vegetable preserves; all included in class 29.*

Class 30: *Coffee, tea, cocoa, sugar, rice, tapioca, sago, coffee substitutes; flour and preparations made from cereals, bread, pastry goods, and confectionery,*

*edible ices; honey, treacle; yeast, baking-powder; salt, mustard; vinegar, sauces, salad sauces; spices; refreshing ice; all included in class 30.*

Class 31: *Agricultural, horticultural and forestry and grain products, not included in other classes; fresh fruits and vegetables; seeds; natural plants and flowers; animal feeds, malt; all included in class 31.*

Class 32: *Beers, mineral and carbonated waters and other non-alcoholic beverages; fruit drinks and fruit juices; syrups and other preparations for making beverages; all included in class 32.*

Class 35: *The bringing together for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods in a supermarket; the bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods in a convenience store; the bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods in a food, drink and household supplies retail stores; the bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods in a food, drink, household supplies and household electrical appliance retail stores; the bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods in a food, drink, household supplies and household electrical appliance retail stores, the bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods from an Internet web site specialising in the marketing of food products, drink products, household supplies and household electrical appliances; the bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods from an Internet web site (including an Internet web site being accessible via a computer, computer networks, Internet enabled mobile phones, televisions, pagers, and electronic organisers) specialising in the marketing of food products, drink products, household supplies and household electrical appliances; the bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods from food products, drink products, household supplies and household electrical appliances catalogue by mail order or by means of telecommunications.*

The applicant invoked Article 59(1)(a) EUTMR in conjunction with Article 7(1)(b), (c) and (g) EUTMR.

## **SUMMARY OF THE PARTIES' ARGUMENTS**

*The case for the applicants: observations filed on 14/11/2016*

The applicants give a detailed description of all of the things that the country of Iceland is well known for: its unique geography, geothermal energy, literature, and food. They state that creative industries are important in Iceland, employing more than 5% of the workforce. It is a mysterious, exotic and adventurous location, with a dramatic and extreme landscape and nature. Iceland is connected to pureness, cleanliness, and

most of the industry is green, powered by emission free hydropower and geothermal energy. Its literature is world renowned and Iceland is an innovative and creative country. In the light of all this, Iceland has very positive connotations in the minds of the relevant consumers in Europe.

The applicants give further details on various surveys they have carried out to confirm the positive image of Iceland in the minds of Europeans. They enclose results from several surveys among tourists regarding what they most appreciate about Iceland. The surveys were carried out in 1996, 1998 and 2015. The applicants also refer to surveys carried out by Gallup among tourists in Iceland reflecting the very positive image of Iceland held by tourists who visit the country.

They mention the fact that Iceland has won multiple international awards as a top travel destination. They state that it is a well-known fact that Iceland has extensive trade with the Member States of the EU and exports various types of goods to the EU, which means that 'Iceland', when used in relation to goods sold within the EU, will be considered merely an indication of the quality of the goods and an indication of their geographical origin.

*Claims regarding the infringement of Article 52(1) EUTMR in conjunction with Article 7(1)(c) EUTMR:*

The applicants claim that if the contested EUTM remains valid, the proprietor will continue to be in a position to hinder trading by companies from Iceland, and stop them from referring to their home country as part of their trade marks.

Iceland enjoys international renown, in particular in the field of food production, including fish and agriculture, in the field of drink production, amongst others for water and beer, in the area of literature both for the old Icelandic Sagas and contemporary Icelandic writers whose works are translated into multiple languages and are popular throughout Europe, but also in the field of industry where geothermal energy plays an important role in addition to innovation and creativity of the Icelandic people.

For all of these reasons, 'ICELAND' cannot function as a trade mark for the goods and services at issue since it simply describes their geographical origin and their quality.

The applicants underline that it is sufficient if, at the time of application, it is reasonable to assume that the sign will in the future be associated in the mind of the relevant consumers with a geographical location, for the relevant goods and services.

Iceland has been part of the European Economic Area (EEA) since 1994, and accordingly has strong trade ties with the European Union and other EEA countries. Iceland has for years exported multiple types of goods. In the year 2014, exports from Iceland were valued at EUR 8.5 Billion, 76.1% of which went to the EEA countries (Annex F).

Icelanders export multiple types of goods to European countries (and outside of Europe), with the largest exports being in the fields of food and beverages and industrial supplies (Annex G).

Since most of the exports from Iceland are in the fields of food and beverages and considering that Iceland is renowned for its fish and meat production and water and beer exportation, as discussed above, it is already famous for the goods in classes 29, 30, 31 and 32 that the contested mark is registered for.

Iceland has a world renowned literary tradition. It follows from this popularity and reputation that the reasonably well informed consumer with sufficient common knowledge, would recognize the country and connect goods in class 16 to the origin of the goods sold under the 'ICELAND' mark. Because of the fame of the Icelandic Sagas and Icelandic contemporary authors it is reasonable to assume that consumers associated 'ICELAND' at the time of filing of the application, or will do in the future, with the geographical origin of goods in class 16.

Creative industries are important in Iceland. Geothermal energy is common and Iceland is known for producing and exporting aluminium and has designed and produced innovative machinery. It follows from the country's innovative spirit and the extensive green energy production in Iceland that the reasonably well informed consumer would recognize the country and connect goods in classes 7 and 11 to the origin of the goods sold under the 'ICELAND' mark. The applicants refer to a large Icelandic company named Marel hf. Marel hf. which is a leading global provider of advanced equipment and systems for the food processing industry, and have numerous trade mark registrations in classes 7 and 11, amongst others (Annex H).

The arguments regarding all of the goods, as outlined above, apply by analogy to the respective retail services in Class 35.

The applicants refer to case law of the General Court and the Boards of Appeal in support of their argument that 'ICELAND' is descriptive of the goods and services at issue.

*Claims regarding the infringement of Article 52(1) EUTMR in conjunction with Article 7(1)(g) EUTMR:*

The applicants claim that the sign 'ICELAND' for the goods and services at issue in classes 7, 11, 16, 29, 30, 31, 32 and 35 could deceive the public about the geographical origin of the goods and services, since the owner of the EUTM is from the United Kingdom, and not from Iceland. The general public, well aware that goods and services can originate in Iceland, is thus likely to be deceived with regard to the geographical origin of the goods and services.

*Claims regarding Article 14 (formerly 12) EUTMR:*

The applicants state that the EUTM proprietor has filed multiple oppositions against EUTMs containing the word 'ICELAND' where the word 'ICELAND' is used to designate a geographical indication and is in fact the home country of the applicants.

In their view, it is clear that the EUTM proprietor intends to hinder Icelandic entities in trade, and attempt to stop them from referring to their geographical origin, and their home country in relation to their trade marks. This goes against the provisions of Article 14 (formerly 12) EUTMR and is a situation that cannot and should not be tolerated by the trade mark registration authorities of the European Union.

The applicants also point out that the World Intellectual Property Organization (WIPO) has a Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT), which has as one of its main concerns since 2009 the Protection of Country Names Against Registration and Use as Trademarks (Annex I). WIPO is very concerned about trade marks consisting only of a country name being used and registered as trade marks, and is currently working on gathering evidence and documents from the national offices on their practice in this regard, for harmonization purposes.

In support of its observations, the applicant filed the following evidence:

- Annex B1: Survey by the Icelandic Tourist Board conducted in 1996.
- Annex B2: Survey by the Icelandic Tourist Board conducted in 1998.
- Annex C1: Survey by Íslandsstofa (Promote Iceland) conducted in 2015 in Denmark, France, Germany and United Kingdom.
- Annex D1: Printout from Gallup in Iceland's web site, information on their Tourist Index of September 2016.
- Annex E1: Statistical report from May 2016 from The Icelandic Tourist Board on tourism in Iceland.
- Annex F1: Statistical Yearbook of Iceland 2015, issued by Statistics Iceland (the centre for official statistics in Iceland), which contains detailed information on external trade, i.e. Iceland's exports of goods and services.
- Annex G1: Statement from Statistics Iceland (the centre for official statistics in Iceland) on the exports of goods from Iceland to the European Union in the

years 1999, 2001, 2005, 2010 and 2014, demonstrating the various types of goods being exported, and their value.

- Annex H1: Printouts from the web site of the company Marel, containing information on their products falling under classes 7 and 11, sold globally.
- Annex H2: MAREL Corporate Brochure, containing information on their global activity and their products.
- Annex H3: Overview of Marel's trademark registrations world-wide, including in classes 7 and 11.
- Annex H4: Printouts from the web site of the company Vaki Aquaculture systems, containing information on their products falling under class 7, sold globally.
- Annex H5: Vaki Corporate Brochure, containing information on their global activity and their products.
- Annex I1: Document SCT/35/4 on the Protection of Country Names against Registration and Use as Trademarks, provided by WIPO's Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications. The documents demonstrate the work being done by WIPO's committee, and their concern regarding country names being used and registered as trademarks.

*The case for the EUTM proprietor:*

The EUTM proprietor begins by stating that 'ICELAND' is the name of a well-known supermarket, established nearly 50 years ago, in 1970, which sells a variety of products throughout the EU and is one of the largest supermarkets in the United Kingdom, with an enormous turnover for the last financial year. The EUTM is used on all of the goods and services for which it is registered. Further, Icelandic companies and the Icelandic government (see paragraph 15 of the confidential witness statement of Mr Vaughan) for the period 2005 - 2012 part-owned Iceland Foods Limited and did not object to the EUTM at that time.

*Observations regarding the alleged reputation of Iceland as the origin for various goods or services:*

The EUTM proprietor acknowledges the fact that Iceland is a country which is famous for its extreme climate, its dramatic and inhospitable landscape, its volcanic activity and its hot springs. It is also a well-known tourist destination. However much of the applicants' observations exaggerate, or even misrepresent, the reputation of Iceland as a source for goods or services. The proprietor attaches as Annex 1 a table generated by the 'Statistics Iceland Website' showing the percentage of Iceland's exports everywhere in the world, and not just in the EU. The exports are classified according to the 'Standard International Trade Classification' codes. The proprietor refers to the fact that the applicants use these statistics in their own observations. However they omitted to refer to all the amounts and percentages of export trade for all of the various groups of goods and services. This is important because where there are no exports of any products, or the amounts are trivial, then it is difficult to see how EU consumers could associate these products with Iceland.

The proprietor acknowledges that Iceland is well known among EU consumers only for the following:

- As a tourist destination.
- Fish, seafood and other marine products.
- Aluminium and other metals.

The EUTM proprietor gives detailed arguments regarding all of the remaining products which the applicants claim 'ICELAND' has a reputation for, dismantling the applicants' case on the basis of export figures, which it considers to be very low except for fish, amounting to 26.5% of exports (rising to 33% when other marine products are included) and aluminium, amounting to 39.7% of the country's exports. Regarding services, Annex 2 shows information from 'Statistics Iceland' regarding the export of services. 'Retail services' are not listed. However, it is acknowledged that Iceland is known for providing 'tourist services' since it is a popular tourist destination.

#### *Observations regarding the alleged positive connotations of Iceland*

The EUTM proprietor criticises the opinion polls submitted by the applicants in order to demonstrate the positive image of Iceland. The proprietor states that the surveys are flawed methodologically and are not independent, containing leading questions. The proprietor goes on to list several events in recent years which have actually damaged Iceland's image, such as the 2010 eruptions of the Eyjafjallajökull volcano which caused a massive disruption of air travel across Europe (and further afield) for nearly a week due to the presence of volcanic ash. The proprietor also refers to the Icelandic banking collapse in 2008.

#### *Case law on geographical names*

The EUTM proprietor gives an extensive overview of the case law on geographical names. It refers to several well-known cases in order to support its view that there are no barriers to registering 'Iceland' for the goods and services at issue. In particular, it mentions the 'Passionately Swiss' case (15/12/2011, T 377/09, Passionately Swiss, EU:T:2011:753), which the applicants rely on in their submissions. The proprietor states that unlike 'Swiss', 'Iceland' does not have an inherent connotation of quality with the result that the name 'ICELAND' will be linked with the quality of any goods or services. The proprietor also refers to T-197/13 MONACO, EU:T:2015:16, where the reputation of 'Monaco' was recognised in connection with various services and adjacent goods.

Applying this case law to the current facts, the EUTM proprietor submits, in accordance with the judgment of the General Court in Passionately Swiss, that where, as in the present case, a geographical name has a fairly narrow reputation, the potential competitive impact of the contested EUTM on goods or services which are remote from those for which Iceland has a reputation (fish and seafood or aluminium) is likely to be regarded as speculative at best.

#### *Observations regarding the objection raised under Article 7(1)(g) EUTMR*

The EUTM proprietor states that it is highly unlikely that consumers will be deceived as to the origin of the goods and services for the simple reason that they will not see 'ICELAND' as referring to the origin of the goods and services.

#### *Evidence of acquired distinctiveness of the EUTM*

The EUTM proprietor, while not accepting the descriptiveness or lack of distinctive character of the EUTM, files evidence to prove that the EUTM has, in any case, acquired distinctiveness through the use which has been made of it.

The EUTM proprietor claims that the evidence of use shows that the mark has grown to become a very successful brand in its own right for a wide range of goods and services



(especially retail services) and has co-existed with the commercial activities of the country of Iceland, for example the Icelandic investors and the tie-in with the Icelandic football team, as referred to in the confidential witness statement of Mr Vaughan. These show that the mark functions as a trade mark even when there is a possibility that it could be linked to the country. The fact that it is not, further reinforces the EUTM proprietor's primary argument that the mark is not seen as indicating geographic origin in the first place. In any event, the assessment of distinctive character must take place in those EU Member States where English is the main language. This is because 'ICELAND' could not be descriptive of the country in the language of those EU member states where English is not spoken as a native language because in other languages, the name of the country is different (e.g. 'Islande' in French, 'IJsland' in Dutch, 'Islandia' in Portuguese, etc.).

The evidence of **acquired distinctiveness** will be listed and analysed in detail below.

The EUTM proprietor files the following evidence to support the claims that its mark is **inherently distinctive**. As the proprietor requested to keep certain commercial data contained in the evidence confidential vis-à-vis third parties, the Cancellation Division will describe the evidence only in the most general terms without divulging any such data:

- Annex 1: Tables generated by 'Statistics Iceland' regarding the export of products from Iceland.
- Annex 2: Tables generated by 'Statistics Iceland' showing the 'export' of services from Iceland.
- Annex 3: Press articles from well-known EU news outlets reporting on the 2010 eruptions of the Eyjafjallajökull volcano.
- Annex 4: Press articles from well-known EU news outlets reporting on the Icelandic banking collapse and ensuing financial crisis from 2008-2011.

*The case for the applicants: observations filed in reply on 02/11/2017*

The applicants reiterate their belief that, in line with the general principles of trade mark law, the name of a country cannot be registered. The case is at the core of the important balance that needs to be struck within the system. One party on the market has obtained exclusive rights to a word or sign for a number of goods and services that clearly may serve in trade to designate geographical origin. This sign is in fact first and foremost a descriptor of geographical origin. It is actually an understatement to say that using the name Iceland as a sign may serve in trade as an indicator of source. Using 'Iceland' as a sign in trade is an indicator of source. These exclusive rights, contested by the applicants, entail using the name of a whole European country as a sign for certain goods and services. This distorts fair competition on the single market as well as unduly limiting the right of the public of that country to have access to and use their country's name to describe their products on the single market. The applicants therefore maintain that the important balance within the trade mark system that needs to be preserved has been distorted.

Furthermore, the registration of solely geographical names as trade marks, designating specified geographical locations which are already famous, or which are known for the category of goods or services concerned, and which are therefore associated with those goods or services in the mind of the relevant class of persons, is excluded. As is the registration of geographical names which are liable to be used by undertakings and must remain available to such undertakings as indications of the geographical origin of the category of goods or services concerned (25/10/2005, T-379/03, CLOPPENBURG,

ECR, EU:T:2005:373, § 34 and the case law cited). The country name Iceland is already used by undertakings as part of their trade mark, and must be available to such undertakings as well as others which are liable to use it in the future, as an indication of geographical origin of the goods and services concerned.

The applicants state that consumers are well aware that various goods and services can originate from an entire country. Furthermore, it is not decisive whether Iceland is commonly known for those goods and services, or even whether it is likely to become so in the future. In the mind of the consumers within the European Union, the country name Iceland may designate the geographical origin of the goods and services. Accordingly, the country name 'Iceland' needs to be free for all undertakings to use and it cannot be accepted that it is monopolised by one undertaking.

The applicants emphasise that various types of machinery, paper goods and food and beverages are already manufactured or produced in Iceland and some of these are already exported. Even though some of the export figures are low, exports from Iceland are ever growing and it is vital that the name of the country remains available for all to use.

Iceland is a nation of 330,000 people. However, in 2016, 1.7 million tourists visited Iceland. Although it is hard for Iceland to mirror the export figures of much larger countries in the EU, Icelandic producers should not be deprived of the possibility to use their country's name when promoting their goods and services. In addition, recently concluded agreements between the EU and Iceland on the further liberalisation of trade in agricultural products (entered into force on 1 May 2018), are expected to further promote trade with and exports to the EU.

Regarding the proprietor's comments on the image of Iceland, the applicants have the following to say.

- Iceland is well known for its untouched nature and clean energy, so consumers will easily associate that image with Iceland's agricultural products.
- Regarding the proprietor's portrayal of Iceland as a rather under-developed country with a limited economical or industrial scope, the applicants underline that Iceland has a booming economy with a GDP per person of around 60,000 USD in 2016. The International Monetary Fund states that the Icelandic economy is performing strongly with high growth (7.2% in 2016) (report attached as Annex 1).
- Regarding the production of specific goods in Iceland, the applicants attach further annexes (listed in detail below) to demonstrate the production and manufacturing capacities of various Icelandic companies, covering most of the goods at issue.
- Regarding the proprietor's repeated comments about the size of Iceland, the applicants state that this should not be a bar to a country using its name on the market. Iceland has various large scale industrial undertakings, for example clean energy hydro- and geothermal power stations, the second largest ferrosilicon plant in the world, aluminium smelting plants and large fish processing plants (annexes listed in detail below).
- Regarding the positive connotations of Iceland, a recent report by 'Brand Finance' lists Iceland as the Best Performing Nations Brand of 2017. The report states that Iceland is the fastest growing nation brand of 2017, up 83% from the previous year.
- The applicants refer to the country's sporting successes, which are impressive for such a small nation, and claim that this has attracted worldwide media attention. Annexes are attached.

On the case law connected to geographical names and the proprietor's response, the applicants have the following to say:

- Case T-295/01 Nordmilch v OHIM (the *Oldenburger* case), showed that the reputation of a geographical name could be used to cover 'adjacent' goods in addition to the goods covered by the area's existing trade.
- In response to the proprietor's comments on the *Alaska* case and how the findings should apply here, the applicants state that Alaska is one of the United States and is located over 7000 kilometres away from the EU. One of the deciding factors of that judgment was that consumers would not consider the goods as coming from Alaska because of the high costs of transportation. The general consumer in the EU will however be very well aware that Iceland is part of Europe and located within the general region.

The applicants make reference to the following case law, which they believe supports their case:

- In case T-377/09 Movenpick v OHIM (*PASSIONATLEY SWISS*), the General Court stated that the intensity of the obligation to examine the link between the originating goods and the goods and services for which the trade mark was applied is likely to vary according to factors such as the extent, reputation and nature of the geographical origin in issue. When the trade mark relates to a whole country, less emphasis needs to be put on the exact goods the geographical location is known for.
- In case T-11/15 Internet Consulting v EUIPO (*SUEDTIROL*), the applicants say that the following paragraph applies to their case:

46) In that regard, it should be stressed that it is clear from the case law that, in circumstances such as those in the present case, where the geographical indication of origin is already known or reputed, EUIPO, may merely confirm the existence of such an association, rather than carrying out an actual examination of the existence of the association.
- The applicants refer to a recent decision of the Fifth Board of Appeal in Case R 1337/2016-5 where the mark applied for was 'GR', an abbreviation for Greece. In this case, the Board refused the mark for goods and services for which Greece was not found to be known. The Board determined that it was not decisive whether Greece was commonly known for the goods and services at issue. This decision clearly demonstrates that in cases where the mark in question relates to a whole European country, the assessment of the relevant goods and services need not be as thorough as when the geographical location is a small town or area.
- The applicants also refer to a decision of the Fifth Board of Appeal in Case R 2191/2016-5 where the mark applied for was 'OSLO'. In this case, even though the mark was not found to have a reputation in connection with the particular goods, it was found likely that the term 'OSLO' could be used in the future as an indication of geographical origin and must remain available to undertakings.
- Finally, the applicants also refer to Opposition No B 2584459, *ICELAND v INSPIRED BY ICELAND*, in which an opposition by the proprietor was rejected on the basis that Iceland would designate the origin of the goods and services.

The applicants make the following comments regarding the proprietor's claim to acquired distinctiveness:

- First, the applicants claim that a country name should not be considered as being able to acquire distinctiveness through use.
- The applicants go on to claim that the Exhibits accompanying the proprietor's witness statement marked DV1-DV4 do not fulfil the EUIPO's formalities requirements since no table of exhibits has been provided, explaining the relevance of each exhibit, and no information on the total number of pages of each exhibit has been provided.
- The applicants disagree with the proprietor that the assessment of distinctive character must take place in those Member States where English is an official language. First, the proprietor has left Malta out. Second, the assessment should take place for the EU as a whole since Iceland is a basic English word and will be understood by all the consumers of the EU (see Opposition Decision No B 2584459).
- The applicants claim that the evidence filed shows some use, mostly in the United Kingdom, but it is by no means sufficient to prove that 'Iceland' has become distinctive for goods and services throughout the EU. Most of the evidence applies only to the United Kingdom, as the proprietor was founded there and most of its commercial activity still takes place there. There is no evidence for Denmark, Sweden, Finland or the Netherlands, where the knowledge of English is generally extensive.
- There are no direct indications of acquired distinctiveness such as opinion polls, information on market share or statements from independent third parties, such as trade associations or consumer organisations.
- A large part of the evidence fails to identify which goods or services it applies to. No use has been shown for the goods in classes 7, 11 and 16 and a very limited amount for classes 31 and 32.
- The proprietor has provided some very old and limited evidence regarding the sales of domestic electrical appliances, freezers and refrigerators. This evidence only demonstrates sales of such goods but not actual production under the 'ICELAND' trade mark.
- Most of the evidence displays a stylised logo version of the word 'Iceland', whereas the sign at issue is a word mark.
- For a large part of the evidence of use, especially the marketing material, no information on the extent of distribution is provided or any indication that the material applies to any countries other than the United Kingdom and perhaps Ireland.

In support of their observations, the applicants filed the following evidence:

- Annex 1: Press release from International Monetary Fund demonstrating the recovery of the Icelandic economy.

- Annex 2: Printouts from website of 'Marel' showing the manufacturing of machinery in Class 7 and freezers in Class 11, with products being sold throughout the world.
- Annexes 3-4: Printouts from the website of 'Skaginn 3X' and 'Hedinn', Icelandic companies which manufacture machinery in Class 7 and freezers in Class 11.
- Annexes 5-7: Printouts from the website of 'Oddi', 'Tulipop' and 'Reykjavik LetterPress', Icelandic companies which make and sell paper products in Class 16.
- Annex 8: Brochure from the Icelandic Lamb Marketing Board on sheep farming in Iceland, demonstrating how Iceland has around 2000 sheep farmers and lamb is an important product in Iceland.
- Annex 9: Printouts from the website of MS Icelandic Dairies providing information on milk and milk products in Iceland as well as printouts providing information on Isey skyr dairy products and the multiple EU countries they are sold in.
- Annexes 10-11: printouts from Icelandic countries manufacturing confectionery goods in Class 30.
- Annex 12: Printouts from the website of The Horticulturist's Sales company of Iceland demonstrating how various types of herbs, berries and vegetables (class 31) are grown and sold in Iceland.
- Annexes 13-15: Printouts from the websites of various Icelandic companies which brew and export beer.
- Annexes 16-17: Printouts from the websites of various Icelandic companies which export bottled water.
- Annex 18: Printouts from the website of the National Power Company of Iceland providing information on power stations in Iceland.
- Annex 19: Printouts from the website of Elkem Iceland, providing information on a ferrosilicon plant in Iceland.
- Annex 20: Printouts from the website of Rio Tinto Iceland Ltd., providing information on an aluminium smelting plant in Iceland.
- Annex 21: Printout from the website of Nordural, providing information on the Grundartangi aluminium plant in Iceland.
- Annex 22: Brand Finance's annual report on the world's most valuable nation brands, which puts Iceland at the top of the list of the Best Performing Nation Brands.
- Annex 23: Various news articles from online media on the success of the Icelandic football team, qualifying for the World Cup finals in Russia 2018.
- Annex 24: Articles on the impressive success of Icelandic athletes and sports teams.
- Annex 25: Various news articles on the Icelandic fans and supporters, their impressive team spirit, and how they came in 2nd in FIFA's Fan Awards after the UEFA Euro 2016.
- Annex 26: Printout from Trader Joe's website, providing information on the grocery store chain's new product – Icelandic Style Nonfat Yogurt, demonstrating how undertakings have faith in the consumers' positive image of Iceland.

*The case for the EUTM proprietor: observations filed in reply on 27/03/2018*

The EUTM proprietor criticises the arguments of the applicants for failing to address the issue of the relevant date for assessing the distinctiveness of the contested EUTM. The relevant date is the filing date of 19 April 2002, which is not mentioned by the applicants. The applicants have overlooked the fact that what counts is the perception of EU consumers in 2002. Most of the evidence filed does not refer back to 2002. In circumstances where the EU mark benefits from a presumption of validity, according to

case law, the Office should not give the invalidity applicants the benefit of the doubt; quite the contrary.

The proprietor also contests the fact that the applicants attempt to invoke a special rule for 'whole country names'. What should be taken into consideration, according to the proprietor, is the consumer perception of whether a place is known or likely to be known in the future as the source of the goods and services.

The EUTM proprietor proceeds to give detailed criticism of all the annexes filed by the applicants in order to demonstrate the production and export of goods from Iceland. These arguments will be dealt with below.

Regarding Annex 22 filed by the applicants, the proprietor states that it post-dates the relevant date by 15 years and the brochure itself only refers to 'tourism and fishing'.

The EUTM proprietor criticises the press articles about the Icelandic football team stating that these articles do not prove that Iceland has a reputation for a wider array of goods or services.

Regarding the case law cited by the applicants, the EUTM proprietor states that in all cases, the Office is required to assess any existing reputation and any foreseeable reputation of a geographical name in the minds of EU consumers in accordance with the EUIPO Guidelines at §2.6.

The EUTM proprietor finds that the applicants' reference to the 'INSPIRED BY ICELAND' opposition case is misplaced.

Regarding the applicants' arguments on acquired distinctiveness and on the lack of evidence for Malta, the proprietor recalls that the issue of evidence for smaller Member States is currently being considered by the CJEU. The Office's current position is that it should not be necessary to show use in all parts of the EU.

Finally, the EUTM proprietor files more annexes in support of the acquired distinctiveness of its mark.

In support of its observations, the EUTM proprietor filed the following evidence. As the proprietor requested to keep certain commercial data contained in some of the evidence confidential vis-à-vis third parties, the Cancellation Division will describe the evidence only in the most general terms without divulging any such data:

- Annex 1-2 (confidential): Survey on public awareness of the EUTM proprietor's brand and what it means.
- Annex 3: Excel spreadsheet containing details of new stores opened in the EU (outside of the UK).
- Annex 4: Evidence of use of the 'ICELAND' EUTM on various products.
- Annex 5: Details of sales of electrical appliances by the EUTM proprietor.
- Annex 6: A selection of press cuttings from 2016-2018 which refer to the EUTM proprietor using the 'ICELAND' EUTM.
- Annex 7: A selection of screenshots and press releases from the EUTM proprietor's website.
- Annex 8 (expressly marked as confidential): Non-English language invoices relating to marketing of the EUTM proprietor's brand in the EU (and outside of the UK).

**ABSOLUTE GROUNDS FOR INVALIDITY – ARTICLE 59(1)(a) EUTMR IN CONJUNCTION WITH ARTICLE 7 EUTMR**

According to Article 59(1)(a) and (3) EUTMR, a European Union trade mark will be declared invalid on application to the Office, where it has been registered contrary to the provisions of Article 7 EUTMR. Where the grounds for invalidity apply for only some of the goods or services for which the European Union trade mark is registered, the latter will be declared invalid only for those goods or services.

Furthermore, it follows from Article 7(2) EUTMR that Article 7(1) EUTMR applies notwithstanding that the grounds of non-registrability obtain in only part of the Union.

As regards assessment of the absolute grounds of refusal pursuant to Article 7 EUTMR, which were the subject of the *ex officio* examination prior to registration of the EUTM, the Cancellation Division, in principle, will not carry out its own research but will confine itself to analysing the facts and arguments submitted by the parties to the invalidity proceedings.

However, restricting the Cancellation Division to an examination of the facts expressly submitted does not preclude it from also taking into consideration facts that are well known, that is, that are likely to be known by anyone or can be learned from generally accessible sources.

Although these facts and arguments must date from the period when the European Union trade mark application was filed, facts relating to a subsequent period might also allow conclusions to be drawn regarding the situation at the time of filing (23/04/2010, C-332/09 P, *Flugbörse*, EU:C:2010:225, § 41 and 43).

**Preliminary considerations common to all the grounds invoked in conjunction with Article 59(1)(a) EUTMR, namely Articles 7(1)(b), (c), and (g) EUTMR***Relevant public*

The applicants define the relevant public as being the public in the whole of the European Union. The applicants state that the trade mark 'ICELAND' is a basic English word and will be widely understood since it refers to a world famous country. Furthermore, the applicants refer to Opposition Decision No B 2584459 in which the Opposition Division states that Iceland will be understood by all consumers in the relevant territory because the equivalent terms in the other languages of the relevant territory are very similar. In their second round of observations, when commenting on evidence of acquired distinctiveness, while emphasising that they believe 'Iceland' will be understood across the EU, the applicants make it clear that the assessment of distinctive character must take place at the very least in those Member States where English is an official language and in Denmark, Sweden, Finland and the Netherlands, where the knowledge of English is generally extensive.

The EUTM proprietor, however, is of the opinion that Iceland will only be understood in those countries where English is the native language since 'Iceland' is spelt quite differently in other languages (it provides the examples of 'Islande' in French, 'IJsland' in Dutch, 'Islandia' in Portuguese). Regarding the specific matter of whether 'Iceland' will be understood in Denmark, Sweden, Finland and the Netherlands, the proprietor remains silent, insisting that the mark will only be understood in the English-speaking territories.

The Cancellation Division notes that 'ICELAND' is the English word for an island republic in the North Atlantic. Therefore, it will certainly be understood by the native English-speaking part of the public in the EU which consists of the relevant public in the United Kingdom, Ireland and Malta.

The Cancellation Division notes that no dictionary entries or other reference material have been provided by the applicants to support their assertions that 'Iceland' will be understood all over the European Union. However, the Cancellation Division considers that 'ICELAND' may have a meaning not only for a public who are native English speakers, but also for a public which has sufficient knowledge of English. However, as argued by the applicants and bearing in mind that the proprietor was able to comment on this assertion, a basic understanding of English by the general public, in any event, in the Scandinavian countries, the Netherlands and Finland is a well-known fact (09/12/2010, T-307/09, Naturally active, EU:T:2010:509, § 26-27 and 22/05/2012, T-60/11, Suisse Premium, EU:T:2012:252, § 50).

For this reason, the Cancellation Division finds that 'ICELAND' will be understood by the native English speakers defined above, as well as the public in Sweden, Denmark, the Netherlands, and Finland.

The goods and services at issue are directed at the public at large.

#### *Relevant point in time*

It is settled case law that the relevant point in time in respect of which the assessment of the claimed descriptive character or lack of distinctiveness or deceptiveness of the sign 'ICELAND' must be made is the date of filing of the EUTM. In other words, it is necessary to establish whether or not 'ICELAND' was descriptive or deceptive in relation to the contested goods and services on **19/04/2002**.

#### **Descriptiveness – Article 7(1)(c) EUTMR**

Under Article 7(1)(c) EUTMR, 'trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service, or other characteristics of the goods or service' are not to be registered.

It is settled case law that each of the grounds for refusal to register listed in Article 7(1) EUTMR is independent and requires separate examination. Moreover, it is appropriate to interpret those grounds for refusal in the light of the general interest which underlies each of them. The general interest to be taken into consideration must reflect different considerations according to the ground for refusal in question (16/09/2004, C-329/02 P, SAT/2, EU:C:2004:532, § 25).

By prohibiting the registration as EU trade marks of the signs and indications to which it refers, Article 7(1)(c) EUTMR pursues an aim which is in the public interest, namely that descriptive signs or indications relating to the characteristics of goods or services in respect of which registration is sought may be freely used by all. That provision accordingly prevents such signs and indications from being reserved to one undertaking alone because they have been registered as trade marks (23/10/2003, C-191/01 P, Doublemint, EU:C:2003:579, § 31).

According to settled case law, the signs and indications referred to in Article 7(1) (c) EUTMR are those which may serve in normal usage, from a consumer's point of view,



to designate, either directly or by reference to one of their essential characteristics, goods such as those in respect of which the contested EUTM is registered (22/06/2005, T-19/04, Paperlab, EU:T:2005:247, § 24).

In accordance with the same case law, for a sign to be caught by the prohibition set out in Article 7(1)(c) EUTMR, there must be a sufficiently direct and specific relationship between the sign and the goods in question to enable the public concerned immediately to perceive, without further thought, a description of the goods in question or one of their characteristics (22/06/2005, T-19/04, Paperlab, EU:T:2005:247, § 25).

Moreover, to be caught by Article 7(1)(c) EUTMR, it is sufficient that at least one of the possible meanings of the sign designates a characteristic of the goods concerned (11/04/2008, C-344/07 P, Focus, EU:C:2008:222, § 21).

The existence of such a relationship must be assessed, firstly, in relation to the goods covered by the contested EUTM and, secondly, in relation to the perception of the relevant public (23/10/2003, C-191/01 P, Doublemint, EU:C:2003:579, § 30).

### **General considerations concerning geographical terms**

It is in the **public interest** that signs that may serve to designate the geographical origin of goods or services remain available, not least because they may be an indication of the quality and other characteristics of the categories of goods concerned, and may also, in various ways, influence consumer preferences by, for instance, associating the goods or services with a place that may elicit a favourable response (judgments of 15/01/2015, T-197/13, MONACO, EU:T:2015:16, § 47; 25/10/2005, T-379/03, Cloppenburg, EU:T:2005:373, § 33).

The registration of geographical names as trade marks is not possible where such a geographical name is either **already famous**, or is **known for the category of goods concerned**, and is therefore **associated** with those goods or services in the mind of the relevant class of persons, or it is **reasonable to assume** that the term may, in view of the relevant public, designate the geographical origin of the category of goods and/or services concerned (judgments of 15/01/2015, T-197/13, MONACO, EU:T:2015:16, § 51; 25/10/2005, T-379/03, Cloppenburg, EU:T:2005:373, § 38).

The contested European trade mark would therefore also have to be declared invalid if, at the date of filing of the contested EUTM on 19/04/2002 (23.04.2010, C 332/09 P, Flugbörse, EU:C:2010:225, § 41), it was reasonable to expect that, in the mind of the relevant public, the indication 'ICELAND' would designate the geographical origin of the goods and services referred to above (25.10.2005, T 379/03, Cloppenburg, EU:T:2005:373, § 47).

The Cancellation Division observes that Article 7(1)(c) EUTMR envisages the cases where the geographic origin of the designated goods and services, or the place where these services are delivered, constitutes, to the relevant public, a 'characteristic' of the goods or services.

When the geographic place designated by a geographical indication is unknown to the relevant public – or the indication is unknown as the designation of a geographical location – a geographic place does not constitute a 'characteristic' of the goods or services (15.10.2003, T 295/01, Oldenburger, EU:T:2003:267, § 33).

Nor will a geographical place constitute a 'characteristic' of the goods and services when, although known to the relevant public, it will not be associated with the

geographic origin of the goods or services. This would be the case where the relevant consumer would not expect the goods and services to originate from the geographical place designated by the mark, due to its particular features (such as size or location) or the nature of the goods and services concerned (15.10.2003, T 295/01, Oldenburger, EU:T:2003:267, § 33).

However, a geographical place known to the relevant public will generally be perceived or as a rule at least be perceived in the future, by this public, as the geographic origin of the goods and services concerned, or as the place where these goods and services are delivered (04.05.1999, C 108/97 & C 109/97, Chiemsee, EU:C:1999:230, §§ 31). This will normally be the case for major geographical places or regions, as well as for countries (15.12.2011, T 377/09, Passionately Swiss, EU:T:2011:753, §§ 41-42).

Having regard to these considerations, it has to be examined in the present case whether the geographic term 'ICELAND' was, or could have been, perceived on the date of filing of the contested European Union trade mark, by the relevant public, as a descriptive indication of the geographical origin of the goods and services concerned.

This needs to be assessed, on the one hand, by reference to the understanding of the relevant public of the term 'ICELAND' and, on the other hand, by reference to the goods and services concerned (04.05.1999, C 108/97 & C 109/97, Chiemsee, EU:C:1999:230, § 32 and 15.10.2003, T 295/01, Oldenburger, EU:T:2003:267, § 34).

It is useful in this context to ask the following questions:

*1. Are any of the goods and services at issue actually being produced in Iceland?*

The applicants claim that Iceland enjoys international renown, in particular in the fields of food production, including fish and agriculture, in the field of drink production, amongst others for water and beer, in the area of literature both for the old Icelandic Sagas and contemporary Icelandic writers whose works are translated into multiple languages and are popular throughout Europe, but also in the field of industry where geothermal energy plays an important role in addition to innovation and creativity of the Icelandic people.

From the outset, it should be stated that the EUTM proprietor expressly acknowledges that ICELAND has a reputation for the following:

- As a tourist destination.
- Fish, seafood and other marine products.
- Aluminium and other metals.

Turning to the actual goods and services which are at issue here, and which broadly include domestic appliances, paper and packaging materials, stationery, books, foodstuffs, beverages, and corresponding retail services, the applicants claim that due to the exports from Iceland in all of these areas, Iceland has a reputation for these goods and services.

In this regard, the Cancellation Division would like to recall that, contrary to claims made by the EUTM proprietor, it is not necessary, for a term designating a geographical place, which is known to the relevant public, to qualify as a descriptive indication within the meaning of Article 7(1)(c) EUTMR, that the geographical place designated **is well known or reputed for the production or for the delivery of the goods and services concerned** (04.05.1999, C 108/97 & C 109/97, Chiemsee, EU:C:1999:230, §§ 29, 30).

The Cancellation Division does, however, consider it useful to make an assessment of the goods and services actually produced in Iceland and exported to the EU, on the basis of the evidence filed.

*Overview of Annex G-1: Export of goods from Iceland to EU during 1999, 2001, 2005, 2010 and 2014 (figures given are the value of exports in million Icelandic krona):*

<b>Agricultural products</b>	<b>1.014</b>	<b>1.574</b>	<b>2.179</b>	<b>4.511</b>	<b>4.765</b>
210 Salmon	132	122	658	79	297
211 Trout	41	57	96	472	1.478
212 Tilapia	-	-	-	-	7
217 Farmed cod	-	-	-	-	1
219 Other farmed fish	7	22	65	10	7
220 Horses	187	181	287	734	601
229 Other livestock	-	-	0	0	0
231 Products of horses	60	87	31	14	80
232 Products of bovine animals	32	30	49	71	101
233 Products of swine	-	-	-	0	24
234 Products of sheep	139	424	310	1.463	1.138
235 Products of mink	0	-	424	979	338
236 Products of fox	85	61	23	-	48
239 Products of other farm animals	260	338	4	2	30
240 Dairy products	34	35	28	358	202
250 Eiderdown	35	64	30	183	147
251 Seaweeds and other algae	0	153	168	81	-
299 Other agricultural products	1	0	6	65	265

<b>Manufacturing products</b>	<b>24.553</b>	<b>46.584</b>	<b>54.009</b>	<b>274.435</b>	<b>261.984</b>
310 Seafood	1.322	1.056	675	3.031	3.271
317 Confectionery	17	4	7	50	169
318 Beverages	28	66	106	142	214

Cont.	Fob value in million ISK				
	Years	1999	2001	2005	2010
319 Other food products	13	78	95	448	555
339 Animal feeds	2	1	11	64	162
340 Medicinal products	471	3.362	5.529	14.392	9.537
341 Medical products	402	913	2.657	1.538	4.003
344 Toilet and cleansing preparations	11	12	62	69	301
350 Tanned or dressed sheep skins	288	578	129	1	40
351 Other tanned or dressed furskins	7	6	39	33	29
355 Textile yarn, incl. wool tops	110	57	26	90	95
356 Textile articles	14	20	7	19	28
357 Clothing and footwear	135	121	107	143	133
359 Other leather, fur and textile articles	4	5	49	55	39
360 Aluminium and aluminium products	17.411	33.300	34.351	219.626	205.255
361 Ferro-silicon	1.615	2.730	4.182	14.655	13.756
362 Diatomite	519	687	40	1	-
363 Salt	21	25	40	12	17
364 Rock wool	95	102	97	97	168
365 Seaweed meal	124	-	-	8	-
366 Petroleum and petroleum products	0	117	1.916	3.250	5.510
367 Cryolite	41	48	21	86	32
369 Prepared additives for cements	-	-	0	-	-
370 Electronic weighing machinery	233	687	393	380	763
371 Fishing lines, cable, nets etc.	120	285	197	220	76
373 Fishtubs	170	204	226	435	703
379 Fishing equipment	144	231	86	193	203
381 Containers and wrappings	124	132	85	152	228
382 Aluminium pans	236	248	73	-	-
383 Food processing machinery	172	378	897	1.435	635
391 Plastic and rubber manufactures	62	66	95	359	584
392 Miscellaneous articles of wood	42	30	18	13	6
393 Paper and print	27	37	42	87	75
394 Metal and metal manufactures	68	28	91	7.017	10.810
399 Other manufacturing products	504	970	1.660	6.337	4.585

The extracts above contain figures showing that Iceland exports goods included in Class 29 under the headings *Meat, poultry and game* (for example 'products of sheep',

'products of other farm animals') and *milk and milk products* (for example, 'dairy products'). *Confectionery* (Class 30) is also exported to the EU from Iceland as are *beverages* (Class 32). *Agricultural products* and *animal feeds* (both Class 31) also feature.

Therefore, Annex G-1 makes it clear that at least some manufacturing, production and export of goods in Classes 29, 30, 31 and 32 has taken place in Iceland beginning at least in 1999, which is before the filing date of the contested EUTM.

In order to demonstrate the production and export of goods in Classes 7 and 11, the applicants have filed extracts from the websites of two Icelandic companies (Annexes H1-H5). The first, 'Marel' produces food processing machinery at an industrial level (ovens, fryers, portioners, skinning machines etc.). The second, 'Vaki', produces machinery used in the fishing industry in order to count and estimate the size of a catch, for example. It is clear that these two Icelandic companies produce machinery of an industrial type.

In a further round of observations filed on 02/11/2017, the applicants file more annexes to demonstrate the production and export of certain goods in Iceland. These are Annexes 2-21. It is not necessary to analyse these annexes in detail as most of the extracts filed serve to back up facts already contained in the official statistics for the export of goods from Iceland mentioned above. Briefly, these annexes contain details of Icelandic companies which produce and export manufacturing machinery, meat products, dairy products, confectionery, and beverages including beer and bottled water. Of particular interest are Annex 12, which makes reference to the production of herbs, berries and vegetables in Iceland, although these products do not appear to be exported, and Annexes 5-7 which make reference to three Icelandic companies which produce paper products. Annexes 18-21 do not cover the production of any of the goods and services at issue here.

On the basis of the figures given and the evidence provided by the applicants, the Cancellation Division finds that Iceland indeed produces and exports a range of goods in Classes 29, 30, 31 and 32, and even some products in Class 16. However, it is not persuaded by the applicants that Iceland as a country has a particular reputation for these goods. In this regard, the EUTM proprietor argues that the applicants have exaggerated or even misrepresented the reputation of Iceland as a source for goods or services. The Cancellation Division concurs with the EUTM proprietor insofar as it claims that the figures for production of many of the goods at issue are rather low and inexistent for other goods. This reinforces the conclusion that the applicants have not demonstrated a particular reputation for the goods at issue. Nevertheless, they have succeeded in demonstrating that a significant amount of the goods at issue are currently produced in and exported from Iceland to countries in the European Union.

*2. Is it reasonable to assume that Iceland will be associated in the future with the category of goods and services concerned?*

In order to answer this, the Cancellation Division finds it useful to ask the following questions:

*a) What is the public awareness of Iceland?*

From the outset, the Cancellation Division observes that Iceland is a country in the North Atlantic, 103,000 km<sup>2</sup> in size and located between Greenland and Norway. Furthermore, Iceland has longstanding links with the European Union since it has formed part of the European Economic Area since 1994 and accordingly has strong

trade ties with the European Union and other EEA countries. Iceland has for years exported multiple types of goods. In the year 2014, exports from Iceland were valued at EUR 8.5 Billion, 76.1% of which went to the EEA countries (Annex F). Geographically, it is not far from some countries of the European Union such as Ireland and the United Kingdom. It also has historical links with Denmark. These are facts presented by the applicants and which are not disputed by the proprietor. Therefore, any assertions that Iceland is not known at least throughout the European Union, if not throughout the world, seem far-fetched. Nevertheless, the applicants go to some lengths to demonstrate, beyond doubt, that the relevant public was aware of the country at the time of filing of the EUTM.

In order to prove this, the applicants file the following surveys:

- Annex B1: Survey by the Icelandic Tourist Board conducted in 1996
- Annex B2: Survey by the Icelandic Tourist Board conducted in 1998
- Annex C1: Survey by Íslandsstofa (Promote Iceland) conducted in 2015 in Denmark, France, Germany and United Kingdom.
- Annex D1: Printout from Gallup in Iceland's web site, information on their Tourist Index of September 2016.

They also file a variety of press articles about Iceland.

Two of the surveys were carried out before the filing date of the EUTM, namely in 1996 and 1998, and therefore reflect a situation which prevailed when the EUTM was filed on **19/04/2002**.

The applicants have also filed Annex 22, a report entitled 'Nation Brands 2017 – The annual report on the world's most valuable nation brands', published by 'Brand Finance'. Iceland is ranked in first position among the 10 best performing nation brands. The report says the following about Iceland:

*Iceland is the fastest growing nation brand of 2017, up 83% from last year, and may only continue to enjoy unrivalled growth in the near future. The country's tourism industry is booming and expanding its share of GOP at the expense of the traditionally dominant fishing sector. Thanks to the hit television show, Game of Thrones, which films most of its winter scenes in Iceland, the country has seen a record 1.8 million foreign visitors in 2016, up 40% from 2015. The first two months of 2017 saw a 59% increase on the same period of 2016 and the figure is expected to reach 2.4 million by the end of this year. The increase in visitors brings great financial benefits to the nation. Tourists spent US\$212 million in 2016, using credit and debit cards alone, and as the number of visitors is forecast to increase, so will the injection of money.*

Annexes 23-25 are press cuttings referring to the success of Iceland in the 2018 World Cup and other sporting events.

It can be seen from the above evidence that at the time of filing the EUTM, Iceland had a healthy tourism industry. The surveys from 1996 and 1998 demonstrate that visitors from all over the European Union had spent time in Iceland and taken away a positive image of the country, especially as regards the nature and the geography of the country, but also regarding the food and cuisine. The remaining evidence is dated after the relevant point in time, but nevertheless serves to show that an awareness of the country that was already apparent in 1996 has only increased in the meantime. Furthermore, Iceland is a country which has links to the European Union since it has

formed part of the European Economic Area since 1994 and it is not far from some countries of the European Union such as Ireland and the United Kingdom. It also has historical links with Denmark. Furthermore, Iceland conveys a certain positive image, especially regarding nature and outdoor activities. For all of these reasons, the Cancellation Division is of the opinion that at the time of filing the EUTM, Iceland was a country well known to the relevant public.

The EUTM proprietor criticises the opinion polls submitted by the applicants in order to demonstrate the positive image of Iceland. The proprietor states that the surveys are flawed methodologically and are not independent, containing leading questions. The proprietor goes on to list several events in recent years which have actually damaged Iceland's image, such as the 2010 eruptions of the Eyjafjallajökull volcano which caused a massive disruption of air travel across Europe (and further afield) for nearly a week due to the presence of volcanic ash. The proprietor also refers to the Icelandic banking collapse in 2008.

The Cancellation Division is not persuaded by the arguments of the proprietor. Without entering into whether the surveys submitted by the applicants were methodologically flawed or not, the fact remains that Iceland has and continues to receive many visitors. The proprietor itself recognises that Iceland is a popular tourist destination for people keen to explore nature. Since the intention of the Cancellation Division is to determine whether Iceland was known to the relevant public at the time of filing the EUTM, the proprietor has not succeeded in demonstrating otherwise. Furthermore, the events mentioned by the proprietor, namely the eruption of a volcano (a wholly natural event beyond anyone's control) and a banking crisis (a political and economic issue), cannot reduce the public's awareness of the country or the positive experiences had by people while visiting. If anything, these events serve to raise awareness of the country and do not detract from its positive image as a place of natural beauty.

*b) What are the characteristics of the country, in particular from an economic perspective?*

From an economic perspective, Iceland has been part of the European Economic Area (EEA) since 1994, and has strong trade ties with the European Union and other EEA countries. Iceland has for years exported multiple types of goods. In the year 2014, exports from Iceland were valued at EUR 8.5 Billion, 76.1% of which went to the EEA countries (see Annex F).

Furthermore, the applicants underline that Iceland has a booming economy with a GDP per person of around 60 000 USD in 2016. The International Monetary Fund states that the Icelandic economy is performing strongly with high growth (7.2% in 2016) (report attached as Annex 1). The Annex from the IMF also mentions GDP per capita since 2013, and it is clear that there has been a steady growth over the years.

Finally, as already mentioned above, the applicants have also filed Annex 22, a report entitled 'Nation Brands 2017 – The annual report on the world's most valuable nation brands', published by 'brand Finance'. Iceland is ranked in first position among the 10 best performing nation brands.

Although the evidence mentioned is all dated after the relevant point in time, which is 19/04/2002, it is not without relevance. A country's gross domestic product is the monetary value of all the finished goods and services produced within a country's borders in a specific time period. The applicants have demonstrated that they were producing and exporting goods from Iceland before the relevant point in time. Specific figures are given for 1999 and 2001. It is therefore perfectly reasonable to assume that

manufacturing and exporting have continued throughout the years, giving Iceland a certain economic weight as a nation. The fruits of the constant progress of the country can be seen in the position of Iceland in the publication 'Nation Brands 2017 – The annual report on the world's most valuable nation brands'.

The Cancellation Division therefore concludes that the applicants have succeeded in demonstrating that Iceland is an economically well off country and that despite a banking crisis in 2008 (after the relevant point in time), the country's economy bounced back quickly.

*The association between 'Iceland' and the goods and services*

While it is true that the Cancellation Division must, in principle, examine the relevance of the geographical indication to competitiveness by examining the link between origin and the goods and services in respect of which the trade mark has been applied for, before refusing registration under Article 7(1)(c) EUTMR, the fact remains that the importance placed on that obligation is liable to vary in accordance with a number of factors, such as scale, reputation and nature of the geographical origin in question. The likelihood that an indication of origin may influence competitiveness is, on the one hand, high where a large area known for the quality of a wide range of goods and services is at issue and, on the other, low where it is limited to a particular place the reputation of which covers only a limited number of goods or services (15/12/2011, T-377/09, *Passionately Swiss*, EU:T:2011:753, § 41).

It should be stressed that it is clear from the case law that, in circumstances such as those in the present case, where the geographical indication of origin is already known, as is the case of 'Iceland' (see the reasoning above concerning awareness and characteristics of the country), the Cancellation Division may merely confirm the existence of such an association, rather than carrying out an actual examination of the existence of the association (see, to that effect, 15/12/2011, T-377/09, *Passionately Swiss*, EU:T:2011:753, § 43).

Nevertheless, for the sake of completeness, the Cancellation Division considers it useful to carry out a closer examination of the link between the geographical term and the goods and services.

As already observed above, the relevant public generally perceives, or will as a rule at least perceive in the future, a geographical place known to it as the geographic origin of the goods and services concerned, or as the place where these services are delivered (04.05.1999, C 108/97 & C 109/97, *Chiemsee*, EU:C:1999:230, § 31). This is, in particular, the case when major geographical and economically important places such as entire countries are concerned.

On the one hand, the relevant public will know the country indicated by the sign 'Iceland'. This has been demonstrated above.

On the other hand, the contested EUTM is registered for goods and services, most of which do not bear any particular features, which would lead the relevant consumers *not* to associate the geographical indication 'Iceland' with the geographic origin of these goods and services.

Specifically, with the regard to the following foodstuffs, agricultural products and beverages:

- Class 29: *Meat, poultry and game, meat extracts; preserved, dried and boiled fruit and vegetables; jellies, jams; eggs, milk and milk products; edible oils and fats; meat and vegetable preserves; all included in class 29.*
- Class 30: *Coffee, tea, cocoa, sugar, rice, tapioca, sago, coffee substitutes; flour and preparations made from cereals, bread, pastry goods, and confectionery, edible ices; honey, treacle; yeast, baking-powder; salt, mustard; vinegar, sauces, salad sauces; spices; refreshing ice; all included in class 30.*
- Class 31: *Agricultural, horticultural and forestry and grain products, not included in other classes; fresh fruits and vegetables; seeds; natural plants and flowers; animal feeds, malt; all included in class 31.*
- Class 32: *Beers, mineral and carbonated waters and other non-alcoholic beverages; fruit drinks and fruit juices; syrups and other preparations for making beverages; all included in class 32.*

The Cancellation Division notes that it is current practice in the trade to indicate the geographical origin of foodstuffs, beverages and agricultural products. There is every reason to expect that these products might be produced in a country which has a certain level of economic importance, such as Iceland. Furthermore, the applicants have demonstrated that many of the goods listed above in Classes 29, 30, 31 and 32 are already being produced in Iceland. Even for those goods which are not currently produced in Iceland, **it is reasonable to assume** that Iceland might be associated with those goods in the future.

Furthermore, even taking account of the fact that some of the goods might not be capable of being produced in Iceland due to its climate (for example, coffee or tea), 'Iceland' may still be seen as describing goods from that country. This is because even if such goods are not grown there, they may still be processed or manufactured there, possibly in accordance with local taste or preference, with the result that the consumer will see the final product as related to Iceland.

With regard to the following domestic and electrical appliances:

- Class 7: *Dishwashers; washing machines; domestic machines; parts and fittings for all the aforesaid goods; all included in class 7.*
- Class 11: *Apparatus for heating, cooking, refrigerating, drying or ventilating; freezers, refrigerators, combined freezers and refrigerators, microwave ovens; parts and fittings for all the aforesaid goods; all included in class 11.*

'Iceland' used in connection with the above goods will merely be seen as an indication of the place of manufacturing of the goods. Given that Iceland has a large fishing and food processing industry and given the level of economic importance of Iceland, consumers will expect there to be industries which manufacture machines such as freezers and similar goods. These appliances will be used to preserve or process the fish caught, by way of an example. Furthermore, the applicants have demonstrated that some food processing and similar machinery is already being produced in Iceland and exported. Finally, it is recalled that even for those goods which are not currently produced in Iceland, **it is reasonable to assume** that Iceland might be associated with those goods in the future, taking into account the healthy economy of the country and the possibility of seeking further manufacturing opportunities in the future. To conclude with regard to these goods, they do not bear any particular features which would lead



the relevant consumers not to associate the indication 'Iceland' with the origin of the goods.

With regard to the following paper and cardboard and articles made of those materials, as well as packaging materials, stationery:

*Class 16: Paper, cardboard, paper articles, cardboard articles, wrapping and packaging materials; bags of paper or plastics, all for packaging; toilet paper, paper tissues, carrier bags, plastic bags, paper and plastic sacks; closures for bags; labels; pens and pencils; transfers; price tags and tickets and holders in the nature of envelopes; stationery; all included in class 16.*

Used in connection with the above goods, 'Iceland' will be seen as indicating the place of origin of the goods. Many of these goods are used for packaging and will be required by companies operating in many different economic sectors, especially companies operating in the agricultural and food sector, which is an important area of activity in Iceland. To conclude with regard to these goods, they do not bear any particular features which would lead the relevant consumers not to associate the indication 'Iceland' with the origin of the goods.

With regard to the remaining goods in Class 16:

*'printed matter, periodical publications'*

'Iceland', when affixed to publications, will merely be seen as referring to the subject matter of those publications, for example, a guidebook on Iceland. This also falls within the scope of prohibition laid out in Article 7(1)(c) EUTMR.

With regard to the services at issue in Class 35, namely:

*Class 35: The bringing together for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods in a supermarket; the bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods in a convenience store; the bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods in a food, drink and household supplies retail stores; the bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods in a food, drink, household supplies and household electrical appliance retail stores; the bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods in a food, drink, and household supplies retail stores; the bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods in a food, drink, household supplies and household electrical appliance retail stores, the bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods from an Internet web site specialising in the marketing of food products, drink products, household supplies and household electrical appliances; the bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods from an Internet web site (including an Internet web site being accessible via a computer, computer networks, Internet enabled mobile phones, televisions, pagers, and electronic organisers) specialising in the marketing of food products, drink products, household supplies and*

*household electrical appliances; the bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase those goods from food products, drink products, household supplies and household electrical appliances catalogue by mail order or by means of telecommunications.*

These services are retail services provided by various different means (either in actual shops or via the Internet or other means of purchasing at a distance). When 'ICELAND' is used in conjunction with these services, consumers are quite likely to perceive the sign as denoting origin from a company based or otherwise linked with Iceland, or as services originating from that country, or provided according to standards prevailing in that market.

It follows from all of the above that 'ICELAND' may serve, from the point of view of the public concerned, to designate an essential and desired characteristic of the goods and services.

Therefore, the mark conveys obvious and direct information regarding the geographical origin of the goods and services in question, and in some cases, the subject matter of the goods as well.

Considering all of the above, it follows that the link between the word 'ICELAND' and the contested goods and services is sufficiently close for the sign to fall within the scope of the prohibition laid down by Article 7(1)(c) EUTMR and Article 7(2) EUTMR and that this was also the situation at the time of filing of the contested EUTM, namely, **19/04/2002**.

Since Article 7(1) EUTMR makes it clear that it is sufficient that one of the absolute grounds for refusal listed in that provision applies for the sign at issue not to be registrable as European Union trade mark registration (28/06/2011, T-487/09, ReValue, EU:T:2011:317, § 80; 17/04/2013, T-383/10, Continental, EU:T:2013:193, § 71-72; 12/06/2013, T-598/11, Lean Performance Index, EU:T:2013:311, § 52), it is no longer necessary to consider, in the present case, the applicants' arguments alleging the breach of Article 7(1)(b) and (g) EUTMR.

### **Acquired distinctiveness**

The EUTM proprietor claims that the contested EUTM has acquired distinctive character through use.

The applicants claim that given how important it is that country names belong to the public domain, country names should not be considered as being able to acquire distinctiveness through use. The Cancellation Division would like to point out that as the law stands, it is possible to overcome an objection raised on the grounds of Article 7(1)(b), (c), or (d) EUTMR if acquired distinctiveness is proved pursuant to Article 7(3) EUTMR. There is no exception for country names.

In this case, it was incumbent upon the EUTM proprietor to demonstrate to the Cancellation Division that its EUTM had acquired distinctive character in the part of the European Union where the absolute ground for refusal arose, either before the date of filing of the mark on 19/04/2002 or between the date of registration on 09/12/2014 and the application for declaration of invalidity on 14/11/2016.

The applicants claim that the evidence filed on 21/04/2017 does not fulfil the Office's formalities requirements since no table of exhibits has been filed explaining the relevance of each exhibit and the total number of pages. The Cancellation Division would like to point out, however, that according to the 'Guidelines for Examination in the Office', Part A, General Rules p. 6, there is no need to raise a deficiency if the content of the annexes is contained in the text of the observations. In this case, the Witness Statement filed by the proprietor contains a detailed overview of the content of the exhibits.

On 21/04/2017, the EUTM proprietor filed the following evidence to prove that 'ICELAND' had acquired distinctiveness. As the EUTM proprietor requested to keep certain commercial data contained in the evidence confidential vis-à-vis third parties, the Cancellation Division will describe the evidence only in the most general terms without divulging any such data.

- Confidential Witness Statement by Mr Duncan Vaughan, Company Secretary and Legal Director of Iceland Foods Limited, dated 20 April 2017. Mr Vaughan states that the proprietor is one of the biggest supermarket chains in the UK. In addition, it has an extensive international reach. It conducts over 55 million transactions per week, employs over 22,000 people and operates in over 900 stores worldwide. The proprietor's turnover for its last financial year ending 26 March 2016 was extremely high. As well as using the contested mark, the proprietor also uses the following logo:



Mr Vaughan attaches numerous exhibits to the witness statement encompassing the following:

- A schedule of the proprietor's registered trade marks throughout the world.
- An extract from the book '*Doing it Right*' explaining how the name 'Iceland' was conceived for the supermarket. The name was based on the fact that the business sold 'frozen foods' and there was a play on 'land' (place) and 'ice' (frozen).
- Evidence regarding the floating of the business in 1984 on the London Stock Exchange. The flotation was one of the most successful in history, and was 113 times oversubscribed. Mr Vaughan points out that between 2005 and 2012, the company had Icelandic majority shareholders which proves that even Icelandic entities believed that the contested mark functioned perfectly well as a trade mark.
- Product lists dating from 1977 indicating the range of goods sold.
- Samples of packaging. In this regard, Mr Vaughan states that the proprietor has been offering the goods and services under the contested mark since 1970. The public has therefore been educated by seeing it on supermarkets, on the products and in advertising for nearly 50 years.

- Promotional and advertising materials comprising the contested mark applied to goods and services between 1977 and 2017.
- Internal documents distributed to and used by salespersons to show the range for sale and for distribution to other countries.
- Information on the proprietor's loyalty card scheme and the number of subscribers.
- Information about the proprietor's main website, [www.iceland.co.uk](http://www.iceland.co.uk), which was registered prior to August 1996. Printouts from the 'Way Back Machine' showing use of the contested mark on the main website at various points since 2002 and up to June 2016.
- Information on the proprietor's international websites such as [www.iceland.ie](http://www.iceland.ie), [www.iceland.com.mt](http://www.iceland.com.mt), [www.iceland.es](http://www.iceland.es). Mr Vaughan states that the proprietor's retail and distribution network reaches more than 2,000 stores worldwide. Printouts are enclosed from the international and UK websites showing the mark 'Iceland' on a variety of foodstuffs and beverages.
- Internet search report, dated between 1 September 2013 and 1 September 2014, demonstrating that the majority of people searching for the proprietor online simply search for the term 'Iceland' and not 'Iceland food' or 'Iceland groceries'. This proves that most people understand that they are searching for 'Iceland' the food store and not Iceland the country.
- Sample invoices of sales of stock made in Greece, Germany, the Czech Republic, Cyprus, Spain, Romania, Malta and Ireland, dated between 2011 and 2017. In the UK, the proprietor's turnover for the year ending 25 March 2016 was extremely high operating in 884 stores, and very high operating in the Republic of Ireland in 13 stores.
- UK turnover figures for the years 2004-2016 are given but will not be disclosed for reasons of confidentiality.
- The proprietor's sales revenues for Europe (and Iceland) are for the years 2012-2017 are given but will not be disclosed for reasons of confidentiality.
- A list of the countries all over the world where the proprietor trades under the contested mark. The countries within the European Union where the proprietor has stores are:

Cyprus  
The Czech Republic  
Germany  
Greece  
Ireland

Malta  
Portugal  
Romania  
Spain

It is also worth noting that the proprietor has 3 franchise stores in the Reykjavik area of Iceland.

- Evidence of expenditure on advertising, marketing, and promotion of the contested mark between 2004 and 2016. The figures will not be disclosed for confidentiality reasons. It is unclear whether the expenditure only relates to the UK or to other countries.
- The proprietor has invested considerably in advertising, promotional events, store decoration, charitable sponsorships, sponsoring well-known television programmes and events to amplify the public's knowledge of and familiarity with the contested mark. The proprietor uses all sorts of media to promote its mark and the marketing expenditure for the fiscal years 2004 to 2016 are given but will not be disclosed for reasons of confidentiality.
- Examples of corporate literature bearing the contested mark and distributed throughout the EU. This includes letterheads, business cards, promotional leaflets, invoices etc.
- A list of stores throughout the EU.
- A selection of store fronts and delivery vans/lorries bearing the contested mark.
- A selection of product packaging bearing the contested mark.
- A table showing the historical media coverage for the contested mark:
- A selection of advertising and press articles appearing in major print publications in the UK and Ireland such as The Daily Mirror, Good Food, The Daily Mail or Daily Express.
- A sample of press advertisements placed in publications outside of the UK, including in France and Spain.
- A copy of the proprietor's media scheduling for 2002 and 2006-2010 and examples of the proprietor's TV advertising from 2007-2016.
- Information on celebrity endorsements used to promote the contested mark and its business including TV and press advertisements featuring Kerry Katona, Coleen Nolan, Jason Donovan and Peter Andre, mainly in appearing in the media in the UK.

- Information on television programme sponsorship mainly in the UK. The proprietor sponsored some of the most successful programmes on television, including a deal to sponsor the reality show 'I'm a Celebrity...Get Me Out Of Here' from 2006 until 2014. Each episode had an average of 10.5 million viewers.
- The proprietor uses social media to promote its goods and services, for example Facebook, which bears the contested mark. On 13 April 2017, the proprietor's Facebook page had 487,013 likes from Facebook users from countries all over the world. The proprietor also has a Twitter account and a YouTube channel.
- Euro 2016: the proprietor achieved high levels of awareness in both social and conventional media by entering into an agreement with the Icelandic national football team. This was 'tongue in cheek' advertising because it was so unlikely that anyone would consider the proprietor to originate from or be part of the country of Iceland.
- Examples of specific advertising campaigns are giving where the proprietor has taken a strong position on a particular issue, for example, the proprietor is committed to the principles of sustainability in seafood sourcing and has a 'Fish and Seafood Sustainability and Welfare Policy' for suppliers.
- List of events and exhibitions attended by the proprietor, mainly in the United Kingdom.
- List of the charities the proprietor has donated to.
- A list of awards and third party recognition of the proprietor. For example, the proprietor is consistently ranked as one of the 'consumer superbrands' by the independent website [www.rankingthebrands.com](http://www.rankingthebrands.com). Numerous other awards are listed given by independent organisations and in recognition of customer satisfaction with the proprietor, of its successful advertising and marketing campaigns, and of the quality of the service provided.

On 27/03/2018, the EUTM proprietor also filed the following evidence (Annexes 1-2 and Annex 8 are expressly marked as confidential):

- Annex 1: PowerPoint regarding survey about public awareness of the EUTM proprietor's brand and what it means.
- Annex 2: PowerPoint regarding survey about public awareness of the EUTM proprietor's brand and what it means.
- Annex 3 Excel spreadsheet containing details of new stores opened in the EU (outside of the UK). Notably, there are 12 stores in the Republic of Ireland, 3 stores in Malta and no stores in Sweden, Denmark, Finland or the Netherlands.

- Annex 4: Evidence of use of the 'ICELAND' EUTM on various products.
- Annex 5: Details of sales of electrical appliances by the EUTM proprietor.
- Annex 6: A selection of press cuttings from 2016-2018 which refer to the EUTM proprietor using the 'ICELAND' EUTM.
- Annex 7: A selection of screenshots and press releases from the EUTM proprietor's website.
- Annex 8: Non-English language invoices relating to marketing of the EUTM proprietor's brand in the EU (and outside of the UK)

### **Assessment of the evidence of acquired distinctiveness**

In establishing acquired distinctiveness, account may be taken of, inter alia, the following **factors**:

- the market share held by the mark with regard to the relevant goods or services;
- how intensive, geographically widespread and long-standing use of the mark has been;
- the amount invested by the undertaking in promoting the mark for the relevant goods or services;
- the proportion of the relevant public who, because of the mark, identifies the goods or services as originating from a particular undertaking.

See judgments of 04/05/1999, C-108/97 and C-109/97, Chiemsee, EU:C:1999:230, § 31; 29/09/2010, T-378/07, Représentation d'un tracteur en rouge, noir et gris, § 32.

The EUTM proprietor has filed abundant evidence in order to prove the acquired distinctiveness of the word 'Iceland' in connection with the goods at issue in Classes 7, 11, 16, 29, 30, 31 and 32 and the services in Class 35. The Cancellation Division is satisfied that the contested EUTM acquired distinctiveness before the date of filing pursuant to Article 7(3) EUTMR in the United Kingdom and Ireland in connection with most of the goods in Classes 29, 30, 31 and 32, and the services in Class 35. It is clear that the contested EUTM has been put to extensive use in the aforementioned territories since the early 1970's when the EUTM proprietor began trading under the mark 'Iceland'. The proprietor has demonstrated that it has developed a wide network of supermarkets in the UK and, to a lesser extent, Ireland and that it markets its own foodstuffs (frozen) and beverages under the 'Iceland' trade mark. The investment made in advertising and promoting the 'Iceland' brand in the United Kingdom and Ireland is considerable and the proprietor has demonstrated that it has undertaken innovative advertising campaigns in the national press and on television which have led to the brand obtaining the position of one of the best known supermarket chains in the United Kingdom and Ireland. The EUTM proprietor has filed a selection of articles published in national newspapers and magazines which have very high circulation figures. The proprietor has also been on the receiving end of numerous awards. The proprietor is also very active on social media, as demonstrated by its presence on Facebook and

Twitter. Finally, the proprietor's turnover figures for the United Kingdom and Ireland are high. All of this leads the Cancellation Division to the inevitable conclusion that in the United Kingdom and Ireland, the mark 'Iceland' will indeed be associated by at least a significant proportion of the relevant section of the public as identifying the products or services concerned as originating from a particular undertaking because of the trade mark (judgment of 15/12/2015, T-262/04, Briquet à Pierre, EU:T:2005:463, § 61 and the case law cited therein).

There is, however, very little evidence of use of the contested mark in Malta (a territory where English is an official language). The proprietor operates three franchises in Malta and there is evidence of a website for Malta. However there is no evidence of the awareness of the mark in Malta, which could have been demonstrated by multiple means, such as surveys, press articles, advertisements, expenditure on marketing or statements by third parties. Furthermore, the EUTM proprietor has filed no evidence at all for Sweden, Denmark, the Netherlands, and Finland, territories where 'Iceland' will also be understood, as defined at the beginning of the decision. The Cancellation Division would like to recall that the acquisition of distinctive character through use must be proven for the part of the European Union in which the trade mark concerned did not **initially** have such character.

It must also be recalled that the EUTM proprietor did not provide any arguments rebutting the applicants' assertion that evidence should be provided for Denmark, Sweden, Finland and the Netherlands, except for saying the following:

*'The issue of whether an EUTM proprietor is required to demonstrate acquired distinctiveness in all parts of the EU or only a part – and in particular whether lack of evidence in smaller member states such as Malta should result in a lack of protection – is currently being considered by the CJEU in the pending case of C-84/17 Kit Kat (appeal from T-112/13 Société des produits Nestlé v Mondelez UK Holdings & Services). **It should be noted that in that case the Office's own position is that it should not be necessary to show proof in all parts of the EU.***

The sentence in bold, put forward by the proprietor, seems to be a reference to the fact that when examining the issue of acquired distinctiveness of a mark and the territory of use, it is possible in certain cases to extrapolate from selective evidence in order to draw broader conclusions. As a result, evidence showing distinctiveness acquired through use in certain Member States can be used to make inferences with regard to the market situation in other Member States not covered by the evidence.

Extrapolation is possible where the following two conditions are met.

- The market is homogeneous (i.e. the area where acquired distinctiveness is proven and the area where evidence is extrapolated): market conditions and consumer habits have to be comparable. Consequently, it is particularly important that the applicant submits data concerning the size of the market, its own market share and, if possible, that of its main competitors, as well as its marketing expenses. The Office can only extrapolate the results from one territory to another if all the data is comparable. For instance, in the case of surveys covering only some Member States, the applicant will have to demonstrate that the Member States' markets covered by the surveys are comparable to those of the other Member States and that the results of the surveys can be extrapolated (judgment of 24/02/2016, T-411/14, Shape of a bottle (3D), EU:T:2016:94, § 80).



- At least some evidence of use is submitted for the area where the evidence is extrapolated. Therefore, where the EUTM is used in the entire relevant territory but most of the evidence only refers to part of it, inference is possible if the circumstances are comparable and some evidence of use in another part/other parts of the relevant territory is submitted.

The conditions required in order to extrapolate conclusions from evidence of acquired distinctiveness are clear. In this case, as concerns Sweden, Denmark, the Netherlands, or Finland, the second condition referred to above has not been met. The EUTM proprietor's brand has no presence whatsoever on the market in Sweden, Denmark, the Netherlands, or Finland. Since these conditions are cumulative, where one has not been fulfilled, it is not necessary to examine the other. As regards Malta, while some evidence of use has been provided, acquired distinctiveness has not been obtained in that territory. It is not necessary to consider the first condition for extrapolation mentioned above with regards to Malta since even if extrapolation could be done, the lack of any evidence of use in the territories of Sweden, Denmark, the Netherlands, or Finland would remain unresolved.

Consequently, the EUTM proprietor has failed to prove that the contested EUTM 'Iceland' has acquired distinctive character through the use which has been made of it in all of the relevant territories.

## **Conclusion**

In the light of the above, the Cancellation Division concludes that the application is totally successful and the European Union trade mark should be declared invalid for all the contested goods and services.

## **COSTS**

According to Article 109(1) EUTMR, the losing party in cancellation proceedings must bear the fees and costs incurred by the other party.

Since the EUTM proprietor is the losing party, it must bear the cancellation fee as well as the costs incurred by the applicants in the course of these proceedings.

According to Article 109(1) and (7) EUTMR and Article 18(1)(c)(ii) EUTMIR, the costs to be paid to the applicant are the cancellation fee and the costs of representation, which are to be fixed on the basis of the maximum rate set therein.



## **The Cancellation Division**

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Lucinda CARNEY

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According to Article 67 EUTMR, any party adversely affected by this decision has a right to appeal against this decision. According to Article 68 EUTMR, notice of appeal must be filed in writing at the Office within two months of the date of notification of this decision. It must be filed in the language of the proceedings in which the decision subject to appeal was taken. Furthermore, a written statement of the grounds of appeal must be filed within four months of the same date. The notice of appeal will be deemed to be filed only when the appeal fee of EUR 720 has been paid.