



JONES DAY  
**COMMENTARY**

## TRADEMARK MARKING IN EUROPE: WHAT SYMBOLS TO USE AND WHEN

The use of symbols to designate trademarks (registered and unregistered) signals product quality to customers and distinguishes goods and/or services from those of competitors. Symbols frequently used in connection with trademarks and brand names are ®, ™, or ℠. These indications, however, have their origins in Anglo-American legal systems and may be less common in other European countries. In Germany, for example, the indications “*Schutzmarke*,” “*Marke ges. gesch.*,” or “*Wz.*” are used, while in France, you can sometimes see the indication “*Marque déposée*” in association with a trademark.

While commonly used, there is a danger that trademark marking could constitute a misleading advertisement under the different national laws in Europe. Whether or not to include a marking symbol or reference should, therefore, be assessed carefully on a case-by-case basis.

Internationally, ® is generally perceived to mean “Registered” or “Registered Trademark” and to indicate an existing trademark registration. The same applies to indications in certain European languages, such as the German “*Schutzmarke*,” or the older “*Wz.*,” which is short for “*Warenzeichen*,” the old German word for “trademark,” or the French “*Marque déposée*.” Use of the indications ™ to denote a trademark and ℠ to denote a service mark, although common in the United States (™ and ℠) and the United Kingdom (™), is less common in other European countries, for example in Germany, meaning that their use could be ambiguous outside the anglophone systems. Indeed, even use of the more common ® could create misconceptions among the relevant consumers.

We analyze below the issues that apply to trademark marking on a pan-EU level, principally in relation to misleading advertisements, and then on a national basis, with a focus on the three key European markets of Germany, the United Kingdom, and France.

## ACROSS THE EUROPEAN UNION

**Misleading Advertisements.** Can false trademark marking constitute a misleading advertisement? There is some guidance on a pan-EU basis, as all EU member states must implement and apply the European Directives on misleading and comparative advertising 85/450/EEC (September 1984) and 2006/114/EC (December 2006). In general, misleading advertisements are unlawful in all EU member states, taking into account all the features of the advertisement, and in particular of any information it contains concerning the nature, attributes, and rights of the advertiser, such as ownership of intellectual property rights (Art. 3 (c) Directive 2006/114/EC).

EU Directives are often implemented into national law and are then construed by the respective national courts. So, while the base provisions of the Directive are the same, there is no set interpretation that would apply across the EU. It is, however, of pan-EU applicability that advertisers should take care with trademark marking to ensure that they do not create an advertisement that could mislead the consumer as to the ownership of intellectual property rights, for example marking a trademark as registered when in fact it is not.

**Trademark Marking and the Principle of Free Movement of Goods.** One feature is common to all EU member states. As stated above, it is reasonable to conclude that an incorrect use of ® in the territory of an EU member state could constitute misleading advertising under the national law of each EU member state. The result could be that the distribution of goods with incorrect trademark marking could be prohibited on a national basis in the respective EU member state. Such a national prohibition, however, could conflict with the principle of free movement of goods within the EU.

The EU functions as a single market, and the principle of free movement of goods is one of the “four freedoms” of that single market. This means that quotas and “measures having equivalent effect” are prohibited (Art. 34 Treaty of the Functioning of the European Union, “TFEU”). Case law of the highest court in the EU, the European Court of Justice (“ECJ”), has addressed what measures have “equivalent

effect” and how they affect trade within the EU. Relevant to this *Commentary*, the ECJ case law has addressed false trademark marking.

Based on a request for a preliminary ruling by the Regional Court of Munich, Germany, in the case of *Pall Corp. v P. J. Dahlhausen & Co.* (Case C-238/89, December 13, 1990), the ECJ addressed the question whether the principle of free movement of goods could prevail over national trademark and misleading advertising law. In the *Pall/Dahlhausen* case, goods produced and marked in Italy and then distributed in Germany bore the indication ® next to the trademark MIROPORE. The trademark was not registered in Germany. Under the German unfair competition law applicable at that time, this should have been regarded as a deceptive advertisement. The ECJ, however, concluded that a provision under national unfair competition law that prohibited the distribution of products in one member state was a quantitative restriction (a “quota” or “measure having equivalent effect”). The principle of free movement of goods, therefore, prevails over, and renders unenforceable, a national provision on unfair competition, which enables a company to prohibit the marketing of a product bearing the ® symbol next to the trademark, where the trademark is registered in another EU member state but not the member state in question.

The conclusion drawn by trademark practitioners across the EU from the *Pall/Dahlhausen* case is that ® can be used next to a trademark in the EU where there is a valid trademark registration at least in *one* EU member state.

## GERMANY

Unlike in the U.S., where for example the failure to use ® once a mark is registered could result in the loss of certain rights to recover profits or money damages for the trademark owner, German trademark law does not provide for any obligation to use indications such as ®, ™, or equivalent German language indications next to trademarks, and there are generally no specific rights granted when using any of these markings.

Consumers in Germany do see indications such as ® and ™ and understand that they present more information on trademarks status, as these indications have become more common over the time. Still, German consumers may not fully appreciate the actual scope and meaning of these indications. There is always a risk for trademark owners that the consumers might not understand the proper meaning and get the wrong idea about an existing trademark.

An untruthful or deceptive indication of the existence or the scope of a trademark could constitute an act of misleading advertising under §§ 3, 5 para. 1 sentence 2 no. 3 of the German Act Against Unfair Competition (“UWG”). The German courts tend to apply the UWG strictly. Therefore, any advertisement, indication, or information that is published needs to be true and unambiguous. Any information that might deceive or mislead the potential customer in Germany should be avoided. The legal consequences of a relevant deception under German unfair competition law include injunctions with immediate effect and/or claims for damages.

**Misconception as to Territory.** From the German perspective, using the additional indication ® may be problematic if there is no German national trademark registration. German consumers might think that the indication ® not only points toward an existing registration somewhere in the world, but to a German national registration when it is used in relation to a trademark in Germany. Whether or not this is the case needs to be assessed on a case-by-case basis.

As explained above, the ECJ has decided that the principle of free movement of goods has to be observed in case of trade within the EU single market.

Nevertheless, problems may still arise when goods are imported into Germany from outside the EU. Here, there is no movement of goods within the EU single market, just the import of goods into Germany, so the principle of the free movement of goods does not apply. In this case, using the ® symbol with a trademark without a German national trademark registration could still be unlawful under German unfair competition law and could result in the prohibition of marketing and distribution in Germany. Under certain

circumstances, deception can be avoided through the use of other explicit information provided on, or in relation to, the marked goods, or in the advertisement for the goods. This information should clearly indicate that the indication ® points only toward a foreign trademark registration, as emphasized in a decision of the Higher Regional Court of Cologne of November 27, 2009, Case 6 U 114/09–Medisoft®. Alternatively, in the U.S., the use of ® in connection with a trademark not registered in the United States is excused if the mark is registered in another country that allows the use of the ® symbol.

If the consumer wrongly assumes, by virtue of the use of the ® symbol, that a trademark registration exists in Germany, the use of the ® symbol generally constitutes a relevant deception and, therefore, is unlawful under German unfair competition law. Therefore, ® or “Registered Trademark” should not be used in Germany before a registration certificate for a trademark has been issued by the German Patent and Trademark Office, even where the trademark application has already been submitted and is pending for registration. It should be noted that the Higher Regional Court of Munich is of a different opinion where imminent registration is expected, and the registration is actually effected as advertised (decision of November 28, 1996, Case 6 U 2682/96).

**Misconception as to the Scope of Protection.** It is not only an offense under German unfair competition law to represent falsely that a mark is a registered trademark, but also to represent falsely as to the goods or services for which a trademark is registered (decision of the Higher Regional Court of Dusseldorf of March 21, 1996, Case 2 U 120/95).

Similarly, where the ® symbol is used with regard to a combination trademark, but only one part of the mark is actually a registered trademark and the ® symbol does not clearly point only to the registered part, this may cause a misconception that could result in a relevant deception under unfair competition law (decision of the Federal Patent Court of January 15, 1992, Case 29 W (pat) 133/89–Royals®).

**Use of ® and ™.** According to U.S. practice, ™ refers to a nonregistered trademark. If ™ is used on a product on the German market, it is unclear whether German consumers would associate any meaning to the marking ™. While the ® symbol is generally known by German consumers, the ™ (or ™<sup>SM</sup>) symbols are not. Nor can it be assumed that German consumers understand and know that unregistered trademarks are marked this way in the Anglo-American system. There are two possible results. First, on the plus side, some German consumers may only see a decorative element, without any further meaning, in these symbols, so there is no deception (decision of the Regional Court of Essen of June 4, 2003, Case 44 O 18/03). On the negative side, however, others could be convinced that the symbols ™ or ™<sup>SM</sup> have a similar meaning to the symbol ® and, therefore, also refer to a registered right. This could constitute a relevant misconception and deception under German unfair competition law (decision of Regional Court of Munich I of July 23, 2003, Case 1 HK O 1755/03).

Trademark owners should carefully consider whether or not to use the symbols ™ or ™<sup>SM</sup> on the German market. In most cases, it seems advisable not to use the symbols on the German market to avoid the use being deemed unlawful under German unfair competition law.

**Misconception as to Ownership.** A person who is not the registered owner (or has the registered owner's permission) but who uses the ® symbol in connection with a trademark is likely to deceive consumers unlawfully (decision of the Federal Court of Justice of February 26, 2009, Case I ZR 219/06–Thermoroll).

**What is a Relevant Misconception?** The misconception and deception need to be relevant to constitute an infringement of unfair competition law. A misconception or deception is relevant if it can affect competition in the market, especially where it manipulates the informed purchase decision of a consumer. However, German case law shows that only in exceptional cases can relevance be a successful defense.

**Closing Statement from a German Perspective.** False trademark marking may constitute a misleading advertisement under German law. Each advertisement has to be

assessed on a case-by-case basis. Where there is a relevant deception, the misleading advertising will be regarded as unlawful under German unfair competition law, with strict legal consequences. Similarly, under U.S. law, misuse of the ® symbol is a form of false advertising so as to bar registration or proceeding with an infringement case.

The most severe consequence in Germany is an immediate injunction and prohibition on distribution, as only rarely will the courts allow deadlines for running off existing stock. A preliminary injunction can be obtained *ex parte* and can be granted within a few hours of presentation of the case to the court. Preliminary relief can be sought by competitors and also by organizations with rights under German unfair competition law, such as consumer agencies and brand owner organizations.

Claims for damages are possible, but damages payments are usually rather low, if granted at all, since the causation between damage and the action is normally difficult for the claimant to prove.

## UNITED KINGDOM

In the UK, the word “registered” in relation to a trademark or the ® symbol or, where that symbol is not available, the abbreviation “RTM” (for Registered Trademark) is used to indicate that a trademark is registered.

It is a criminal offense under section 95 of the Trade Marks Act 1994, punishable by a fine on conviction, falsely to represent that a trademark is registered. Registration can be anywhere in the world and is not limited to registrations in the UK or Europe. Therefore, use of the ® symbol or “RTM” should be restricted to trademarks that are registered somewhere in the world and should not be used where registration has been applied for but has been refused or is pending grant.

Where a registered trademark is used under a license from the proprietor of the registered mark, a written statement that the “trademark”® is used under license of the registered proprietor is frequently used but is not required by law.

**Misconception as to Territory.** The use, in the UK, of the word “registered,” ®, “RTM,” or any other word, symbol, or reference that implies that the trademark is registered, is deemed to be a representation as to registration of a UK trademark under the Trade Marks Act 1994 under section 95(2) of that Act. This is the case unless it is shown that the reference is to registration other than in the UK, and that the trademark is in fact registered for the relevant goods and services.

As to whether the reference requires some indication on the face of it that the registration is somewhere other than the UK, or whether it is sufficient that the reference is consistent with registration somewhere other than the UK, it has been held that the latter is the true construction of the statute and that this is consistent with the decision in *Pall Corp. v P. J. Dahlhausen & Co*, mentioned above (*Second Sight Ltd v Novell UK Ltd and Novell Inc.* [1995] R.P.C. 423).

**Misconceptions as to Scope of Protection.** It is an offense under section 95(1)(b) to make a false representation as to the goods or services for which a trademark is registered.

**Use of ™.** The symbol ™ has no legal significance in the UK but is occasionally used as an indication of trademark use. It can be used whether a trademark is registered or unregistered and is usually used to indicate that a trademark has brand significance.

**Closing Statement from a UK Perspective.** The use of any word, symbol, or reference that represents that a trademark is registered, such as ®, “RTM,” or “registered,” should not be used, except in relation to a trademark registered somewhere in the world. It is also a criminal offense to imply that a trademark is registered in relation to goods and services that are outside the scope of registered protection. A false representation is punishable by a fine on conviction. It may also affect a claim in passing off or a claim that a mark has become distinctive through use. According to the equitable principle of *ex turpi causa non oritur actio*, that neither law nor equity assists a wholly fraudulent trade, where a claimant has used his mark either fraudulently or deceptively, he cannot succeed in any action for the use of his trademark.

## FRANCE

Similar to the situation applicable in Germany, the use of the symbols ™ or ® in addition to a brand name has no legal effect *per se* in France. Likewise, the use of the French termination “*Marque déposée*” (“Filed Trademark”) has no specific legal consequences and is not compulsory in France. However, these symbols are commonly used in France and are generally understood as indicating to a consumer or to a competitor that a trademark is registered or in the course of being registered. It should be noted that there are only few cases in which the use of ™ or ® was contested.

Using the symbols ™ or ® on the French market in association with a denomination/logo that is not registered as a trademark in France may fall under the scope of tort law and unfair competition law (article 1382 of the French Civil Code). Although no case law has yet—to our knowledge—addressed this issue, a court may also find that the use of the symbols ™ or ® amounts to misleading advertisement pursuant to article L. 121-1 of the French Consumer Code. Nevertheless, one should note that, due to the strict requirements of these provisions, it is quite unlikely that a judge would apply them should the use by a company of the symbols ™ or ® not be carried out in conjunction with other misleading acts.

Since the principle of free movement of goods has to be respected in France, the use of a trademark associated with the symbols ™ or ® affixed on intracommunity products when said trademark is registered in at least one member state should not be challenged. Alternatively, with respect to products or services imported from outside the EU, the use of said symbols may constitute an infringement of French law.

### **Deceiving the Consumer under Unfair Competition Law.**

French law prohibits *wrongful* acts. To determine whether or not an act is wrongful, French judges notably take into account the company’s intent to deceive consumers. In light of the aforesaid, one may wonder whether affixing on products a denomination/logo associated with the symbol ®, when such denomination/logo is not actually registered in France, deceives the consumer and as a consequence amounts to unfair competition. This is precisely the question

French judges had to deal with in a case dated December 16, 1992 (*cf.* Paris Tribunal of First Instance, December 16, 1992). The court held that the use of the symbol ® for a denomination that was not registered in France deceived French consumers with regard to the scope of protection of such denomination. However, it is important to note that in this case, the denomination was also associated with the mention “*Marque déposée*,” which obviously was taken into consideration by the judges to rule that it led the public to believe that this symbol/denomination was duly filed in France. The court further considered that the fact that said trademark was registered in Turkey was irrelevant on the ground of the principle of territoriality of trademark rights.

**Misleading Advertising.** The EU misleading advertising provisions have been implemented into French national law in articles L. 121-1 *et. seq.* of the French Consumer Code. These articles have a very broad scope and prohibit passing-off practices in general, including misleading advertising. In addition, advertising itself is also broadly defined by French courts. Indeed, according to the French Supreme Court, a mere packaging on which a trademark is affixed shall be considered as an advertisement (*cf.* Supreme Court, Criminal Chamber, October 19, 2004). The above-mentioned provisions prohibit any commercial practice based on “any allegations, indications or representations that would be false or likely to deceive” the consumer regarding “the existence, the availability or the nature of the product or service” at stake. Although to our knowledge no case law has been rendered on this specific issue, one may wonder whether the use of the symbol ® in conjunction with a trademark that is not registered in France could deceive the consumer and thus amount to a passing-off practice. Obviously, such behavior would be assessed on a case-by-case basis, and it is likely that a French judge would be reluctant to sanction such mention *per se*, unless the claimant is in a position to show evidence of additional facts corroborating the argument that the consumer is being deceived by such mention. Nevertheless, in the absence of a clean line in case law on this issue, one should be cautious.

While the lawful character of the use of the symbol ® in association with a denomination/logo that is not registered in France is questionable, the use of the symbol ™ shall not raise any issue (unless, of course, it is used in violation of third parties’ right or for a generic term) since it is probable that it will not be understood by French consumers. Indeed, the symbol ™ only indicates to the public that said denomination/logo is used on the market as a trademark and evidences the intention of its owner to identify such denomination/logo as a trademark.

**The Use of the Symbols ™ or ® as a Shield Against Revocation.** As provided for by the Trademark Directive 2008/95 (implemented in the French Intellectual Property Code under article L. 714-6), “a trademark shall be liable to revocation if, after the date on which it was registered, (a) in consequence of acts or inactivity of the proprietor, it has become the common name in the trade for a product or service in respect of which it was registered.” Indeed, the success of a product marketed under a trademark can lead to a situation where the trademark does not designate the origin of the product and its manufacturer anymore but a category of product or a product. It is said in this situation that the trademark has become generic. Examples of trademarks that have become generic in France are numerous (*e.g.*, Pina Colada, Vintage, Latex). In order to prevent trademarks from becoming generic, one may recommend trademark owners to accompany the use of such exposed trademarks with the mention “*Marque déposée*,” the symbol ™, or, when applicable, the symbol ®. Although those symbols have no legal effect *per se* in France, such use might nevertheless be taken into account by a judge when establishing the trademark owners’ intention to use the denomination/logo as a trademark and not as a generic term (*cf.* Paris Tribunal of First Instance, November 9, 2007). Such evidence will be especially useful against professionals or competitors who are deemed to know and understand the reference to the symbols ™ or ®.

Considering the above, it might also be important for a trademark owner to pay close attention to the use by third parties of its trademarks. In that respect, one may consider, for instance, requesting publishers, writers, journalists, or dictionaries (despite their natural reluctance) to systematically refer to the trademarks at stake accompanied with the symbols ™ or ®.

Note that in France, the dilution of a trademark—resulting in its cancellation—has to be pronounced by a court and is never automatic. It should be further noted that even though the mention of the symbols ™ or ® may help the trademark owner to protect its right, this mention is not sufficient (*cf.* Paris Tribunal of First Instance, October 29, 1997). Indeed, the behavior of the owner of the trademark itself shall be taken into consideration. In order to avoid dilution, it must remind the public frequently that the denomination/logo at stake is, in fact, a registered trademark and must fight against infringement or abusive use of its trademark.

## LAWYER CONTACTS

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