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SIPO held to have committed procedural violation during provisional refusal phase

Examination/opposition

National procedures

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On May 13 2014 the **Slovenian Intellectual Property Office** (SIPO) granted protection, in new proceedings, to the international trademark LIGHT RADIO for a restricted list of goods compared to those originally claimed (Decision No 31212-1346/2011-11), following a decision by the Administrative Court that a significant violation of the administrative procedure provisions had occurred during the provisional refusal phase.

In July 2011 **Alcatel Lucent** (France) applied to register the international word mark LIGHT RADIO (International Registration 1087293) for goods in Class 9 of the **Nice Classification**, namely "telecommunication apparatus, equipment and software". The mark designated several countries, including Slovenia.

In November 2011 SIPO issued a provisional refusal of the mark on the grounds that:

- it was devoid of any distinctive character;
- it deceived the public, in particular as to the nature, quality or geographical origin of the goods; and
- it served, in the course of trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin or time of production of the goods, or other characteristics of the goods.

SIPO invited Alcatel to respond to the refusal. However, SIPO did not provide any specific reasons for the provisional refusal - that is:

- it did not specify which part of the sign was allegedly devoid of any distinctive character and why (nor did it state that the sign as a whole was devoid of any distinctive character);
- it did not explain which characteristics of the goods were allegedly designated by the mark and why; and
- it did not provide reasons for the alleged deceptive nature of the mark.

In its response, Alcatel defended its mark by attempting to guess SIPO's reasons for provisionally

refusing the mark. Based on these assumptions, the following substantial arguments were set forward in favour of the registration of the mark:

- The mark did not designate any characteristic of the claimed goods. Despite the literal translation of the mark in the Slovenian language as 'lightweight radio' or 'radio receiver with a light', the mark did not designate radio sets, but a system of communication devices creating a wireless network. The mark's literal translation was not common in the Slovenian language.
- The public could not be deceived by the mark because consumers would not perceive LIGHT RADIO as the designation of a radio receiver with a low weight or a light, but as a trade name of the product.
- The uncommonness of the phrase 'light radio' in the Slovenian language ensured that the mark had sufficient distinctive character. Additionally, Alcatel's system bearing the sign lightRadio™ was introduced on the market in February 2011, creating immediate public interest worldwide and forming a close association between the sign and Alcatel.
- OHIM had no objections on absolute grounds to applications containing the word 'radio' for goods in Class 9 (eg, ACTIVE RADIO (CTM 10173433) and AQUA RADIO (CTM 10456184)) and allowed their registration.

In May 2012 SIPO refused the mark for "telecommunication apparatus and equipment" but granted protection to the mark for "software". SIPO did not raise the ground of alleged deceptiveness; however, it still held that the mark was devoid of any distinctive character because it had a meaning in the Slovenian language and lacked distinctive figurative elements. Further, SIPO considered the mark to be descriptive for radios (which fall within the category of "telecommunication apparatus and equipment") because radios with lights were available on the market. Therefore, according to SIPO, the mark served only as a designation of specific goods.

In July 2012 Alcatel filed an administrative action before the Administrative Court contesting the part of SIPO's decision that refused to register the mark for "telecommunication apparatus and equipment". It argued that SIPO should have revealed the concrete reasons for the refusal of the mark (eg, the existence of radios with lights on the market) before issuing the final decision, so that Alcatel could have commented on these reasons or limited the list of goods so as to exclude "radio sets" in order to avoid the refusal of the mark for all telecommunication apparatus and equipment. According to Alcatel, merely stating the relevant provisions of the **Slovenian Industrial Property Act** in the provisional refusal was contrary to the **Common Regulations under the Madrid Agreement Concerning the International Registration of Marks and the Protocol Relating to that Agreement**, which provide that each notification of provisional refusal should contain or indicate all the grounds on which the provisional refusal is based, together with a reference to the corresponding essential provisions of the law. Alcatel argued that SIPO had breached its duty to enable it to protect and enforce its rights in the best possible way.

SIPO claimed that Alcatel:

- must have known about the reasons for refusal, because it had commented on them in detail in the response to the provisional refusal; and
- was not entitled to complain about the lack of reasons for refusal in the administrative dispute, because it had not raised this issue before the contested decision was issued.

The Administrative Court followed Alcatel's argumentation, set aside SIPO's decision refusing the mark for "telecommunication apparatus and equipment" and remitted the case back to SIPO for further determination (Judgment No I U 998/2012, June 27 2013). The court held that SIPO had violated the administrative procedure provisions - that is, it had breached its duty to enable Alcatel to comment on the facts and circumstances relevant to the decision. Further, the court took the view that Alcatel was entitled to plead before the court that the provisional refusal was deficient, despite having already commented on the (assumed) reasons for refusal in its response to the provisional refusal.

Upon receipt of the judgment, Alcatel requested that **WIPO** record the restriction of the goods for Slovenia as follows: "telecommunication apparatus, equipment and software, except radio sets", in order to avoid another refusal for all telecommunication apparatus and equipment, and informed SIPO of such restriction.

In new proceedings, SIPO granted protection to the mark for the restricted list of goods.

The case revealed a deficiency in the Slovenian trademark examination procedure, as SIPO failed to provide specific facts and reasons for its provisional refusal. However, since this administrative dispute was initiated, SIPO has improved its practice and has begun to provide concrete reasons for provisional refusals.

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