

# “Welcome return to common sense” in ECJ’s *F1* judgment

In *Formula One Licensing BV v OHIM* (Case C-196/11 P, May 24 2012), the ECJ set aside a decision of the General Court, holding that the latter did not have jurisdiction to question the validity of a national trademark used to oppose the registration of a CTM.

The General Court had upheld a decision refusing an opposition filed by Formula One Licensing BV against an application to register the mark F1 LIVE in Classes 16, 38 and 41. The opposition was based on, among other things, the earlier word mark F1, protected by an international registration covering Denmark, France, Germany, Hungary, Italy and Spain.

The General Court had noted that the mere fact that the

earlier word mark had been registered as a national or international trademark did not prevent it from being largely descriptive. The court had concluded that the relevant public would perceive the ‘F1’ element in the mark applied for not as a distinctive element, but rather as “an element with a descriptive function”. Therefore, there was no likelihood of confusion between the marks.

On appeal, the ECJ found that the General Court’s characterisation of a sign as descriptive or generic was essentially equivalent to denying its distinctive character. Therefore, the court had called into question the validity of the earlier mark in proceedings for registration of a CTM and its judgment was vitiated by an

error in law.

Hastings Guise of Field Fisher Waterhouse explains: “Formula One Licensing had been left in a very difficult place by the General Court judgment, which essentially held that third parties could register trademarks which contained the element ‘F1’ where it might be perceived as referring descriptively to Formula 1 racing... The judgment raised serious questions about the reliability of registered rights and undermined the legislative provision that a registered right in enforcement proceedings must be considered valid unless challenged by way of a cancellation action.”

According to Guise, the ECJ’s judgment is thus “a welcome return to common sense”. He

continues: “The underlying principle behind registered rights is to allow the acquisition and recordal of enforceable rights that can then be relied upon without the need to re-examine the basis of the right on each occasion... The ECJ judgment reaffirms this principle and is good news for trademark owners and trademark practitioners alike.”

Herbert Smith’s Mark Shillito and Sarah Burke agree: “In this judgment, the ECJ is effectively affirming the value of national trademarks. It is clear that having a registered national trademark may prove useful in any subsequent third-party oppositions involving CTMs. While the protection offered by CTMs is broader, national trademarks should not be discounted as an option in filing strategies.”

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