

## CANCELLATION No 40 840 C (INVALIDITY)

**Inter Ikea Systems B.V.**, Olof Palmestraat 1, 2616 LN Delft, Netherlands and **Ikea B.V.**, Laan van Decima 1, 2031CX Haarlem, Netherlands (applicants hereinafter 'the applicant'), represented by **Brinkhof**, Grote Bickersstraat 74-78, 1013 KS Amsterdam, Netherlands (professional representative)

a g a i n s t

**Ledar GmbH**, Spitzahornweg 1, 14974 Ludwigsfelde OT Genshagen, Germany (IR holder), represented by **Josine van Den Berg**, Herengracht 450, 1017CA Amsterdam, Netherlands (professional representative).

On 07/10/2021, the Cancellation Division takes the following

### DECISION

1. The application for a declaration of invalidity is rejected in its entirety.
2. The applicant bears the costs, fixed at EUR 450.

### REASONS

On 21/01/2020, the applicant filed a request for a declaration of invalidity against the European Union designation of international trade mark registration No 1 281 207 'ledar' (word mark) (the IR), filed on 04/11/2015 and registered on 08/11/2016 with a priority date of 29/07/2015. The request is directed against all the goods and services covered by the international registration, namely:

Class 11: *Lighting and lighting reflectors; parts and fittings of all the aforesaid goods, included in this class.*

Class 35: *Wholesale services in relation to lighting; retail services in relation to lighting.*

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

### SUMMARY OF THE PARTIES' ARGUMENTS

The **applicant** explained that it was part of the Inter IKEA Group and submitted a brief summary of the company activities and its trade mark registrations. The IKEA franchisees had started public use of the sign 'LEDARE' for lighting in September 2010. 'LEDARE' had been introduced in Germany by 2011. After the introduction of these goods in the market, exposure of 'LEDARE' had been increased. Indeed, a global campaign to highlight 'LEDARE' lighting products had been launched in 2013. This had included a specialised marketing campaign named 'Ein Licht für eine bessere Zukunft' in Germany in 2014.

The original applicant of the contested IR was Ledino GmbH. On 31/03/2016, the contested IR had been transferred from Ledino GmbH to the Ledar GmbH (founded on 19/11/2015). The use of the contested IR had started only after its transfer.

An online search for the company Ledar GmbH did not provide any information on any current activities of the company or even its existence as the Google search showed that the company was 'Permanently Closed'. Ledar GmbH was closely connected to Ledino GmbH and Ledino Deutschland GmbH: the directors and proprietors of Ledar GmbH were also the directors and proprietors of Ledino GmbH and Ledino Deutschland GmbH, and the three companies were currently located at the same address.

IKEA Deutschland and Ledino GmbH had already faced each other in long-lasting litigation proceedings in Germany, revolving around trade mark infringement in the field of lighting. In 2009, court proceedings started between Dr.-Ing. Sieger Electronic Messgeräte & Componenten GmbH and IKEA Deutschland in Germany and came to an end in 2019. In the warning letter of 15/12/2008, Dr.-Ing. Sieger Electronic Messgeräte & Componenten GmbH had claimed that the use by IKEA Deutschland of the sign 'LEDING' for certain lighting products had infringed its German national trade mark registration 'LEDINO' (which had been transferred to Ledino GmbH on 21/12/2010). A request for an interim injunction against IKEA Deutschland's use of 'LEDING' had been filed before the Berlin District Court on 13/01/2009.

The Hamburg District Court had finally decided, in the decision dated 14/07/2011, that IKEA Deutschland was prohibited from using the sign 'LEDING' for lighting. IKEA Deutschland then appealed the Hamburg District Court decision before the Hamburg Higher District Court. However, the appeal had been finally rejected on 25/02/2016. As a consequence of the German national procedural law, IKEA Deutschland had had to request permission to appeal the Hamburg Higher District Court's decision before the Federal Supreme Court. This permission had been denied on 15/12/2016, leading to the end of the proceedings on the substantive infringement.

Based on the above, there is no doubt that Ledino GmbH had been fully aware of the activities of IKEA Deutschland (and therefore Inter IKEA) in the field of lighting since 2008 (i.e. the start of German litigation proceedings), but if not, at least since December 2010 (i.e. transfer of the German trade mark registration 'LEDINO' to Ledino GmbH). Since Ledar GmbH, Ledino GmbH and Ledino Deutschland GmbH were all closely connected, Ledar GmbH should also be deemed to have been aware of all activities of the Inter IKEA Group and/or the IKEA franchisees in the field of lighting.

The applicant further claimed that the contested mark was descriptive for the goods and services for which it had been registered and, as such, lacked any distinctive character. The contested mark was aimed at professional consumers as the IR holder focused on trade with professional traders and professional users. These professional users were familiar with the common terms used in the lighting industry. The contested IR was a compound mark that comprised the elements 'LED' and 'AR'. In the context of lighting and illumination, the abbreviation 'LED' was a commonly used word to describe a certain technology of lighting, namely: light emitting diode. The word 'AR' stands for 'aluminum reflection' and was the designation for a connection between the fitting or socket of the lamp to the fixture of the lamp. The letters were often followed by a number that indicated the diameter in millimeters.

The descriptive nature of the words 'LED' and 'AR' in relation to lighting had also caused the combination to be customary for lighting. A search on Google for the combination of the words 'LED' and 'AR' showed that the combination of these words was common in

the field of lighting. The examples of the use of 'LED' and 'AR' also showed that the sign had become and was currently customary in the field of lighting.

Ledino GmbH had been present for more than 25 years in the market of lighting before it had filed for the contested IR. At the time of designation of the EU, the IKEA franchisees had been clearly present throughout Europe, but especially in the German market. Once the IKEA franchisees had started using the 'LEDARE' marked lighting products in late 2010, this use had been immediately known by all third parties in the German and European markets. This had become even more evident after the marketing of the LEDARE-, and also LEDING-branded lighting products had intensified in the years following their initial release. Furthermore, due to the nature of the litigation proceedings between Ledino GmbH and IKEA Deutschland, which also had revolved around signs for lighting products, it was obvious that Ledino GmbH had monitored the use of signs for lighting products by Inter IKEA Group and/or IKEA franchisees. On that basis, Ledino GmbH filed the contested IR with knowledge that at least IKEA Deutschland had been using the sign 'LEDARE' for lighting products with the sole intention of blocking the use of the sign 'LEDARE' and with the probable eventual goal of creating leverage for a financial claim towards the Inter IKEA Group and/or IKEA franchisees.

At the time of designation of the EU by Ledino GmbH, it had not been making use of any sign similar to the contested IR that could have needed protection. This was confirmed by the lack of the presence of the sign in the catalogue of years 2015 and 2016 (Annex 36). The contested sign had been only put into use after Ledar GmbH had become aware of Inter IKEA Group's and/or IKEA franchisees' use of 'LEDARE'.

The acquisition of the contested IR by Ledar GmbH had also been made in bad faith. Considering the very close connection between Ledino GmbH and Ledar GmbH, the bad faith of Ledino GmbH, and also the short time span between the filing of the contested international registration by Ledino GmbH and the subsequent transfer to Ledar GmbH, the bad faith of Ledino GmbH were attributable to Ledar GmbH.

In support to its arguments, the applicant filed the following evidence.

Annex 1. Overview of current IKEA stores in Germany.

Annex 2. Overview of Interbrand Best Brands rankings 2009-2019.

Annex 3. Overview of brand rankings of IKEA in 2007-2019.

Annex 4. Overview of German brand rankings for IKEA in 2012-2013.

Annex 5 (a-f). Overview of IKEA annual summaries for Inter IKEA's fiscal years 2011-2016.

Annex 6. Examples of invoices for the purchase of packaging for IKEA 'LEDARE' products, dated 11/03/2010.

Annex 7. Example of a newsletter of IKEA Netherlands of February 2011 in which the IKEA 'LEDARE' products are promoted, as well as a screenshot from the Wayback Machine dated 26/04/2011, which shows that, on 26/04/2012, 'LEDARE' lamps were offered for sale online on [www.ikea.com/nl](http://www.ikea.com/nl).

Annex 8. Screenshots from the Wayback Machine dated 05/04/2011, showing use of the sign 'LEDARE' in Germany. In particular, it shows that 'LEDARE' lamps were offered for sale online on [www.ikea.com/de](http://www.ikea.com/de).

Annex 9. Press kit for the 2014 IKEA LED campaign, including use of the sign 'LEDARE'. The document is written in German.

Annex 10. Screenshots from the websites [www.ledino.de](http://www.ledino.de) and [www.ledino.com](http://www.ledino.com).

Annex 11. Extract from the German company registry for Ledino GmbH.

Annex 12. Extract from the German company registry for Ledar GmbH.

Annex 13. Screenshots from Google and Bing of search results for 'Ledar GmbH'.

Annex 14. Extract from the German company registry for Ledino Deutschland GmbH.

Annex 15. Photos of product packaging for a 'LEDARC'-branded product.

Annex 16. Copy of Ledino's online brochure for 2018-2019.

Annex 17. Screenshot of the Ledar GmbH profile on the social network website Facebook.

Annex 18. Examples of use of the sign 'LEDAR' by Ledino GmbH.

Annex 19. Warning letter from Dr.-Ing. Sieger Electronic Messgeräte & Komponenten GmbH to IKEA Deutschland GmbH & Co.KG.

Annex 20. Decision of the District Court of Berlin of 16/01/2009.

Annex 21. Decision of the Higher District Court of Berlin of 13/02/2009.

Annex 22. Printout of the German trade mark registry (DPMA), showing the transfer of the German trade mark No 30 363 373 'LEDINO' to Ledino GmbH on 21/12/2010.

Annex 23. Decision of the District Court of Hamburg of 14/07/2011.

Annex 24. Decision of the Higher District Court of Hamburg of 25/02/2016.

Annex 25. Application for the international registration No 1 281 207 for 'LEDAR' by Ledino GmbH.

Annex 26. Copy of the registry recordal of the transfer of the international registration No 1 281 207 'LEDAR' from Ledino GmbH to Ledar GmbH on 31/03/2016.

Annex 27. Decision of the Higher District Court of München of 12/06/2019.

Annex 28. Copy of Northwave's research report, dated 17/01/2020.

Annex 29. Article from *BusinessWire*, dated 03/09/2019, on the European Union (EU) ban of inefficient lighting.

Annex 30. Decision of the EUIPO of 24/11/2011, regarding the refusal of the trade mark application No 10 150 522 'LEDRAY' for products in Class 11.

Annex 31. Screenshots from the blog [1000bulbs.com](http://1000bulbs.com), titled 'Your Guide to Light Bulb Shapes: AR Shapes', explaining AR-shaped light bulbs.

Annex 32. Printouts from three websites with references to AR LED lamps.

Annex 33. Results from a Google search for 'LED AR' and printouts from various websites that show examples of use of 'LED AR' for lighting.

Annex 34. Printouts from various websites that show examples of use of 'AR LED' for lighting.

Annex 35. Screenshots from the Wayback Machine for the German IKEA website showing the simultaneous offering of 'LEDARE'- and 'LEDING'-branded products within the 'Lighting category'.

Annex 36. Copy of Ledino GmbH's online brochure for 2015 and 2016. On 31/08/2020, the applicant provided further evidence to support its previous arguments as to the descriptive character of the term 'AR' included in the contested mark.

Annex 37. Printouts from various websites from various EU territories that show examples of the use of 'LED and 'AR' in relation to lighting products.

Annex 38. Printouts from various websites from various EU territories that show examples of the use of 'LED AR' in relation to lighting products (improved version of Annex 33).

Annex 39. Decision of 08/09/2011, R 710/2011-1, ARCLITE.

Annex 40. Printouts from three websites of lighting specialists with definitions of LED.

Annex 41. Affidavit signed on 26/08/2020 by Mr.E, Business leader Lighting and Home Electronics of IKEA of Sweden AB. It states that the Inter IKEA Group and/or the IKEA franchisees have been using the item name 'LEDARE' for LED lighting products for a very long time.

Annex 42. Various affidavits signed by representatives of IKEA franchisees for the following territories: (a) United Kingdom, (b) France, (c) Germany, (d) Sweden, (e) Belgium, (f) the Netherlands and (g) Italy. They refer, inter alia, to the promotion and distribution of LED products bearing the 'LEDARE' product name in those territories.

The **IR holder** confirmed the existence of litigation proceedings between its affiliate Ledino GmbH and the applicant, due to the sale of lamps under the sign 'LEDING', while Ledino GmbH held exclusive rights with respect to the German trade mark 'LEDINO' and stated that also two legal proceedings had been initiated in which it claimed that the applicant was infringing the trade mark 'LEDAR' by trading LED lamps under the sign 'LEDARE'.

It argued that lighting apparatus and installations and light bulbs were everyday products and consequently the relevant public was composed of the general public in the European Union. 'LEDAR', as such, was a fanciful word as it did not have a meaning in any official EU language. It agreed with the definitions of 'LED' provided by the applicant. However, the term 'AR' did not have a meaning that was immediately perceived by the relevant public as providing information about the relevant goods and services. The meaning of the word 'LEDAR' was unknown to the public, since the elements had lost their independent positions as well as their possible meanings. It was therefore not descriptive of any of the characteristics of the goods or services.

The applicant had only argued that 'LEDAR' lacked any distinctive character by stating that the IR was descriptive and had not given any additional arguments that supported that conclusion. Therefore, the application had to be rejected as far as it was based on Article 7(1)(b) EUTMR.

Moreover, the applicant stated that 'LEDAR' had become a common term for lighting, without substantiating that statement with valid arguments, but instead with mere references to several annexes. Therefore, the application should also be rejected in this regard.

The applicant had not proved any relevant prior use nor reputation of the trade mark 'LEDARE' and Ledino GmbH had had no knowledge of prior use by IKEA at the time of application of the contested IR, nor were there any other specific circumstances that showed bad faith on its part. The later acquisition by Ledar GmbH of the international registration in 2019 cannot, in any circumstance, lead to the *ab initio* invalidity of the international registration.

The international registration 'LEDAR' had been acquired for pure commercial logic. The products sold under the 'LEDARC' and 'LEDAR' marks had been advertised on the Ledino Deutschland GmbH website for years. They had been sold almost exclusively through online retailers, specialist lighting shops and DIY stores. Prior to the introduction of the 'LEDAR' brand, lightening fixtures had been marketed by Ledino Deutschland GmbH under the 'LEDISIS' brand, which had been filed as a EUTM on 30/08/2011. When the terrorist group known as the Islamic State in Iraq and Syria (ISIS) gained notoriety, the Ledino group had looked for an alternative for its 'LEDISIS' brand. After having researched the online trade mark registries for potential obstacles, Ledino GmbH had decided to first register 'LEDAR', derived from the name 'LEDARC' it wished to acquire from Naber GmbH, as a replacement for 'LEDISIS'. Consequently, the applicant's claim based on Article 59(1)(b) EUTMR should be dismissed.

On 06/11/2020, the **applicant** filed the following evidence in support to its previous arguments:

Annex 43. Statement of Prof. Raynham, dated 04/11/2020, on the meaning of the terms 'LED', 'ARC' and 'AR'.

Annex 44. Statement from the Nederlandse Stichting voor Verlichtingskunde (NSVV) on the meaning of the terms 'LED' and 'AR', written in Dutch and translated into English.

Annex 45. Copy of an email from the customer service of the German lighting online shop Lampenwelt.de, in German.

Annex 46. Copy of an email from the press office of the German lighting organisation Licht.de, in German.

Annex 47. Affidavits on behalf of IKEA franchisees in Poland and Spain on the presence of these companies throughout the EU in 2010-2020, where it is stated that the products with the 'LEDARE' product name have been marketed in those territories.

On 09/11/2020, the **IR holder** basically reiterated its previous arguments. In particular, that the evidence provided by the applicant clearly showed that the word 'AR' did not have a clear meaning in relation to the relevant goods and services. From standard dictionaries, it followed that 'AR' had multiple meanings as an abbreviation but none related to lighting. Moreover, it contested that the alleged prior use of the sign 'LEDARE' by IKEA Deutschland had been known by Ledino GmbH.

In support of its arguments, it filed the following evidence:

Annexes 1 and 2: printouts from IKEA website.

Annex 3: printout with information on the EUTM No 10 228 211 'LEDISIS'.

Annex 4: decision of the Frankfurt Court of 29/10/2020 in case 2-03 0 477/19, written in German and translated into English, referring to German trade mark registration No 302 015 047 788.

In reply, the **applicant** rejected the IR holder's arguments. Firstly, it claimed that the decision of the Frankfurt Court referred to by the IR holder did not make any remarks with regard to the contested international registration. Moreover, part of the evidence submitted by the applicant in these proceedings had not been submitted before the Frankfurt Court and, therefore, that decision had no relevance for these proceedings.

The contested international registration would not be considered as LE+DAR. Considering the very widely known meaning of the term LED in relation to lighting, the public would immediately recognise this part of the contested IR. As regards, Article 7(1)(b) and (d) EUTMR, the applicant reiterated mainly its previous allegations.

Moreover, the applicant insisted that the prior use of the signs 'LEDARE' was by the IKEA franchisees and refuted all the IR holder's arguments in that regard. It pointed out that the IR holder had not provided any evidence on the true intentions of Ledino GmbH at the time of filing of the contested IR and at the time of its transfer. The sequence of events as purported by Ledar GmbH did not explain the alleged motive for a 'requirement' for rebranding. The alleged need to move away from the former 'LEDISIS' mark because of the growing strength of the terrorist group ISIS would have arisen in June 2014, so Ledino should have looked for alternatives at that time. Five years had passed before Ledar GmbH acquired the EUTM No 10 150 506 'LEDARC' despite that apparent imminent need for rebranding. At the time of the acquisition of the contested international registration, which, according to the IR holder, had been inspired by the EUTM 'LEDARC', the latter was still owned by Naber GmbH and, moreover, still in the grace period for use. The real reason for the application of the contested IR by Ledino Deutschland GmbH and the subsequent acquisition of the sign by Ledar GmbH was to block use of the product name 'LEDARE' by the IKEA franchisees.

In support to its arguments, the applicant filed the following further evidence:

Annex 48. Overview of EUTM registrations containing 'LEDAR'.

Annex 49. Screenshots from the Wayback Machine, with an explanation on the actual date of the screenshot.

On 20/05/2021, in its final observations, the **IR holder** mainly reiterated its previous arguments.

#### **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 European Union trade mark, 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).

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).

#### *Relevant point of time*

The date of designation of the EU is 04/11/2015, with a priority date of 29/07/2015. Therefore, the relevant point in time for which the assessment of the claimed descriptive, non-distinctive and customary character of the sign must be made is 04/11/2015 and also 29/07/2015.

#### *Relevant public*

The contested mark is the word mark 'LEDAR' registered for *lighting and lighting reflectors; parts and fittings of all the aforesaid goods, included in this class in Class 11 and wholesale services in relation to lighting; retail services in relation to lighting in Class 35*.

The applicant argues that the relevant public is the professional public. However, as the IR holder points out, in light of the nature of the relevant goods and services, the relevant public includes both the professional public and the public at large.

According to the applicant, the contested mark is composed of the words 'LED' and 'AR', which are commonly used words in the lighting industry. 'LED' describes a certain technology of lighting, namely light emitting diode, whereas 'AR' is an abbreviation for the English words 'aluminum reflection' which designate the connection between the fitting or socket of the lamp to the fixture of the lamp.

The contested mark contains terms that are used throughout the European Union. The evidence submitted by the applicant refers to the meaning of the elements that compose



the contested international registration in the languages of the largest EU member states. However, as the applicant referred to the term 'AR' as an abbreviation for the English words 'aluminum reflection', the Cancellation Division considers it appropriate to assess firstly whether the contested IR has been registered contrary to the provisions of Article 7 EUTMR with regard to the English-speaking consumer.

### **DESCRIPTIVENESS – ARTICLE 7(1)(c) EUTMR**

Article 7(1)(c) EUTMR prohibits the registration of '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'.

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 for which registration is sought may be freely used by all. That provision 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 and services such as those for which registration of a mark is sought (22/06/2005, T-19/04, Paperlab, EU:T:2005:247, § 24).

According to 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 and/or services in question to enable the public concerned immediately to perceive, without further thought, a description of the goods and/or services in question or one of their characteristics (22/06/2005, T-19/04, Paperlab, EU:T:2005:247, § 25). Moreover, in order to be caught by Article 7(1)(c) EUTMR, it is not necessary that the signs and indications composing the mark actually be in use at the time of the application for registration in a way that is descriptive but it is sufficient that such signs and indications could be used for such purposes. A sign must therefore be refused registration under that provision if at least one of its possible meanings designates a characteristic of the goods or services concerned. It is sufficient that at least one of the possible meanings of a word sign designates a characteristic of the goods concerned (23/10/2003, C-191/01 P, Doublemint, EU:C:2003:579, § 32).

The existence of the abovementioned relationship must be assessed, first, in relation to the goods or services for which registration of the sign is sought and, second, in relation to the perception of the section of the public targeted, which is composed of the consumers of those goods or services (27/11/2003, T-348/02, Quick, EU:T:2003:318, § 29).

Article 95(1) EUTMR, second sentence, explicitly states that in invalidity proceedings pursuant to Article 59 EUTMR, the Office will limit its examination to the grounds and arguments submitted by the parties. The contested mark enjoys a presumption of validity and it is for the invalidity applicant to invoke before the Office the specific facts that call the validity of a trade mark into question (13/09/2013, T-320/10, Castel, EU:T:2013:424, § 27-29).

Consequently, the Office will examine the facts in accordance with Article 95(1) EUTMR, second sentence, within the scope of factual submissions made by the applicant for the declaration of invalidity (13/09/2013, T-320/10, Castel, EU:T:2013:424, § 28). In doing so, it may take into consideration obvious and well-known facts. However, it will not go beyond the grounds and arguments submitted by the applicant for the declaration of invalidity.

The applicant argues that the contested sign 'LEDAR' is descriptive of the goods and services as it is composed of two descriptive terms and the combination of both does not amount to an unusual variation that creates an impression that is sufficiently far removed from the combination of the meanings of these elements.

According to online *Collins English Dictionary*, the word 'LED', which the international registration contains, has, inter alia, the following meanings:

LED: abbreviation for light-emitting diode: a diode of semiconductor material, such as gallium arsenide, that emits light when a forward bias is applied, the colour depending on the semiconductor material. (information extracted from *Collins English Dictionary* on 23/09/2021 at <https://www.collinsdictionary.com/dictionary/english/led>).

In *Collins English Dictionary*, there is no reference to the word 'AR' as the abbreviation for 'aluminum reflection'.

However, the applicant filed a statement from Prof. Raynham (Annex 43) on the term AR, which notes that

AR stands for aluminised reflector and is the designation used for lamps which control their distribution light using a reflector that is aluminised. For clarification, usually these reflectors are made from either aluminium or aluminised materials (e.g. plastic). The term seems to have originated in North America, whilst in many other regions the term mirror or multifaceted reflector (MR) was used initially. However, over the years lamp names around the world have harmonized and the product type AR111 is common in all markets. The term AR is defined in the ANSI documents and is used to refer to a particular set of lamp types based around tungsten halogen or LED sources. The AR111 is a very common lamp type, made by many manufactures and listed on a number of their web sites. Therefore, in my view, the term AR is commonly used in the field of lighting as a reference to aluminised reflectors.

The applicant also provided a statement from a representative of the Nederlandse Stichting voor Verlichtingskunde (NSVV) (Annex 44) where it stated that 'In the light world AR is often used for aluminium reflectors'. Moreover, it filed a printout from the blog 1000bulbs.com, titled 'Your Guide to Light Bulb Shapes: AR Shapes' (Annex 31), explaining AR-shaped light bulbs.

The Cancellation Division is satisfied that these words also had this meaning at the time of designation of the EU by the holder, namely on 04/11/2015 and also at the date of priority, namely 29/07/2015.

According to this evidence, the term 'AR' will not be perceived as descriptive for the general public. Only the professional consumers may perceive the meaning of 'AR' as related to a particular type of lamp sets based around tungsten halogen or LED sources.

The applicant argues that since both the terms 'LED' and 'AR' are descriptive, the contested mark 'LEDAR' is also descriptive in relation to the relevant goods and services. In support of these arguments, the applicant filed printouts from Google search with the results for 'led ar' as well as printouts from various websites that show examples of use of the words 'LED AR' and 'AR LED' for lighting (Annexes 32-34 and 37-38).

The IR holder agrees with the meaning of the term 'LED'. However, it holds that the term 'AR' does not have a specific meaning in relation to the relevant goods and services in the field of lighting. It argues that 'LEDAR' is a fanciful term as it is more than the sum of its parts and is a combination of terms that does not follow the usual English grammar rules. Indeed, the word 'LEDAR' will not be considered to be a combination of 'LED + AR', but, applying the correct rules, of LE + DAR. In the combination 'LEDAR', the pronunciation of the letter 'E' will be [e] or [i] whereas in the word 'LED', it will be [ɛ]. As a consequence of the pronunciation, the relevant consumer will not perceive it as a word that starts with a separate element LED.

The Office concurs with the IR holder's argument that the relevant public's perception of the mark as a descriptive indication at the time of designation of the EU (including the priority date) has not been proved.

The evidence provided by the applicant is manifestly insufficient to prove that the relevant public would perceive the sign 'LEDAR' as descriptive in relation to the relevant goods and services. Indeed, the evidence filed by the applicant only refers to the terms 'LED' and 'AR' written separately but not as a unique term. Moreover, the evidence reveals that the terms 'LED' and 'AR' are always used accompanied by a number, such as 70 or 111, and generally by the word 'lamp' or 'reflector' (or equivalents in other languages), which are indeed the terms that serve to specify the nature of the products these words refer to. In addition, part of the evidence shows the use of the terms 'LED' and 'AR' written in a different order (Annex 34).

The Cancellation Division also agrees with the IR holder's argument that the word 'LEDAR' is fanciful. This word 'LEDAR' will be pronounced by the relevant public as /le-dar/ and as a consequence of this pronunciation, the public will not perceive it as a word that starts with a separate element LED, but rather as a neologism. The combination 'LEDAR' creates an impression that is sufficiently far removed from that produced by the mere combination of meanings lent by the elements of which it is composed, where the elements have lost their independent positions as well as their possible meanings.

For the sake of completeness, the same conclusions can be reached as to the other part of the public within the European Union who understands the meaning of the words 'LED' and 'AR'. Even if, for this part of the public, the meaning of the words 'LED' and 'AR' is the same as those described above, the applicant has not provided enough evidence as to the descriptive character of the sign 'LEDAR' in relation to this part of the public at the time of designation of the EU (including the date of priority).

Consequently, the international registration has not been registered contrary to Article 7(1)(c) EUTMR in relation to the contested goods and services.

The applicant refers to various previous decisions of the Office to support its view (Annexes 30 and 39), namely, to the refusal of EUTM No 10 150 522 'LEDRAY' as well as IR No 1 046 917 'ARCLITE' for, inter alia, goods in Class 11. However, according to settled case-law decisions concerning registration of a sign as a European Union trade mark that the Office is called on to take under Regulation 2017/1001 are adopted in the exercise of circumscribed powers and are not a matter of discretion. Accordingly, the legality of the decisions of the Office must be assessed solely on the basis of that

regulation, as interpreted by the EU judicature, and not on the basis of a previous decision-making practice of the Office (15/09/2005, C-37/03 P, BioID, EU:C:2005:547, § 47).

The Office is under a duty to exercise its powers in accordance with the general principles of European Union law, such as the principle of equal treatment and the principle of sound administration. In the light of those two principles, the Office must, when examining an application for registration of a EUTM, take into account the decisions already taken in respect of similar applications and consider with special care whether it should decide in the same way or not. That said, the way in which the principles of equal treatment and sound administration are applied must be consistent with respect for legality. Consequently, a person who files an application for registration of a sign as a trade mark cannot rely, to their advantage and in order to secure an identical decision, on a possibly unlawful act committed to the benefit of someone else.

Moreover, for reasons of legal certainty and, indeed, of sound administration, the examination of any trade mark application must be stringent and full, in order to prevent trade marks from being improperly registered. That examination must be undertaken in each individual case. The registration of a sign as a mark depends on specific criteria, which are applicable in the factual circumstances of the particular case and the purpose of which is to ascertain whether the sign at issue is caught by a ground for refusal (10/03/2011, C-51/10 P, 1000, EU:C:2011:139, § 73-77).

The decisions quoted by the applicant cannot have any impact on the outcome of this decision as it concerns signs either including a totally different element, namely 'RAY' or forming a completely different word, 'ARCLITE', which were considered descriptive in relation to the relevant goods.

#### **NON-DISTINCTIVENESS – ARTICLE 7(1)(b) EUTMR**

According to case-law, the signs referred to in Article 7(1)(b) EUTMR are signs which are regarded as being incapable of performing the essential function of an individual trade mark, namely that of identifying the commercial origin of the goods or services, thus enabling the consumer who acquired them to repeat the experience if it proves to be positive, or to avoid it if it proves to be negative, on the occasion of a subsequent acquisition (27/02/2002, T-79/00, Lite, EU:T:2002:42, § 26).

The distinctive character of a trade mark must be assessed, first, in relation to the goods or services for which registration of the sign is sought and, second, in relation to the perception of the section of the public targeted, which is composed of the consumers of those goods or services (27/11/2003, T-348/02, Quick, EU:T:2003:318, § 29).

The applicant's arguments regarding the lack of distinctiveness of the contested mark are the same as those mentioned above and they are based on the assumption that the sign is descriptive. However, as seen above, it cannot be concluded that the contested sign is descriptive for the abovementioned goods and services. Therefore, no lack of distinctiveness of the contested mark can be affirmed on account of its alleged descriptiveness as regards those goods. The applicant has not provided any other arguments or evidence for the lack of distinctiveness of the contested mark.

Consequently, the application must be rejected insofar as it is based on Article 59(1)(a) EUTMR in conjunction with Article 7(1)(b) EUTMR.

**CUSTOMARY CHARACTER – ARTICLE 7(1)(d) EUTMR**

Pursuant to Article 7(1)(d) EUTMR, a sign that consists exclusively of a sign or indication which has become customary in the current language or in the bona fide and established trade practices cannot be registered as a trade mark.

The assessment of the alleged customary use of a sign must be carried out in relation to the goods or services for which the trade mark is registered and in relation to the relevant public's perception of the sign (16/03/2006, T-322/03, *Weisse Seiten*, EU:T:2006:87, § 49). In addition, actual customary use, not mere potential use as in the case of descriptive character, must be established. Marks covered by Article 7(1)(d) EUTMR are excluded from registration not on the basis that they are descriptive, but on the basis of current usage in trade sectors covering trade in the relevant goods or services (16/03/2006, T-322/03, *Weisse Seiten*, EU:T:2006:87, § 51).

The applicant provided examples of the results of a Google search (Annexes 33, 37 and 38) of the words 'LED' and 'AR', written separately, that is, as two words and not as a unique term. Moreover, the terms 'LED' and 'AR' appear mostly in a different order as 'AR LED' and in combination with other numbers and words, such as 111, lamp or equivalents in other languages. The mere fact that the combination of words 'LED' and 'AR', written separately, had been used in the context of the registered goods in Class 11 is not sufficient to conclude that the contested mark 'LEDAR' has a customary character.

Moreover, a mark will not be regarded as customary purely for the simple reason that competitors also use the sign in question. It is necessary to demonstrate that the relevant consumer has been exposed to the mark in a non-trade mark context and that, as a result, they recognise its customary significance vis-à-vis the relevant goods and services.

The arguments and evidence provided by the applicant do not demonstrate that the sign 'LEDAR' had, at the time of designation of the EU, nor at the date of priority, become customary in the current language or in the bona fide and established practices of the trade to designate the contested goods and services.

The applicant has not provided any other arguments or evidence to prove that the contested sign, as registered, consists exclusively of a sign or indication which has become customary in the current language or in the bona fide and established trade practices.

Consequently, the application must be rejected insofar as it was based on Article 59(1)(a) EUTMR in conjunction with Article 7(1)(d) EUTMR.

**Conclusion**

In light of all the above, the Cancellation Division concludes that the mark does not (and did not at the time of designation of the EU by the holder, nor at the date of priority) fall within the scope of the prohibition laid down by Article 7(1)(b), (c) or (d) EUTMR. Therefore, the application must be rejected insofar as it is based on Article 59(1)(a) EUTMR in conjunction with Article 7(1)(b), (c) and (d) EUTMR.

**ABSOLUTE GROUNDS FOR INVALIDITY – ARTICLE 59(1)(b) EUTMR****General principles**

Article 59(1)(b) EUTMR provides that a European Union trade mark will be declared invalid where the applicant was acting in bad faith when it filed the application for the trade mark.

There is no precise legal definition of the term ‘bad faith’, which is open to various interpretations. Bad faith is a subjective state based on the applicant’s intentions when filing a European Union trade mark. As a general rule, intentions on their own are not subject to legal consequences. For a finding of bad faith there must be, first, some action by the EUTM proprietor which clearly reflects a dishonest intention and, second, an objective standard against which such action can be measured and subsequently qualified as constituting bad faith. There is bad faith when the conduct of the applicant for a European Union trade mark departs from accepted principles of ethical behaviour or honest commercial and business practices, which can be identified by assessing the objective facts of each case against the standards (Opinion of Advocate General Sharpston of 12/03/2009, C-529/07, Lindt Goldhase, EU:C:2009:361, § 60).

Whether an EUTM proprietor acted in bad faith when filing a trade mark application must be the subject of an overall assessment, taking into account all the factors relevant to the particular case (11/06/2009, C-529/07, Lindt Goldhase, EU:C:2009:361, § 37).

The burden of proof of the existence of bad faith lies with the invalidity applicant; good faith is presumed until the opposite is proven.

**Outline of the relevant facts**

Reference is made to the observations, arguments and evidence filed by the parties and presented in detail above in the section ‘Summary of the parties’ arguments’.

**Assessment of bad faith**

One situation which may give rise to bad faith is when a commercial entity has obtained some degree of legal protection by virtue of the use of a sign on the market, which a competitor subsequently registers with the intention of competing unfairly with the original user of the sign.

In such instances, the Court of Justice of the European Union (11/06/2009, C-529/07, Lindt Goldhase, EU:C:2009:361, § 48, 53) has stated that the following factors in particular should be taken into consideration:

- (a) the fact that the EUTM proprietor knows or must know that a third party is using an identical or similar sign for an identical or similar product capable of being confused with the contested EUTM;
- (b) the applicant’s intention of preventing that third party from continuing to use such a sign;
- (c) the degree of legal protection enjoyed by the third party’s sign and by the sign for which registration is sought; and

- (d) whether the EUTM proprietor in filing the contested EUTM was in pursuit of a legitimate objective.

The abovementioned are only examples drawn from a number of factors which can be taken into account in order to determine whether or not the applicant was acting in bad faith when filing the application; account may also be taken of other factors (14/02/2012, T-33/11, Bigab, EU:T:2012:77, § 20-21; 21/03/2012, T-227/09, FS, EU:T:2012:138, § 36).

The applicant argued that the IKEA franchisees had started public use of the sign 'LEDARE' for lighting products in September 2010 and the products had been introduced in Germany by 2011. Advertising campaigns had been launched in the European Union, including Germany, as from 2013 to highlight the 'LEDARE' lighting products. In support to these arguments, the applicant submitted, inter alia, screenshots from the Wayback Machine dated 05/04/2011, showing that 'LEDARE' lamps were offered to online sale on [www.ikea.com/de](http://www.ikea.com/de) (Annex 8), a press kit for the 2014 IKEA LED campaign in German (Annex 9) and an affidavit signed by a representative of IKEA Deutschland referring to the promotion and distribution of LED products bearing the 'LEDARE' product name in Germany (Annex 42). However, none of the documents provided by the applicant – neither those related to Germany nor to other countries where the applicant is commercially active – show that, at the time of designation of the EU on 04/11/2015 (nor at the priority date), the IR holder (at that time, Ledino GmbH) was aware of or must have been aware of any use by the invalidity applicant (or by the IKEA franchisees) of the sign 'LEDARE' for identical or similar goods in the field of lighting for which there could be a likelihood of confusion. The documents submitted simply show that LED lighting products under the product name 'LEDARE' were offered for sale, promoted and distributed by the IKEA franchisees in various countries within the European Union, including Germany, from the beginning of 2011.

According to the applicant, once the IKEA franchisees started using the LEDARE-branded lighting products in late 2010, this use was immediately known by all third parties in the German and European market. Therefore, Ledino GmbH, being a German company, filed the contested IR with knowledge of at least IKEA Deutschland using the sign 'LEDARE' for lighting products. However, the high commercial success of Inter IKEA Group and IKEA franchisees and the reputation of the IKEA brand, as claimed and shown by the evidence filed by the applicant (Annexes 1-5, 42 and 47) does not imply that all the products (and name of the products) launched by the company group directly acquire awareness and reputation among the relevant public. According to the evidence filed by the applicant (Annex 5), IKEA introduces approximately 2 000 new products per year while the complete IKEA range comprised in 2011 around 9 500 products. These high figures show the difficulty for third parties, including competitors, to immediately know the name of the new products. Furthermore, there is no evidence on the immediate awareness by third parties, including Ledino GmbH, on the use of the sign 'LEDARE' for LED lighting products at the time of designation of the EU by the IR holder (nor at the priority date).

Neither is there evidence that corroborates that, at the time of designation of the EU by the IR holder (including the priority date), the sign 'LEDARE' had been so widely used and was so well established that knowledge of the sign by Ledino GmbH can be assumed. The evidence does not provide enough information on the extent of use of the 'LEDARE' LED lighting products or on its reputation. Therefore, the applicant's arguments in this regard are rejected as unfounded.

IKEA Deutschland and Ledino GmbH faced each other in long-lasting litigation proceedings in Germany revolving around the infringement of the sign 'LEDINO' by the

use of the sign 'LEDING' by Ikea Deutschland in the field of lighting. Therefore, according to the applicant, Ledino GmbH was fully aware of the activities of IKEA Deutschland (and therefore Inter IKEA) in the field of lighting at least since December 2010 when the German trade mark registration 'LEDINO' was transferred to Ledino GmbH and the latter took over the position of claimant in the litigation proceedings against IKEA Deutschland. Therefore, due to the existence of this litigation action, Ledino GmbH should have been aware of all activities of the Inter IKEA Group and/or the IKEA franchisees in the field of lighting, including the use of the sign 'LEDARE'.

The litigation action started on 13/01/2009 when Dr.-Ing. Sieger Electronic Messgeräte & Komponenten GmbH filed a request for an interim injunction before the Berlin District Court against IKEA Deutschland's use of the sign 'LEDING' as an infringement of the German trade mark registration 'LEDINO'. On 21/12/2010, the German trade mark 'LEDINO' was transferred to Ledino GmbH, which took over the position of claimant in the litigation proceedings. Therefore, at the time of designation of the EU on 04/11/2015 (and at the priority date) Ledino GmbH was involved in the litigation proceedings against IKEA Deutschland as owner of the German trade mark registration 'LEDINO'.

However, the invalidity applicant has not submitted enough evidence as to the knowledge by Ledino GmbH of the other product names used by IKEA Deutschland for lighting products, inter alia, 'LEDARE' at the time of designation of the EU (including the priority date).

Moreover, as stated in case-law, the fact that the IR holder knows or must know that the invalidity applicant has been using an identical/similar sign for identical/similar goods for which a likelihood of confusion may arise is not sufficient for a finding of bad faith (11/06/2009, C-529/07, Lindt Goldhase, EU:C:2009:361, § 40). In order to determine whether there was bad faith, the central element to be considered is the IR holder's intention at the time of filing. This is a subjective factor that has to be determined by reference to the objective circumstances of the case. As mentioned by the Advocate General Sharpston,

bad faith relates to a subjective motivation on the part of the trade mark applicant – a dishonest intention or other 'sinister motive' – which will none the less normally be established by reference to objective criteria; it involves conduct which departs from accepted principles of ethical behaviour or honest commercial and business practices, which can be identified by assessing the objective facts of each case against such standards

(Opinion of the Advocate General, 12/03/2009, C-529/07 Lindt Goldhase, EU:C:2009:361, § 60).

Demonstrating bad faith implies proving that at the time of filing the IR holder was aware that it was causing harm to the invalidity applicant and that this harm was a consequence of its reproachable conduct from a moral or commercial view (21/04/2010, R 219/2009-1, GRUPPO SALINI / SALINI, § 66).

The burden of proof on the existence of bad faith always lies with the cancellation applicant. It is only when the latter demonstrates with concrete and persuasive evidence that the IR holder acted dishonestly when it applied for the contested international registration that the burden of proof is reversed.



The applicant claimed that Ledino GmbH filed the contested mark for the purpose of blocking the use of the sign 'LEDARE'. However, the applicant's claims in this regard remain unsubstantiated.

It is true that one of possible indicators of the IR holder's dishonest intention as identified in the Lindt judgement is if it subsequently becomes apparent that the owner's sole objective was to prevent a third party from entering the market (11/06/2009, C-529/07, Lindt Goldhase, EU:C:2009:361, § 44). The same applies if the IR holder's only intention is to prevent a third party from continuing to be on the market. However, in this case, the malicious intention of Ledino GmbH at the time of designation of the EU (including the priority date) has not been proved. There is no evidence on file that would allow a conclusion that Ledino GmbH intended to block the applicant or did actually prevent the use of the sign 'LEDARE' by the applicant (14/06/2010, R 1795/2008-4, ZAPPER-CLICK, § 21).

Furthermore, the applicant did not make available any evidence that Ledino GmbH had no intention of using the mark, nor has it demonstrated that the former IR holder's sole intention was to prevent a third party from entering the market (13/12/2012, T-136/11 Pelikan, EU:T:2012:689, § 57-60). In the circumstances of the present case, the Cancellation Division is in no position to make assumptions on whether the former IR holder (or the current holder) had/has been using the mark or not. Moreover, as the presumption of good faith applies, the IR holder was not required to prove use of the contested international registration in the present proceedings.

The registration of a supposedly similar sign is not a clear indication of an abusive or fraudulent intention. It is rather an indication that the IR holder intended to use its mark on the marketplace in accordance with the trade mark functions set out in the EUTMR. Moreover, for conflicts with similar signs, the EUTMR foresees a different solution under Article 60 EUTMR, 'Relative grounds for invalidity'. For this reason alone the case cannot be subsumed under the notion of 'bad faith' (14/06/2010, R 1795/2008-4, ZAPPER-CLICK, § 19).

As illustrated above, the applicant failed to put forward sufficient facts, objective indications and evidence that would allow a positive finding of bad faith other than resorting to assumptions and suppositions. The arguments do not demonstrate that at the time of designation of the EU, nor at the date of priority, Ledino GmbH knew or must have known of the use of the applicant's sign. They are also insufficient to allow for a conclusion that the IR holder at that time actually intended to prevent the applicant from entering or continuing in the EU market, or to show the IR holder's dishonest intentions.

The applicant further claimed that the IR holder had acquired the contested mark for the sole purpose of blocking the use of the sign 'LEDARE'.

The applicant explained that the IR holder Ledar GbmH was closely connected to Ledino GmbH. The IR holder confirmed this fact. According to the applicant, due to the relation existing between Ledino GmbH and the actual IR holder, Ledar GmbH, as described by the applicant, the latter should have had knowledge of the product name 'LEDARE' used by IKEA Deutschland for LED lighting products when acquiring the contested mark.

Nevertheless, the relevant point in time for determining whether there was bad faith on the part of the IR holder is at the time of designation of the EU (including the date of priority), and not the moment of a later acquisition by a third party (11/06/2009, C-529/07, Lindt Goldhase, EU:C:2009:361, § 35 and 18/11/214, T-50/13, VOODOO, EU:T:2014:967, § 58). In any case, there is not enough evidence, other than

assumptions and suppositions, to demonstrate that the IR holder's sole intention when acquiring the contested mark was to prevent the applicant from continuing in the market.

Therefore, the applicant's arguments are unfounded.

### **Conclusion**

Bearing in mind the above principles and the circumstances and facts presented by the applicant, the Cancellation Division is of the view that the applicant failed to prove that the IR holder was acting in bad faith when filing/acquiring the contested international registration.

In the light of the above, the Cancellation Division concludes that the application should be rejected insofar as it is based on Article 59(1)(b) EUTMR.

Therefore, the application is rejected in its entirety.

### **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 applicant is the losing party, it must bear the costs incurred by the IR holder in the course of these proceedings.

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



### **The Cancellation Division**

Carmen SÁNCHEZ  
PALOMARES

Ana MUÑIZ RODRIGUEZ

Ioana MOISESCU

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.