

**DECISION  
of the Grand Board of Appeal  
of 15 December 2022**

In case R 1613/2019G-

**Iceland Foods Limited**

Second Avenue, Deeside Industrial Park  
Deeside,  
Flintshire CH5 2NW  
North Wales  
United Kingdom

EUTM Proprietor / Appellant

represented by MISHCON DE REYA LLP, Africa House 70 Kingsway, WC2B 6AH,  
London, United Kingdom

v

**Icelandic Trademark Holding ehf**

Borgartúni 27  
Reykjavik IS1-05  
Iceland

Cancellation Applicant / Defendant

represented by ARNASON FAKTOR, Gudridarstig 24-, 113 Reykjavik, Iceland

APPEAL relating to Cancellation Proceedings No 19 387 C (European Union trade  
mark registration No 11 565 736)

**THE GRAND BOARD OF APPEAL**

composed of J. Negrão (Chairperson), G. Humphreys (Rapporteur), S. Sven (Member),  
V. Melgar (Member), N. Korjus (Member), R. Ocquet (Member) A. Kralik (Member),  
A. González Fernández (Member), S. Rizzo (Member)

Registrar: H. Dijkema

gives the following

## Decision

### Summary of the facts

- 1 By an application filed on 12 February 2013, Iceland Foods Limited ('the EUTM proprietor') sought to register the figurative mark



for the following list of goods and services:

*Class 29: Meat, poultry and game; meat, vegetables and fruit extracts; preserved, dried and cooked fruits and vegetables; extracts of fruit and/or vegetables; meat products; sausages; jellies, jams, fruit preserves, vegetable preserves, compotes; desserts in class 29; eggs, milk; dairy products; yoghurt; edible oils and fats; nuts and nut butters; pickles, tofu; food spreads; soups; nut paste; frozen foods included in Class 29; potato crisps and potato products (for food); prepared meals and constituents therefor; snack foods; none of the aforesaid goods consisting wholly or principally of fish.*

*Class 30: Coffee, tea, cocoa, sugar, rice, tapioca, sago, couscous, coffee substitutes, coffee essences, coffee extracts, mixtures of coffee and chicory; chocolate; chocolate products; flour and preparations made from cereals and/or rice and/or flour; bread, biscuits, cookies, cakes, pastry goods, and confectionery, edible ices; honey, treacle; syrup, molasses; yeast, baking-powder; salt, mustard; vinegar, pepper, sauces, ketchup, salad sauces; spices; chutney; refreshing ice; ice cream, water ices, frozen confections; preparations for making ice cream and/or water ices and/or frozen confections; breakfast cereals; pizza, pasta and pasta products; custard powder; mousses; puddings; meat pies; mayonnaise; meat tenderisers for household purposes; royal jelly for human consumption (other than for medicinal purposes); natural sweetener; prepared meals and constituents therefor, snack foods, all included in Class 30; frozen foods included in Class 30; herbs.*

*Class 35: Retail services, retail stores services, mail order retail services, electronic or on-line retail services, supermarket and hypermarket services connected with meat, poultry, game, meat, vegetables and fruit extracts, preserved, dried and cooked fruits and vegetables, extracts of fruit and/or vegetables, meat products, sausages, jellies, jams, fruit preserves, vegetable preserves, compotes, desserts, eggs, milk, dairy products, yoghurt, edible protein derived from soya beans, edible oils and fats, nuts and nut butters, pickles, herbs, tofu, food spreads, soups, nut paste, frozen foods, potato crisps and potato products (for food), prepared meals and constituents therefor, snack foods, coffee, tea, cocoa, sugar, rice, tapioca, sago, couscous, coffee substitutes, coffee essences, coffee extracts,*

*mixtures of coffee and chicory, chocolate, chocolate products, flour and preparations made from cereals and/or rice and/or flour, bread, biscuits, cookies, cakes, pastry goods, confectionery, edible ices, honey, treacle, syrup, molasses, yeast, baking-powder, salt, mustard, vinegar, pepper, sauces, ketchup, salad sauces, spices, chutney, refreshing ice, ice cream, water ices, frozen confections, preparations for making ice cream and/or water ices and/or frozen confections, breakfast cereals, pizza, pasta and pasta products, custard powder, mousses, puddings, meat pies, mayonnaise, meat tenderisers for household purposes, royal jelly for human consumption (other than for medicinal purposes), natural sweetener; advertising services; marketing and promotional services; organisation, operation and supervision of sales and promotional incentive schemes and customer loyalty schemes; information, advisory and consultancy services all relating to the aforesaid services.*

The EUTM proprietor claimed the colours: ‘white, red, orange and yellow’.

- 2 The application was published on 27 March 2013 and the mark was registered on 13 September 2014.
- 3 On 23 January 2018, Icelandic Trademark Holding ehf (‘the cancellation applicant’) filed a request for declaration of invalidity against the registered mark for all the above goods and services.
- 4 The request for a declaration of invalidity relied on Article 59(1)(a) EUTMR in conjunction with Article 7(1)(b), (c) and (g) EUTMR.
- 5 The cancellation applicant filed the following evidence in support of its request:
  - Annex B1: Survey by the Icelandic Tourist Board conducted in 1996.
  - Annex B2: Survey by the Icelandic Tourist Board conducted in 1998.
  - Annex C1: Survey by Íslandsstofa (Promote Iceland) conducted in 2015 in Denmark, France, Germany and the United Kingdom.
  - Annex D1: Printout from Gallup’s (Iceland) web site regarding information on the Tourist Index of September 2016 measuring tourists’ general experience of their trip to Iceland.
  - Annex E1: Statistical report from May 2016 from The Icelandic Tourist Board on tourism in Iceland.
  - Annex F1: Statistical Yearbook of Iceland 2015, issued by Statistics Iceland (the centre for official statistics in Iceland), which contains detailed information on external trade, i.e. Iceland’s exports of goods and services.
  - Annex G1: Statement from Statistics Iceland on the exports of goods from Iceland to the European Union in the years 1999, 2001, 2005, 2010 and 2014, demonstrating the various types of goods being exported, and their value.

- Annex H1: Brand Finance’s 2017 annual report on the world’s most valuable nation brands, which puts Iceland at the top of the list of the Best Performing Nation Brands.
  - Annex I1: Various news articles from online media on the success of the Icelandic football team, qualifying for the 2018 World Cup finals in Russia.
  - Annex J1: Articles on the success of Icelandic athletes and sports teams.
  - Annex K1: Various news articles on the Icelandic fans and supporters, their team spirit, and how they came in 2nd in FIFA’s Fan Awards after the UEFA Euro2016 .
- 6 In reply, the EUTM proprietor submitted that the goods and services covered by the contested mark had no particular link with Iceland so the mark could not be considered descriptive, non-distinctive or deceptive. It filed the following evidence to show the low export figures of the country of Iceland and press articles published after a volcanic eruption on the island and the banking collapse:
- Annex 1: Tables generated by ‘Statistics Iceland’ regarding the export of products from Iceland.
  - Annex 2: Tables generated by ‘Statistics Iceland’ showing the ‘export’ of services from Iceland.
  - Annex 3: Press articles from well-known EU news outlets reporting on the 2010 eruptions of the Eyjafjallajökull volcano.
  - Annex 4: Press articles from well-known EU news outlets reporting on the Icelandic banking collapse and ensuing financial crisis from 2008-2011.
- 7 The EUTM proprietor also claimed that ICELAND is the name of a well-known supermarket, established some 50 years ago, in 1970, which sells a variety of products throughout the EU and is one of the largest supermarkets in the United Kingdom, with an enormous turnover over the last financial year. Therefore, the mark acquired distinctive character by virtue of use.
- 8 The EUTM proprietor filed the following evidence to demonstrate acquired distinctive character of the mark:
- Annexes 12- (confidential): Survey on public awareness of the EUTM proprietor’s brand and what it means. The survey was carried out between 1 December 2017 and 12 January 2018 in the United Kingdom.
  - Annex 3: Excel spreadsheet containing details of new stores opened in the EU (outside of the United Kingdom). Notably, there are 12 stores in the Republic of Ireland, three stores in Malta and no stores in Sweden, Denmark, Finland or the Netherlands (dated 2017-2018).

- Annex 4: Evidence of use of the 'ICELAND' EUTM on various products (partly undated, some dates indicate 2016, 2017 or 2018, e.g., 24 July 2017 brochure, 26 February 2018 brochure).
- Annex 5: A selection of screenshots and press releases from the EUTM proprietor's website dated between February and March 2018.
- Annex 6 (expressly marked as confidential): Non-English language invoices relating to marketing of the EUTM proprietor's brand in the EU (and outside of the United Kingdom).
- Confidential Witness Statement by Mr Duncan Vaughan, Company Secretary and Legal Director of Iceland Foods Limited, dated 29 May 2018: Mr Vaughan states that the EUTM proprietor is one of the biggest supermarket chains in the United Kingdom. In addition, it has an extensive international reach. It conducts over 55 million transactions per week, employs over 22 000 people and operates in over 900 stores worldwide. The EUTM proprietor's turnover for its last financial year ending 26 March 2016 was extremely high:
- Mr Vaughan attaches numerous exhibits to the witness statement encompassing the following:
  - A schedule of the EUTM proprietor's registered trade marks throughout the world.
  - An extract from the book 'Doing it Right' explaining how the name 'Iceland' was conceived for the supermarket. The name was based on the fact that the business sold 'frozen foods' and there was a play on 'land' (place) and 'ice' (frozen).
  - Evidence regarding the floating of the business in 1984 on the London Stock Exchange. The flotation was one of the most successful in history and was 113 times oversubscribed. Mr Vaughan points out that between 2005 and 2012, the company had Icelandic majority shareholders which, he submits, proves that even Icelandic entities believed that the contested mark functioned perfectly well as a trade mark.
  - Product lists dating from 1977 indicating the range of goods sold.
  - Samples of packaging. In this regard, Mr Vaughan states that the EUTM proprietor has been offering the goods and services under the contested mark since 1970. The public has therefore been educated by seeing it in supermarkets, on the products and in advertising for nearly 50 years.
  - Promotional and advertising materials comprising the contested mark applied to goods and services between 1977 and 2017.
  - Internal documents distributed to and used by salespersons to show the range for sale in and for distribution to other countries.

- Information on the EUTM proprietor's loyalty card scheme and the number of subscribers.
- Information about the EUTM proprietor's main website, www.iceland.co.uk, which was registered prior to August 1996. Printouts from the 'Way Back Machine' showing use of the contested mark on the main website at various points since 2002 and up to June 2016.
- Information on the EUTM proprietor's international websites such as www.iceland.ie, www.iceland.com.mt, www.iceland.es. Mr Vaughan states that the EUTM proprietor's retail and distribution network reaches more than 2,000 stores worldwide. Printouts are enclosed from the international and United Kingdom websites showing the mark 'Iceland' on a variety of foodstuffs and beverages.
- Internet search report, dated between 1 September 2013 and 1 September 2014, demonstrating that the majority of people searching for the EUTM proprietor online simply search for the term 'Iceland' and not 'Iceland food' or 'Iceland groceries'. This proves that most people understand that they are searching for 'Iceland' the food store and not Iceland the country.
- Sample invoices of sales of stock made in Greece, Germany, the Czech Republic, Cyprus, Spain, Romania, Malta and Ireland, dated between 2011 and 2017. In the United Kingdom, the EUTM proprietor's turnover for the year ending 25 March 2016 was extremely high in the 884 stores in that country, and very high for the 13 stores operating in the Republic of Ireland.
- The United Kingdom turnover figures for the years 2004-2016 are given but will not be disclosed for reasons of confidentiality.
- The EUTM proprietor's sales revenues for Europe (and Iceland) for the years 2012-2017 are given but will not be disclosed for reasons of confidentiality.
- A list of the countries all over the world where the EUTM proprietor trades under the contested mark. The countries within the European Union where the EUTM proprietor has stores are the following: Cyprus, the Czech Republic, Germany, Greece, Ireland, Malta, Portugal, Romania, Spain.
- It is also worth noting that the EUTM proprietor has three franchise stores in the Reykjavik area of Iceland.
- Evidence of expenditure on advertising, marketing, and promotion of the contested mark between 2004 and 2016. The figures will not be disclosed for confidentiality reasons. It is unclear whether the expenditure only relates to the United Kingdom or to other countries.
- The EUTM proprietor has invested considerably in advertising, promotional events, store decoration, charitable sponsorships, sponsoring well-known television programmes and events to amplify the public's knowledge of and familiarity with the contested mark. The EUTM

proprietor uses all sorts of media to promote its mark and the marketing expenditure for the fiscal years 2004 to 2016 are given but will not be disclosed for reasons of confidentiality.

- Examples of corporate literature bearing the contested mark and distributed throughout the EU. This includes letterheads, business cards, promotional leaflets, invoices etc.
- A list of stores throughout the EU.
- A selection of store fronts and delivery vans/lorries bearing the contested mark.
- A selection of product packaging bearing the contested mark.
- A table showing the historical media coverage for the contested mark:
- A selection of advertising and press articles appearing in major print publications in the United Kingdom and Ireland such as The Daily Mirror, Good Food, The Daily Mail or Daily Express.
- A sample of press advertisements placed in publications outside of the United Kingdom, including in France and Spain.
- A copy of the EUTM proprietor's media scheduling for 2002 and 2006-2010 and examples of the EUTM proprietor's TV advertising from 2007-2016.
- Information on celebrity endorsements used to promote the contested mark and its business including TV and press advertisements featuring Kerry Katona, Coleen Nolan, Jason Donovan and Peter Andre, mainly appearing in the media in the United Kingdom.
- Information on television programme sponsorship mainly in the United Kingdom. The EUTM proprietor sponsored some of the most successful programmes on United Kingdom television, including a deal to sponsor the reality show 'I'm a Celebrity...Get Me Out Of Here' from 2006 until 2014. Each episode had an average of 10.5 million viewers.
- The EUTM proprietor uses social media to promote its goods and services, for example Facebook, which bears the contested mark. On 13 April 2017, the EUTM proprietor's Facebook page had 487 013 likes from Facebook users from countries all over the world. The EUTM proprietor also has a Twitter account and a YouTube channel.
- Euro2016 : the EUTM proprietor achieved high levels of awareness in both social and conventional media by entering into an agreement with the Icelandic national football team. This was 'tongue in cheek' advertising because it was so unlikely that anyone would consider the EUTM proprietor to originate from or be part of the country of Iceland.

- Examples of specific advertising campaigns are giving where the EUTM proprietor has taken a strong position on a particular issue, for example, the EUTM proprietor is committed to the principles of sustainability in seafood sourcing and has a ‘Fish and Seafood Sustainability and Welfare Policy’ for suppliers.
  - List of events and exhibitions attended by the EUTM proprietor, mainly in the United Kingdom.
  - List of the charities to which the EUTM proprietor has donated.
  - A list of awards and third-party recognition of the EUTM proprietor. For example, the EUTM proprietor is consistently ranked as one of the ‘consumer superbrands’ by the independent website [www.rankingthebrands.com](http://www.rankingthebrands.com). Numerous other awards are listed given by independent organisations and in recognition of customer satisfaction with the EUTM proprietor, of its successful advertising and marketing campaigns, and of the quality of the service provided.
- 9 By decision of 27 May 2019 (‘the contested decision’), the Cancellation Division, applying Article 7(1)(c) EUTMR, declared the contested EUTM to be invalid for all the goods and services listed in paragraph 1 above based, in particular, on the following grounds:
- It is in the public interest that signs that may serve to designate the geographical origin of goods or services remain available, not least because they may be an indication of the quality and other characteristics of the categories of goods concerned, and may also, in various ways, influence consumer preferences by, for instance, associating the goods or services with a place that may elicit a favourable response (judgments of 15/01/2015, T-197/13, MONACO, EU:T:2015:16, § 47; 25/10/2005, T-379/03, Cloppenburg, EU:T:2005:373, § 33).
  - The registration of geographical names as trade marks is not possible where such a geographical name is either already famous, or is known for the category of goods concerned, and is therefore associated with those goods or services in the mind of the relevant class of persons, or it is reasonable to assume that the term may, in view of the relevant public, designate the geographical origin of the category of goods and/or services concerned (‘Monaco’, § 51, cited *supra*, para. 9, indent 1; ‘Cloppenburg’, § 38, cited *supra*, para. 9, indent 1).
  - The contested EUTM would therefore also have to be declared invalid if, at the date of filing on 12 February 2013 (23/04/2010, C-332/09 P, Flugbörse, EU:C:2010:225, § 41), it was reasonable to expect that, in the mind of the relevant public, the indication ‘ICELAND’ would designate the geographical origin of the goods and services referred to above (‘Cloppenburg’, § 47, cited *supra*, para. 9, indent 1).
  - A geographical place known to the relevant public will generally be perceived or as a rule at least be perceived in the future, by this public, as the geographic



origin of the goods and services concerned, or as the place where these goods and services are delivered (04/05/1999, C-108/97 & C-109/97, Chiemsee, EU:C:1999:230, § 31). This will normally be the case for major geographical places or regions, as well as for countries (T-377/09, Passionately Swiss, EU:T:2011:753, § 414-2).

- Having regard to these considerations, it has to be examined in the present case whether the geographic term ‘ICELAND’ was, or could have been, perceived on the date of filing of the contested European Union trade mark, by the relevant public, as a descriptive indication of the geographical origin of the goods and services concerned.
- This needs to be assessed, on the one hand, by reference to the understanding of the relevant public of the term ‘ICELAND’ and, on the other hand, by reference to the goods and services concerned
- In terms of the relevant consumer, the goods and services at issue are directed to the public at large and ‘ICELAND’ will be understood by the native English speakers in the United Kingdom and Ireland, as well as the public in Sweden, Denmark, the Netherlands, Finland, Malta and Cyprus.
- This public will understand ‘ICELAND’ to refer to the island republic in the North Atlantic.
- The relevant point in time is the application date of the contested mark, namely 12 February 2013.
- As of this date the contested mark was perceived by the relevant public as a descriptive indication of the geographic origin of the goods and services because:
  - The goods and services at issue are produced in Iceland – the applicant’s evidence shows that Iceland produces and exports a range of goods in Classes 29 and 30.
  - The public awareness of Iceland in the EU and beyond is high – it is a popular tourist destination, with a positive image as a place of natural beauty.
  - From an economic perspective, in 2014 exports from Iceland were valued at EUR 8.5 billion, (76% to the EEA), it enjoys high per capita GDP, in 2017 it was ranked first as ‘Best Performing Nation Brands’.
  - In terms of association with the contested goods and services, given that many of the goods listed above in Classes 29 and 30 are already being produced in Iceland, even for those goods which are not currently produced, it is reasonable to assume that Iceland might be associated with those goods in the future – this will apply to goods not produced agriculturally (e.g. coffee), as they might be processed in Iceland according to local taste.

- Retail services in Class 35: ‘ICELAND’ is used in conjunction with these services, consumers are quite likely to perceive the sign as denoting origin from a company based or otherwise linked with Iceland, as services originating from that country or provided according to standards prevailing in that market.
- Regarding the colours and stylisation of the figurative mark, the Cancellation Division recalled that placing a descriptive word on a basic coloured background is not sufficient to detract from the meaning of the word ‘Iceland’ which can be clearly read in the sign. There is nothing about the red and orange background which bestows distinctiveness on the sign and the fact that the colours used are not able to be linked, in particular, to Iceland as a country is irrelevant.
  - In terms of acquired distinctiveness, substantial submitted evidence shows that in the United Kingdom and Ireland, the mark ‘Iceland’ will indeed be associated by at least a significant proportion of the relevant section of the public as identifying the products or services of the EUTM proprietor.
  - However, the evidence is insufficient in respect of Malta, Sweden, Denmark, the Netherlands and Finland, all territories where ‘Iceland’ will also be understood.
  - The EUTM proprietor has failed to prove that the contested mark ‘Iceland’ has acquired distinctive character through the use which has been made of it in all of the relevant territories.
- 10 On 24 July 2019, the EUTM proprietor filed an appeal against the contested decision, requesting that the decision be entirely set aside. The statement of grounds of the appeal was received on 25 September 2019.
- 11 Observations in reply were received from the cancellation applicant on 5 December 2019.
- 12 By interim decision of 11 January 2021, the First Board of Appeal decided to refer the case to the Grand Board.
- 13 The Board considered that the case at hand and the parallel appeal proceedings involving the word mark raise important legal issues relating to the scope of objection that arise under Article 7(1)(c) EUTMR when a sign is a geographical name.
- 14 The following, non-exhaustive issues were mentioned by the First Board as requiring clarification by the Grand Board:
- The role and balance between the public interest, fair competition and the right to property in relation to a geographical objection.
  - The scope of an objection where a geographical name projects a positive quality and character in general – and the limits that apply to the same.

- Whether the name is famous, or is known, for the category of goods or services concerned, and is therefore associated with those goods or services in the mind of the relevant class of persons.
- The extent to which a reputation for one sort of product may be extended to another.
- The extent to which the reputation could be used to cover not just the goods covered by the geographical area's existing trade, but trade in 'adjacent' goods, i.e. goods which are similar to those for which the particular area is known and which one could well expect to come from there as well.
- The extent to which presumptions can be made about the geographical name of a country and the need to examine in detail either the existence of a current association between the country name and the relevant goods and services or any reasonable future association.
- The limits of a valid 'futurity objection' on geographical grounds under Article 7(1)(c) EUTMR.
- Consistency in the application of the established requirements of Article 7(1)(c) EUTMR to geographical names as compared to other trade marks and, in particular, the requirement for the relevant public to establish a direct and immediate connection between the sign in question and the specific goods or services.
- When a trade mark is identical to the name of a whole country, does less emphasis need to be placed on the exact goods for which the geographical location is known, in the assessment of distinctiveness of the mark?
- Generally, are these issues applicable not only to Article 7(1)(c) EUTMR, but also for Article 7(1)(b) EUTMR – which relates to objections that might arise where a sign is not patently descriptive, but more generally non-distinctive?
- Is a stringent examination needed or can a presumption be made that countries with 'economic weight', that is to say, having a certain level of economic importance, would produce a larger number of goods and services? And, if so, is the reverse true?
- More generally, what is the extent to which the 'economic weight as a nation' should play a role in the analysis of the potential objections under this article, if any, including the futurity issue?
- Is it necessary to carry out a detailed examination of the existence of an association between the goods and services and the geographical location captured by the contested sign?
- The role of survey evidence in relation to associations made with country names, and in relation to the perception of country by the relevant public in the Member States, and its applicability to the relevant date.

- 15 Following the publication of the remittal to the Grand Board on 3 May 2021, the Office received further observations from the parties.
- 16 In its submissions dated 23 March 2021 the EUTM proprietor requested the Grand Board, in particular, to:
  - hold oral proceedings under Article 96 EUTMR;
  - issue appropriate directions for the filing of written submissions in advance of such hearing;
  - secure attendance of witnesses (including expert witnesses) to be cross-examined; and allow legal representatives to be heard.
- 17 Alternatively, the EUTM proprietor requested that the parties be given the opportunity to file further written submissions in response to the issues raised in the interim decision.
- 18 On 25 June 2021, the cancellation applicant acceded to the EUTM proprietor's request for oral proceedings.

*Observations from interested groups or bodies*

- 19 Pursuant to Article 37(6) EUTMDR, observations were also received from Fisheries Iceland, International Trade Mark Association (INTA) and from the Swiss Association Against the Misuse of Swiss Indications of Source.
- 20 The observations filed by Fisheries Iceland on 30 June 2021 support the contested decisions findings in both the present case and the parallel appeal proceedings involving the word mark. Fisheries Iceland insist that 'Iceland' cannot function as a trade mark for the goods and services at issue as it simply describes their geographical origin and their quality.
- 21 The observations filed by INTA on 30 June 2021 can be summarised as follows:
  - Fundamental principles of public international law do not recognise an exclusive right of states to geographic terms, including country names.
  - Country names are, therefore, registrable (under the Paris Convention and TRIPS) inasmuch as they are distinctive.
  - Article 6<sup>ter</sup> of the Paris Convention provides special protection for official state emblems and symbols as well as names of international organisations but not for country names.
  - Reference is also made to the analysis made by the WIPO's Standing Committee in respect of Protection of Country Names against Registration and Use as Trademarks (SCT/38/2 of 31 July 2017, document to be found at [https://www.wipo.int/meetings/en/doc\\_details.jsp?doc\\_id=380656](https://www.wipo.int/meetings/en/doc_details.jsp?doc_id=380656) ). While no definite conclusions have been reached, 'several SCT members indicated that, in the context of their normative systems, country names do not constitute

a separate or specific category of sign. Such names are rather included in the broader category of geographical terms, which may either be considered distinctive and therefore registrable as a mark or non-distinctive and refused registration’.

- A detailed, reality-based assessment of each type of product and services is necessary in order to assess the validity of the ‘ICELAND’ registration.
- 22 In line with Fisheries Iceland, the observations filed on 5 July 2021 by the Swiss Association Against the Misuse of Swiss Indications of Source also support the findings of the contested decision. Emphasis is placed on the marketing value of country names and it is recalled that some jurisdictions (notably Serbia and the Peoples’ Republic of China) ensure absolute protection of the names of States.

*Oral proceedings*

- 23 On 13 April 2022, the Grand Board rendered an interim decision ordering oral proceedings to be held in person on 9 September 2022 at 9.30 a.m., Avenida de Europa, 4, 03008 Alicante, Spain. It was decided that cases R 1238/2019-G and R 1613/2019-G would be joined for the oral proceedings for reasons of sound administration.
- 24 On 22 June 2022, the Grand Board sent the parties the following list of questions that were to be addressed to them at the hearing:

*Opening questions to the EUTM proprietor:*

- 1) *Can you please explain why you have chosen to use and register the word ‘Iceland’ as a trade mark for the relevant goods and services.*
- 2) *What was the commercial strategy when you decided to use and register ‘Iceland’ as a trade mark?*

*Questions to both parties:*

- 1) *Would the registration of country names such as Iceland involve aspects of public policy?*
- 2) *What commercial policy or strategy exists to promote the name of a country such as Iceland as a brand and what image or identity is sought to be portrayed thereby?*
- 3) *Would the economic importance of Iceland reduce its registrability as a trade mark?*
- 4) *According to you, for which goods and services will the relevant consumer consider that they are from Iceland?*
- 5) *Please identify any further peculiar characteristics pertaining to the state of Iceland which play an important role in the design, manufacturing and marketing of the relevant goods and in the provision of the relevant services.*

6) *If a sign is found not to be descriptive for certain goods and services under Article 7(1)(c) EUTMR, can it still none the less be objectionable under Article 7(1)(g) EUTMR? If so, under which conditions?*

7) *In your view, does Article 7(1)(b) EUTMR apply in the present appeal proceedings for the goods and services concerned?*

- 25 On 30 June 2022, the Registrar issued a summons to the oral hearing to the parties pursuant to Article 49(1) EUTMDR and Article 27(3) RoPBoA.
- 26 The decision ordering the oral hearing required the parties to make known to the Boards of Appeal, no later than 4 July 2022, the names and addresses of the witnesses or experts that they requested to be heard.
- 27 On 4 July 2022, the EUTM proprietor requested that the following witnesses and experts be heard at the hearing: Professor Spyros Maniatis (as an expert) and Dr Almut Pflüger (as a witness).
- 28 On the same date, the EUTM proprietor indicated the persons that would attend the hearing as legal counsel and as part of its delegation.
- 29 Also, on 4 July 2022, the cancellation applicant indicated the persons that would attend the hearing both as legal counsel and as part of its delegation.
- 30 On 21 July 2022, the Grand Board sent instructions and an indicative timetable of the hearing to the parties.
- 31 On 9 August 2022, the EUTM proprietor filed two witness statements (by Mr Richard Walker and Dr Almut Pflüger) and two expert opinions (by Professor Spyros Maniatis and by Professor Gordon Ionwy David Llewelyn) relating to the questions to be addressed at the hearing.
- 32 On 19 August 2022, the cancellation applicant filed a communication in which they argued that the Grand Board should base its decision not only on Article 7(1)(c) EUTMR and the other provisions originally relied on by the cancellation applicant (Article 7(1)(b), and Article 7(1)(g) EUTMR but also, and primarily, on Article 7(1)(f) EUTMR). The cancellation applicant considered that the Grand Board is entitled – and is actually under an obligation – to raise the ground of public policy of its own motion (i.e. *ex officio*), without such a request having been made by an interested party.
- 33 On 9 September 2022, the Grand Board held an oral hearing in the present case.
- 34 On 28 September 2022, the Registry sent the parties the recording of the oral hearing which, in accordance with Article 53(2) and (3) EUTMDR replaced the minutes.
- 35 On 29 September 2022, the Rapporteur invited the parties to file succinct written arguments regarding admissibility of additional arguments and evidence filed at the appeal stage. The Rapporteur referred in particular to the following arguments and evidence:

On behalf of the EUTM proprietor:

- the surveys submitted together with the statement of grounds of appeal on 5 August 2019;
- the written witness statements of Dr Pflüger and Mr Walker submitted before the oral hearing on 9 August 2022;
- the written expert opinions of Professor Maniatis and Professor Llewelyn submitted before the oral hearing on 9 August 2022.

On behalf of the cancellation applicant:

- the new ground of cancellation [Article 7(1)(f) EUTMR] raised before the oral hearing on 19 August 2022;
- certain statements made in the course of the oral proceedings on 9 September 2022 and alleged by the EUTM proprietor during those proceedings to be introducing new or additional evidence.

36 On 31 October 2022, both parties filed their arguments regarding admissibility of additional arguments and evidence filed at the appeal stage.

37 The EUTM proprietor referred to Article 54 of Rules of Procedure of the Boards of Appeal. It considered that, given the relatively early stage in the appeal proceedings at which its survey evidence was submitted it should be considered admissible. In addition, that evidence was relevant in the context of questions asked by the Grand Board in advance of the oral hearing. Also, the remaining evidence filed by the EUTM proprietor (written witness statements and written expert opinions) were filed in relation to the written questions discussed during the hearing and they should be considered admissible. The filing of the aforementioned evidence actually benefitted the cancellation applicant who could anticipate the content of pleadings during the hearing. The EUTM proprietor argued that the ground of Article 7(1)(f) EUTMR should be considered inadmissible as: (a) no excuse or justification has been given by the cancellation applicant for failing to include the Article 7(1)(f) as a ground for invalidity from the outset or for their extraordinary delay in making their request; (b) neither party has had the opportunity to file evidence in relation to the ground based on Article 7(1)(f); (c) allowing the new ground to be introduced will cause considerable delay and disruption to the proceedings; and (d) it is manifestly inappropriate to ask the Grand Board to perform the function of a first instance tribunal in relation to an entirely new ground of cancellation. Also, the cancellation applicant's assertion during the hearing that there was only one country in Europe that produces bananas and that was Iceland (in greenhouses heated up with sustainable energy) should be inadmissible as it was an attempt to introduce new evidence. In any event, the assertion was entirely unsubstantiated.

38 The cancellation applicant submitted that the survey evidence filed by the EUTM proprietor did not meet the criteria of Article 27(4) EUTMR and should be rejected. In any event, these surveys were not conducted in all the territories of the relevant public (the United Kingdom, Ireland, Sweden, Denmark, the Netherlands).

Also, the written witness statements should be considered inadmissible pursuant to Article 27(4) EUTMDR. Similarly, the cancellation applicant considered the expert opinions inadmissible. Should this evidence be nevertheless considered admissible, they point out that the expert opinions are merely opinions on questions of law and cannot be considered anything beyond that.

- 39 On 8 December 2022, the EUTM proprietor filed its submissions in reply to the cancellation applicant's comments on admissibility. In particular, it objected to any attempt by the cancellation applicants to make submissions in relation to the new ground of cancellation raised for the first time before the Board and to the new arguments made at the oral hearing. It further argued that, as regards the admissibility, no distinction can be made between the written witnesses statements and expert evidence and the oral evidence given at the hearing.
- 40 The cancellation applicants reiterated that the written evidence submitted by the EUTM proprietor before the Board (surveys, witness statements and expert opinions) do not meet the criteria prescribed by Article 27(4) EUTMDR.

### **Submissions and arguments of the parties**

- 41 The EUTM proprietor requests the Board to annul the contested decision. Its arguments filed in the statement of grounds of the appeal can be summarised as follows:
- The Cancellation Division wrongly held there to be a rule that for whole country names there is a presumption that they are descriptive and hence invalid under Article 7(1)(c) for all goods and services.
  - The Cancellation Division incorrectly determined that if the EU public was merely aware of that country, that suffices to exclude that name for all goods and services, by reason of the presumption stated above.
  - The Cancellation Division was wrong to find that it suffices for the country to be 'of economic importance' to exclude its name as a trade mark for all goods and services.
  - The Cancellation Division incorrectly held that a reputation for one type of product or service could be regarded as establishing a reputation for different goods or services.
  - The Cancellation Division failed to apply the burden of proof correctly. In particular it failed to hold that the EUTM proprietor's trade mark benefited from a presumption of validity and that it was for the cancellation applicant to adduce all evidence and arguments that could challenge its validity.
  - In the assessment, the Cancellation Division should have considered the issue of the balancing of fundamental rights under the EU Charter, and in particular it should have weighed the trade mark proprietor's right to intellectual property with the limitations and exceptions available to third party users of geographical names as part of their freedom to conduct business.



- It is necessary to take into account survey evidence which supports what should have been well-known to the Cancellation Division, namely that most EU consumers are unaware of any goods or services emanating from the country of Iceland. Their knowledge relating to the country is mainly in respect of the geographical nature of Iceland. Of those who are so aware, their knowledge is restricted to seafood/fishing industry products. In addition, when EU consumers are asked about goods or services which might be expected to come from the country in the future, they suppose only that seafood/fishing industry products are likely to come from there, and possibly (warm) clothing.
- The principles established in the ‘Chiemsee’ judgment (cited *supra*, para. 9, indent 4) must be reiterated. There are two stages to the analysis: there must be an assessment of the actual existing reputation of the geographical name and its association with existing goods or services and there must be an assessment of reasonable foreseeability of that name being used in the future in relation to the relevant goods or services, bearing in mind the characteristics of the place and consumer understanding of the same.
- Additionally, while a geographical name may have a reputation for quality which could be applied to many goods or services, it is important to consider precisely what reputation a geographical name has and for what goods and services. It may be that for some goods and services the name will not indicate origin and it is important to consider what connection, if any, a product or service will have with a geographical name.
- The Cancellation Division slavishly copied the reasoning of the parallel case, relating to word mark ‘Iceland’ (05/04/2019, 14030 C, Iceland) with minor adjustments to take account of different dates, goods and services, and evidence. This was a fundamental error of reasoning because it was necessary to consider the current contested mark – a figurative mark – under Article 7(1)(c) in the form shown on the EUIPO register, not stripped of its figurative elements as if it were a word mark. The Cancellation Division never considered whether the same considerations as it identified in relation to the word mark also applied to the contested, figurative mark.
- Even if (which is denied) consumers might take the word ‘ICELAND’ as a geographic origin descriptor for the goods and/or services of the contested mark, there is no reason to suppose that they would consider the figurative mark in the same way. By being presented in a figurative form, consumers would be even more likely to assume it was a brand, indicating a single commercial origin and thus serving a trade mark function, and especially in relation to goods or services for which the country is not known and would not be reasonably likely to produce in the future.
- To take an example, if a consumer sees the contested figurative mark on a jar of coffee or as signage on a retail store selling many goods, he or she is even less likely to see that as a straightforward indication of geographical origin than the plain word mark ‘Iceland’. This distinction was not considered by the Cancellation Division.

- It may be helpful to consider General Court judgments that followed ‘Windsurfing Chiemsee’ (cited *supra*, para. 9, indent 4): 15/10/2003, T-295/01, Oldenburger, EU:T:2003:267, 08/07/2009, T2-26/08, Alaska, EU:T:2009:257, ‘Passionately Swiss’, cited *supra*, para. 9, indent 4). Like Iceland, Alaska is a well-known geographical name, yet that was not enough on its own to create a reputation for almost any product or service (unlike, say, a name such as PARIS or ITALY would be).
- In the present case the geographical name at issue has a fairly narrow reputation. Unlike the adjective SWISS, it does not confer a criterion of quality and the potential competitive impact of the contested mark on goods or services which are remote from those for which Iceland has a reputation (fish and seafood or aluminium and animal feed) is likely to be regarded as speculative at best. The present case is similar to the ‘Alaska’ case in that the particular characteristics of the geographical area make it unlikely that EU consumers will consider that it is the geographic source of the goods or services of the contested mark.
- Whilst in the case of ‘Passionately Swiss’ (cited *supra*, para. 9, indent 4), it might not be necessary to examine in detail the existence of current associations, this could only apply to a geographic name like SWISS where the country was a large country with an existing reputation for a wide array of goods and services and a particular reputation for quality. That exercise is not open to the EUIPO to apply to all geographical place names.
- The Cancellation Division’s references to the ‘Monaco’ case (‘Monaco’, § 51, cited *supra*, para. 9, indent 1) were erroneous, since nowhere in the General Court’s judgment is there any reference to it being sufficient that a country name is known as the designation of a place. Instead, it must suggest a current association, in the mind of the relevant class of persons, with the category of goods or services in question, or else it must be reasonable to assume that such a name, in the view of those persons, designates the geographical origin of that category of goods or services.
- It is certainly not a sufficient condition that the name in question is known to the relevant class of persons as the designation of a place. The General Court indeed stated in ‘Passionately Swiss’ (cited *supra*, para. 9, indent 4) that the intensity of the focus on the particular reputation of the name in question for the particular goods and services in question reduces the intensity of the examination required, but only where the region is a ‘large region famous for the quality of a wide range of products and services’ and it is correspondingly not reduced where the reputation of the country is limited to a few products or services.
- While it may be easier and administratively simpler for the EUIPO to operate a blanket rule that excludes all country names automatically in relation to all goods and services, this is contrary to the binding CJEU case-law, especially the necessary two-part test laid down in the ‘Chiemsee’ judgment (cited *supra*, para. 9, indent 4).

- In balancing the interests of both parties and weighing-up the various criteria, the EUIPO must also take into account in particular the legislative exemption from liability under the EUTMR for users of the geographic name ICELAND in the course of their business who wish to indicate the provenance of goods or services in accordance with honest practices in industrial and commercial matters (Article 14(1)(b) and Article 14(2) EUTMR). The position of such third-party users, and in particular their freedom to conduct business – a further fundamental right under Article 16 of the EU Charter – needs to be balanced against the EUTM proprietor’s right to property and in particular intellectual property under Article 17.
  - The EUTM proprietor’s survey was carried out in a country (Sweden) whose consumers probably can be expected to be more familiar with the country of Iceland and its exports and trade than other Member States. In addition, representative surveys were carried out in a mix of other Member States (1) the EU’s largest member, Germany; (2) a new member, Poland; and (3) a Mediterranean country, Italy.
  - The survey is strongly supportive of the EU proprietor’s arguments in this appeal in that it provides a factual basis for concluding, in accordance with ‘Chiemsee’ (cited *supra*, para. 9, indent 4), that the country has an extremely narrow existing and foreseeable reputation and the Cancellation Division was wrong to conclude otherwise.
  - No proper reasoning was given by the Cancellation Division for the conclusion that it was ‘quite likely’ that the name would be perceived as one indicating geographical origin in relation to retail services in Class 35.
- 42 The cancellation applicant requests the Board to dismiss the appeal. Its arguments, filed in reply to the appeal, can be summarised as follows:
- Contrary to the EUTM proprietor’s submissions, the Cancellation Division did not hold that all country names are descriptive. The Cancellation Division only referred to ‘major geographical places or regions, as well as for countries’, and stated that the obligation to examine the link between the origin and the goods and services in respect of which the trade mark has been applied for ‘is liable to vary in accordance with a number of factors, such as scale, reputation and nature of the geographical origin in question’, referring to the ‘Passionately Swiss’ case (‘Passionately Swiss’, cited *supra*, para. 9, indent 4).
  - As stated by the Cancellation Division, in the cases of major geographical and economically important places, of which the relevant public is clearly aware, the geographical location will generally be perceived, or as a rule at least be perceived in the future by this public, as the geographic origin of the goods and services concerned, or as the place where these goods and services are delivered (‘Chiemsee’, cited *supra*, para. 9, indent 4).
  - It is clearly not sufficient for the country to be of ‘economic importance’ to exclude its name as a trade mark for all goods and services. In the present case, the Cancellation Division conducted a thorough analysis of the relevant

public's awareness of the country of Iceland, including the reference to the goods and services concerned.

- Regarding foodstuffs, beverages and agricultural products, as noted by the Cancellation Division, it is current practice in the trade to indicate the geographical origin of such products. There is every reason to expect that these products might be produced in a country which has a certain level of economic importance, such as Iceland. It is accordingly reasonable to assume that Iceland might be associated with these goods in the future, even for the goods which are not currently produced in Iceland.
- Regarding the services in Class 35, consumers are quite likely to perceive the sign as denoting origin from a company based or otherwise linked with Iceland, or as services originating from that country, or provided according to standards prevailing in that market.
- The survey evidence submitted by the EUTM proprietor before the Board should be considered inadmissible. It is not supplementary as no evidence was filed by the EUTM proprietor before the first instance and the EUTM proprietor gave no reasons why it had not been submitted earlier.
- In any event, the survey is seriously flawed and the cancellation applicant maintains that the results must be disregarded for this reason. The respondents are asked general questions about Iceland, without any context. In fact, all the respondents understand 'ICELAND' as a geographical place. That on its own is clearly demonstrative of how well known the country is.
- Similar results would be observed for multiple other countries, and even Member States of the EU, such as Slovenia or Bulgaria. Respondents would be likely to mention various associations and not specific goods or services. This does not mean, however, that various goods and services do not stem from these countries, or that the relevant public would not be likely to consider these country names to be merely a geographical indication when affixed to goods, such as food and beverages.
- The cancellation applicant agrees that registered trade marks are 'property' and deserve protection as property rights. However, such protection can only apply to trade marks that have been validly registered under the applicable rules. If by applying the EUTMR, it is determined that the 'ICELAND' trade mark should never have been registered because it contravenes the provisions on access to protection through registration by reason of the descriptive nature of the sign for the goods or services for which it was registered, the declaration of invalidity is the proper conclusion. The protection of property under Article 17 of the EU Charter, never comes into play in such circumstances.
- Iceland has a booming economy and was recognised in Brand Finance's report 'Nation Brands 2017' in first position among the ten best performing nation brands. Iceland is a country which has links to the European Union since it has been part of the European Economic Area since 1994 and it is not far from some countries of the European Union such as Ireland and the United

Kingdom. It also has historical links with Denmark. As such, the Cancellation Division correctly found that Iceland conveys a certain positive image.

- 43 At the hearing, the parties further developed their arguments and submitted their replies to the questions asked to them by the Grand Board (see para 24 *supra*).
- 44 The EUTM proprietor's submissions during the hearing can be summarised as follows:
- The First Board of Appeal ('First Board') has focussed its questions solely in the context of Article 7(1)(c) EUTMR.
  - The intentions of the parties, either those of the EUTM proprietor at the time of application, or those of the cancellation applicant at the time of the filing of these cancellation proceedings, are irrelevant.
  - The cancellation applicant's attempt to invoke Article 7(1)(f) EUTMR cannot succeed. Article 7(1)(f) EUTMR has not been invoked in these proceedings. In any event, public policy cannot play a role here because there is no legislation or other normative prohibition against registering country names in the European Union.
  - Reference is made to the 'Montana' judgment (02/06/2021, T-854/19, MONTANA, EU:T:2021:309, § 94 and 97). It is clear from this judgment that geographical names, including country names should be treated as any other signs.
  - In accordance with the 'Chiemsee' line of case-law, geographical names can be registered. No presumptions can be made and the link between the geographical name and the goods and services at issue must be established. Mere knowledge that the name refers to a geographic location is not sufficient.
  - A country should be promoted as a tourist destination and favourable territory for business. What is important is what the country is known for, and this has to follow from the evidence. Assessment must be made whether consumers associate a geographical name with the goods and services.
  - Iceland is associated by the relevant consumers with fish, natural beauty, warm clothes. The cancellation applicant criticised the 2019 survey evidence but failed to provide counterevidence. The burden of proof is, however, on the cancellation applicant and not on the EUTM proprietor.
  - Iceland has a very small population (366 425 in 2020) and 80% of its territory is uninhabited or uninhabitable. It is smaller than Liverpool, Miami or Alaska.
  - In order to consider that consumers will in the foreseeable future associate Iceland with the goods and services in question, there must be a reason. Foreseeability must be limited to a reasonable period of time and cannot be indefinite. However, a considerable period of time has elapsed since the filing of the contested mark and still nothing indicates that such an association is or will be made.

- The mere fact that certain goods are produced in Iceland is irrelevant. This must be known by the relevant EU public.
- 45 The cancellation applicant’s submissions during the hearing can be summarised as follows:
- Iceland is a country known to consumers in the European Union. The word ‘Iceland’ is perceived as country name. Country names are different from lakes and regions and they cannot function as trade marks.
  - Granting the exclusive rights to country names without an authorisation of the country should not be allowed.
  - Article 7(1)(f) EUTMR is a new ground for invalidity but the Grand Board is not only allowed but obliged to apply 7(1)(f) EUTMR of its own motion. Reference is made to 21/01/2016, T-62/14, HOKEY POKEY / HOKEY POKEY, EU:T:2016:23 and 28/01/2016, T-674/13, GUGLER, EU:T:2016:44.
  - Iceland is a sovereign country, known for pure water, geothermal energy, literature (the Icelandic sagas), creativity, an educated workforce and renewable energy. It is one of the most eco-friendly countries in the world and was considered the most valuable nation brand in 2017 (Annex H1).
  - Iceland’s current promotion strategy was launched in 2019, and is carried out by Business Iceland (one of the cancellation applicants in the parallel case), which is a private-public partnership established to lead the promotion and marketing of Iceland in foreign markets and stimulate economic growth through increased export. Business Iceland operations is founded on the legislation put in place in 2010, with the aim of strengthening the image and reputation of Iceland. Strengthening the competitive position of Icelandic businesses in foreign markets and attracting foreign tourists and investment to the country. The primary goal is to establish a brand that gives room to more dimensions to tell the story of Iceland as not primarily a destination brand and, furthermore, to build a brand that benefits all Icelandic export industries. The idea is to create a circular story of the brand ‘Iceland’ with four main pillars which are: nature, people, innovation and sustainability.
  - Country names should be considered common or public assets. In accordance with the ‘Chiemsee’ criteria, only places that are unknown to the relevant public can be registered as trade marks. This is clearly not the case of Iceland. The degree of knowledge is a relevant factor.
  - The Cancellation Division in the contested decision duly examined the current connection with Iceland in the mind of the relevant public and the question of reasonable future possible connection.
  - All goods are produced in Iceland. Some even exported. There are positive connotations relating to Iceland. All goods can be in fact manufactured in Iceland. It has a healthy economy and a reputation for green energy. Being small should not count against Iceland.

- While the cancellation applicant is of the opinion that the country name ‘Iceland’ is sufficiently well-known among the public within the EU to be perceived as the name of a country from which the goods and services at issue may originate, the Grand Board is nevertheless urged not to place too much emphasis on the economic power represented by the name in question because this would lead to a *de facto* discrimination of smaller or small countries.

### **Reasons**

- 46 All references made in this decision should be seen as references to the EUTMR (EU) No 2017/1001 (OJ 2017 L 154, p. 1), codifying Regulation (EC) No 207/2009 as amended, unless specifically stated otherwise in this decision.
- 47 The appeal complies with Articles 66, 67 and Article 68(1) EUTMR. It is admissible.

### *Issues*

- 48 These proceedings raise the following main issues that will be analysed in the present decision: (I.) the confidentiality of certain data adduced; (II.) the *ratione temporis* applicability of relevant legislative provisions; (III.) the scope of appeal; (IV.) the admissibility of new grounds of invalidity based on Article 7(1)(f) EUTMR; (V.) the admissibility of belated evidence filed at various stages of the appeal proceedings; (VI.) Article 59(1)(a) EUTMR and various *inter partes* considerations; (VII.) the relevant point in time for assessment of the absolute grounds objections raised; (VIII.) the relevant public under Article 7(2) EUTMR and their level of attention; (IX.) the application of Article 7(1)(c) EUTMR; (X.) the probative value and weight to be given to the expert opinions and testimonies adduced; (XI.) the application of Article 7(1)(b) EUTMR; (XII.) the application of Article 7(1)(g) EUTMR; and (XIII) the application of Article 7(3) EUTMR.

#### *I. Confidentiality*

- 49 The EUTM proprietor indicated certain items of evidence as confidential.
- 50 In accordance with Article 114(4) EUTMR, files may contain certain documents which are excluded from public inspection – e.g. parts of the file which the party concerned showed a special interest in keeping confidential.
- 51 In accordance with this provision, in the event that a special interest in keeping a document confidential is raised, the Office must check whether that special interest is sufficiently shown. Such special interest exists because of the confidential nature of the document or its status as a trade or business secret.
- 52 While part of the evidence marked as confidential is also available on internet sites or social media and does not appear to be sensitive or secret, other items of evidence contain business-related information and figures (including expenditure on advertising, marketing, and promotion of the contested mark), invoices and personal names.

- 53 The Grand Board will thus treat that evidence marked by the EUTM proprietor as confidential with the appropriate degree of care and refer to it in general terms, not disclosing information which may be considered sensitive from a business perspective and which is not accessible from other publicly available sources.

*II. Provisions applicable ratione temporis*

- 54 Given the date on which the application for registration of the contested mark was filed, namely 12 February 2013, which is decisive for the purposes of identifying the applicable substantive law, the facts of the case are governed by the substantive provisions of Council Regulation (EC) 207/2009 (CTMR), in its original version (see, to that effect, 18/06/2020, C-702/18, PPRIMART Marek Łukasiewicz (fig.) / PRIMA et al., EU:C:2020:489, § 2; 12/05/2021, T-70/20, MUSEUM OF ILLUSIONS (fig.) / MUSEUM OF ILLUSIONS (fig.), EU:T:2021:253, § 16). However, for ease of reference, the Grand Board will refer to the ‘EUTMR’. Should there be differences in relation to relevant substantive law matters between the CTMR and EUTMR they will be highlighted.
- 55 Regarding procedural rules, it is recalled that, according to settled case-law, they are generally held to apply on the date on which they enter into force (12/05/2021, T-70/20, MUSEUM OF ILLUSIONS (fig.) / MUSEUM OF ILLUSIONS (fig.), EU:T:2021:253, § 17).
- 56 Since the appeal was filed on 24 July 2019, pursuant to Article 82(2)(j) EUTMDR, the EUTMDR shall apply to the appeal proceedings in the present case. In particular, the admissibility of new evidence filed before the Board will be governed by the provisions of the EUTMDR.
- 57 Since a number of matters raised in the present appeal proceedings involve issues that are of a procedural nature, but which are nevertheless governed by the basic regulation, it will also be necessary to refer to the latest version of the EUTMR in relation to these matters.

*III. Scope of appeal*

- 58 The Grand Board observes that the cancellation applicant relied on Article 7(1)(b), (c) and (g) EUTMR in the request for a declaration of invalidity.
- 59 The Cancellation Division based its decision on Article 7(1)(c) EUTMR, since Article 7(1) EUTMR makes it clear that it is sufficient that one of the absolute grounds for refusal listed in that provision applies for the sign at issue not to be registrable as European Union trade mark registration [or in the case of a declaration of invalidity, for the contested mark to remain on the register], it considered that it was no longer necessary to consider the cancellation applicant’s arguments alleging the breach of Article 7(1)(b) and (g) EUTMR.
- 60 During the hearing, the EUTM proprietor expressed the view that given the fact that the contested decisions are exclusively based on Article 7(1)(c) EUTMR, and that the remittal to the Grand Board only mentioned Article 7(1)(c) EUTMR, the examination of the case by the Grand Board should be limited to Article 7(1)(c)



EUTMR. In the EUTM proprietor's view, consideration of Article 7(1)(b) and (g) EUTMR is *ultra vires*.

- 61 Since it will be shown that the application of Article 7(1)(c) EUTMR is sufficient to invalidate the contested mark *in toto*, the Grand Board considers that it is not necessary to rule on the application of Articles 7(1)(b) or (g) EUTMR. Therefore, the question of whether the examination of the appeal should not involve consideration of Articles 7(1)(b) and (g) EUTMR, as being *ultra vires*, can be left open.

*IV. Admissibility of ground of invalidity based on Article 7(1)(f) EUTMR*

- 62 In its submissions dated 19 August 2022 the cancellation applicant invoked, for the first time, Article 7(1)(f) EUTMR before the Board. It submits that the Grand Board is not only allowed but obliged to apply this provision *ex officio* because of the overarching public policy considerations behind these proceedings. The cancellation applicant referred to the judgments of the General Court 'Hokey Pokey' and 'Gugler' (cited *supra* in para. 45 indent 3) in support of that contention.
- 63 The Grand Board observes that in *inter partes* proceedings the scope of the dispute is defined by the notice of opposition or (as in the present case) by the request for a declaration of invalidity. In case of an invalidity request, there is no specific legislative time limit contemplated within which a new ground can be raised. Nevertheless, raising such a further ground of invalidity at the appeal stage of the proceedings would in fact amount to initiating a new request for invalidity. The cancellation applicant is at liberty to commence fresh invalidity proceedings on a different ground to the one(s) raised previously, but any such request for a declaration of invalidity is not to be deemed to have been filed until the relevant fee has been paid (Article 56(2) EUTMR). However, no such fee has been paid.
- 64 More importantly, Article 27(2) EUTMDR provides that, in *inter partes* proceedings, examination of the appeal shall be restricted to the grounds invoked in the statement of grounds.
- 65 While matters of law not raised by the parties are to be examined by the Board of Appeal, this is only possible where they either concern essential procedural requirements or where it is necessary to resolve them in order to ensure a correct application of EUTMR.
- 66 The cancellation applicant, in support of the two exceptions mentioned in the preceding paragraph, refers to the 'Hokey-Pokey' and 'Gugler' judgments (cited *supra* in para. 45 indent 3). It is observed that these cases concern annulment of decisions based on insufficient reasoning where no such objection or ground of appeal was raised by the appellant. However, unlike in the present case, such an issue relates to infringement of an essential procedural requirement. Neither of those two judgments extends the substance of the case to claims not made by the parties in due time. This is different to the case at hand, where a completely new ground has been raised only a few weeks before the oral hearing.
- 67 The EUTMR has, in the view of the Grand Board, been applied correctly. Article 95(1) EUTMR restricts the Grand Board's examination in *inter partes* cases

to the grounds and arguments provided by the parties. Although Article 95(1) EUTMR introduces a discretion by providing that facts and arguments not submitted in due time may be disregarded, the positive exercise of that discretion depends, *inter alia*, on the belated matters being likely to be relevant to the outcome of the case (13/03/2007, C-29/05 P, ArcoI, EU:C:2007:162, § 44). Since, as will be seen below, the application of Article 7(1)(c) EUTMR is sufficient to invalidate the contested mark *in toto*, introducing a new ground of appeal at such a late stage of proceedings can have no decisive impact on the end result of the present appeal.

- 68 As a consequence, the request to cancel the contested EUTM on the basis that it is contrary to public policy under Article 7(1)(f) EUTMR is inadmissible.
- 69 Nevertheless, for the sake of completeness, the Grand Board notes that, to the extent that public policy may be deemed germane to (or a variant of) public interest, the latter will be considered in the context of the specific absolute grounds relied on by the cancellation applicant (see also para. 97 *et seq. infra*).

V. *Admissibility of belated evidence filed at various stages of appeal proceedings*

- 70 The Grand Board further notes that the parties filed new arguments and evidence in the course of the appeal proceedings. These arguments and evidence – to the extent they remain relevant – include, in particular, the following:

On behalf of the EUTM proprietor:

- the surveys submitted together with the statement of grounds of appeal on 5 August 2019;
- the written witness statements of Dr Pflüger and Mr Walker submitted before the oral hearing on 9 August 2022;
- the written expert opinions of Professor Maniatis and Professor Llewelyn submitted before the oral hearing on 9 August 2022.

On behalf of the cancellation applicant:

- certain statements made in the course of the oral proceedings on 9 September 2022 and alleged by the EUTM proprietor during those proceedings to be introducing new or additional evidence.

- 71 The Grand Board observes that the matter of belated evidence is a procedural matter and, as pointed out above in para. 55 *supra*, the latest version of EUTMR is relevant to any discussion of admissibility.
- 72 The Grand Board recalls that, as the Court has held, it results from the wording of Article 95(2) EUTMR that, as a general rule and unless otherwise specified, the submission of facts and evidence by the parties remains possible after the expiry of the time limits to which such submission is subject under the provisions of the EUTMR; the Office is in no way prohibited from taking account of facts and evidence which are submitted or produced late ('ArcoI', cited *supra* in para 67; 18/07/2013, C-621/11 P, Fishbone / FISHBONE BEACHWEAR (fig.),

EU:C:2013:484, § 22), that is after the time limit provided by the Regulation and, as the case may be, for the first time before the Board of Appeal.

- 73 In stating that the latter ‘may’, in such a case, decide to disregard evidence, Article 95(2) EUTMR grants the Office broad discretion to decide, while giving reasons for its decision in that regard, whether or not to take such evidence into account (‘Arcol’, § 43, cited *supra* in para. 67; and ‘Fishbone’, § 23, cited *supra* in para. 72).
- 74 According to Article 27(4) EUTMDR, the Board may accept facts or evidence submitted for the first time before it only where those facts and evidence meet two requirements. Firstly, it must be established that they are *prima facie* relevant for the outcome of the case. Secondly, it must be established that these facts and arguments have not been produced in due time for valid reasons, in particular where they are merely supplementing relevant facts and evidence which had already been submitted in due time or are filed to contest the findings made or examined by the first instance of its own motion in the decision subject to appeal.
- 75 It follows that although Article 95(2) EUTMR and Article 27(4) EUTMDR grant the Board wide discretion to decide, while giving reasons for its decision in that regard, whether or not to take into account evidence submitted for the first time before the Board; there are clear limits to this discretion, which will be duly taken into account in the examination which follows below.
- 76 In the present case, the conditions for accepting the belated evidence submitted by the EUTM proprietor and the new arguments presented by the cancellation applicant at the appeal stage have been met.
- 77 The survey evidence submitted before the Boards of Appeal by the EUTM proprietor aims to show the relevant public’s perception of ‘ICELAND’ by consumers in four, allegedly representative, Member States of the EU and seeks to corroborate the arguments made before the Cancellation Division (in particular the EUTM proprietor’s arguments and evidence dated 30 May 2018).
- 78 Regarding Dr Pflüger’s witness statement, dated 4 August 2022 related to the surveys, although it was submitted at a very late stage, the Grand Board recognises that the content of this statement is merely a summary of the methodology and results of the surveys compiled on 2 August 2019 and adduced with the statement of grounds of appeal. For this reason, the witness statement is merely supplementary and explanatory.
- 79 Similarly, the witness statement of Mr Richard Walker merely reiterates the submissions made earlier and the expert opinions develop legal arguments.
- 80 Regarding the new submissions made by the cancellation applicant at the hearing, the EUTM proprietor specifically challenges the statement that ‘that there was only one country in Europe that produces bananas and that was Iceland (in greenhouses heated up with sustainable energy)’. The Grand Board considers that this statement is also made to supplement previous submissions relating to goods and services manufactured in Iceland. Similarly, it appears that also the cancellation applicant’s reference to Össur, a company producing technologically advanced artificial limbs

could have been raised for the first time at the hearing. However, the Grand Board considers that this reference supplements previous submissions and evidence relating to Iceland being an innovative nation.

- 81 The Grand Board also considers that *prima facie* all this supplementary evidence is likely to be relevant for the outcome of the case and will therefore take it into consideration.

*VI. Article 59(1)(a) EUTMR and various inter partes considerations*

- 82 In accordance with Article 59(1)(a) EUTMR, an EU trade mark is to be declared invalid on application to the Office where the EU trade mark has been registered contrary to the provisions of Article 7 EUTMR.

- 83 The EUTM enjoys a presumption of validity and it is for the cancellation 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, § 272-9).

- 84 However, while the presumption of validity of the registration restricts EUIPO's obligation to examine the relevant facts, it does not, however, preclude it, in particular as regards the matters put forward by the party challenging the validity of the contested mark, from relying on well-known facts ('Montana', § 41, cited *supra* in para. 44, indent 4 and the jurisprudence therein; 20/07/2016, T-11/15, SUEDTIROL, EU:T:2016:422, § 40).

- 85 The Grand Board is conscious of the importance of the foregoing rules and will ensure their correct application in the present decision.

*VII. Relevant point in time*

- 86 The relevant point in time for the assessment of whether the EU trade mark has been registered contrary to the provisions of Article 7 EUTMR is the filing date of that trade mark.

- 87 In the present case, the contested mark was filed on 12 February 2013. It follows that the Grand Board must primarily assess the factual situation pertaining at that date.

- 88 However, evidence postdating the filing date, which has been filed in this case by both parties, may nevertheless be relevant as in many instances the situation is unlikely to have evolved significantly in the intervening years. This is particularly true in the present case of consumer taste, level of recognition and awareness of the country as a sovereign state and its geographical and social qualities ('Flugbörse', § 41 and 43, cited *supra*, in para. 9, indent 3).

*VIII. Relevant public under Article 7(2) EUTMR and their level of attention*

- 89 In the present case, the goods and services at issue are aimed at the public at large.

- 90 The word 'ICELAND' is an English word designating an island republic in the North Atlantic. It will be understood in the United Kingdom (see para. 90 *infra*), Ireland and Malta as well as in the Scandinavian countries (including Denmark – a

country with which Iceland has particularly strong historical links), the Netherlands, Finland and Cyprus where the relevant public has a sufficient command of the English language in order to be taken as the target public for the purposes of these proceedings (26/11/2008, T-435/07, *New Look*, EU:T:2008:534, § 23; 09/12/2010, T-307/09, *Naturally active*, EU:T:2010:509, § 26; 06/02/2013, T-412/11, *Transcendental Meditation*, EU:T:2013:62, § 69).

- 91 The Grand Board notes that, as the assessment whether the contested mark has been registered contrary to the provisions of Article 7 EUTMR, must be made by reference to the filing date (12 February 2013 in the present case), the United Kingdom remains a relevant territory for that analysis.
- 92 In accordance with Article 7(2) EUTMR, the registration is to be refused even if the grounds for refusal exist only in a part of the European Union. Therefore, the fact that the trade mark is descriptive or lacking in distinctive character in any of the European Union official languages is sufficient to refuse its registration (03/07/2013, T-236/12, *Neo*, EU:T:2013:343, § 57).
- 93 Considering the nature of the goods and services at issue, these are aimed at the public at large. Therefore, the level of attention is that of the reasonably well informed and reasonably observant and circumspect average consumer.

#### *IX. Article 7(1)(c) EUTMR*

##### *(i) Scope of application*

- 94 Article 7(1)(c) EUTMR provides that 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, must not be registered.
- 95 It follows that the cancellation applicant's contention in the present case is that the mark 'ICELAND' is geographically descriptive of the origin of all the goods and services for which it is registered and must, therefore, be invalidated, *in toto*.
- 96 In evaluating the application of Article 7(1)(c) EUTMR, the Grand Board must have regard both to the public interest that underlines that provision and the case-law that has evolved in interpreting it, before applying those principles to the facts at hand.

##### *(ii) Public interest*

- 97 Public interest is inherently linked to public policy; it involves the welfare or wellbeing of the general public and society as a whole. Protection of that welfare or wellbeing is achieved through public policy. That is to say, a normative expression of values and goals, defined by a public authority. Its content should be ascertainable from official sources of law and/or policy documents (02/07/2019, C-240/18 P, *Opinion of Advocate General Bobek*, EU:C:2019:553, § 77). It therefore follows that public policy and public interest are two sides of the same coin. While there appears currently to be no normative prohibition in the EU on registration of country names as trade marks, it may nonetheless be open to

question whether, irrespective of the goods or services at issue, it is in the public interest to allow monopolisation of the names of EU and EEA Member States (see para. 105 *infra*) that are highly familiar geographical locations to the relevant European public.

- 98 Article 7(1)(c) EUTMR pursues an aim that is in the public interest, which requires that all signs or indications which may serve to designate characteristics of the goods or services in respect of which registration is sought remain freely available to all undertakings in order that they may use them when describing the same characteristics of their own goods ('Chiemsee', § 25, cited *supra*, para. 9, indent 4). The public interest is thus the need (whether explicit or implicit) to keep certain marks free so that other traders can make use of them, 'including as collective marks or as part of complex or graphic marks', in order to compete effectively. This is the principal public interest underlying Article 7(1)(c) EUTMR.
- 99 As regards, more particularly, signs or indications which may serve to designate the geographical origin of the categories of goods in relation to which registration of the mark is applied for, especially geographical names, it is in the public interest that they remain available, not least because they may be an indication of the quality and other characteristics of the categories of goods concerned, and may also, in various ways, influence consumer tastes by, for instance, associating the goods with a place that may give rise to a favourable response ('Chiemsee', § 26, cited *supra*, para. 9, indent 4; 'Suedtirol', § 30, cited *supra* in para. 84; 23/02/2022, T-806/19, Andorra (fig.), EU:T:2022:87, § 19).
- 100 Highlighting the public interest in the need to keep geographical signs free for others to use suggests that Article 7(1)(c) EUTMR should be interpreted in a way that properly filters the circumstances in which such signs remain in the public domain rather than allowing them to be appropriated through registration.
- 101 In that regard, it should be borne in mind that, pursuant to Article 7(1)(c) EUTMR, geographical names designating certain geographical places which are already well-known or well-known for the category of goods or services concerned and which are therefore linked to it for the relevant class of persons, on the one hand, and geographical names which may be used by undertakings and which must also remain available to them as indications of the geographical origin of the category of goods or services concerned, on the other hand, are excluded from registration as trade marks ('Oldenburger', § 31, cited *supra* in para. 41, indent 13; 06/10/2017, T-878/16, KARELIA, EU:T:2017:702, § 16; 'Andorra', § 20, cited *supra* in para. 99).
- 102 However, it must be noted that, in principle, Article 7(1)(c) EUTMR does not preclude the registration of geographical names which are unknown to the relevant class of persons – or at least unknown as the designation of a geographical location – or of names in respect of which, because of the type of place they designate, such persons are unlikely to believe that the category of goods or services concerned originates there ('Oldenburger', § 33, cited *supra* in para. 41, indent 13; 'Karelia', § 17, cited *supra* in para. 101; 'Andorra', § 21, cited *supra* in para. 99).
- 103 As regards more specifically country names, case-law does not support the presumption that such names automatically constitute indications designating the

geographical origin of the goods and services; it is necessary to take into account all the relevant circumstances, such as the nature of the goods or services designated, the greater or lesser reputation, especially within the economic sector involved, of the geographical location in question and the relevant public's greater or lesser familiarity with it, the customs obtaining in the area of activity concerned and the question of to what extent the geographical origin of the goods or services at issue may be relevant, in the view of the target public, to the assessment of the quality or other characteristics of the goods or services concerned ('Montana', § 94 and 97 and the jurisprudence therein, cited *supra* in para. 44, indent 4).

- 104 Consequently, when a sign comprises a geographical name, the EUIPO – or, as in the present case, the cancellation applicant – is bound to establish as a preliminary matter that the geographical name is known to the relevant class of persons as the designation of a place. Next, it must be determined whether, the name in question suggests a current association, in the mind of the target public for the category of goods or services in question, or, alternatively, whether it is reasonable to assume that such a name may, in the view of those persons, designate the geographical origin of that category of goods or services. Thus, signs which could be employed descriptively in the future are left open for third party use. In making the assessment of geographical descriptiveness, particular consideration should be given to the relevant class of persons' degree of familiarity with the geographical name in question, with the characteristics of the place designated by that name, and with the category of goods or services concerned ('Chiemsee', § 32, cited *supra*, para. 9, indent 4; 'Monaco', § 51, cited *supra* in para. 9, indent 1; 'Karelia', § 19, cited *supra* in para. 101; 'Andorra', § 22, cited *supra* in para. 99)
- 105 There is also an element of consumer protection that underlines the application of Article 7(1)(c) EUTMR in that the assessment of that provision's ambit, when assessing a trade mark's goods and services that target the public at large. More precisely, in relation to geographically descriptive marks, the imputed beliefs of those consumers can be determinant. For example, in 'Chiemsee' (cited *supra*, para. 9, indent 4), it was necessary to account for the fact that while some consumers might not believe that the goods at issue could be manufactured literally in the middle of the lake of that name, placing the monopolisation of the sign into the hands of one undertaking would have prejudicial consequences on competition, which would ultimately not be in the interests of consumers. Furthermore, consumer interest appears to underpin the provisions under the EU trade mark Regulations specifically envisaging that consumer groups may file third party observations and lodge requests for a declaration of invalidity (Article 45(1) and Article 63(1)(a) EUTMR) as well as being entitled, in certain circumstances, to submit written observations in cases referred to the Grand Board (Article 37(6) EUTMDR).
- 106 Insofar as the EUTM proprietor refers to the balancing of fundamental rights under the EU Charter, this will be dealt with in paras 181 *et seq. infra*.

(iii) *Descriptive character of the sign*

- 107 The sign at issue is a word mark 'ICELAND'. It is undisputed that in English ICELAND means the country of the same name.

108 This meaning is confirmed by the *Collins Dictionary*, which gives the following definition of ICELAND:

‘an island republic in the N Atlantic, regarded as part of Europe: settled by Norsemen, who established a legislative assembly in 930; under Danish rule (1380–1918); gained independence in 1918 and became a republic in 1944; contains large areas of glaciers, snowfields, and lava beds with many volcanoes and hot springs (the chief source of domestic heat); inhabited chiefly along the SW coast. The economy is based largely on fishing and tourism. Official language: Icelandic. Official religion: Evangelical Lutheran. Currency: króna. Capital: Reykjavik. Pop: 335 025 (2017 est). Area: 102 828 sq km (39 702 sq miles)’

<https://www.collinsdictionary.com/dictionary/english/iceland>

Reference consulted on 25 October 2022.

109 A similar description can be found in the *Encyclopedia Britannica*:

‘Iceland, island country located in the North Atlantic Ocean. Lying on the constantly active geologic border between North America and Europe, Iceland is a land of vivid contrasts of climate, geography, and culture. Sparkling glaciers, such as Vatna Glacier (Vatnajökull), Europe’s largest, lie across its ruggedly beautiful mountain ranges; abundant hot geysers provide heat for many of the country’s homes and buildings and allow for hothouse agriculture year-round; and the offshore Gulf Stream provides a surprisingly mild climate for what is one of the northernmost inhabited places on the planet’

<https://www.britannica.com/place/Iceland>

Reference consulted on 26 October 2022.

110 While it is clear that the term will be understood in the United Kingdom, Ireland and Malta, it will also be understood identically by consumers in Scandinavian countries (including Denmark), the Netherlands Finland and Cyprus – where the relevant public has a sufficient command of the English language.

*a. Degree of familiarity of the relevant public with the geographical name in question*

111 The reasonably well informed and reasonably observant and circumspect relevant public will be aware that Iceland is geographically situated in Europe.

112 It is also common knowledge among the target public, or through data that can be easily accessed from reliable sources by that group, that Iceland, with a surface area of 102,775 square kilometres, is larger than Ireland, the Czech Republic, Austria, Switzerland and Belgium and comparable in size to Bulgaria. Although a relatively sparsely populated territory, with over 366 000 inhabitants, it is generally known for its nature and scenery, which make it a popular travel destination. Iceland is well-known as one of the largest fishing nations in the world, exporting large amounts of cod and other fish around the globe (including the EU).



- 113 Being situated at the intersection of the North American and Eurasian tectonic plates, Iceland is known as a volcanic area that also benefits from significant freshwater reserves (including glaciers, waterfalls and geysers). The energy produced from the heat of the Earth's interior stored in rocks and soils, as well as from water resources, is harnessed to power geothermal and hydroelectric systems throughout the country. Running mainly on renewable energy (geothermal and hydro), Iceland is a world leader in sustainability and eco-friendly policies (Annex J1 article and the entry from *Encyclopaedia Britannica* cited in para. 109 above).
- 114 Although Iceland's population is small, the country is a sovereign state, with its own history, language, literature (particularly its sagas), government, parliament and administrative system. Iceland is a member of the UN, NATO, EEA, EFTA, Council of Europe and OECD.
- 115 Furthermore, while Iceland is not a Member State of the European Union, it is a part of the European Economic Area. As a result, Iceland is integrated into the European Single Market and has strong bonds with the European Union.
- 116 Given its history, Iceland enjoys the deepest ties with Denmark as compared with any other EU Member State (see submissions in reply by the cancellation applicant in the appeal proceedings and statements made on its behalf during the oral hearing). This is particularly because the country was under Danish rule for over four hundred years. In addition, a number of Icelanders work and study in Denmark and the relationship between the two countries has remained close in the post-independence era. This socio-cultural proximity is further nurtured by the fact that many Icelanders have a knowledge of Danish due to that language continuing to be taught in Icelandic schools.
- 117 It cannot therefore be seriously questioned that reasonably educated members of the relevant public across the area being considered in these proceedings recognise 'ICELAND' as a country name.
- 118 Indeed, the EUTM proprietor's survey evidence is premised on 'ICELAND' being a country name and, therefore, implicitly, confirms the universal recognition of Iceland as a country name. That recognition runs particularly deep in Denmark, where – as already pointed out – the target public is likely to have the greatest knowledge of and affinity with Iceland of all the Member States in the EU. Moreover, the geographical name does not relate to a small town or lake such as Devin or Chiemsee, which may be known locally but not beyond; rather it designates a European country which, as a Member State of European Economic Area, is an important economic partner of the European Union. Unlike geographical regions such as Alaska or Montana, Iceland is an integral part of the Single Market and has strong trade links with the EU. The level of recognition in economic terms is further confirmed by Annexes E1, F1 and G1 which cite statistical figures on exports and imports, in general and in relation to specific categories of goods such as marine products, manufacturing goods and agricultural products. Furthermore, the evidence shows high GDP per capita and the high ranking of Iceland as a 'nation brand' (Annex H1 – Brand Finance's annual report on the world's most valuable nation brands with Iceland ranking first in 2017).

- 119 In addition, unlike Alaska or Montana, Iceland is well-connected to the EU by regular short-haul air flights to a number of European cities and is a popular destination for visitors drawn from the target public (Annexes B2, C1 and D1 which cite foreign visitors' opinions on Iceland and their positive connotations).
- 120 In the light of the foregoing, the Grand Board finds that the degree of familiarity of the relevant public with the geographical name of Iceland is very high. Over the course of time, the target public has been inculcated through a combination of education, travel, food and agriculture products (such as wild-caught and farmed fish, lamb and dairy products, in particular skyr), media exposure and general life experience to make an association between the geographic name Iceland and the country of the same name. That association is likely to be particularly strong in Denmark.
- 121 Moreover, while it will still be necessary to satisfy the remaining criteria of the test in 'Chiemsee' (current or foreseeable association between the geographical embodied in the sign and the goods and services), the high degree of familiarity on the part of the target public with the geographical name in question may facilitate the subsequent perception that the goods and services covered by the registration at stake will be produced and offered there ('Cloppenburg', § 49, cited *supra* in para. 9, indent 1). In addition, known characteristics of the geographical location eco-friendliness, economic prosperity, natural resources, skilled labour, quality and the like, will favour the aforementioned perception ('Passionately Swiss', § 41, cited *supra* in para. 41 indent 13; 'Suedtirol', § 42, cited *supra* in para. 84). In these circumstances, the link between the goods and services and the contested mark will be easier to establish.
- 122 The EUTM proprietor argues in its statement of grounds of appeal that the well-known character of the geographical name may reduce the intensity of the examination required of the remaining 'Chiemsee' criteria only where the region is a 'large region famous for the quality of a wide range of products and services' and will not be reduced where the reputation of the country is limited to a few products or services. Undoubtedly, Switzerland – although not a large country in terms of surface area and population – is highly familiar to EU consumers as a country name and is known for offering a reasonably broad range of goods and services (especially in the luxury brand category and tourism or financial sectors). Nevertheless, Iceland cannot be dismissed as a small, remotely situated and economically insignificant country that only offers a handful of goods and services. It is an EEA Member State with considerable fish, water and eco-friendly energy reserves, firmly placed on the tourist map and currently providing a reasonably broad range of goods and services. Moreover, the characteristics of this country analysed in the next section will contribute positively to consumer perception in a commercial context.
- 123 The EUTM proprietor alleges that the Cancellation Division disregarded all the considerations set out in the case-law mentioned in para. 98 *et seq. supra* and wrongly held there to be a presumption that country names are descriptive. Moreover, it is claimed that the contested decision simply determined that mere awareness of the country on the part of the relevant public suffices to exclude that name from trade mark registration for all the goods and services covered.

124 The Grand Board stresses that, contrary to those arguments of the EUTM proprietor, the Cancellation Division at no point held that it was sufficient for ‘ICELAND’ to be known as the designation of a country in order to consider the contested mark as descriptive and did not seek to justify that approach by relying on the Monaco judgment. On the contrary, the Cancellation Division has thoroughly examined the evidence adduced and properly applied the ‘Chiemsee’ criteria (see para. 121 *supra*). In the Grand Board’s view this approach is correct.

*b. Characteristics of the place designated by that name*

125 The characteristics of the country of Iceland are apparent from the *Collins Dictionary, Encyclopaedia Britannica* (para. 108 and 109 *supra*) and other well-known facts or data easily accessible from reliable sources (para. 112 *et seq. supra*).

126 The evidence submitted by the cancellation applicant demonstrates that the tourists that visit Iceland greatly value the country’s nature, fauna and flora (Annex B1 – Survey by the Icelandic Tourist Board conducted in 1996 and Annex B2 – Survey by the Icelandic Tourist Board conducted in 1998 show that tourists particularly appreciated the country’s natural environment, cleanliness, transport, food and that 96% of them would recommend Iceland as a tourist destination). While these surveys refer to tourists (also, but not exclusively, coming from the relevant English-speaking territories of the European Union), another survey, shows that Icelandic nature is held in very high esteem by potential travellers, notably from Denmark (in addition to other territories which are not relevant in the current proceedings). While this second survey (Survey by Íslandsstofa (Promote Iceland) conducted in 2015 in Denmark, France, Germany and the United Kingdom) is dated well after the filing date, the perception of the relevant public remains focused on Iceland’s natural assets. That focus is unlikely to have changed in the intervening years since the filing date, given the relative permanency of Iceland’s natural surroundings. When it comes to products which could originate from Iceland, the respondents refer, in particular to fish, food, wool products and beer. Again, it is not likely that these responses would have been different at the time of the filing. These land and artisanal-based products are usually, in most parts of the world, the result of traditional industries that have existed for many years.

127 In fact, statistical figures on exports and imports show that over 76% of outward and almost 63% of inward trade involves the EEA. Among the highest exports are: fish, crustaceans, molluscs etc; fertilisers, minerals; electric machinery, apparatus and appliances and animal feeds (Annex F1 – Statistical Yearbook of Iceland 2015 and G1 – Statement from Statistics Iceland).

128 Furthermore, as shown by the cancellation applicant, Iceland was first in the ranking of best performing nation brands in 2017 (Annex H1 – Nation Brands 2017 – The annual report on the world’s most valuable nation brands by Brand Finance). Even if the ranking clearly postdates the filing date, such reputation of a nation is clearly not gained from one year to the next. The report, cited also by the Cancellation Division, states the following:

‘Iceland is the fastest growing nation brand of 2017, up 83% from last year, and may only continue to enjoy unrivalled growth in the near future. The country’s tourism industry is booming and expanding its share of GDP at the expense of the

traditionally dominant fishing sector. Thanks to the hit television show, *Game of Thrones*, which films most of its winter scenes in Iceland, the country has seen a record 1.8 million foreign visitors in 2016, up 40% from 2015. The first two months of 2017 saw a 59% increase on the same period of 2016 and the figure is expected to reach 2.4 million by the end of this year. The increase in visitors brings great financial benefits to the nation. Tourists spent US\$212 million in 2016, using credit and debit cards alone, and as the number of visitors is forecast to increase, so will the injection of money.’

- 129 While the EUTM proprietor claims that the characteristics of Iceland are limited to its natural beauty and that its relative economic importance relates to tourism and a diminutive size that skews the significance of a high per capita GDP, the nation brand’s strength as set out in this 2017 report is in fact determined by reference to performance on dozens of data points across three key ‘pillars’: Goods & Services, Investment and Society. These are divided into sub-pillars: Tourism, Market, Governance and People & Skills. Therefore, the ranking clearly reflects the importance of a nation in the world in many respects. Scoring well on metrics such as market development, doing business, trade rules and openness are fundamental considerations for gaining good standing as an outward looking country that is trying to cultivate a positive image of itself in world economic terms and international trade.
- 130 As submitted during the hearing (in reply to the second question asked to both parties), the Iceland government’s current promotion strategy was launched in 2019, and is carried out by Business Iceland. That entity is a private-public partnership established to lead the promotion and marketing of Iceland in foreign markets and stimulate economic growth through increased export. Business Iceland’s operations are based on national legislation put in place in 2010, with the aim of strengthening the image and reputation of Iceland. Strengthening the competitive position of Icelandic businesses in foreign markets, promoting exports, attracting foreign tourists and investment to the country are key objectives of Business Iceland. This strategy has four main pillars: nature, people, innovation and sustainability. In short, Iceland is not only promoting itself as a high-end visitors’ destination but is also making significant efforts to be a valuable international trading partner.
- 131 Although Iceland is undoubtedly known to the relevant public in the European Union for its glaciers, volcanoes, rugged landscapes and hot springs, its positive image goes beyond mere physical attractions. The country has an exceptionally high per capita GDP (already at USD 60 000 per capita in 1998, which has risen to USD 72 000 in 2021 – see response given by counsel to the cancellation applicant to the second question put to both parties at the hearing corroborated by previously filed evidence, ~~Annex 1~~, and well-known facts) and is at the forefront of sustainable and renewable energy. As the counsel for the cancellation applicant pointed out at the hearing (in response to the question ‘*What commercial policy or strategy exists to promote the name of a country such as Iceland as a brand and what image or identity is sought to be portrayed thereby?*’), Iceland is particularly known for its geothermal energy. As submitted by the cancellation applicant before the Cancellation Division (p. 2 of the Grounds for Request of Invalidity dated 23 January 2018), Icelanders use geothermal energy to heat 90% of buildings in the country and for 25% of the country’s electricity production. With the rest of

Iceland's energy needs being met by emission free hydropower, Iceland is one of the most eco-friendly countries in the world, which certainly significantly contributes to the country's reputation both in the rest of Europe and around the world (Annex J1 article and the entry from *Encyclopaedia Britannica* cited *supra* in para. 109).

132 Admittedly, geothermal energy might not have been at such a high level in 2013 but the Nordic countries in general, and Iceland in particular, have always been at the forefront of eco-friendly solutions and have a long tradition of using hydro-electric power.

133 In addition to focussing on energy and green solutions, counsel for the cancellation applicant also referred at the hearing (in response to the question 'What commercial policy or strategy exists to promote the name of a country such as Iceland as a brand and what image or identity is sought to be portrayed thereby?') to the Icelandic government's efforts to promote innovation and technology, art and creative industries as well as tourism, (sea)food and nature products. The building of a positive image of the country both at home and abroad is reflected in the results of the Nation Brands report and has positive repercussions on how Icelandic goods and services will be perceived. In fact, the report notes on page 3 that:

'The effect of a country's national image on the brands based there and the economy as a whole is now widely acknowledged. In a global marketplace, it is one of the most important assets of any state, encouraging inward investment, adding value to exports, and attracting tourists and skilled migrants.'

134 The geographical name Iceland thus projects positive associations of eco-quality and sustainability that the country has worked hard to achieve over many years and which are liable to add value to the goods and services its national undertakings market abroad. While the volcanic eruptions and banking crisis alluded to by the EUTM proprietor on multiple occasions may have temporarily induced more negative associations in the post-registration period, these are not matters that introduced any element of permanency into an otherwise carefully crafted image of prosperity, and eco-friendly quality associated with the nation state of Iceland.

*c. Link with the categories of goods or services concerned*

135 As stated above, Article 7(1)(c) EUTMR does not preclude registration of geographical names which are unknown to the relevant class of persons – or at least unknown as the designation of a geographical location – or of names in respect of which, because of the type of place they designate, such persons are unlikely to believe that the category of goods and services concerned originates there or was conceived there ('Cloppenburg', § 36, cited *supra* in para. 9, indent 1; 'Monaco', § 49, cited *supra* in para. 9, indent 1; and 'Suedtirol', § 34, cited *supra* in para. 84).

136 While the familiarity of the relevant public with the geographical term Iceland and the characteristics of the place as described above are not fundamentally disputed, the main controversy arises as to whether there is a current association, in the mind of the relevant class of persons, with the category of goods or services in question, or else whether it is reasonable to assume that such a name may in the future, and from the perspective of those same persons, designate the geographical origin of

that category of goods or services, given the degree of familiarity of the geographical name and the characteristics of the place.

- 137 As regards the probative value of the cancellation applicant's evidence and that of the EUTM proprietor's survey evidence in rebuttal, the following can be noted: firstly, as already pointed out in para. 88 *supra*, although both sets of evidence include dates which are after the filing date of the contested mark, this mutual defect will not be taken as a ground of exclusion for the reasons previously given; secondly, as previously mentioned in para. 118 *supra*, the evidence as a whole indicates that 'ICELAND' is universally understood as a country name.
- 138 While the credibility of the cancellation applicant's evidence is not directly brought into question, the EUTM proprietor alleges that it fails to demonstrate a link between the contested mark and the goods and services for which it is registered. More particularly, it is contended that the country of Iceland has not been shown to have a reputation 'amongst EU consumers for any of the goods and services referred to in the [cancellation] applicant's observations' or that it is known for those goods and services, either at the time of the filing date of the contested mark or in the foreseeable future (which has, in fact, occurred, in the intervening time between 2013 and 2022).
- 139 As the cancellation applicant noted at the hearing (in a discussion that followed after the third question addressed to both parties) not only is demonstration of reputation unnecessary but also, no knowledge threshold is required under the second criterion of the test in 'Chiemsee'. It only needs to be established that the geographical term is – or may be in the future – associated with the goods and services of the contested mark.
- 140 Although the EUTM proprietor clarified at the hearing that it 'meant the reputation in the more linguistic sense, which means basically being known for', the Grand Board stresses that, in accordance with the 'Chiemsee' criteria, it is not necessary that a geographical place is currently reputed or known for particular goods or services or that manufacturing or production presently takes place in a given location. All these circumstances may serve as indicators that it is reasonable to assume that such a name is, in the mind of the relevant class of persons, capable of designating the geographical origin of that category of goods or services but are not, by any means, necessary or exhaustive preconditions. Other factors, such as those present in the case at hand, may equally indicate the reasonableness, credibility and plausibility of such purported perception on the part of the target public either at the filing date or in the future.
- 141 Conversely, the cancellation applicant has noted in the reply to the appeal that the survey evidence brought by the EUTM proprietor only concerns one of six relevant territories. It was also noted at the oral hearing that this evidence did not cover Denmark which, as previously mentioned (para. 116 *et seq. supra*), is the territory with the closest historical connections with Iceland.
- 142 The Grand Board will proceed to consider the persuasiveness of the cancellation applicant's arguments and evidence in relation to the goods and services at issue. Once completed, the Grand Board will then consider the extent to which, if at all, the EUTM proprietor's evidence undermines any conclusions reached.

- 143 As can be seen from the Statistical Yearbook of Iceland (albeit dated 2015), Iceland exports products such as fish, animal feeds, metalliferous ores, metal scrap, crude animal and vegetable materials, petroleum and petroleum products, animal oils and fats, inorganic chemicals, iron and steel, non-ferrous metals and electric machinery, apparatus and appliances (Annex F1 – Statistical Yearbook of Iceland 2015, issued by Statistics Iceland). The same document shows that the main economic partners of Iceland were, across the board, the Netherlands, followed by Germany, the United Kingdom and France. Economic exchanges with EEA countries (which include all EU Member States) accounted for almost 80% of all exports.
- 144 While admittedly this document postdates the relevant date, it is in fact in line with the data relating to 1999 cited by the Cancellation Division in its decision (Annex G1) which further illustrates the steady growth of exports from 1999 through to 2015 (exports to the EU countries: ISK 94.492 mln in 1999, ISK 137.506 mln in 2001, ISK 145.165 mln in 2005, ISK 435.398 mln in 2010 and ISK 422.857 mln in 2014). The abrupt rise in exports in 2010 as compared to 2005 may also be related to the enlargement of the European Union in 2004 but in any event the fact remains that the EU Member States are the destination of the majority of exports as they have been and continue to be the main economic partners of Iceland.
- 145 Furthermore, it has been acknowledged by the EUTM proprietor, both before the Cancellation Division and before the Board (see the statement of ground of appeal, p. 27, para. 77), that Iceland, despite its small population, is well-known as a country to EU consumers, being a small Nordic nation with an extreme climate and an interesting and unusual geology and landscape. As regards the origin of goods and services, it is common ground that Iceland is well known to the relevant consumers in the EU (including the geographical territory being considered in these proceedings) for the following (and only the following):
- as a tourist destination;
  - fish, seafood and other marine products;
  - animal feeds (to specialist EU consumers only);
  - aluminium and other metals (to specialist EU consumers only).
- 146 The cancellation applicant has also shown that Iceland has a healthy economy in terms of per capita GDP and enjoys a generally positive image as a country with - skilled labour that contributes to innovation and creativity in an open, business-friendly environment that seeks to expand foreign trade and attract tourism through its unique landscape (see Nation Brand Report). In particular, the country enjoys bountiful geothermal and hydro energy and is at the forefront of sustainable, ecological solutions.
- 147 All the current product and service associations relating to Iceland mentioned above (such as, fish, animal feeds and aluminium products) as well as the characteristics of the country in terms of nature, eco-friendliness, renewable energy, economic prosperity, and a skilled workforce and the specific data on file on actual industry and exports (data on exports in Annexes F1 and G1 referred to in para. 143-44 *supra*), allow the conclusion to be reached that the country of

Iceland is capable of producing many different kind of goods and of providing a wide range of services. At the oral hearing (in reply to the second question put to both parties), the cancellation applicant highlighted the reputation of Iceland for fisheries (including seafood), renewable energy and green solutions as well as water. In addition, they stressed government focus on innovation, sustainability, tourism, expertise and talent scouting, technology and creative industries (including design and manufacture), increased import, export and investment, food and nature products. Moreover, they referred to specific goods produced in Iceland such as salmon, trout, tilapia, farmed cod, other farmed fish, horses, other livestock (including swine and sheep), mink and fox products, seaweed and other algae and other agricultural products as well as manufactured products, confectionery, beverages, other food products, cooling equipment, weighing equipment, and all kinds of food processing equipment necessary for the food processing industry. Finally, the cancellation applicant pointed out that the most technically advanced artificial limbs in the world come from Iceland. This array of production demonstrates that the country of Iceland would be capable of producing or supplying any product or service covered by the contested mark, including electric or electronic machines and apparatus. What is more, consumers in the EU are in fact used to seeing an indication of the country of origin, production or processing on a variety of products. Such indications are not only linked to a legal obligation in the European Union to indicate the country of origin of foodstuffs but are also common in relation to other goods (stationary, electronic appliances, etc.). For these latter goods, consumers are used to seeing the indication ‘Made in [country name]’ and their purchase decision may be dependent or at least influenced by the country indicated (‘Chiemsee’, § 98, cited *supra* in para. 9, indent 4). In particular, in view of the growing environmental and ecological conscience of the target public, consumers may for example choose fruit, vegetable and meat products that were grown in countries which have strict and reliable regulations regarding the use of pesticides, antibiotics and growth hormones. Regarding electric and electronic apparatus, consumers may turn to products which are linked to a country enjoying a reputation for good eco-quality, robust and environmentally sustainable goods and services and which offer the possibility of easy-to-avail post-sales assistance with all the guarantees of Single Market consumer protection to be found in the EU or the EEA.

- 148 Given that Iceland will have a propensity to describe sustainable and environmentally-friendly goods, such an image can easily influence purchasing decisions of the relevant public. Since the beginning of the millennium, environmental concerns have had an important place on the international agenda and national governments in developed countries have taken extensive measures in response to consumer concerns in this respect. As a result, there has been a growing demand for greener and more sustainable products. For this reason, eco-friendliness embedded in the identity of countries at the forefront of the eco movement (such as the Nordic region and Germany) will positively influence the acquisition decision of consumers.

*Contested goods in Classes 29 and 30*

- 149 The contested goods in these classes encompass various food or comestible products, beverages, spices and other agricultural products:



Class 29: *Meat, poultry and game; meat, vegetables and fruit extracts; preserved, dried and cooked fruits and vegetables; extracts of fruit and/or vegetables; meat products; sausages; jellies, jams, fruit preserves, vegetable preserves, compotes; desserts in class 29; eggs, milk; dairy products; yoghurt; edible oils and fats; nuts and nut butters; pickles, tofu; food spreads; soups; nut paste; frozen foods included in Class 29; potato crisps and potato products (for food); prepared meals and constituents therefor; snack foods; none of the aforesaid goods consisting wholly or principally of fish.*

Class 30: *Coffee, tea, cocoa, sugar, rice, tapioca, sago, couscous, coffee substitutes, coffee essences, coffee extracts, mixtures of coffee and chicory; chocolate; chocolate products; flour and preparations made from cereals and/or rice and/or flour; bread, biscuits, cookies, cakes, pastry goods, and confectionery, edible ices; honey, treacle; syrup, molasses; yeast, baking-powder; salt, mustard; vinegar, pepper, sauces, ketchup, salad sauces; spices; chutney; refreshing ice; ice cream, water ices, frozen confections; preparations for making ice cream and/or water ices and/or frozen confections; breakfast cereals; pizza, pasta and pasta products; custard powder; mousses; puddings; meat pies; mayonnaise; meat tenderisers for household purposes; royal jelly for human consumption (other than for medicinal purposes); natural sweetener; prepared meals and constituents therefor, snack foods, all included in Class 30; frozen foods included in Class 30; herbs.*

150 The Board observes that it is not only current practice in the trade to indicate the geographical origin of foodstuffs, beverages and agricultural products. For many categories of foodstuffs it is in fact obligatory under EU Regulation (see in particular Regulation (EU) No1169 /2011 of the European Parliament and of the Council of 25 October 2011, its Implementing Regulation and national laws in that matter) to indicate the country of origin or place of provenance thereof. Such labelling is mandatory in relation to specific foods (meat, dairy products, unprocessed foods) but also whenever a failure to indicate this might mislead the consumer as to the true country of origin or place of provenance of the food. In addition, traders ought to indicate the origin of foodstuffs on a voluntary basis whenever it is not mandatory. Providing such information pursues the aim of achieving a high level of health protection for consumers and guaranteeing their right to information so that consumers are appropriately informed as regards the food they consume. Moreover, consumer choices can be influenced by, *inter alia*, health, economic, environmental, social and ethical considerations (Recital 3 of the Preamble to Regulation (EU) No1169 /2011 of the European Parliament and of the Council of 25 October 2011)<sup>1</sup>.

151 It follows that consumers, when seeing a name corresponding to that of a country on foodstuffs or agricultural products, are more likely to perceive it as relating to the place of origin and thus perceive it in a descriptive sense.

152 What has been concluded above is true, even if the country has no particular reputation (which is not required – see para. 140 *supra*) or is not known for a

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<sup>1</sup> Even though the legislation referred to is from 2011, the labelling of food products has a long tradition in the European Union and similar rules were in place also at the time of the filing of the contested mark (Directives 87/250/EEC, 90/496/EEC, 1999/10/EC, 2000/13/EC, 2002/67/EC and 2008/5/EC and Regulation (EC) No 608/2004.

particular product (as could be the case of say, bananas which are certainly not a flagship product of Iceland). However, it cannot be assumed that many other products within the broader category of goods (in the example just given, ‘fruits’) are incapable of coming from Iceland. Fruit products like bilberries, brambleberries and redcurrants are certainly able to be grown and dried, canned or otherwise made into preserves in Iceland and any reference to Iceland on such products could quite reasonably be seen as indicating their geographical origin. Moreover, the fact that greenhouses, heated with geothermal energy can grow a variety of fruit and vegetables means that the country’s capability of ensuring quite varied food production is not just a theoretical possibility limited to a few students, as the EUTM proprietor claimed both at the oral hearing and in its submissions dated 31 October 2022. For this reason, even if production is never likely to achieve very large export figures, consumers in the EU could well believe that such foodstuffs, when marked with ‘ICELAND’, come from the country of the same name and are being sold as speciality, artisanal products – (such as Icelandic skyr sold in the EU as part of an Icelandic products promotional campaign). It is therefore reasonable to expect that in the future these goods may be produced in Iceland.

- 153 In addition, the cancellation applicant provided evidence of actual production of foodstuffs in Iceland (Annex G1 – Statement from Statistics Iceland (the centre for official statistics in Iceland) on the exports of goods from Iceland to the European Union in the years 1999, 2001, 2005, 2010 and 2014, demonstrating the various types of goods being exported, and their value. While indeed Iceland may be mostly associated with fish, seafood and meat (lamb in particular – which can be used to make sausages and other meat products) as well as dairy products (skyr), it produces other food products, including fruit and vegetable preserves and compotes.
- 154 Moreover, consumers would believe that wild shot goose and seal meat (that are types of ‘game’) are capable of originating from Iceland. Similarly, poultry is reared, and eggs are produced in all countries in Europe. Edible fats like seal blubber and sheep fat would likewise be considered as quite capable of originating from Iceland, as would other edible oils such as rapeseed oil (that can be grown in colder climates). Cereals and snack foods are prepared and packaged in most – if not all – countries in Europe, as are the other goods in Classes 29 and 30.
- 155 As rightly noted by the Cancellation Division, even if, by its very nature, certain products are not grown in Iceland (like coffee, tea, cocoa), they still may be processed there and adapted to the local taste. Tea is not grown in Ireland, England or Scotland, yet tea selections from those countries – such as Irish breakfast tea – exist and are offered for retail in the EU. Other Class 31 goods, not – at present – normally grown in Iceland, such as rice, tapioca or sago could likewise be processed there according to local tastes or grown in hot houses and subsequently be offered in the EU as speciality items for making or accompanying Icelandic dishes and/or as part of a campaign to promote Icelandic goods. Although ‘sugar’ might, at first sight, also seem like a product that is unlikely to be produced in Iceland, it also covers beet sugar which could be produced there. Such scenarios are reasonable to foresee in view of the efforts made since 2019 by Business Iceland, which a private-public partnership established to lead the promotion and marketing of Iceland in foreign markets by stimulating increased export (see answer by counsel for the cancellation applicant to the second question put to both

parties at the hearing). Indeed, the fact that marketing efforts for new Icelandic products trade channels have been ramped up since 2019 aptly demonstrates that the EUTM proprietor's argument that the future from a 2002 (or in this case 2013) perspective has already unfolded, is not correct. Because of the efforts of entities such as Business Iceland and the policies of the Icelandic government since 2010 in regard to increasing export (explained on behalf of the cancellation applicant at the oral hearing), it is not beyond the realms of reasonable foreseeability to conclude that there will be a growth in products offered in overseas markets, including the EU, in the category currently being considered.

- 156 Contrary to the EUTM proprietor's arguments, the present case has to be distinguished from that of 30/09/2002, R 691/20001-, Greenland, in which the Board considered (in 2002) that prevailing climatic conditions preclude the practice of intensive, export-orientated agriculture in Greenland. First of all, the climate of Iceland is not as extreme as that of Greenland (see para. 109 *supra*). Secondly, the European Union's trading relationship with Greenland is not the same as with Iceland since Greenland is neither in the EU nor the EEA. Finally, Greenland is quite some distance further away from the European continent than Iceland and has an even smaller population, with very limited air travel connections to the EU.
- 157 While the EUTM proprietor has tried to show, through the surveys conducted by Dr Pflüger's team, that the country of Iceland is not associated in the minds of consumers in certain Member States with the goods at issue, the Grand Board notes that the survey suffers from the double defect of not being prior or contemporaneous to the filing date and also not concerning Denmark. Furthermore, the question of descriptiveness of a sign must always be seen against the backdrop of the goods and services it covers. Simply asking interviewees which goods come spontaneously to mind maybe a good test for proving the reputation of a mark, but it is not a watertight test in relation to the question of descriptiveness. Many ordinary consumers would be unable to list spontaneously many products that are manufactured and the services that are offered even in large Member States such as Germany or Poland.
- 158 Food and other comestible products are customarily marketed with geographic indications on them and, therefore, it is somewhat artificial to separate the country name from the goods.
- 159 In view of the above, it is reasonable to assume that 'ICELAND' is, in the mind of the relevant class of persons, capable of designating the geographical origin of the goods. Due to the degree of familiarity amongst the relevant persons with the country of Iceland, and with that nation's characteristics, as well as with the goods concerned, it is reasonable to conclude that the sign is liable to be used in the future by undertakings as an indication of the geographical origin of the goods. Consequently, it is plausible, credible and reasonable to consider the contested mark descriptive of the goods at issue from the perspective of the relevant public.

*Contested services in Class 35*

- 160 The contested services in Class 35 are essentially retail services in a form of various types of stores (supermarket, hypermarket, online retail):

Class 35: *Retail services, retail stores services, mail order retail services, electronic or on-line retail services, supermarket and hypermarket services connected with meat, poultry, game, meat, vegetables and fruit extracts, preserved, dried and cooked fruits and vegetables, extracts of fruit and/or vegetables, meat products, sausages, jellies, jams, fruit preserves, vegetable preserves, compotes, desserts, eggs, milk, dairy products, yoghurt, edible protein derived from soya beans, edible oils and fats, nuts and nut butters, pickles, herbs, tofu, food spreads, soups, nut paste, frozen foods, potato crisps and potato products (for food), prepared meals and constituents therefor, snack foods, coffee, tea, cocoa, sugar, rice, tapioca, sago, couscous, coffee substitutes, coffee essences, coffee extracts, mixtures of coffee and chicory, chocolate, chocolate products, flour and preparations made from cereals and/or rice and/or flour, bread, biscuits, cookies, cakes, pastry goods, confectionery, edible ices, honey, treacle, syrup, molasses, yeast, baking-powder, salt, mustard, vinegar, pepper, sauces, ketchup, salad sauces, spices, chutney, refreshing ice, ice cream, water ices, frozen confections, preparations for making ice cream and/or water ices and/or frozen confections, breakfast cereals, pizza, pasta and pasta products, custard powder, mousses, puddings, meat pies, mayonnaise, meat tenderisers for household purposes, royal jelly for human consumption (other than for medicinal purposes), natural sweetener; advertising services; marketing and promotional services; organisation, operation and supervision of sales and promotional incentive schemes and customer loyalty schemes; information, advisory and consultancy services all relating to the aforesaid services.*

- 161 Services such as those designated by the contested mark are in principle offered in every region of a certain level of economic importance ('Suedtirol', § 41, cited *supra* in para. 84). Every geographical location (even a small village and certainly a country) has retail outlets which may be referred to by the name of that location. In the present case, the geographical indication at issue is not without a certain economic significance.
- 162 For the categories of services designated by the contested mark, the place name is normally used and understood as a reference to the principal place of business of the undertaking supplying the services in question and, therefore, to the place from which they are generally supplied other possible meanings for that geographical indication are without relevance since, according to the case-law, it is sufficient if at least one of its possible meanings designates a characteristic of the goods or services concerned ('Suedtirol', § 51, cited *supra* in para. 84).
- 163 It is true that the relevant public might take the contested mark as a reference to a specific quality of the services in question, for example, to the fact that the services are tailored to the particular requirements of businesses operating in that region, characterised by a particular political, administrative and linguistic context. Thus, the use of a geographical indication of origin is likely to convey to those concerned a positive idea or image of a particular quality of those services, within the meaning of the case-law ('Suedtirol', § 42, cited *supra* in para. 84).
- 164 The services covered by the contested mark do not possess any particular quality that could lead the relevant public to disassociate the geographical indication from the geographical origin of those services. Therefore, it must be held, in accordance with settled case-law, Article 7(1)(c) EUTMR does not allow registration of the

geographical indication in question, which is known to those concerned as the designation of a geographical region to the extent that it is likely that those concerned may imagine that the services in question originate from that region ('Suedtirol', § 48, cited *supra* in para. 84).

- 165 Insofar as the EUTM proprietor's survey evidence is concerned, the Grand Board refers to the conclusions made in para. 138 *supra*, which apply *mutatis mutandis*.
- 166 Therefore, it is reasonable to assume that 'ICELAND' is, in the mind of the relevant class of persons, capable of designating the geographical origin of the services at issue. Due to the degree of familiarity amongst the relevant persons with the country of Iceland, and with that nation's characteristics, as well as with the services concerned, it is reasonable to conclude that the sign is liable to be used in the future by undertakings as an indication of the geographical origin of the services. Consequently, it is plausible, credible and reasonable to consider the contested mark descriptive of the goods and services at issue from the perspective of the relevant public. In relation to these services, the designation 'ICELAND', will be perceived as an indication that the services are rendered in Iceland or concern Icelandic products.

*d. Figurative elements*

- 167 As regards the figurative elements of the mark at issue, the Grand Board recalls that where a mark is composed of word elements and figurative elements, the former are, as a rule, more distinctive than the latter, since the average consumer will more easily refer to the goods or services in question by citing the name rather than describing the figurative element of the mark (09/11/2016, T-290/15, SMARTER TRAVEL (fig.), EU:T:2016:651, § 36 and the jurisprudence cited therein).
- 168 Furthermore, it is observed that the representation of a word as a figurative sign or in combination with other non-distinctive figurative elements does not confer distinctive character on a sign (15/12/2009, T-476/08, Best Buy, EU:T:2009:508, § 272-8; 15/09/2005, C-37/03 P, BioID, EU:C:2005:547, § 72-74).
- 169 In order to assess the distinctive character of a sign containing figurative elements, the decisive factor is whether the figurative elements change, from the point of view of the relevant public, the meaning of the mark applied for in relation to the goods at issue (08/11/2018, T-759/17, Perfect Bar (fig.), EU:T:2018:760, § 30; 10/09/2015, T-608/14, ORGANIC WITH PLANT FLUID FROM OUR OWN PRODUCTION, EU:T:2015:621, § 20). If the word element of a mark is devoid of distinctive character, the mark itself, as a whole, must also be regarded as devoid of distinctive character in so far as the graphic elements of that mark do not allow the relevant public to be distracted from the exclusively descriptive message of that word element (cf. 12/04/2016, T-361/15, Choice chocolate & ice cream, EU:T:2016:214, § 29 and the case-law cited therein).
- 170 In the foregoing circumstances, it will only be when a combination of elements within the sign creates an impression which is sufficiently far removed from and more than that lent by the individual elements of which it is composed, that the

sum of the parts will be enough to dispel any accusation of descriptiveness or lack of distinctive character (12/02/2004, C-265/00, Biomild, EU:C:2004:87, § 394-1).

- 171 In the present case, the sign at issue consists of the word ‘ICELAND’ represented, in a rather standard bold white typeface or lettering, set against a rectangular red-orange-yellow background. The colour red is commonly used in marketing and advertising to attract the attention of the public (12/01/2010, T-404/09 & T-405/09, Grau/Rot, EU:T:2010:466, § 30). The orange-yellow effect (which is only apparent on the right hand side of the sign) gives the impression of a somewhat faded look to the colouring. The coloured background as a whole simply serves to highlight the word element. There is nothing to suggest that the background will largely affect the perception of the relevant public and indeed the EUTM proprietor has not adduced any specific arguments as to how the stylisation would alter the perception of the sign save for a general statement that the consumer would not see that stylisation as a straightforward indication of geographical origin. Neither the semi-figurative representation of the word ‘ICELAND’ nor the way the various elements are combined as a whole have any inherent ability to alter the semantic content or perception of the relevant public beyond highlighting the word element.
- 172 Consequently, these non-verbal elements will be perceived as simple decorative elements which cannot divert the relevant public’s attention away from the clear descriptive message conveyed by the word element (08/05/2019, T-57/18, Wein für Profis (fig.), EU:T:2019:313, § 68-72; 17/01/2019, T-91/18, Diamond Card (fig.), EU:T:2019:17, § 27; 11/04/2019, T-224/17, Bio proof ADAPTA (fig.), EU:T:2019:242, § 100; 26/04/2018, T-220/17, 100% Pfalz (fig.), EU:T:2018:229, § 303-1; 12/04/2016, T-361/15, Choice chocolate & ice cream, EU:T:2016:214, § 29; 10/09/2015, T-610/14, BIO organic, EU:T:2015:613, § 20; 24/06/2015, T-552/14, Extra, EU:T:2015:462, § 20).
- 173 It should be also pointed out that the above arguments are fully consistent with the statement by the European Trade Mark Offices under the convergence program CP 3 (Joint Communication on the Common Practice of Distinctiveness – Figurative Marks containing descriptive / non-distinctive words, 02/10/2015, <https://www.tmdn.org/network/documents/10181/278891cf-6e4a4-1ad-b8d81-e0795c47cb1>). The mere addition of colours, either to the letters themselves or as a background, will not be sufficient to give the mark distinctive character (page 3 of the Joint Communication). In the present case, in view of the nature of the stylisation, the general impression of the mark does not differ, in essence, from that communicated by its word element.

*e. Conclusion*

- 174 Following these considerations, the Board is of the opinion that, even if a country name may on occasion function as a trade mark (and indeed there are multiple examples of various country names registered as trade marks), the matter has to be approached with caution. While the presumed expectations in relation to that sign of the target consumer have to be evaluated, geographical marks that include the name of a country may by their very nature be perceived differently from other geographical indications, such as names of regions, lakes and mountains. Average consumers are more in the habit of making assumptions about the origin of products on the basis of their national provenance than in relation to other types of geographical signs. This is especially the case of the names of the countries of the

European Union or European Economic Area, with which the relevant EU public is more familiar and which are in closer geographic proximity to them and are therefore more likely to be perceived as embodying certain favourable characteristics that influence acquisition of goods or services. Conversely, country names that originate from further afield and with which that public is less familiar may therefore be less problematic.

- 175 In the case at hand, the evidence submitted demonstrates (i) the close bonds of Iceland with the European Union and especially Denmark; (ii) the economic prosperity, industrial capacity (exemplified by its quite wide range of industrial production) and importance of Iceland; (iii) the foreign trade conducted and nurtured by Iceland; (iv) the high standing of Iceland as a ‘nation brand’ that, *inter alia*, accounts for its trading capacities; (v) the positive connotations linked to Iceland by the EU public as a world-class quality tourist destination; and (vi) the environmentally sustainable and clean image associated with Iceland.
- 176 The country has a relatively high GDP per capita, ranking currently among the top ten countries in the world (and among the top twenty back in 2002). While the economic importance of a country, whether assessed globally or proportionally to the size of that country or its population may not be directly decisive for its assessment in view of ‘Chiemsee’ criteria, all the circumstances enumerated in the foregoing paragraph make it plausible to expect that the country of Iceland has capacity (and therefore is suitable to be) the place of origin of all the goods and services at issue. Indeed, in response to the third question put to both parties at the oral hearing (*Would the economic importance of Iceland reduce its registrability as a trade mark?*), the EUTM proprietor accepted that the economic relevance of a country would be one of the factors to be taken into account when assessing the application of Article 7(1)(c) EUTMR. Moreover, economic importance was recognised as a relevant criterion in the Liverpool decision (18/02/2022, R 1126/20214-, Liverpool § 24) referred to by the EUTM proprietor in the oral hearing. Similarly, this decision also held that the fact a geographical place was a business location of certain goods and services would also be relevant (18/02/2022, R 1126/20214-, Liverpool, § 25). In the present case, evidence has been adduced of Icelandic companies’ production of a quite wide range of goods (Annex G1: Export of goods from Iceland to EU during 1999, 2001, 2005, 2010 and 2014 and the printouts relating to companies manufacturing specific goods, Annex H1).
- 177 Given Iceland’s manufacturing and service provision capacity, combined with the fact that it is currently producing quite a wide range of goods and is actively seeking to expand its foreign trade, makes it reasonable, credible, and plausible to foresee that the EU target public will now, or at some point in the future, perceive the contested mark as descriptive of the geographic origin of the goods and services at issue rather than as an indication of commercial origin. In arriving at this conclusion, the Grand Board does not consider it necessary to in some way ‘extend’ the reputation that Iceland currently enjoys for certain goods to other adjacent products, since reputation is not a *conditio sine qua non* of the application of the ‘Chiemsee’ criteria. Instead, current domestic commercial activities, combined with the full capacity to produce and provide quite a wide range of goods and services and the acquisition of a positive image, built up and curated over many years, makes it reasonably foreseeable that the target public will assume that all the goods and service at stake may originate from Iceland.

- 178 The EUTM proprietor's insistence on the Alaska judgment (cited *supra* para. 41, indent 13) is not pertinent. Firstly, Iceland is a sovereign state whereas Alaska is a region of the United States. Secondly, Alaska is over three-and-half times further away from mainland Europe than Iceland and therefore product transport costs are considerably higher. Thirdly, Iceland is geographically a part of Europe whereas Alaska is in the North American continent. Fourthly, far more tourists from the EU visit Iceland than Alaska and, therefore, familiarity with Iceland as a country, is far greater than is the case with Alaska. Fifthly, Iceland is a member of EEA and therefore economic trade links with the EU are far greater than with Alaska. Finally, unlike Alaska, Iceland enjoys an image of eco-friendliness and sustainability. It is known for clean, geothermal energy and has a reputation of being an eco-friendly country.
- 179 The present case is rather more comparable to 'Suedtirol' (cited *supra* para. 84). Being a region in the heart of Europe, Suedtirol receives considerable tourism from all over the EU and especially from the neighbouring countries of Germany and Austria. It has beautiful mountain scenery and lakes. The region neighbours Lombardy, Austria and Switzerland, which are some of the wealthiest and most eco-friendly regions of Central Europe. This means considerable industrial and business interests converge in this area. In this sense, there is a valid comparison to be made to Iceland. Iceland is a geographical area with one of the highest per capita GDPs in the world. It has considerable tourism and a vast array of natural beauty and resources. It puts sustainability and eco-friendliness at the centre of its commercial and political agenda.
- 180 Iceland is also comparable to the case of 'Andorra' (cited *supra* para. 99): both countries are sovereign states although both historically under foreign rule, geographically they form part of Europe, are known for mountain regions and are popular tourist destinations. Furthermore, they are economically prosperous, the main difference being that Iceland is considerably larger than Andorra, both regarding the size and the population (Iceland having 366 425 inhabitants in 2020 whereas Andorra had only 77 265 inhabitants). It is, therefore, far more likely that a country like Iceland will be perceived by the target public as the origin of goods and services such as those covered by the contested mark.
- 181 Insofar as the EUTM proprietor argued that the Cancellation Division should have considered the issue of the balancing of fundamental rights under the EU Charter, and in particular it should have weighed the trade mark proprietor's right to intellectual property with the limitations and exceptions available to third party users of geographical names as part of their freedom to conduct business, the Grand Board observes that Article 14 EUTMR provides for limits on the effects of a trade mark once it has been registered. However, this provision does not amount to less strict examination of the trade mark applications and should not lead to allowing descriptive signs on the register (06/05/2003, C-104/01, Libertel, EU:C:2003:244, § 585-9; 12/02/2004, C-363/99, Postkantoor, EU:C:2004:86, § 123).
- 182 In that regard, in the first place, the Grand Board acknowledges that, under Article 14(1)(b) EUTMR, '[an EU] trade mark shall not entitle the proprietor to prohibit a third party from using in the course of trade indications concerning the geographical origin of the goods or of rendering of the service, or other characteristics of the goods or service'.



- 183 Nevertheless, the Court of Justice has considered that, by limiting the effects of the exclusive rights of a trade mark proprietor, Article 14 EUTMR seeks to reconcile the fundamental interests of trade mark protection with those of free movement of goods and freedom to provide services in the internal market in such a way that trade mark rights are able to fulfil their essential role in the system of undistorted competition which the TFEU seeks to establish and maintain (see, to that effect and by analogy, 10/04/2008, C-102/07, Adidas II, EU:C:2008:217, § 45 and the case-law cited).
- 184 Specifically, Article 14(1)(b) EUTMR seeks to ensure that all economic operators have the opportunity to use descriptive indications. That provision therefore gives expression to the requirement of availability. However, that requirement of availability cannot in any circumstances constitute an independent restriction of the effects of the trade mark in addition to those expressly provided for in that article (see to that effect and by analogy, ‘Adidas II’, § 464-7 and the case-law therein, cited *supra* in para. 183).
- 185 Moreover, it is important to note that the general interest underlying Article 7(1)(c) EUTMR, is not contradicted by Article 14(1)(b) EUTMR, which also does not have a decisive influence on the interpretation of the first provision. Indeed, Article 14(1)(b) EUTMR, which aims, *inter alia*, to resolve the problems posed by registration of a mark consisting wholly or partly of a geographical name, does not confer on third parties the right to use the name as a trade mark, but merely guarantees their right to use it descriptively, that is to say, as an indication of geographical origin, provided that it is used in accordance with honest practices in industrial or commercial matters (see, to that effect ‘Oldenburger’, § 55, cited *supra* in para. 41, indent 13; ‘Suedtirol’, § 55, cited *supra* in para. 84; see also, to that effect and by analogy ‘Chiemsee’, § 262-8, cited *supra* in para. 9, indent 4).
- 186 The monopolisation of a country name cannot lead to the inequitable situation in which traders with real and genuine connection to a certain geographic location are forced to constantly ‘look over their shoulder’ when referring to the real geographical origin of goods and service or, as a case may be, when using it as part of their trade mark. The Grand Board notes that the registration of the mark at issue has in fact been used to prevent the Icelandic entities from obtaining registration of trade marks alluding to Iceland (oppositions against Iceland Gold or Inspired by Iceland). Consequently, the honest practices defence cannot be used in favour of EUTM proprietor and should not influence discussions pertaining to registration matters as opposed to questions of infringement.
- 187 As the cancellation applicant pointed out in response to the second question put to both parties at the oral hearing, a country’s authorities and institutions as well as its local enterprises may wish to use the name of the country as part of their promotional activities, and include it in any associated branding. Indeed, the nation of Iceland has sought to build a positive image of the country at home and abroad to foster and consolidate positive associations. The Grand Board notes that Iceland national brand image is extremely successful, as noted in the Brand Finance Report of 2017.
- 188 The nature of the geographical place, the familiarity of the relevant public and the characteristics of the place have been assessed above.

189 In view of the forgoing, the Grand Board concludes that the mark at issue would be perceived by the relevant public as an indication that the goods and services so designated originate from Iceland. This perception is not altered by the figurative elements (and word component stylisation) of the sign at issue. Consequently, the Grand Board confirms the findings of the Cancellation Division that the mark has been registered contrary to the provisions of Article 7(c) EUTMR.

*X. Expert opinions and testimonies*

*(i) Expert opinion of Prof. Spyros Maniatis*

190 The expert opinion of Prof. Maniatis advocates the avoidance of broad assumptions regarding the registrability of the geographic term ‘ICELAND’. While refraining from giving a definitive opinion on whether ‘ICELAND’ is a valid registration, Prof. Maniatis focuses on the judgments in ‘Chiemsee’, ‘Monaco’, ‘Andorra’ and ‘Montana’ to conclude that a geographical name is capable of functioning and being protected as a trade mark. No special provisions exist for state names under EU trade mark law and each absolute ground must be examined individually vis-à-vis the factual context of the case providing specific and robust reasoning, without reliance on presumptions and generalisations. Tests are not to be applied mechanically but rather factors should be assessed globally. The geographical nature of the term at issue will not automatically trigger descriptiveness. However, the term will be descriptive where it adds value to the goods and services. Underlying all the foregoing is the consideration that the mark must indicate commercial origin.

191 Beyond questioning the admissibility of the document, the cancellation applicant submit that the opinion is merely a view on questions of law and cannot be considered anything more than that (see the cancellation applicant’s submissions dated 31 October 2022).

192 The Grand Board has already recognised that there is currently no specific legislation that prohibits registration of country names as trade marks. To this extent, the Grand Board takes no issue with Prof. Maniatis’ opinion. However, although a country name, like other types of trade marks, is capable of protection, the perception of the target consumer may not be the same (see by analogy 07/02/2002, T-88/00, *Torches*, EU:T:2002:28, § 33, as confirmed by 07/10/2004, C1-36/02 P, *Torches*, EU:C:2004:592) and therefore the commercial origin indicating function must be treated with caution (para. 174 *supra*). Consistency in the application of Article 7(1)(c) EUTMR therefore depends on the fundamental issue of target consumer perception, which is necessarily a variable factor. These considerations are especially pertinent where, as in this case, the country name is likely to add value to the goods and services at issue – in terms of robustness or eco-friendly qualities – and thus thwart its ability to function as an indication of origin. While speculation is to be avoided, some level of reasonable presumption is necessary in order to contemplate the futurity objection in the light of all available data. The limits to futurity are imposed by considerations of reasonableness, plausibility and credibility within the confines of being immediate and direct in terms of the public perception.

*(ii) Expert opinion of Prof. Gordon Ionwy David Llewelyn*

193 Prof. Llewelyn considers that the contested mark should not be invalidated as the evidence filed by the cancellation applicant is insufficient to show either that the average consumer will treat the word ‘Iceland’ as a geographically descriptive indication when used in the context of the registered goods and services or that there is a realistic prospect that the average consumer would or may come to associate the country of Iceland with the goods and services for which the trade mark is registered.

194 Beyond questioning the admissibility of Prof. Llewelyn’s written opinion, the cancellation applicant submit that the document is merely a view on questions of law and cannot be considered anything more than that (see the cancellation applicant’s submissions dated 31 October 2022).

195 Unlike Prof. Llewelyn, the Grand Board considers that the relevant economic importance of Iceland makes it plausible and credible to conclude that the target consumer will associate that geographic name, either now or in the foreseeable future, with the goods and services at issue for all the reasons that have already been given.

*(iii) Witness testimony of Dr Almut Pflüger*

196 As regards the content of the statement and the surveys as well as the methodology used, which are criticised by the cancellation applicant (concerning the relevant time period, the relevant territories and the wording of the questions), the Grand Board has already dealt with these matters and given reasons why it does not find this evidence in rebuttal persuasive in para. 138 *supra*).

*(iv) Witness statement of Mr Richard Walker’s*

197 Although Mr Richard Walker’s witness testimony is dated 9 August 2022 and therefore just one month before the oral hearing, it mainly reiterates the witness statement of Mr Duncan Vaughan dated 29 May 2018. It principally focuses on the history of the selection of the word ‘ICELAND’ as a trade mark, describes the commercial strategy of seeking trade mark protection at EU level to reflect the opening or licencing of twenty-four stores in the EU (outside the United Kingdom) and underlines the success of the company.

198 Even if the cancellation applicant has contested the admissibility of this testimony, it finds little cause for issue with its content.

199 The Grand Board has already ruled that this testimony is admissible (para. 70 *et seq. supra*). However, like the cancellation applicant, the Grand Board finds that the content of the statement is of limited probative value to the application of Article 7(1)(c) EUTMR and the other matters at stake in the present proceedings. Whilst the narrative that the statement provides gives a credible explanation of the choice of the trade mark, it cannot provide any insight on the perception of the relevant EU public in regard to the contested mark. Clearly, all but those few members of the relevant public who have purchased the book ‘*Doing it Right*’ are not privy to the history of the EUTM proprietor company.

200 The Grand Board also notes that while the subjective commercial intention of the choice of ‘ICELAND’ as a trade mark is not directly relevant to establishing consumer association of the country name and the goods or services, the EUTM proprietor has done little to distance itself commercially from the country of Iceland. This is further exemplified by the fact that the EUTM proprietor actively sought to expand its commercial activity to Iceland by opening three franchise stores. Moreover, it sponsored the Icelandic football team in 2016. Finally, as Mr Vaughan admitted in his Witness Statement, the EUTM proprietor’s company had Icelandic majority shareholders between 2005 and 2012. Far from proving that Icelandic entities believed that the contested mark functioned perfectly well as a trade mark, as Mr Vaughan claims, this fact further demonstrates that no attempt was made by the EUTM proprietor’s company to disassociate itself from the country of Iceland. In fact, the Icelandic entities brought an element of authenticity to the trade mark that had not existed hitherto.

*XI. Article 7(1)(b) EUTMR*

201 The notion of general interest underlying Article 7(1)(b) EUTMR is, manifestly, indissociable from the essential function of a trade mark, which is to guarantee the identity of the origin of the marked product or service to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the product or service from others which have another origin (08/05/2008, C-304/06 P Eurohypo, EU:C:2008:261, § 56). For a trade mark to possess distinctive character within the meaning of Article 7(1)(b) EUTMR, it must serve to identify the product or service in respect of which registration is sought as originating from a particular undertaking, and thus to distinguish that product or service from those of other undertakings.

202 According to settled case-law, it is sufficient that one of the absolute grounds for refusal applies in order for the sign at issue not to be registrable as a European Union trade mark (16/03/2006, T-322/03, Weisse Seiten, EU:T:2006:87, § 110, and the case-law cited therein; 17/09/2015, T-550/14, COMPETITION, EU:T:2015:640, § 49; ‘Andorra’, § 97, cited *supra* in para. 99). In the present case, it has been concluded that Article 7(1)(c) EUTMR applies to invalidate the contested mark for all the goods and services it covers.

203 In any event, were the contested mark to be examined in the light of the provisions of Article 7(1)(b) EUTMR, it would also inevitably be found to be devoid of distinctive character. Not only do descriptive trade marks necessarily lack distinctive character (‘Postkantoor’, § 86, cited *supra* in para. 181), but also, taking into account the circumstances and conclusions reached in this case, it would be reasonable to conclude that the contested mark is also unable to fulfil its essential function, which is to identify the origin of the goods or services and thus to enable the consumer to repeat the experience of a purchase, if it is positive, or to avoid it, if it proves to be negative, on the occasion of a subsequent acquisition, or to avoid it, if it proves to be negative, on the occasion of a subsequent acquisition of the goods or services (03/07/2003, T-122/01, Best Buy, EU:T:2003:183, § 20).

204 In the present case, the figurative sign  has been registered for goods and services in Classes 29, 30 and 35 of the Nice Classification. For all these goods and

services, the indication ‘ICELAND’ would simply be perceived as a name of a country and would therefore be incapable of performing its function as a badge of origin; it would simply be an indication that the goods and services at stake originate from that country or have a particular link with that country. As found above (para. 167 *et seq.*), this perception is not altered by the figurative elements (stylisation) of the sign at issue.

*XII. Article 7(1)(g) EUTMR*

205 As stated above (para. 202 *supra*), in accordance with settled case-law, it is sufficient that one of the absolute grounds for refusal applies in order for the sign at issue not to be registrable as a European Union trade mark (‘Weisse Seiten’, § 110 and the case-law therein, cited *supra* in para. 202; ‘COMPETITION’, § 49, cited *supra* in para. 202; ‘Andorra’, § 97, cited *supra* in para. 99).

206 Therefore, in view of the conclusions on Article 7(1)(c) EUTMR, the Grand Board considers that it is not necessary to examine whether the designation ‘ICELAND’ is also deceptive within the meaning of Article 7(1)(g) EUTMR in relation to the goods and services at issue from the point of view of the relevant public.

*XIII. Article 7(3) EUTMR*

207 The Grand Board finally observes that the EUTM proprietor relied before the Cancellation Division on Article 7(3) EUTMR claiming that even if the mark at issue had been registered contrary to the provisions of Article 7(1)(b) and (c) EUTMR, it cannot be invalidated as it had acquired distinctive character by virtue of use.

208 The EUTM proprietor filed extensive evidence in support of this claim, listed in para. 8 *supra*.

209 Regarding the claim of acquired distinctiveness, the Cancellation Division considered that the evidence filed shows that the mark ‘Iceland’ will indeed be associated by at least a significant proportion of the relevant section of the public in the United Kingdom and Ireland as identifying the products or services concerned as originating from a particular undertaking because of the trade mark.

210 However, there was no evidence at all regarding Malta, Cyprus, Sweden, Denmark, the Netherlands, and Finland – territories where ‘Iceland’ will also be understood in a descriptive sense.

211 The Grand Board observes that, although the EUTM proprietor challenged the contested decision in its entirety, it failed to adduce any specific arguments to challenge the findings relating to acquired distinctiveness.

212 The Grand Board recalls that the acquisition of distinctive character through use of a mark requires that at least a significant proportion of the relevant section of the public identifies the services concerned as originating from a particular undertaking because of the mark. That identification must be as a result of the use of the sign as a trade mark and thus as a consequence of the nature and effect of it, which make it capable of distinguishing the services concerned from those of other undertakings (18/06/2002, C-299/99, Remington, EU:C:2002:377, § 64; 19/06/2004, C-217/13

& C-218/13, Oberbank e.a., EU:C:2014:2012, § 40; 12/05/2016, T-590/14, ULTIMATE FIGHTING CHAMPIONSHIP, EU:T:2016:295, § 73).

213 Although to rely successfully upon Article 7(3) EUTMR, there is no requirement for evidence to be submitted for each individual Member State in order to show the acquisition of distinctive character through use, evidence adduced must none the less be capable of establishing such acquisition throughout those specific Member States (see, by analogy, 25/07/2018, C-84/17P, C-85/17P & C-95/17P, SHAPE OF A 4-FINGER CHOCOLATE BAR (3D), EU:C:2018:596, § 83).

214 In the absence of any evidence capable of establishing that the mark has acquired distinctiveness in Sweden, Denmark, the Netherlands, and Finland, the claim of acquired distinctiveness under Article 7(3) EUTMR has to be dismissed and the reasoning of the Cancellation Division is fully endorsed in this regard. In any event, the EUTM proprietor has not convincingly claimed, or, more importantly, filed any evidence to support the view that the high level of recognition of its trade mark among the relevant public in the United Kingdom and Ireland should or could be extrapolated to the remaining relevant territories.

#### *Conclusion*

215 In view of the foregoing, the appeal is dismissed.

#### **Costs**

216 Pursuant to Article 109(1) EUTMR and Article 18 EUTMIR, the EUTM proprietor, as the losing party, must bear the cancellation applicant's costs of the appeal proceedings. These consist of the costs of professional representation of EUR 550.

217 As to the cancellation proceedings, the Cancellation Division ordered the EUTM proprietor to bear the costs, fixed at EUR 1 080. This decision remains unaffected. The total amount for both proceedings is, therefore, EUR 1 630.

**Order**

On those grounds,

## THE BOARD

hereby:

- 1. Dismisses the appeal;**
- 2. Orders the EUTM proprietor to bear the cancellation applicant's costs in the appeal and in the cancellation proceedings in the amount of EUR 1 630.**

Signed

J. Marõco Amaral Negrão

Signed

G. Humphreys

Signed

S. Stürmann

Signed

N. Korjus

Signed

V. Melgar

Signed

R. Ocquet

Signed

A. Kralik

Signed

A. González Fernández

Signed

S. Rizzo

Registrar:

Signed

p.o. E. Apaolaza  
Alm

