

Intellectual Property - Sweden

Court provides clarification on use of logotypes

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In certain situations the use of another business's trademark is allowed – for example, to show that services for another business's products are offered. A recent Stockholm District Court case (T 4157-12) clarified the distinction between the use of logotypes and other kinds of trademark for these purposes.

Facts

In 2012 Volvo Trademark Holding AB and Volvo Personbilar Sverige Aktiebolag sued Solna Bilteknik AB for trademark infringement. Solna had used Volvo's logotype in a number of different ways, including in its own logo and various marketing materials. In most cases, Volvo's logotype was used alongside the logotypes of other car manufacturers and in connection with the claim 'independent brand specialist'.

Solna claimed, among other things, that the use was permissible since the logotype was used in accordance with generally accepted business practices in order to show that repair services were offered for Volvo cars and other brands. Solna also claimed that by stating that it was an 'independent brand specialist', there would be no risk of confusion for consumers. Volvo, on the other hand, argued that Solna's use of the logotype damaged the trademark's functions and reputation, and did not accord with generally accepted business practices.

Decision

The question before the Stockholm District Court was whether Solna's use of Volvo's logotype fell within the limitation of the trademark owner's exclusive right in Article 12(c) of EU Regulation 207/2009 or whether it constituted trademark infringement. The fact that Solna had used a sign identical to Volvo's trademark for services identical to those registered under Volvo's mark was not disputed.

Article 12(c) limits the trademark owner's exclusive right by allowing a third party to use the trademark where it is necessary to indicate a product or service's intended purpose, particularly as regards accessories or spare parts. However, this is provided that use accords with generally accepted business practices.

The court referred to *BMW* (C-63/97), where the European Court of Justice (ECJ) held that even where the limitation in Article 12(c) applies, the owner of a trademark may prohibit a third party from using the trademark if it is used in a way that may create the impression that there is a commercial connection between the third party and the trademark owner. The ECJ mentioned in particular a situation whereby an impression is created that the third party's business is affiliated with the trademark owner's distribution network or that there is a special relationship between the two undertakings.

In this case the district court held that Solna should be able to use either of Volvo's trademarks to provide proper information to its customers. However, according to the court, use of Volvo's logotype in Solna's own trademark or by itself in marketing gave a different impression from discreet use of the word mark VOLVO. The court held that use of a logotype indicates a special relationship between two undertakings. The use of the term 'independent brand specialist' in connection with the Volvo logotype did not change the court's assessment, since the term has no clear meaning and gave no guidance to the average consumer regarding the commercial origin of the services.

Consequently, the court held that Solna's use of Volvo's logotype did not fall within the scope of Article 12(c) to indicate the origin of the services provided, but rather damaged the main function of the trademark.

Solna appealed, but neither the Court of Appeal nor the Supreme Court granted review permission.

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Comment

This case clarifies the conditions for the limitation in Article 12(c). The courts distinguish between the use of logotypes and the discreet use of a word mark; as a main rule, the former creates the impression of a commercial connection between two undertakings, which the latter does not.

Following the ECJ's ruling in *BMW*, there have been discussions on whether there is a difference depending on the kind of mark used. Those arguing against a difference, and that *BMW* is applicable to all kinds of mark, may now see the position of rights holders enhanced. Moreover, the courts have indicated that the same position is now taken in Sweden (and perhaps in the European Union) as it was before *BMW* (ie, only careful use of another business's trademark may be allowed under the exception in Article 12(c)).

Since review permission was not granted and the question was considered by the Supreme Court, the decision may have a significant effect on trademark law from a Swedish perspective, in spite of the fact that it is a first-instance judgment.

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