

Degeneration, negative secondary meaning, and regeneration of trademarks – how to act?

Petter Rindforth, Managing Partner at Fenix Legal, explains the possible lifecycles of a trademark and the importance of creating a generic descriptive word to protect your trademark over time.

The Corona pandemic (covid-19) has not only attacked millions of people physically around the world, it has also made a large negative impact on companies and their trademarks.

According to the German-based company Statista, the growth in bankruptcies after the corona virus outbreak in Sweden – compared to 2019 – was 141% for restaurant and hotels, 65% for information and communication, and 57% for the wholesale business in April 2020. With those bankruptcies also follows the death of their trademarks.

However, some trademarks are influenced by Corona, but still alive.

The most obvious example is of course the Corona trademark for beer, owned by the Belgian-Brazilian company Anheuser-Busch InBev. According to the Brand Finance press release of June 2, 2021, Corona is still ranked as the world's most valuable trademark for beer, followed by Heineken and Budweiser. The value of the Corona trademark is 5,8 billion USD. Even if this is a 28% drop in the value compared to the year before the pandemic, it remains a strong trademark. It is here interesting to note that InBev's marketing of the trademark has not changed, with the same nice summer vacation pictures as before. However InBev has also initiated some actions, such as announcing an initiative to help the restaurant industry recover from the effects of the pandemic. It is also interesting to note that, at least in Swedish media, the pandemic is now more rarely called "corona", but rather Covid-19 or just "the pandemic", thereby moving away from the trademark connections.

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trademark for different kind of goods and services, as it indicates a certain quality. Some examples from the Swedish industry:

- The leading grocery retailer in Sweden, ICA, sold luxury coffee beans in the 1920s under the Corona trademark.
- The high-tech and global engineering group Sandvik AB applied for Corona in 2005 as a European Union trademark for goods in class 7 (the application was however withdrawn after 7 months).
- AB Orrefors Glasbruk (glassworks), applied 1989 for CORONA as a Swedish national trademark for goods in class 21. Even in this case, the application was withdrawn.
- Telia Research AB had a Swedish trademark registration CORONA for

Résumés

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- classes 9 and 38, between 1983 to 2005.
- Procordia Food Aktiebolag had a Swedish national trademark for CORONA for cheese, between 1930 to 2000.
- Monark AB, the Swedish bicycle, moped, and motorcycle manufacturer had a Swedish national trademark registration for CORONA (class 12), between 1932 to 2003. As "Monark" is Swedish word for "monarch", CORONA was of course obvious to use as a trademark.

Generally, if your trademark suddenly and independent of your own actions, will get a negative secondary meaning, you have to decide if you shall change the name or keep it, hoping that – as in the case for InBev – the negative meaning will change to some other name/identification. A conclusion based on the current situation maybe that we will not see any new trademark applications of CORONA that is not related to Covid-19, but those existing CORONA trademarks that are registered for other goods (such as beer) will survive.

Another problem is the risk of degeneration, especially if your trademark is so well-known that other companies refer to it more as a quality word, or see it as the descriptive word for the goods as such.

One example of the later is DYNAMIT (English: "dynamite"). The inventor Alfred Nobel, founder of the Nobel Prize (based on his last will of 1895), registered DYNAMITE for explosive goods as a Swedish trademark in 1885. Nobel's own company, Nitroglycerinbolaget, had used the trademark since 1867. The inspiration for the trademark came from the ancient Greek word "dyn'amis", meaning "power".

However, already in 1880 (five years before Nobel's trademark registration) the company Gyttorps krutbruk (Gyttorp's gunpowder mill) was granted permission to manufacture explosives and the permission explicitly mentioned the production of "dynamite". Gyttorps therefore went to the city court of Stockholm and requested that the trademark registration would be revoked due to a lack of distinctiveness. Gyttorps claimed that dynamite was a commonly used word in the explosive manufacturing trade. Nitroglycerin Aktiebolaget argued that the trademark was distinctive in its form and that the production of dynamite was not a general trade, since they had previously held a patent on it. However, the district court held that the word dynamite was a trade name and that it therefore had to be regarded as a commonly used sign in trade where such goods were manufactured, with no distinctiveness. The case went up to the High Court, where



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some formalities resulted in that the cancellation of the trademark registration never took effect. In 1915 the Nitroglycerin Aktiebolaget bought the Gyttorp krutbruk. The word "dynamite" was however once and for all considered descriptive, and used by all competitors around the world. Alfred Nobel's company never accused anyone for infringement after 1887, but kept the trademark registration until 1964 when it was not renewed.

Today, the only Swedish owner of DYNAMIT as a registered trademark is Candit AB, owner of the European Union trademark No. 010827566 DYNAMIT. However, covering only "sweets" in class 30.

What Alfred Nobel seems to have missed from the beginning is the importance to not only create a distinctive trademark for a completely new product, but also to create a descriptive word for the goods that can be used by competitors.

A good example on how to act and avoid degeneration is Tetra Pak. AB Tetra Pak was established in Lund, Sweden, in 1951, and the trademark Tetra Pak – originally for milk packaging – is today well known globally for food processing and packaging solutions. The trademark and company name Tetra Pak is created with the innovation of a tetrahedron-shaped plastic-coated paper carton in mind.

The original Swedish trademark registration No 71196 TETRA PAK is from 1951 and covers different kinds of package goods in classes 6, 7, 16, 17, 20, and 21.

The goods and trademark become quickly very popular, and soon the general public renamed it several versions, such as "Tetrapaketet" ("the tetra package") or simply "Tetran". In the 1980's competitors had started to use similar trademarks and/or referred to Tetra Pak as a generic word for food packaging. The real wake up signal for the company was when the 1987 edition of Esselte's dictionary referred to Tetra Pak as *"tet'rapak subst. = a tetrahedral (cardboard) packaging for beverages (original trademark): milk in ; full of wasted in nature."* Tetra Pak started to work actively to strengthen the trademarks. The internal motto became "Trademarks means business, protect our trademarks", and the new policy included a continuous study of media references where all misspelled articles got a nice but clear letter on how to correctly refer to the trademark Tetra Pak. The company also has a clear user guide on their web site¹, including "Proper Use Guidelines" with illustrative examples of correct and incorrect uses, such as:

A Tetra Pak® package = correct

A tetrapak = incorrect

This is a very good example of how to stop

¹ <https://www.tetrapak.com/about-tetra-pak/legal-information/rules-on-trademark-use>



the risk of degeneration, and even to regenerate:

- Create a clear and officially open trademark guideline, that is easy to find for both the ordinary final consumer, as well as media and other users
- Keep it simple and clear, with examples on both correct and incorrect references to the trademark
- Set up an e-mail reference (with an active IP-lawyer on the other side) for all to send information on possible misuse and/or infringement.

Another example of regeneration (and the back to degeneration) is JEEP.

According to Wikipedia, the word "jeep" originates from the World War I, as US Army slang for new uninitiated recruits, or by mechanics to refer to new unproven vehicles. The trademark JEEP has gone through many owners, with the original trademark application filed in February 1943 by Willys-Overland.

The first Swedish trademark was registered on June 26, 1959, with the owner Kaiser Jeep. The still valid Swedish trademark no 87438 JEEP however only covers "footwear made of leather" in class 25.

In 1963, the owner was Kaiser Jeep ("Willys Motors"). They filed for a trademark registration in Sweden for JEEP, covering motor vehicles, etc. The applicant provided a lot of evidence of trademark use, including certificates from industry associations and authorities, marketing statistics, detailed accounts with sales figures, information on advertising costs, market

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research, and statements from linguistic experts. The Swedish Intellectual Property Office (PRV) however referred to the fact that the word "jeep" was listed as a generic term in SAOL (Swedish Academy's Glossary), as the generic word for an off-road vehicle, as well as in other English dictionaries, such as Webster's. Jeep was also used generically in media, as well as in printed publications by the company itself (unfortunately a rather common mistake for some trademark owners).

Especially the fact that JEEP was described as a free word/description made it impossible to register the trademark for cars, as well as to stop infringers.

Until the turn of the millennium, JEEP was represented on the Swedish market by a general agent, but in January 2000, the new owner DaimlerChrysler took over the business itself. DaimlerChrysler started an intensive work to recapture the trademark, including by constantly stating that there is only one Jeep. The advertisement emphasized that the Jeep was the original. The "There only one" payoff and the ® symbol along with the trademark were visible reminders. With various types of PR efforts, Jeep tried to persuade motoring journalists to use the term SUV for off-road vehicles, instead of Jeep. The most important result was however, when SAOL ended the reference and instead noted SUV as the new generic term for off-road vehicles.

On January 17, 2000, JEEP was registered as a European Union Trademark for a number of



View Apart / Shutterstock.com

² <https://sv.wikipedia.org/wiki/Stadsjeep>

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classes, including class 12 and thereby cars. Ten years later, August 27, 2010, the new owner FCA US LLC, also got a national Swedish trademark registration no 412277 JEEP for goods in class 12.

“All’s well that ends well”...or?

Around the same time of the Swedish JEEP trademark registration, the word “stadsjeep” (“city jeep”) started to be used in media as a general description of SUV, or, as described in the Swedish version of Wikipedia:

“Stadsjeep (also called SUV after English sport utility vehicle) is a larger passenger car that combines the accessibility of an off-road vehicle with the comfort of a passenger car. They are usually designed with a five-door hatchback, five or seven seats, four-wheel drive and a strong engine.”²

This is an example of how difficult it can be to keep up a regeneration, and again – pointing out the importance of also creating a free descriptive word for the goods.

Finally, an example of how a trademark can be successfully reborn:

The company Radiofabriken Luxor was founded in 1923. The name Luxor was initiated by the fact that Tutankhamun’s tomb had just been discovered near the city of Luxor in Egypt, and the founder Axel Harald Holstensson thereby quickly got good advertisement for his company and trademark LUXOR, that become well-known in Sweden for everything from radio, tube receivers, televisions, and finally home computers over the years. The company was bought in 1984 by Nokia, and in the mid-90s there were few consumer products with the LUXOR trademark left. The last production of LUXOR products in Sweden was stopped on January 18, 2016.

But the trademark as such lives on. The Turkish home electronics manufacturer Vestel bought the rights to LUXOR in 2006 and sell today televisions and speakers under the trademark LUXOR.

Trademarks have their own lives and history, independent of the present owner. However, it is important to keep them alive, connect them with good quality goods or services, and remind the customers and media continuously that the name is a personal identification, not a general description.

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