

Requirements for lawful descriptive use of a third-party trade mark with reputation

Judgment no. 1505/2025, of 28 October, of the Civil Division of the Supreme Court (ECLI:ES:TS:2025:4788), handed down in the “DONUT” case, examines the requirements to raise the defence of descriptive use of a third party’s trade mark when that trade mark has reputation

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1. Introduction

The Civil Division of the Supreme Court has recently handed down a very interesting judgment addressing the issue of the use of a third party’s reputed trade mark. This is Judgment no. 1505/2025, of 28 October (ECLI:ES:TS:2025:4788), handed down in a dispute between the proprietor of the well-known word mark “DONUT” (and the word mark “DOGHNUTS” and other mixed marks composed of the distinguishing mark “DONUTS”) - registered to distinguish, inter alia, all kinds of pastries, cakes, sweets and confectionery - with

a competitor that offers ring-shaped pastry on its website under its own mark “Redondoughts”, but describing them as a “Donut”.

In view of these facts, the proprietor of the trade mark “DONUT” filed a claim for trade mark infringement and unfair competition, with the defendant arguing, among other things, that the use of the sign “Donut” on its website is not as a trade mark, because it does not intend to indicate that this is the trade mark of its products, but rather that it is merely used to describe the type of products in question.

Both the court of first instance and the court of appeal dismissed the claim in its entirety, considering that it was a descriptive use. Thus, the Madrid Provincial Court (Twenty-eighth Chamber), in Judgment no. 379/2021 of 22 October, considered “that the word ‘donut’ applies to a certain type of ring-shaped pastry, according to the definition in the RAE dictionary: ‘A spongy piece of pastry in the shape of a ring, fried and usually glazed or covered with chocolate’”, adding that “it is certainly the name used for this type of ring-shaped pastry and the claimant’s website is aimed at professionals, not the general consumer, which the appeal disregards, so that such use - purely descriptive and not as a trade mark - would not be liable to create confusion. The fact that the use of this descriptive term on the website does not give the impression that this is a product of the appellant, but quite the contrary, i.e. that it is a product of different origin, and that it is also a website aimed at professionals, rules out any unfair use”.

However, the Supreme Court overturned the aforementioned ruling, concluding that the legal requirements for descriptive use under the Trade Mark Act were not met.

2. Enhanced protection for trade marks with reputation

An important feature of the case is that the trade mark “Donut” has a reputation, as recognised by the Supreme Court, which stated that “both the repute and the reputation of the DONUTS trade mark have been repeatedly and expressly acknowledged by various administrative and judicial authorities and bodies”. This is a

relevant circumstance in the resolution of the case.

It should be remembered that, in defining the scope of trade mark protection, the Trade Mark Act, Directive (EU) 2015/2436 and Regulation (EU) 2017/1001 on the European Union trade mark distinguish between three scenarios (double identity, likelihood of confusion and enhanced protection of trade marks that have a reputation), so that the proprietor of a registered trade mark is entitled to prohibit any third party from using, without his consent, in the course of trade, any mark in relation to goods or services where: a) the sign is identical to the trade mark and is used in relation to goods or services identical to those for which the trade mark is registered; b) the sign is identical or similar to the trade mark and is used in relation to goods or services identical or similar to those for which the trade mark is registered, if there is a likelihood of confusion on the part of the public; and c) the sign is identical or similar to the trade mark, regardless of whether it is used for goods or services identical or similar to those for which the trade mark is registered, where the trade mark has a reputation in the Member State concerned or in the Union (depending on whether it is a national or EU trade mark) and where the use of the sign without due cause would take unfair advantage, or would be detrimental to, the distinctive character or the repute of the trade mark.

Once the existence of a trade mark with reputation has been established, the following requirements must be met in order for its proprietor to invoke this enhanced protection:

- a) Establishment of a link between the third party's sign and the trade mark: The trade mark and the sign used by the third party must be similar to the relevant public. However, they do not need to be so similar as to cause likelihood of confusion. As the Court of Justice stated in its judgment of 23 October 2003, *Adidas-Salomon and Adidas Benelux*, C-408/01, EU:C:2003:582, paragraph 31, "[i]t is sufficient for the degree of similarity between the mark with a reputation and the sign to have the effect that the relevant section of the public establishes a link between the sign and the mark". And in its Judgment of 27 November 2008, *Intel Corporation*, C-252/07, EU:C:2008:655, paragraphs 54 and 60, the Court of Justice clarifies that "the stronger the distinctive character of the earlier mark, whether inherent or acquired through the use which has been made of it, the more likely it is that, confronted with a later identical or similar mark, the relevant public will call that earlier mark to mind"; and it then concludes that "the fact that, for the average consumer, who is reasonably well informed and reasonably observant and circumspect, the later mark would call the earlier mark to mind is tantamount to the existence of such a link".
- b) The link between the signs is a necessary but not sufficient condition for there to be infringement of the trade mark having reputation. It is also necessary that the use by the third party takes unfair advantage of, or is detrimental to, the distinctive character

or the reputation of the trade mark. In this regard, the Court of Justice has stated that "the concept of 'taking unfair advantage of the distinctive character or the reputation of the trade mark', also referred to as 'parasitism' or 'free-riding', that concept relates not to the detriment caused to the mark but to the advantage taken by the third party as a result of the use of the identical or similar sign. It covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation" (Judgment of 18 June 2009, *L'Oreal and Others*, C-487/07, EU:C:2009:378, paragraph 41).

3. Descriptive use of a third party's trade mark with reputation

- 3.1. Despite the enhanced nature of trade marks with reputation, such trade marks are also subject to the limitations on the exclusive right set out in Article 37 of the Trade Mark Act (incorporating the provisions of Article 14 of the Directive). Among these limitations is the provision that the right conferred by the trade mark shall not entitle the proprietor to prohibit third parties from using, in the course of trade, indications which concern the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of the service, or other characteristics of goods or services, provided that such use is in accordance with honest

practices in industrial or commercial matters. It is precisely the application of this provision that is at issue in the case now under consideration.

The Supreme Court, citing the Judgment of the Court of Justice of 10 April 2008, C-102/07, *Adidas/Marca Mode*, recalls that this provision “establishes a limit on the right conferred by the trade mark to ensure that all economic operators have the opportunity to use descriptive indications, thus giving expression to the requirement of availability”. On that basis, the Spanish high court clarifies that, for the limit to apply, the third party invoking it must meet two conditions: 1) “that the indication used of a third party’s trade mark relates to one of the characteristics of the goods marketed or the service provided by that third party” and 2) “that descriptive use must be fair”.

With regard to this second requirement, the Supreme Court recalls that, according to the case law of the Court of Justice, the following are considered unfair conduct for these purposes: “i) use of the trade mark in such a way as to suggest a trade connection; ii) use that affects the value of the trade mark by taking unfair advantage of its distinctive character or repute; iii) use which discredits or denigrates the proprietor’s trade mark; iv) uses which may imply ‘impairment of the distinctive character or the repute or reputation of that registered trade mark’.”

3.2. On this basis, the Supreme Court takes the view that the defendant has not

made genuine descriptive use and that, even if it had, such use would not be fair.

With regard to descriptive use, the Supreme Court states that “it appears that the appealed judgment basically bases its conclusion on the descriptive nature of the term ‘donut’ on its acceptance by the Royal Spanish Academy”. However, the Supreme Court does not accept the interpretation of the court of appeal, emphasising that what the defendant used on its website “was the sign Donut, and not the term ‘dónut’ included in the dictionary of the Royal Academy”. And, in any case, the appearance of the word in the dictionary “would be a case of lexicalisation (incorporation of a linguistic element foreign to a language, in this case Spanish), which is not uncommon in the field of trade marks with reputation (our dictionary also includes, for example, the terms aspirin and pósit, which are also trade marks) and which does not in itself detract from distinctiveness if its trade mark origin is recognised, as indicated in the aforementioned Article 35 LM.”

In turn, with regard to the need for descriptive use to be fair, the Supreme Court considers that the defendant’s use of the term Donut “may in itself imply taking unfair advantage of the reputation or repute of the Donut trade marks, with the consequent impairment of their distinctive character and repute. This is because, in the case of a trade mark with reputation, it is sufficient that the trade mark with

reputation is brought to the mind of the relevant public when it encounters the sign in question, which may entail

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three risks or prejudices for the reputed trade mark: dilution, when the use by others weakens the trade mark’s ability to distinguish its origin; loss of prestige; and free riding, where the third party unfairly benefits from the brand’s appeal, even without proving direct damage to the proprietor”.

The Supreme Court concludes by stating that, from the point of view of the reasonably informed, observant

and circumspect average consumer, “it is clear that ordering and consuming a ‘Donut’ is not the same as

ordering and consuming a pre-cooked fried dough ring” and that “the conclusion reached by the Provincial Court goes beyond the mere recognition of the descriptiveness of the term to lead, without

saying so, to a vulgarisation of the Donut trade mark, which has not been the subject of the proceedings”.

4. Conclusion

The judgment in question shows that the scope for applying the descriptive use limit is narrower in the case of trade marks with a reputation, thereby increasing, if anything, the scope of enhanced protection for this type of trade mark.