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INTERNATIONAL ANNUAL REVIEW

The Nineteenth Yearly Review of International Trademark Jurisprudence

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* The International Annual Review is organized in alphabetical order by country or jurisdiction and, within each country or jurisdiction, by subject and topic. The headings followed by an asterisk denote that there were no cases reported in this subject/topic.

This issue of THE TRADEMARK REPORTER® (TMR) should be cited as 102 TMR ___ (2012).
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IN MEMORIAM
James G. Fogo

Jim Fogo passed away on August 4, 2011, at the age of 82. He served the TMR with distinction as co-editor of Notes from Canada from 1977 to 1992. His many TMR writings reflect his keen intellect, writing ability, and wry sense of humor. At the beginning of an article dealing with a trademark dispute over the title of an income tax text, Jim quoted S. J. Perelman, who considered the effect of reading an income tax treatise to be “closely akin to that of inhaling dental gas, unless you are the sort to whom tax-free covenant bonds, fiduciaries and Canal Zone retirement funds are meat and drink.”

Jim graduated from Queen’s University in 1951 with a degree in Engineering Chemistry with Honours, and from Dalhousie Law School in 1954. He was a partner of Herridge, Tolmie and Osler Hoskin & Harcourt, Ottawa 1961-1995. A doyen of the Canadian IP bar, Jim was an outstanding lawyer, scholar, and mentor. He was widely admired not only for his knowledge and problem-solving ability, but also for his graciousness, modesty, and common sense.

His curiosity and enquiring mind by no means were limited to the law. Jim was an amateur thespian at university; a sailboat, airplane, and classic car enthusiast; a Duke Ellington record collector; an amateur pianist; and a big band and Dixieland jazz fan. As well as being active in community organizations, he served with great distinction for many years as Fellow of the Intellectual Property Institute of Canada and as a member of, and contributor to, the International Trademark Association, World Intellectual Property Organization, Association of Professional Engineers of Ontario, Chemical Institute of Canada, Nova Scotia Barristers’ Society, Law Society of Upper Canada, Canadian Bar Association, and International Law Association.

Jim will be sorely missed by his family and by his many friends and colleagues. He leaves behind his beloved wife, Heather; son, Robert; and daughter, Amy.

Daniel R. Bereskin, Q.C.
IN MEMORIAM

Kay Uwe Jonas

We regret to report the death of our colleague Kay Uwe Jonas, who passed away on February 15, 2012, at the age of 51 after a short illness. Kay had been co-contributor for Germany since the inception of the International Annual Review in 1993. (His fellow contributor, Carmen Lichtenstein, died last year.)

After starting his legal career in 1990 as an associate with Boden Oppenhoff Rasor Raue in Cologne, where he had worked as an employee during his student days, Kay spent a year with Abelman Frayne & Schwab in New York City before returning to Cologne in 1992. In 1996, he became a partner at Oppenhoff & Rädler, the successor to his old firm, and then, following another merger, at Linklaters.

In 2007, Kay left to set up his own firm, JONAS Rechtsanwaltsgesellschaft mbH, which now comprises 10 attorneys and about 25 employees. The firm specializes in trademark and related intellectual property matters, as well as in unfair competition and media law.

Besides serving on the IAR Task Force, Kay was a member of the Council (the Board of Directors) of MARQUES, the association of European trademark owners.
The Trademark Reporter®

INTERNATIONAL ANNUAL REVIEW

THE NINETEENTH YEARLY REVIEW OF
INTERNATIONAL TRADEMARK
JURISPRUDENCE

Editor’s Note


This issue of the International Annual Review (IAR) was prepared by a Task Force under the leadership of IAR Editors Matthew Harris, Paul Tackaberry, and Peter E. Wild. They were ably assisted by Lisa Butkiewicz, TMR Managing Editor; Joel L. Bromberg, Senior Periodicals Editor; and Beverly Harris, Editor.

The Board of Editors wishes to thank those members of the Task Force who have contributed, as well as those who continue to monitor developments in their country or jurisdiction. This year, we are happy to include a selection of Law & Practice summaries that were first published in the INTA Bulletin, Volume 66 (2011).
The content of this issue was written by members of the IAR Task Force and contributors to the Law & Practice section of the *INTA Bulletin*. The *Bulletin* contributors are noted by an asterisk (*).

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ALBANIA

I.D.1. Similarity of Marks

The Swiss company Bucher AG Langenthal is the holder of the word mark MOTOREX (IR No. 635100, registered in Class 4), which has been designated in Albania since February 4, 1998. The Albanian company KAPPAOIL is the holder of the national registration for the MoTEX mark (word & device) (No. 11889, registered Sept. 10, 2007, in Class 4) (illustrated below). The two companies were involved in a litigation before the First Instance Court of Tirana, which was concluded in April 2011 with Decision No. 3035 of April 18, 2011. The plaintiff, Bucher AG Langenthal, sought the cancellation of the defendant’s mark on the ground of a prior mark and the likelihood of confusion caused by the existence of the two marks.

Defendant’s Mark

For the purpose of proving likelihood of confusion, the plaintiff cited the criteria established by the Court of Justice of the European Union (CJEU), arguing that Albanian law has entirely transposed the Council Directive 89/104/EEC of December 21, 1988, which is why the CJEU’s rulings should apply to such cases. The plaintiff also provided the court with an analysis of the likelihood of confusion by emphasizing the marks’ phonetic and visual similarities, as well as the identity of the goods covered by the marks.

The defendant objected, arguing that the plaintiff did not prove the likelihood of confusion because no reduction of sales was proven nor was an expert appointed to estimate the likelihood of confusion.

The court focused its arguments on issues such as what criteria should be used to estimate the likelihood of confusion and whether the two marks were identical to the extent that a likelihood of confusion would be created. The court ruled that there was a likelihood of confusion.

What makes this decision particularly important is that the Albanian court recognized the CJEU rulings as authoritative
sources of national legislation. This position is a remarkable step forward in Albanian practice, considering that until recently the court focused its judgment regarding likelihood of confusion entirely on an expert’s opinion.

Irma Cami

III.A.9. Infringement of Unregistered Trademarks

The First Instance Court of Tirana ruled (Decision No. 5796 of July 1, 2011) in a case brought by the Italian company FABBRICA ITALIANA ACCUMULATORI MOTOCARRI MONTECHIO (FIAMM), S.p.A, holder of the FIAMM mark, which is not registered in Albania, against the Albanian company MBA, Ltd., holder of the two registered marks FIAM and FIAMM. The court acknowledged that, while the plaintiff does not have a FIAMM mark registered in Albania, it recognized the status of the plaintiff’s mark as well known, and ruled in accordance with Article 6bis of the Paris Convention and the provisions of the Albanian IP Law. (Law No. 9947 of July 7, 2008, “On Industrial Property,” provides for the holder of an unregistered well-known mark to have the same rights as the holder of a registered mark.)

It was established at the proceedings that the disputed marks covered identical goods, and it was assessed that the signs were confusingly similar to each other (FIAMM vs. FIAMM and FIAMM vs. FIAM). Therefore, the main questions that dominated the discussion between the parties, as well as the analysis of the court, were:

- What constitutes a well-known mark?
- Is the plaintiff’s mark in this particular case well known?

In determining these criteria, the court referred to the Albanian IP Law provisions. (Article 145(5)(c) of the Albanian IP Law states that “a trademark is well-known when it is recognized by the relevant public because of its use, advertising, promotion.”) The law also obligates the Albanian Directorate of Patents and Trademarks to issue detailed guidelines defining the criteria under which a mark should be deemed well known, emphasizing that these guidelines should be based on the criteria issued by the international authorities (WIPO recommendations, September, 1999); however, the Directorate of Patents and Trademarks has not issued such regulations yet. The court tried to analyze such criteria by explaining the concept of “the use and advertising of a mark” as follows: “The use of the mark in the market should be extensive and it should have been present in the market over a considerable period of time, whereas with regards to the advertising of the mark, all types of advertising will be taken into consideration as evidence, such as, traditional advertising, posters, leaflets etc.” The court further stated that a mark that has been
used in the market for more than ten years is eligible to be defined as a well-known mark.

Despite the shortcomings in these proceedings—such as the court not establishing basic criteria for defining a well-known mark and the court’s lack of consideration of the WIPO recommendations issued in September 1999—this case is the first attempt in Albanian judicial practice to interpret and establish criteria for what constitutes a well-known mark.

*Irma Cami*

**ARGENTINA**

**I.B.2. Merely Descriptive**

Unilever N.V., the owner of two trademark registrations for SUAVE in Class 3, filed a lawsuit against Laboratorio Cuenca S.A. aimed at stopping the use of the trademark SUAVE (“soft”), which the defendant used along with its trademark ISSUE to identify a shampoo. Laboratorio Cuenca counterclaimed for the cancellation of Unilever’s trademark SUAVE on grounds of descriptiveness, arguing that the plaintiff’s mark should not have been registered, in accordance to Section 3d) of the Argentine Trademark Law (Law No. 22,362, Dec. 26, 1980). (The statute provides: “The following may not be registered: ... trademarks which are liable to lead to error as to the nature, properties, merit, quality, manufacturing methods, purpose, origin, price or other characteristics of the products or services that they are intended to distinguish.”)

The Federal Court of First Instance rejected the action and cancelled Unilever’s trademark SUAVE on the grounds that the mark was commonly used in connection with cosmetics and was descriptive of a quality of the products it identified.

Division I of the Federal Court of Appeals reversed the lower court’s decision regarding the cancellation and ruled that Unilever’s mark SUAVE had acquired secondary meaning in connection with shampoo. The court took into consideration that Unilever had proved that (1) together with its local Argentine affiliate, it had used the trademark SUAVE for shampoo since June 1999; (2) products with the SUAVE mark were sold through the most important retail stores; and (3) the brand was very well established in the market. However, the court upheld the first instance decision as far as Laboratorio Cuenca’s use of the trademark was concerned. It found that ISSUE was an original term used and registered as a trademark by Laboratorio Cuenca and constituted the mot vedette in the defendant’s mark ISSUE SHAMPOO SUAVE. Additionally, the court held that SUAVE was a weak trademark that Unilever could not expect to monopolize.
The decision is noteworthy because the Court of Appeals admitted that certain marks, though lacking inherent distinctiveness, can nevertheless acquire the necessary distinctiveness through the development of secondary meaning and, thus, be registered as trademarks.

Iris V. Quadrio
Martin Chajchir

I.D.1. Similarity of Marks

An appellate court vacated a preliminary injunction in a case involving the Coca-Cola Company and a local manufacturer, Corandes S.A. Coca-Cola holds trademark registrations for ZERO, COCA-COLA ZERO, SPRITE ZERO, and FANTA ZERO, for goods in Class 32. Corandes sells a powdered orange soft-drink mix under the mark ZUKO ZERO, in a package that also displays the words zero azúcar (“zero sugar”).

Coca-Cola sued Corandes for trademark infringement and requested a preliminary injunction. The lower court granted the request, holding that the Corandes’ use of the mark ZUKO ZERO and the words zero azúcar was likely to cause confusion with Coca-Cola’s registered marks.

The Federal Court of Appeals reversed. (Coca-Cola Co. v. Corandes S.A. re Preliminary Measures, Case No. 646/10 (Federal Court of Appeals, Division II, June 9, 2010).) It reasoned that confusion was unlikely given the descriptive or highly suggestive nature of the term “zero”:

[For consumers the word “zero” identifies a certain type of product characteristically lacking sugar or calories; and the plaintiff’s behavior reinforces this conclusion, since its trademarks “COCA-COLA ZERO,” “SPRITE ZERO” and “FANTA ZERO” were registered as the sugar-free versions of the traditional beverages “COCA-COLA,” “SPRITE” and
“FANTA”... [H]ence even for the plaintiff the word “zero” is a characteristic or a virtue of some of its beverages.... Therefore... there is no infringement....

The appellate court’s decision regarding the preliminary injunction is not subject to further appeal. However, the lower court may revisit the issue of likelihood of confusion when it issues its final decision on the merits.

Santiago Fiorito

Relax S.A. filed a trademark application for CHAMPION, to cover “shirts, underwear and socks, clothing specially designed for sports, imitation or natural fur garments.” This application met with an opposition filed by Champion Products, Inc. (now Sara Lee Global Finance LLC) on the basis of its registration of the trademark CHAMPION in various countries to distinguish well-known sportswear. Champion Products argued that its mark had been extensively used well in advance of Relax’s trademark application and that the word Champion was part of its trade name and domain name.

Relax filed a court action against Champion Products requesting that the opposition be declared groundless. The Federal Court of First Instance admitted the complaint and declared that the opposition was groundless because Champion Products had partially withdrawn the opposition with regard to “imitation or natural fur garments” and because the application was restricted to “shirts, underwear and socks” after a decision rendered in Relax S.A. v. Testai S.A., Docket No. 5430/99 (Federal Court of Appeals, Division 1, June 15, 2006).

Based on Paris Convention provisions, Division I of the Federal Court of Appeals understood that the competent authority to conduct the assessment of notoriety is the one based in the country where protection is sought. Therefore, although in this particular case Sara Lee Global Finance LLC still enjoyed popularity and fame in the country of the original registration and in many other foreign countries, it did not have such popularity and public awareness in Argentina, where the opposing mark was not considered well known. The court pondered a double order of interest: on the one hand, the interest of the local merchant, Relax S.A., which positioned its mark in a specific area of the market, and, on the other hand, that of consumers, who had acquired a growing knowledge of the products identified with the American trademark CHAMPION, designed for sportswear. According to the appellate court, if the marks at issue were to coexist in the market to identify the same goods, Champion Products’ mark would suffer serious damage—derived from the confusion as to the origin and quality of the covered products. Therefore, the court reversed the first instance decision and ruled that the opposition was grounded with
respect to products specially designed for practicing sports. In addition, the court ordered that the applicant’s mark be restricted to cover “shirts, underwear and socks, imitation or natural fur garments, except to the extent that such products are specially designed for practicing sports.” (Relax S.A. v. Sara Lee Global Finance LLC, Docket No. 5432/99 (Federal Court of Appeals, Division I, Mar. 10, 2011).)

The court understood that the competent authority to conduct the assessment of notoriety is the one based in the country where protection is sought. Therefore, although the opposing mark still enjoyed popularity and fame in the country of the original registration and in many other foreign countries, it did not have such popularity and public awareness in Argentina, where the mark was not considered well known.

Iris V. Quadrio
Martin Chajchir

Budweiser Budvar National Corporation (BB) filed a trademark application to register BUDEJOVICKY BUDVAR & Device in Classes 16, 21, 25, and 32 (see below). Anheuser-Busch, Incorporated (AB) opposed the application on the basis of its trademarks BUDWEISER and BUD, registered in Classes 25 and 32. BB filed a court action requesting that the oppositions be declared groundless. AB answered the complaint and filed a counterclaim objecting to BB’s advertisement of BUDWEISER BUDVAR beer in a magazine called Bebidas Latinoamericanas, which circulated in Argentina at that time. In addition, AB requested a preliminary injunction against BB aimed at stopping the use of the applied-for mark and the advertisement of the BUDWEISER BUDVAR product in Argentina until a final decision was rendered.

Contested Marks
AB obtained the injunction, which prevented BB from using BUDWEISER BUDVAR or any other mark, including BUD, during trial. This decision was upheld by Division II of the Federal Court of Appeals on December 3, 2002.

With regard to the lawsuit on the merits of the case, the Federal Court of First Instance rejected BB’s claim and ruled that AB’s oppositions to BB’s applications were founded. In so deciding, the judge took into consideration that the first syllable of the trademark BUDWEISER and the trademark BUD were identical and were located in the same position as the two words that made up the applied-for mark BUDEJOVICKY BUDVAR. The judge pointed out, moreover, that BB’s mark is in Czech, which is difficult for Spanish-speaking people to pronounce, whereas AB’s trademarks are in English, a language familiar to Argentine consumers. On these grounds, the court ruled that AB’s and BB’s marks could be confused by consumers. The judge also found that there was a likelihood of confusion among the people who sold the products. Therefore, the court also admitted AB’s counterclaim and ordered BB to immediately stop advertising beer using AB’s trademarks BUD and BUDWEISER or any other word that included the term BUD.

Division II of the Federal Court of Appeals upheld the lower court’s decision. The appellate court shared the arguments of the first instance judge. It was of the opinion that this case should be resolved not by restricting the analysis to a mere theoretical comparison of the trademarks but by analyzing the real interests at stake, which would lead to a consideration of the special circumstances of the case. The court found that BUDWEISER was a well-known trademark for beers that was registered in the country and that its products had a significant share of the market in Argentina. Conversely, it pointed out, the extent of use and the registration of the trademarks by BB in the Czech Republic, or in other countries, were not relevant to its decision in this case, in view of the territorial protection of trademarks. Therefore, the appellate court concluded that BB’s BUDEJOVICKY BUDVAR mark could not coexist with AB’s trademarks BUDWEISER and BUD. The court further found that it was proved that BB advertised the trademark BUDWEISER BUDVAR in Argentina, and hence it concluded that BB infringed Article 10bis of the Paris Convention as well as AB’s trademark rights derived from the Argentine Trademark Law. (Budweiser Budvar National Corp. v. Anheuser-Busch, Inc., Docket No. 2071/99 (Federal Court of Appeals, Division II, June 6, 2011).)

This case marks another chapter in one of the world’s longest-running trademark disputes. The Court of Appeals’ decision constitutes an important setback for the Czech brewery, as the National Institute of Industrial Property rejected its
BUDEJOVICKY BUDVAR applications and BB was prevented from advertising BUDWEISER BUDVAR beer in Argentina and from using BUD, BUDWEISER, BUDEJOVICKY, and BUDVAR, or any other word that includes BUD.

Iris V. Quadrio
Martin Chajchir

I.E. Bad Faith

Andrés Juan Boero brought a claim against American Bureau of Shipping (ABS), ABS Group, ABS Americas, and ABS Quality Evaluations, Inc., all of them well-known U.S. companies rendering services in the field of classification and certification, including vessel certifications. The plaintiff sought an order compelling the defendants to cease the use of ABS as a corporate and trade name and as a service mark. At the same time, he obtained an interlocutory injunction ordering ABS and its related companies to immediately stop using the mark ABS, thereby preventing them from rendering services in Argentina. Boero based his claim on his use of “ABS” at least from 1985 as part of the corporate and trade name of some laboratories and on his trademark GRUPO ABS, registered on July 30, 1995, for all services in Class 42.

ABS filed a reply to Boero’s complaint and counterclaimed for the cancellation of his trademark registration for GRUPO ABS. It argued that Boero’s use of “ABS” and his registration of the trademark GRUPO ABS itself were both made in bad faith, as Boero had maintained commercial dealings with ABS before starting use of the ABS name and filing a trademark application for GRUPO ABS. Moreover, in 2000, the company had applied to register the mark ABS for services in Class 42, and its application had encountered an opposition by Boero.

The Federal Court of First Instance rejected Boero’s claim and accepted ABS’s counterclaim. At the same time, the court declared groundless Boero’s opposition to ABS’s trademark application.

Division I of the Federal Court of Appeals upheld the first instance decision. The appellate court concluded that (1) ABS had used “ABS” in Argentina as a trade name and as an unregistered trademark at least since 1979, that is, before Boero; (2) from 1981 to 1983, Boero, representing two local laboratories, maintained commercial dealings with ABS, and he knew or should have known the certification services rendered by ABS and the prestige of the ABS name and mark; (3) based on his prior knowledge of the company, Boero’s use of “ABS” and trademark registration of GRUPO ABS were made in bad faith and Boero was trying to take a free ride on ABS’s prestige; (4) in view of the cancellation of Boero’s trademark registration for GRUPO ABS, his opposition
against ABS’s application to register the mark ABS should be declared groundless; and (5) the petition seeking the discontinuance of the use of “ABS” by the other ABS-related companies should also be rejected, as they had used it by authority of ABS. (Boero v. ABS Americas et al., Docket No. 8525/99 (Federal Court of Appeals, Division I, Mar. 22, 2011); American Bureau of Shipping v. Boero, Docket No. 6813/02 (Federal Court of Appeals, Division I, Mar. 22, 2011).)

This decision is important, as the Federal Court of Appeals acknowledged ABS’s prior rights in its name and mark even when it had no registered rights, based on its prior use of “ABS” in good faith and Boero’s bad-faith use and registration of the same. In addition, the court put an end to the interim prohibition against the performance by ABS-related companies of services in Argentina under the name and mark ABS.

Iris V. Quadrio
Martin Chajchir

II.C.3. Geographical Indications/
Appellations of Origin


In particular, the Rioja Council remarked that the RIOJA appellation of origin (AO) was one of the seven most prestigious historical AOs in Europe, which were declared “qualified.” The Rioja Council directs and controls the production, manufacture, and quality of the RIOJA wines and watches over the prestige of the AO nationally and internationally. It also reviews the Argentine legislation related to the protection of GIs and AOs for wines, particularly Resolution No. C 32/2002.

The Rioja Council also pointed out that Decree No. 57/2004, regulating the law protecting GIs and AOs for wines, ratified a previous resolution issued by INV, Resolution No. 23/1999, which approved a registry of geographical areas (including LA RIOJA) that might constitute a GI. According to the Rioja Council, Resolutions No. C 32/2002 and No. 23/1999 violated the provisions of Law No. 24,118, which ratified the bilateral agreement for the reciprocal protection of investment, executed on October 3, 1991, between Argentina and Spain. In turn, INV also reviewed the Argentine legislation involved, and it stated that Argentina’s legal system was in accordance with the TRIPS Agreement.
The Federal Court of First Instance noted that the presumption of validity of administrative decisions is one of the pillars of national administrative law, and such presumption exists until an administrative decision is declared invalid. The court, in reviewing the legislation involved, noted that Resolution No. C 32/2002 was issued following the regulations foreseen by TRIPS, in particular those related to cases of homonymy (as in the present case). It found that the addition of the word ARGENTINA to the GI LA RIOJA was enough to distinguish such GI from the AO RIOJA and that there was no evidence showing confusion among consumers. The term ARGENTINA was, said the court, sufficient to differentiate the GI and AO involved. In addition, ARGENTINA was the name of the country, which clearly indicated that the products came from the Argentine Republic. Considering that confusion was not proved and in view of the applicable legislation mentioned above, the court rejected the claim. (Consejo Regulador Denominación de Origen Calificada RIOJA v. Estado Nacional – Instituto Nacional de Vitivinicultura, Docket No. 36619/04 (Federal Court of First Instance for Administrative and Contentious Matters No. 4, Feb. 24, 2011).) The decision is not final, as it was appealed by the Rioja Council. It now remains for the Federal Court of Appeals to decide which will be the precedent to consider in homonymy cases.

This decision is of interest because the court reviewed the likelihood of confusion between a geographical indication and an appellation of origin.

Iris V. Quadrio
Martin Chajchir

II.F.2. Joint Ownership

Cecilia Ida Camuyrano is joint owner, together with Patricia and Susana Camuyrano, of the trademark LA ORQUÍDEA, covering goods and services in Classes 31 and 42. Ms. Camuyrano filed a complaint against La Orquídea Shop Argentina S.A. asking that the defendant be enjoined from using the mark LA ORQUÍDEA. Prior to commencement of the court action, Cecilia Camuyrano had opposed the assignment of one-third of the mark LA ORQUÍDEA from Patricia Camuyrano to La Orquídea Shop Argentina, but the opposition was rejected by the National Institute of Industrial Property.

The plaintiff argued that the other joint owners of the trademark had never asked for her consent to share the registration and use of the trademark LA ORQUÍDEA with a third party and that she had no interest in doing so. She also argued that Section 9 of the Argentine Trademark Law should be applied in this case. (Section 9 provides: “A trademark may be registered...
jointly by two (2) or more persons. The registered owners shall act jointly to license, transfer and renew the mark; any of them may file oppositions against the registration of a trademark, file the actions provided for in this law for the protection of the trademark, and use it, unless there is a stipulation to the contrary.”) In turn, the defendant contended that each joint owner had been using the trademark LA ORQUÍDEA for the same business (flower shop) independently, in different shops and in direct competition, as all shops were located in the City of Buenos Aires.

The Court of First Instance rejected the complaint.

Division II of the Federal Court of Appeals upheld the first instance decision. The court held that Section 9 of the Trademark Law should not be applied, as one of the joint owners wanted to assign only an undivided one-third interest of the trademark, but not the trademark in its entirety. Therefore, it concluded that the rules of co-ownership set forth in the Civil Code should be applied, and each joint owner might exercise, in respect of her part, the rights derived from the property without the consent of the other joint owners. The court pointed out that this position was based on previous case law establishing that a restriction on a joint owner’s ability to unilaterally transfer a trademark should not be confused with the situation that applies when the joint owner wishes to dispose of his undivided portion of the trademark. In that case, the transfer will be valid, except where the joint owners have imposed contractual restrictions on such acts. (Camuyrano v. La Orquídea Shop Argentina S.A., Docket No. 10450/01 (Federal Court of Appeals, Division II, Oct. 19, 2010).)

This decision is important in that the Court of Appeals confirmed that a joint owner of a trademark may freely dispose of his or her undivided interest without the consent of the other owners, except in cases where the joint owners have imposed contractual restrictions on such acts.

Iris V. Quadrio
Martin Chajchir

III.A.3.c. Customs Actions

A truck in transit in Argentina that was transporting toys from Uruguay to Paraguay was inspected by Customs at the border crossing between the cities of Concordia, Argentina, and Salto, Uruguay. Based on the risk that the toys might infringe intellectual and industrial property rights (collectively, IPR), the truck was detained so that Customs could formally consult with the brand owner and determine whether the products in question were counterfeit. When that suspicion was later confirmed, Customs detained the goods and formally denounced the operation before the Federal Criminal Courts.
Both the Federal Court of First Instance and the Federal Court of Appeals in the City of Paraná, Province of Entre Ríos, dismissed the case. The decisions were appealed by the Prosecutor General.

Before the Criminal Court of Cassation, the Prosecutor General argued that goods in transit constitute importation of products, as importation comprises not only operations to be nationalized in Argentina but also goods in transit that are a particular type within the import genre. He further argued that Section 46 of Law No. 25,986 expressly prohibited the importation or exportation of goods that infringed IPR under either suspensive or definitive operations, which, in his opinion, included suspensive importations in transit.

The Criminal Court of Cassation accepted the appeal filed by the Prosecutor General, revoked the lower courts’ decisions, and ordered that the prosecution of the case continue. In so deciding, the court analyzed whether the case under examination was within the scope of an importation. To that end, it defined importation as the bringing of goods into any territory under Argentine sovereignty in which a uniform customs duties system and economic prohibitions on imports and exports are applied. The court concluded that the case under analysis was considered an importation; said conclusion was, it stressed, not altered by the fact that the goods were in transit to another country. Moreover, the Criminal Court of Cassation upheld the Prosecutor General’s argument in the sense that an in-transit suspensive operation constitutes an importation, as the latter does not comprise only imports to be nationalized in the country. The court concluded that the case under analysis was also within the scope of the absolute prohibition set forth in Section 46 of Law No. 25,986. (Criminal action against Raúl Oviedo S.R.L., Docket No. 11915 (Criminal Court of Cassation, Tribunal III, June 9, 2010).)

This decision clarifies the extent of Argentine Customs’ authority to inspect and detain goods in transit that are suspected of infringing intellectual and industrial property rights. Only a few decisions have been rendered regarding goods in transit in Argentina. So far, these decisions reflect the ongoing worldwide debate on these controversial issues that are a major source of concern for many, and the friction arising from enforcement of IPR and rules providing for freedom of goods in transit.

Iris V. Quadrio
Martin Chajchir

III.A.4. Unfair, Unauthorized, or Improper Use

Club Atlético Boca Juniors Asociación Civil (Boca Juniors) instituted a court action against Superblank S.R.L. aimed at
stopping the use of the blue-yellow color combination. The defendant used said color combination on textile goods with designs related to soccer (stadiums, awards, players), promotion (key rings, labels, flags, shields), and advertising, and sold the products with flags and shields of the Boca Juniors soccer team.

Boca Juniors is the owner of the following trademarks: (1) BOCA JUNIORS & Device in Classes 24 and 25 (below, illustrations at left); (2) BOCA (word mark) in Class 25; and (3) the color combination blue-yellow-blue in Class 25 (below, illustrations at right).

The Federal Court of First Instance admitted Boca Juniors’ claim and ordered the defendant to stop using the trademarks owned by the plaintiff in all the means of identification, emblems, blue-yellow color combinations, legends, and any other mark reproduced in the products manufactured and sold by the defendant.

Division I of the Federal Court of Appeals upheld the lower court’s decision. The appellate court held that the use of signs evoking the plaintiff’s trademarks on a great variety of products created an association between those products and the owner of the well-known registered trademarks, damaging the prestige of these trademarks. Accordingly, on the basis of Articles 15 and 16.3 of the TRIPS Agreement, along with its own case law, the court enjoined the defendant from using the plaintiff’s trademarks. (Club Atlético Boca Juniors Asociación Civil v. Superblank S.R.L., Docket No. 6253/98 (Federal Court of Appeals Division I, Sept. 23, 2010).)
This decision is important because the Court of Appeals ruled that the use of signs evoking third parties’ trademarks should be sanctioned when they create an association between the questioned products and the trademark owner, thus damaging the prestige of a third party’s trademark.

*Iris V. Quadrio  
Martin Chajchir*

**III.A.9. Infringement of Unregistered Trademarks**

Lucas Agustín Pouyau and Sergio Mauro Brikman had secured the registration of DUFF, a trademark identical to that used by Twentieth Century Fox Film Corporation (Fox) in the popular TV show *The Simpsons*. Fox requested that the court issue a preliminary injunction ordering Messrs. Pouyau and Brikman to stop using the trademark DUFF until a final decision on the merits of the case was rendered in the action filed by Fox against them, which sought the cancellation of their trademark registration.

The Federal Court of First Instance did not grant the injunction. According to its criterion, the claimant had not successfully shown the existence of a probable right (*fumus bonis iuris*), which was essential for the granting of a preliminary injunction. Fox appealed.

Division II of the Federal Court of Appeals reversed the first instance decision and granted the injunction. The court held that Article 50 of the TRIPS Agreement allows courts to grant preliminary injunctions to prevent the infringement of “any intellectual property right.” Although Fox did not hold a registered trademark in Argentina, nor had it timely opposed the defendants’ registration of the trademark DUFF, the court considered that the registrations that Fox owned in other countries were sufficient proof of right for the purposes of granting a preliminary injunction. Such rights were supplemented by the widespread popularity in Argentina of *The Simpsons*, together with the constant references made to the beer drunk by the main characters of the show. The Court of Appeals made no reference to the copyright in Duff invoked by the plaintiff. (*Twentieth Century Fox Film Corp. v. Pouyau et al.*, Docket No. 4113/10 (Federal Court of Appeals, Division II, Feb. 18, 2011) (unpublished).)
The ruling marks the first time that a preliminary injunction based on Article 50 of the TRIPS Agreement has been granted to protect an unregistered trademark against a registered trademark. This case suggests that famous and well-known marks registered in other countries amount to intellectual property rights calling for the protection under Article 50 of TRIPS.

_Iris V. Quadrio_
_Martin Chajchir_

**III.F.4. Cancellation**

Manuel Wolf brought an action against Frappe S.R.L. requesting that Frappe be enjoined from using the trademark FRAPPE for goods in Class 35. Wolf further asked for damages for the defendant’s unauthorized use of the FRAPPE trademark, based on his trademark registration for FRAPPE, covering services in Class 42. Frappe counterclaimed for the cancellation of Wolf’s trademark based on non-use.

The Federal Court of First Instance rejected Wolf’s claim and ruled in favor of Frappe’s counterclaim.

Division I of the Federal Court of Appeals upheld the lower court’s decision. The court first analyzed whether the injunction and the claim for damages were statute barred. In this regard, it held that the term applicable to this case was that established in Section 36 of the Argentine Trademark Law, which provides that the right to institute a civil action is statute barred after three years from the infringement or one year from the date when the owner became aware of the infringement; the appellant’s claim that the appropriate term was two years, as set forth in Section 4037 of the Civil Code, on noncontractual responsibility, was dismissed. The court also held that the term should be counted as from the last use of the trademark.

The appellate court found that the use of the plaintiff’s trademark FRAPPE was not sufficient to prevent the cancellation of the registration for non-use. It confirmed that the trademark owner is the one who is in the best position to prove its use of the mark. In this case, the court held, the evidence filed by the plaintiff did not reveal an actual use proving market presence, which would have prevented the non-use cancellation. (_Wolf v. Frappe S.R.L._, Docket No. 4624/05 (Federal Court of Appeals, Division I, Sept. 30, 2010).)

In this decision the Court of Appeals confirmed the application of the term provided for in Section 36 of the Trademark Law in respect of claims regarding trademark infringement and damages stemming from unauthorized use of a trademark. The court’s ruling is in line with prior decisions holding that to prevent non-
use cancellation of a trademark it is necessary to prove actual use of the mark with real presence in the marketplace.

Iris V. Quadrio
Martin Chajchir

AUSTRALIA

I.B. Descriptiveness

The Federal Court of Australia ruled that PERSIAN FETTA was nondistinctive and cancelled the trademark registration for that term. An infringement claim based on the PERSIAN FETTA registration was therefore unsuccessful. (Yarra Valley Dairy Pty Ltd v. Lemnos Foods Pty Ltd, [2010] FCA 1367 (Dec. 10, 2010).)

In the mid-1990s, Yarra Valley began making and selling a marinated cheese product under the name PERSIAN FETTA. In 2000, Yarra Valley applied to register PERSIAN FETTA as a trademark for “dairy products including cheese.” Registration was obtained only after evidence was filed purporting to show significant use of and reputation in the mark.

In early 2009, Lemnos had on its website an image of a product labeled LEMNOS PERSIAN FETTA. Yarra Valley noticed this and, by letter of demand, informed Lemnos of its PERSIAN FETTA registration. Lemnos removed the offending image, changed the name of the product to LEMNOS PERSIAN MARINATED CHEESE and began supplying the product to retailers.

Yarra Valley then brought proceedings against Lemnos for trademark infringement, passing off and misleading and deceptive conduct in breach of the Australian Trade Practices Act. Lemnos filed a cross-claim for cancellation of the PERSIAN FETTA registration on the ground that the mark was incapable of distinguishing Yarra Valley’s goods.

The court held that the PERSIAN FETTA mark was incapable of distinguishing Yarra Valley’s goods at the date of the application—both inherently and factually. Lemnos thus was successful in having the PERSIAN FETTA registration cancelled. Consequently, there was no need for the court to consider the question of trademark infringement.

The geographical significance of the word “Persian” played a key part in the court’s decision. It was accepted that the word is commonly used to describe things pertaining to Persia (even though the official name of Persia is now Iran). The mark PERSIAN FETTA had been adopted partly for its emotive and exotic connotations, but it also indicated a style of cheese originating in Persia or Iran. This led to the finding that other traders should be free to use that term.
Lemnos was also successful in defending against Yarra Valley’s claim for passing off and breaches of the Trade Practices Act. The judge held that the get-ups were clearly distinguishable.

Richard Hing

III.F.1. Non-Use

In an appeal from the Registrar of Trade Marks in a non-use removal action, the Federal Court of Australia considered three issues: standing; excusing of non-use; and the court’s discretion to remove an unused mark. (Austin, Nichols & Co. v. Lodestar Anstalt, [2011] FCA 39 (Feb. 4, 2011) (Cowdroy, J.).)

Trademark owner Lodestar challenged Austin’s standing in relation to non-alcoholic beverages in Class 32 but not for beers or Class 33 goods. The court was bound by the joint judgment of four judges of the Australian High Court in the Health World case, requiring “person aggrieved” to be liberally construed on the basis of “trade rivalry” of the parties, not by reference to minute product analyses. (Health World Ltd v. Shin-Sun Australia Pty Ltd, [2010] HCA 13 (Apr. 21, 2010).) Accordingly, Austin did not need to trade or intend to trade in non-alcoholic beverages in Class 32.

The trademark owner argued that non-use of its WILD GEESE trademark on alcoholic beverages (especially whiskey) should be excused because of worldwide litigation in relation to the trademark, product sourcing difficulties and promotional impediments.

The Federal Court held that Section 100(3)(c) of the Trade Marks Act 1995 excuses non-use only when external events not brought about by the voluntary act of the trademark owner so disrupt the trade in the owner’s goods as to cause the non-use in the relevant period, whether or not other traders are similarly affected. The owner must show that “but for” the impediment of a “trade character,” the trademark would have been used on the goods in the relevant non-use period. The events cannot include, for example, personal illness.

The court found no basis to excuse non-use. It held that:

1. Worldwide litigation and product sourcing issues did not cause the non-use in Australia, as these issues had not prevented use in other jurisdictions; and

2. The restrictions on promotion were very limited.

The discretion not to remove an unused mark is broad, does not require exceptional circumstances and is exercised reasonably in the light of the public interest in expunging unused marks and the private rights of the parties. Nonetheless, binding precedent required a sufficient reason to retain the registration in the face of the non-use applicant’s prima facie entitlement to removal.
The court retained the registration for limited goods (whiskey), taking into account the following factors:

- Substantial use of mark overseas before and after the non-use period in 34 countries;
- Various industry awards and a limited public profile in Australia;
- The legal and financial detriment to the owner if the mark were expunged;
- The relatively short period the mark had not been used;
- Difficulties in sourcing product;
- The non-abandonment of the trademark;
- That wine (the non-use applicant’s goods of interest) and whiskey could be distinguished, so separate registrations for WILD GEESE for wine and whiskey in the name of different owners would not lead to confusion.

_Brett Doyle_

**AUSTRIA**

_1.C. Distinctiveness_

Roman Hausmann, an Austrian individual, obtained an Austrian trademark registration for LÜMMELTÜTEN PARTY, covering “organization and performance of music events” in Class 41. In the local dialect in Berlin, Germany, _Lümmeltüte_ means “condom.” Based thereon, the plaintiff (unpublished in this case) claimed that “Condom Party” could not classify a specific enterprise (that is, lacked distinctiveness). This argument was accepted by the Nullity Department of the Austrian Patent Office, which observed that the public is accustomed to so-called keynote parties (e.g., pajama party, sex party), where it expects to find any activities relating to the “keynote” or theme. However, on appeal of the defendant, the Supreme Patent and Trademark Board reversed the decision of the lower instance. It held that although LÜMMELTÜTEN PARTY might give rise to certain associations and was not distinctive with regard to a specific event because it could lead to several speculations, that, however, could not substantiate descriptiveness. This uncertainty justifies the quality of LÜMMELTÜTEN PARTY as a trademark because the people viewing the mark would not immediately and without further thought perceive a specific and direct relation between the trademark and the services encompassed by it. (Case No. Om 10/09 (Nm 41/2007), Pbl 2010, 148 (Supreme Patent and Trademark Board, May 12, 2010).)
With this decision, the Supreme Patent and Trademark Board set a bar against the Nullity Department’s view that lack of distinctiveness is present whenever the trade involved might suppose that there is any relation between the trademark and the goods or services for which it is registered.

The Legal Department and, upon a complaint by Forbo Financial Services AG, the Remedies Department of the Austrian Patent Office refused the extension to Austria of the international trademark MARKANT (IR No. 896202), registered for floor coverings (Class 27), on the ground of lack of distinctiveness.

Markant means “prominent, outstanding, pronounced.” Therefore, it was regarded by the Austrian Patent Office as a mere promotional boost. The applicant appealed.

In confirming the Office’s decisions, the Supreme Patent and Trademark Board held that, according to general life experience, the term markant was used in Austria in connection with advertising and sale of floor coverings and was understood by the trade involved as a product indication. An average consumer would understand the term markant in relation to floor coverings as an indication of a product’s property, even if that indication were not precise; it would not be understood as a statement about the product as originating from a specific enterprise. Thus the term lacked distinctiveness. (Case No. OBm 1/10 (Bm 56/2008), Pbl 2011, 2 (Supreme Patent and Trademark Board, Sept. 22, 2010).)

This decision was released by the Supreme Patent and Trademark Board after the recent amendment of the course of instances. Decisions of the Appeals Department (now Remedies Department) formerly were appealed at the Administrative Court. However, the tenor of the decision is still the same—that is, the Board took a much-too-restrictive approach to distinctiveness. It is especially remarkable that the Board held, ex officio, that the term markant characterized floor coverings even though it admitted that the term is not precisely descriptive. As the decision was not well founded, it is not satisfactory.

Peter Israiloff

II.C.1.d. Geographical Names

The Nullity Department of the Austrian Patent Office refused protection in Austria for the stylized international trademark SCHLOSS LICHTENAU (IR No. 800218) for food stuffs (Classes 20 and 30) based on descriptiveness because in Austria there existed at least three palaces with the name “Schloss (palace) Lichtenau” from which (or at least from which region) the claimed goods might be derived.
In its appeal to the Administrative Court, the trademark owner, Netto Marken-Discount AG & Co. KG, argued that the public would not regard the designation as information about the place of production because there existed several places with the same name. Furthermore, it objected to the ground of refusal (i.e., descriptiveness), because the Austrian Patent Office had based its original provisional refusal on lack of distinctiveness. The appeal was, however, dismissed. (Case No. 2007/03/0117, Pbl 2011, 25 (Administrative Court of Austria, Dec. 20, 2010).)

The Administrative Court held that for nonregistrability on the ground of descriptiveness, it suffices if the trade involved combines the designation in question with a geographical indication of origin irrespective of whether several different places of origin are associated therewith. A geographical indication does not gain the quality of a registrable fancy designation if it might be associated with different places (i.e., that it might be understood in different ways). Furthermore the Administrative Court affirmed a decision of the European Court of Justice in that denying registrability on the ground of lack of distinctiveness instead of calling upon descriptiveness does not constitute a violation of the rights of an applicant for registration.

The fact that a geographical indication is excluded from registration even if it may refer to several places (i.e., does not define a specific place) constitutes a new dimension in the evaluation of registrability.

Peter Israiloff

II.C.1.j. Slogans

An unnamed plaintiff had filed an application to register the mark DIE LANGE NACHT DER FORSCHUNG (“the long night of research”) for services of Classes 35, 41, and 42. The Legal Department as well as the Remedies Department of the Austrian Patent Office both rejected the application on the ground of lack of distinctiveness.

Upon appeal, the Administrative Court confirmed the decisions of the lower instances, pointing out that the words “DIE LANGE NACHT DER . . .” (“the long night of . . .”) referred to different events lasting until night hours so that the public would not regard them as indicating a specific enterprise. The addition of the word FORSCHUNG (“research”) would not bring any alteration. (Case No. 2006/04/0124, Pbl 2010, 73 (Administrative Court of Austria, Oct. 6, 2009).)

Decisions of the Administrative Court in trademark matters are rare. Again it is shown that the requirements for distinctiveness are very high in Austria.

Peter Israiloff
II.C.1.l. Other Types of Marks

An Austrian skiing association sought registration for the contourless color combination of white–red–gray in a specific “systematic” three-dimensional arrangement for goods and services in Classes 25 (clothing), 28 (sporting articles), 41 (sporting activities), and 43 (accommodation), whereby the colors were defined by an international color code.

The Legal Department as well as the Remedies Department of the Austrian Patent Office rejected the application on the ground of lack of distinctiveness.

The Austrian skiing association noted that after the Legal Department first rejected the application, the trademark applied for was defined more precisely, as mentioned above. Furthermore, the applicant claimed that the color combination was regarded by the public as “corporate design,” that is, as the club colors of an Austrian skiing association having existed more than 100 years.

Despite these arguments, the Administrative Court confirmed the rejections of the lower instances. It held that a color per se is a priori not distinctive except in case of extraordinary circumstances, which could not be shown. The mark may, however, acquire distinctiveness for specific goods and services by use; such a use was, however, not the matter of the present case. (Case No. 2006/04/0178, Pbl 2010, 82 (Administrative Court of Austria, Oct. 6, 2009).)

This decision shows again the reluctance of Austrian authorities to grant color marks. Moreover, it is somewhat surprising in that the colors of the Austrian skiing association (with its numerous local and territorial branches) should be known per se in Austria so that this fact should have been regarded as “extraordinary circumstances” for granting a color mark without the need of proof of acquired distinctiveness.

Peter Israiloff

III.A.1. Dilution

Plaintiff Red Bull GmbH held registration for several Austrian marks and CTMs for RED BULL (both word marks and word & design marks), such as RED BULL & Design (Trademark No. 129363) (illustrated below) and RED BULL for perfumeries (CTM No. 52803) (Class 3), and beverages (Classes 32 and 33). The earliest registration was filed in 1989.

Defendant Hans Peter Trenke held a PITBULL mark & Design (Trademark No. 225194) for nonalcoholic beverages (Class 32) (illustrated below) and the mark PITBULL (Trademark No. 228366) for perfumery (Class 3) and for nonalcoholic beverages (Class 32), both registered in 2005.
Red Bull brought a cancellation action based on the alleged confusing similarity of the PITBULL mark to its own mark and Hans Peter Trenke’s bad faith and exploitation of senior well-known trademarks and a senior trade name.

The Nullity Department of the Austrian Patent Office rejected the request for cancellation on all grounds. Red Bull appealed. On appeal, the Supreme Patent and Trademark Board reversed the decision of the lower instance in that it cancelled both challenged trademarks on the ground of exploitation of a well-known mark. It held that since about 2000, RED BULL (in different versions) had been, at least in Austria, a well-known (if not at all famous) mark especially for energy drinks. Although RED BULL and PITBULL could not be confused with each other (i.e., they were not confusingly similar), there existed a slight similarity as a result of the common word component BULL. Thus, the defendant exploited the high publicity of the plaintiff’s trademarks by siphoning the interest of the public to its own products. There existed a serious risk that the use of the defendant’s trademark would alter the economic behavior of the average consumer in the future, which risk sufficed as evidence for an impairment of distinctiveness—that is, for dilution of the senior trademark rights. (*Red Bull GmbH v. Hans Peter Trenke*, Case No. Om 5/10 (Nm 89-90/2006), Pbl 2011, 5 (Supreme Patent and Trademark Board, Sept. 22, 2010).)

The published assessment of dilution is remarkable in that the mere likelihood of association with a well-known senior trademark is insufficient for qualification of its unfaithful impairment or exploitation of distinctiveness or reputation. By the present decision the Board has set a scale for at least an unfaithful exploitation of the distinctiveness of a well-known trademark.

*Peter Israeloff*
III.A.2. Passing Off

Plaintiff Pfizer Inc. owns the CTM VIAGRA (CTM No. 000233890) in Class 5; and the CTM VIAGRA (CTM No. 005933908) in Classes 1, 3, 9, 10, 16, 25, 28, 29, 30, 31, 32, 33, 35, 41, 42, and 44.

Defendant Richard Mandl owns the Austrian mark STYRIAGRA & Device (No. 242694) in Classes 30 and 31.

Pfizer brought an infringement action against Mandl based on exploitation of the reputation of the trademark VIAGRA through the defendant’s use of STYRIAGRA for pumpkin seeds (especially those covered with a blue sugar coating) and requested a preliminary injunction.

The court of first instance, the Commercial Court of Vienna, dismissed the request for preliminary injunction, whereas the second instance court, the Upper Provincial Court of Vienna, granted it.

The defendant appealed. The defendant’s company, having its seat in Styria (a federal country of Austria), had promoted the pumpkin seeds sold under its trademark as effective against problems with the urinary passage and as enhancing sexual pleasure. It based its appeal on the claim that STYRIAGRA should be regarded as an admissible trademark parody of VIAGRA.

Pfizer claimed high publicity for its trademark VIAGRA, used for a prescription drug to combat erectile dysfunction and known also as “the little blue pill.”

The Supreme Court of Austria dismissed the defendant’s appeal, holding that VIAGRA was already a well-known trademark in the European Union and that STYRIAGRA was similar to the earlier trademark so that consumers would construe an association with it. As the defendant had diverted the attention of consumers to its own products, it had taken unfair advantage (at least) of the distinctiveness of VIAGRA. In consideration of
artistic freedom on one side and trademark protection on the other side, the Supreme Court held that the use of STYRIAGRA was unfair because its aim was merely to promote the defendant's products on the market. (Pfizer Inc. v. Richard Mandl, Case No. 17 Ob 15/09v, ÖBl 2010, 126 (Supreme Court of Austria, Sept. 22, 2009).)

The Supreme Court had to rule for the first time on the requirements for the permissibility of trademark parody. It held:

If a known trademark is used for marking of goods and services in a humorously alienated manner, the unfairness of the exploitation of reputation and attention may be denied on basic right considerations if the objected conduct may be classified as expression of artistic work or as contribution to the sociological discourse (trademark parody or trademark satire). However, it does not hold true in case that the use of the trademark, seen realistically, primarily serves to exploit its publicity for the sales of own goods or services.

Peter Israiloff

III.A.5.a. Cybersquatting

Internetportal und Marketing GmbH brought a declaratory action against Richard Schlicht regarding the rightful ownership of the domain name reifen.eu. The court of first instance, the Provincial Court of Salzburg, as well as the court of second instance, the Upper Provincial Court of Linz, both rejected the plaintiff's request.

Immediately before the beginning of the “Sunrise period 1” for registration of domain names under the top-level domain (TLD) .eu, which was reserved for registered trademark owners only, the plaintiff had registered many Swedish trademarks, all of which consisted of German generic words wherein each letter was separated by the symbol “&” for “and.” Among other registrations that it obtained on November 25, 2005, it registered the trademark &R&E&I&F&E&N&, which resembled the generic word reifen (“tire”) when omitting the “&” symbols. On basis of that trademark, it gained the domain name reifen.eu because in the course of transcription the signs “&” were omitted. Thus the plaintiff got a domain name consisting of a generic term that someone else may have intended to register, if at all, in the third registration period (“landrush period”).

On November 28, 2005, Richard Schlicht registered the Benelux trademark REIFEN (Trademark No. 0779710) for goods in Class 3 (cleaning and washing preparations) and services for distribution of such products (Class 35).

Richard Schlicht attacked Internetportal’s domain name in an alternative dispute resolution proceeding before the relevant Czech
arbitration tribunal and was successful. The arbitration tribunal ruled that Internetportal had acted in bad faith when applying for the domain registration. This negative decision was the topic of the later court dispute.

Upon Internetportal’s appeal, the Supreme Court requested a preliminary judgment by the ECJ. The ECJ ruled (C-569/08, June 3, 2010) that in connection with the request of a domain name under the TLD .eu, bad faith may also be proved by other circumstances than those listed in the respective Regulation (Article 21) of the European Commission (2004/874, April 28, 2004). On this basis the Supreme Court came to the conclusion that the plaintiff had acted in bad faith when applying for the domain name reifen.eu because it had, among other negative criteria, never intended to use the Swedish trademark for the registered goods (i.e., for safety restraints), but rather wanted to launch an Internet portal for tire transactions, and because it had gained the domain name by using a trick—special signs like “&” cannot be expressed in a domain name so Internetportal had the opportunity to decide on their deletion, and this then led to the fact that a generic term had been already registered in the first period of registration. Thus the plaintiff had contravened the regulation’s objective in staggering the registrations. The Supreme Court confirmed the decisions of the lower instances. (Internetportal und Marketing GmbH v. Richard Schlicht, Case No. 17 Ob 7/10v, ÖBl 2011, 24 (Supreme Court of Austria, July 13, 2010).)

Although the EU regulation regarding the staggered registration periods for domain names under the TLD .eu had a timely limited effect, one may derive from the ECJ’s and Supreme Court’s decisions that EU regulations concerning any speculative and/or wrongful behavior are, in general, not to be regarded as exclusive, that is, additional facts might come up that insinuate bad faith.

Peter Israiloff

III.A.6.d. Sponsored Advertising/Keywords

Bergspechte Outdoor-Reisen und Alpinschule Edi Koblmüller GmbH had registered its Austrian trademark BergSpechte (Trademark No. 230763) (illustrated below) in Classes 25, 39, and 41 for, especially, clothing and outdoor activities.

Plaintiff’s Mark (Trademark No. 230763)
Guenter Guni, offering the same services as the plaintiff, had booked, at Google Adword, the keywords “Bergspechte” (in English, “mountain woodpecker”) and “Edi Koblmüller” so that his ads and links to his website trekking.at were shown together with the search results. Bergspechte Outdoor-Reisen und Alpinschule Edi Koblmüller GmbH requested a preliminary injunction against Guenter Guni in trademark infringement proceedings concerning keyword advertising.

The court of first instance (Provincial Court of Wels) ordered the preliminary injunction, and court of second instance (Upper Provincial Court of Linz) amended that order slightly.

Upon the appeals of both parties, the Supreme Court interrupted the proceedings for a preliminary judgment of the ECJ. The ECJ held (C-278/08, Mar. 25, 2010) that a third party’s use of a keyword that is identical or similar to a trademark is in any case to be regarded as “a use in the course of business,” that is, irrespective of whether or not the chosen keyword appears in the ad. In what way this use may give rise to a risk of confusion depends, however, on whether an average Internet user regards the goods and services promoted in the ad as originating from the trademark owner, from an enterprise related to it, or rather from a third party.

In the resumption of the proceedings, the Supreme Court came to the conclusion that there was a risk of confusion because the defendant had not included any clarifying reference in his advertisements. As the keywords were fanciful (i.e., they did not indicate the type of services offered), it was obvious for an average Internet user that there existed any commercial relationship between the plaintiff and the defendant, for the domain name of the defendant, trekking.at, consists only of a generic term that gives no indication to a specific enterprise. Therefore the decision of the lower instances was confirmed. (Bergspechte Outdoor-Reisen und Alpinschule Edi Koblmüller GmbH v. Guenter Guni, Case No. 17 Ob 3/10 f (Supreme Court of Austria, June 21, 2010).)

The gist of this proceedings is that whenever a third party uses keywords related to a trademark owner it must include in its advertisements specific references to the fact that it is not related to the trademark owner, especially when its Internet address (domain name) consists of a generic term.

Peter Israiloff

III.B. Procedure

Merloni Brands KFT owns the international trademark ELCO (IR No. 601353) in Classes 7, 11, 37, and 42, covering heating facilities and installation and repair services. Anton Eder GmbH owns the junior Austrian trademarks ELKO-THERM (Trademark
No. 185303), ELKO-FLEX (Trademark No. 185304), ELKO-SAN (Trademark No. 185305), and ELKO-MAT (Trademark No. 185306) in Classes 11 and 37 for more or less the same goods and services.

On July 10, 2003, a cancellation action was brought by SMIR S.p.A., Fabriano, Italy, against all the trademarks owned by Anton Eder GmbH. On that date, SMIR S.p.A. was not yet the registered owner of IR No. 601 353, but it had already filed an assignment document and became the owner of record, effective August 28, 2003. Finally, IR No. 601 353 was assigned to Goldfam KFT, which changed its name to Merloni Brands KFT, effective September 5, 2005. The Nullity Department of the Austrian Patent Office ordered the cancellations of all the contested trademarks.

In its counter-writ before the Nullity Department as well as in its appeal to the Supreme Patent and Trademark Board, the defendant, Anton Eder GmbH, had argued on the one hand that the plaintiff had no active legitimacy, because of several changes in the ownership of the senior trademark, and on the other hand that it had the right to register its junior trademarks on the basis of a delimitation agreement with the original owner of the senior trademark. While the Nullity Department had not accepted the defendant’s objection of alleged breach of the delimitation agreement, stating that this was a matter of civil courts, it was discussed by the Supreme Patent and Trademark Board. However, this argument failed because it turned out that the agreement was not binding to the plaintiff. The cancellation decision of the Nullity Department was affirmed, as the similarity of the marks as well as of the goods and services was obvious. Regarding the procedural questions, the Supreme Patent and Trademark Board held that in a trademark cancellation proceeding it is not imperative (on the plaintiff’s side) that the power to act exist from the beginning and during the entire proceedings. Curing of any such defect is not excluded. The legitimacy (of the plaintiff) in the matter at the closing of the oral hearing in the first instance is decisive. (Merloni Brands KFT v. Anton Eder GmbH, Case No. Om 6/09 (Nm 99/03, Nm 118-120/03), Pbl 2010, 98 (Supreme Patent and Trademark Board, Nov. 11, 2009).) In a cancellation proceedings a civil law agreement permitting the use of a trademark may be brought (by the defendant) as defense.

It was the first time that the Supreme Patent and Trademark Board ruled in a concise manner on the question of interruptions in the right to act, whereby citing that trademark authorities have to deal with any defenses based on acquiescence agreements.

Peter Israiloff
III.C.1. International Conventions

The defendant was sued by the plaintiff for alleged infringement of its CTMs, whereupon the defendant requested a deposit of EUR 30,000 as security for costs.

The court of first instance (Commercial Court of Vienna) ordered the plaintiff to deposit the security, and the court of second instance (Upper Provincial Court of Vienna) rejected the request for security.

The plaintiff argued that with respect to Article 4 of the TRIPS Agreement (most-favored nation treatment) it was not obliged to deposit a security because members of other EU countries are excluded from such deposits by privilege. However, upon appeal of the defendant, the Supreme Court held that neither from Article 3 of the TRIPS Agreement (national treatment) nor from Article 4 may one derive an exemption of the plaintiff from the obligation to deposit a security of costs. The privilege (prohibition of discrimination) granted by Article 12 of the European Union Contract to members of any member state of the union is to be regarded as a “domestic” regulation within the European Union so that members of non-EU states may not rely upon it. Therefore the decision of the court of first instance was restored. (Case No. 17 Ob 31/09x, GRUR Int. 2010, 1083 (Supreme Court of Austria, Jan. 19, 2010).)

It was the first time that the Supreme Court had to deal on the ground of Article 4 of the TRIPS Agreement with the question of whether a member of a non-EU country has the same privileges as any member of another EU-country whereby it held that “any other country” should be interpreted only with respect to non-EU countries because any advantages granted to members of EU countries are to be regarded as “domestic” regulations within the EU.

III.F.1. Non-Use

Burberry Limited, London, brought an infringement action against a supermarket chain for distributing umbrellas with the “Burberry” design, based on likelihood of confusion due to similarity of marks and goods.

Burberry holds an Austrian design mark (Trademark No. 159829) for Classes 3, 9, 14, 16, 18, 24, 25, 28, 29, 30, 32, 33, and 34 as well as similar registrations—CTM 377580, CTM 3940442, and IR No. 499422.
Plaintiff’s Mark (Trademark No. 159829)

The court of first instance (Commercial Court of Vienna) dismissed, among other claims, the claim for injunction, whereas the court of second instance (Upper Provincial Court of Vienna) granted it.

An intervening third party on the side of the defendant, the producer of the umbrellas, filed an appeal to the Supreme Court of Austria stating that the claim of Burberry should have been forfeited against the defendant because Burberry had known of the production of the defendant’s umbrellas since 1994 and thus had tolerated it. However, the Supreme Court held that forfeiture comes into force only against that party whose trademark infringement was tolerated; as the distribution by the defendant was not tolerated, the claim was not forfeited. In addition the Supreme Court held that the user of a senior trademark may base its protest of forfeiture on the acquiescence of the use only if it had gained acquired distinctiveness of its so-far-not-registered designation and only if the trademark owner had tolerated the use of its protected trademark within five consecutive years. (Case No. 17 Ob 14/09x, ÖBl 2010, 122 (Supreme Court of Austria, Sept. 22, 2009).)

The decision is a further contribution to the legal institute of forfeiture in that it strengthens the position of a senior trademark owner by delaying a possible objection of forfeiture. The position of a trademark infringer is weakened in that it may successfully claim forfeiture only in when the senior trademark owner had known of the use of the infringing designation during five consecutive years starting from the gaining of publicity of the former non-registered designation.

Peter Israiloff

III.F.1. Non-Use

An unnamed plaintiff brought a cancellation action, based on alleged non-use, against Red Bull GmbH, owner of the Austrian trademark FLÜGERL (Trademark No. 172656) for beverages in
Classes 32 and 33. The Nullity Department of the Austrian Patent Office ordered the cancellation.

The evidence of use brought by the defendant Red Bull GmbH showed that the mark FLÜGERL was used in the Austrian gastronomy for any mixed drink containing the energy drink “Red Bull” and red or white vodka. Thus no specific product was put into the market by the trademark owner; rather every gastronomer has used its own recipe. Therefore the trademark was cancelled by the Nullity Department because FLÜGERL had not been in use as an indication of origin but as designation for a specific type of drink.

Red Bull appealed, and the Supreme Patent and Trademark Board confirmed the cancellation decision of the lower instance, holding that only a distinctive use of a trademark is right-preserving. The designation FLÜGERL is not suitable to serve as an indication of origin from a specific enterprise if the public understands “Flügerl” as a mixed drink of a specific composition that is offered in numerous other gastronomic businesses in an identical or similar manner. (Case No. Om 2/2010 (Nm 16/2005), Pbl 2010, 191 (Supreme Patent and Trademark Board, May 26, 2010).)

The decision has made clear that the general use of a designation just for a specific product type, even with the consent of a trademark owner, is not a distinctive, right-preserving use of the trademark in question.

Peter Israiloff

III.F.6. Declaration of Invalidity

Roust Incorporated, a closed joint-stock company with 100 percent foreign investments, owns the following trademarks: (IR No. 736105), RUSSIAN STANDART (IR No. 856800), and RUSSIAN STANDARD (IR No. 858008), in Classes 32 and 33, covering, among other goods, beverages. An unpublished plaintiff brought a request for invalidation of Roust’s international trademarks in the territory of Austria.

The Nullity Department of the Austrian Patent Office rejected the invalidation request with regard to the goods in Classes 32 and 33.

The plaintiff appealed before the Supreme Patent and Trademark Board. The Board declared that the two trademarks resembling words in Latin letters to be invalid, whereas with regard to the trademark consisting of Cyrillic letters it rejected the request for invalidation. It held that “Russian Standard” or “Russian Standart” would be understood by the general public and therefore, lacking distinctiveness, would not be regarded as a trademark. However, as Cyrillic letters are generally not known in
Austria, the public would not understand their meaning (i.e., “russky standart”) so that the Cyrillic letter mark could serve as a trademark. (Case No. Om 9/09 (Nm 11/2007, 12/2007, 14/2007), Pbl 2010, 132 (Supreme Patent and Trademark Board, Dec. 9, 2009).)

The Austrian Patent Office always asks for a translation of any words written with letters other than Latin ones, and in case it turns out that the designation is descriptive in the foreign language it rejects the trademark application. In light of the above-mentioned decision, one might expect another approach to registrability in the future.

Peter Israiloff

III.H.4. Evidence

DIESEL S.p.A. held international trademarks for DIESEL (IR No. 608499) and for DIESEL & Design (IR No. 608500), covering, among other goods, watches. The plaintiff DIESEL S.p.A. gave an order to the Austrian customs authority to seize any counterfeit goods covered by its trademarks. After such a seizure of watches marked with DIESEL, it turned out that the goods were original ones, that is, they were not at all encompassed by the respective Council Regulation (EC) No. 1383/2003. However, as the defendant was not the authorized importer, DIESEL S.p.A. sued, requesting preliminary injunction in an action to refrain from parallel import of original goods from outside the European Commercial Region.

The courts of first and second instance (Provincial Court of Korneuburg, Upper Provincial Court of Vienna) granted the preliminary injunction.

Upon appeal of the defendant, the Supreme Court affirmed the decisions of the courts of lower instances and held the following with respect to the burden of proof and evidence in those cases in which goods were put into the market outside the European Economic Area (the EEA, which is not identical with the European Union):

The exhaustion of a trademark right is to be examined only in case of an objection by the defendant. In that case the defendant has to assert and to prove that the respective goods were put into the market within the EEA by the trademark owner or with its consent. Alternatively, the defendant may assert and prove that a segregation of the markets within the EEA is impending, e.g., because of an exclusive distribution system, in case it would lay open its supply sources. In this case the plaintiff has to assert and to prove that the respective goods were put into the market for the first time outside the EEA. If this evidence is successful the defendant would have to prove in turn that the trademark owner has given its consent to a (another) distribution within the EEA.
The Supreme Court, considering judgments of the European Court of Justice, fixed its opinion on the burden of proof in case of a parallel import of goods that, for the first time, are being distributed outside the European Economic Area. (*Diesel III*, Case No. 17 Ob 16/09s, ÖBl 2010, 189 (Supreme Court of Austria, Sept. 22, 2009).)

*Peter Israiloff*

**III.H.8. Payment of Legal Fees**

Plaintiff Grupo Osborne, S.A. owns the following trademarks: EL TORO (IR No. 561359) in Class 33; and TORO (CTM No. 1319185) in Classes 32, 33, and 42. Defendant Red Bull GmbH owns the following Austrian trademarks: TORO ROSSO (Trademark No. 179727) in Class 32; TORO ROJO (Trademark No. 179728) in Class 32; TORO ROJO (Trademark No. 209916) in Class 32; TORO ROSSO (Trademark No. 210192) in Class 32; TORO ROJO (Trademark No. 233233) in Classes 32, 33, and 43; TORO NEGRO (Trademark No. 233234) in Classes 32, 33, and 43; TORO (Trademark No. 233235) in Classes 32, 33, and 43; TORO ROSSO (Trademark No. 234397) in Class 33. Grupo Osborne brought a cancellation action against Red Bull based on alleged non-use as well as confusing similarity.

The Nullity Department of the Austrian Patent Office closed the proceedings with regard to Austrian Trademarks Nos. 179727 and 179728 on the basis of a voluntary withdrawal by the defendant, thus imposing legal costs onto the defendant.

Upon appeal of the defendant against the burden of costs, the Supreme Patent and Trademark Board remanded the case to the Nullity Department. (*Grupo Osborne, S.A. v. Red Bull GmbH*, Case No. Om 7/10 (Nm 61-62/2007), Pbl 2011, 19 (Supreme Patent and Trademark Board, Sept. 22, 2010).) The Board defined the following conditions for fixing of costs as follows:

In case one party partly wins and partly loses, the costs have to be cancelled against each other or divided proportionally. In case of nonmonetary claims, the relation between the successful and refused demand must be ascertained at the discretion of the Board. The value in dispute must be primarily taken as standard for evaluating to what degree one party is regarded as winning and the other party as losing. If a court does not decide on monetary claims but on other demands, then it must, in the case of a partial success and a partial loss, weigh the individual requests against each other, thus it has a larger scope of evaluation.

If a nullification action consists of several sections or if it has been closed already with respect to some of the contested trademarks, respectively, the Nullity Department must create further sections of the proceedings on the basis of the remaining
value in dispute or on the basis of reduced values in dispute in case of further voluntary cancellations of trademarks, respectively, and it must ascertain the success of the proceedings for each section of the action.

This is a landmark decision regarding concise rules for evaluation of cost refunds.

Peter Israiloff

BENELUX

II.C.3. Geographical Indications/
Appellations of Origin

On October 8, 2010, the District Court of The Hague held that the use of ANDRÉLON CHAMPAGNE for shampoo infringed the rights in the designation of origin (geographical indication) “Champagne.” The court’s decision was issued in the summary proceedings initiated by the Comité Interprofessionnel du Vin de Champagne (CIVC) against Unilever.

The court’s findings were as follows:

- In order to celebrate the 70th anniversary of its shampoo brand ANDRÉLON, Unilever launched ANDRÉLON CHAMPAGNE shampoo on the Dutch market.
- Around 500 television commercials were aired and numerous newspaper advertisements were published.
- By letter of August 2, 2010, the CIVC ordered Unilever to cease and desist from the use of the designation of origin “Champagne.”
- As Unilever continued its sales and promotional campaign, on September 2, 2010, the CIVC initiated summary proceedings asking for an injunction.
- Under Article 118m(2)(a)(ii) of Regulation 1234/2007 (as adjusted by Regulation 491/2009), protected designations of origin are protected against any direct or indirect commercial use insofar as such use exploits the reputation of that designation. “Champagne” is such a protected designation of origin.

At trial, Unilever did not dispute that it infringed the CIVC’s rights in “Champagne.” Instead, it tried to avoid the order to recall its products, arguing that that measure was disproportionately harsh. However, the court ordered Unilever to recall all of its ANDRÉLON CHAMPAGNE shampoo by sending letters to the retail outlets asking them to return the products and offering reimbursement of all costs related thereto.

Unilever did not appeal the decision.
Under the European Union Intellectual Property Rights Enforcement Directive (Directive 2004/48/EC), the losing party may be ordered to compensate the winning party for its actual attorney fees. However, the Directive, unlike the TRIPS Agreement, does not qualify designations of origin as IP rights. In this decision, the court held, for the first time, that the Directive should be interpreted in conformity with the TRIPS Agreement. Accordingly, it ordered Unilever to reimburse the CIVC for its actual attorney fees.

Paul Reeskamp

II.E. Examination and Opposition

H.H.M. Vaessen filed a Benelux application for registration of the word and design mark DIGI PASS, for goods and services in Classes 9, 36, 38, and 41 (illustrated below) (Application No. 1130997, filed Mar. 29, 2007). The plaintiff, Vasco Data Security International GmbH, is the holder of Benelux and Community registrations for the word mark DIGIPASS, covering goods and services in Classes 9, 38, and 42. (Benelux Trademark No. 693702, registered Oct. 31, 2001; CTM No. 2174605, registered Mar. 25, 2003.)

Vasco opposed Vaessen’s Benelux application for the word and design mark DIGI PASS based on the ground that the application was filed for similar goods and services (Classes 9 and 38) and that the applied-for mark was similar to Vasco’s trademark, so there was a likelihood of confusion on the part of the public.

On January 12, 2009, the Benelux Office for Intellectual Property (BOIP) rejected the opposition of Vasco. The BOIP stated that with regard to the Benelux registration, normal use in the period from March 29, 2002 until March 29, 2007 was not proven. With regard to the CTM, the BOIP found that the term “digipass” was descriptive of the goods and services covered by the mark and that the mark lacked distinctive character, so that the differences between the marks were sufficient enough to neutralize the similarity. The overall impression of similarity of the marks was
not sufficient enough for a risk of confusion. Vasco appealed the BOIP’s decision before the Court of Appeal of The Hague.

The Court of Appeal of The Hague stated that Vaessen had not put forward in his plea that the mark DIGIPASS had a lack of distinctive character. By rejecting the opposition based on a legal ground that was not raised in the plea, the BOIP acted in violation of Article 1.25 of the Implementing Rules of the Benelux Convention on Intellectual Property (BCIP). Article 1.25 provides:

Respect for the principle of due hearing of both parties . . . implies that: (a) copies of all relevant supporting documents submitted to the Office by a party shall be forwarded to the other party, even if the objection is not admissible. If the arguments introduced are translated by the Office . . ., they shall be forwarded together with the translation; (b) copies of all relevant supporting documents which the Office sends to one party shall be sent to the other party; (c) the objection-related decision may be based only on grounds on which the parties have been able to express their views; (d) the facts to which the opposing party has failed to respond shall be deemed to be undisputed; (e) examination of the objection shall be limited to the arguments, facts and proof put forward by the parties; (f) the objection-related decision shall be a written, reasoned statement and shall be forwarded to the parties.

The BOIP also acted in violation of the principle of hearing. (Article 2.16(1) provides that the BOIP “shall deal with an objection within a reasonable time frame in accordance with the provisions laid down in the Implementing Regulations and shall respect the rule that both sides should be heard.”) By rejecting the opposition based on a legal ground that was not put forward, the BOIP made a surprise decision without giving Vasco the opportunity to respond to that legal ground. Furthermore, the court observed that the word mark DIGIPASS would lack distinctive character unless it were integrated and unless it had acquired distinctive character. According to the court, the mark DIGIPASS had been so intensively used that, at the time the application was filed by Vaessen on March 29, 2007, it had become integrated and had gained distinctive character. Therefore the court found that there was normal use of the Benelux trademark by Vasco between March 29, 2002, until March 29, 2007, and that there would be risk of confusion if the mark were to cover similar goods and services. The court also noted that after the opposition procedure the description of the goods and services was changed considerably, with goods having not only been deleted but also added. Because the additions were not explained, the court stated that the additions were unauthorized. According to Article 2.25(5) of the BCIP, it is possible to restrict the list of goods and services
only after the registration/application. (Article 2.25(5) provides: “Voluntary cancellation may be restricted to one or more of the goods or services for which the trademark is registered.”) The court also stated that making an addition to the list of goods and services after the application is filed is in conflict with the system of trademark law, in which the date of application is decisive for invoking the nullity of an application of a later-filed mark. Based on the aforementioned, the Court of Appeal of The Hague reversed the judgment of the BOIP in the opposition procedure, declaring that the opposition was well founded and that the application was not registered for the goods and services in Classes 9 (with exception to optical instruments and devices) and 38. (Vasco Data Security International GmbH v. H.H.M. Vaessen, h.o.d.n. The Payroller, Case No. 200.027.729/01 (Dutch Court of Appeal, The Hague, Nov. 2, 2010) (in Dutch).)

This decision is important because the Court of Appeal of The Hague stated that the BOIP is bound to the arguments used by both parties and cannot use arguments on its own authority to sustain or reject a claim. Furthermore, the decision is important because of the court’s holding that an addition to the list of goods and services after an application is filed is not only is restricted by Article 2.25(5) of the BCIP but also is in conflict with the system of trademark law.

Michiel Rijsdijk

II.E. Examination and Opposition

Top Brands Holding B.V. filed a Benelux application for the figurative/word mark FALCON for goods in Class 25 (clothing and headgear) (below, illustration at left) (Application No. 794358, filed Mar. 1, 2006). Falke is owner of the international trademark FALKE, with designation of the Benelux, which is registered for goods in Class 25 (knitwear, clothing, woven and knitted clothing, underwear, ties, and gloves) (below, illustration at right) (IR No. 381077, registered July 29, 1971).

On May 31, 2006, the legal predecessor of Falke filed an opposition action against the application for registration of the figurative/word mark FALCON by Top Brands. The opposition was based on the international trademark FALKE registered on July 29, 1971 (Application No. 381077, filed July 29, 1971).
The BOIP declared that the opposition was well founded, and removed the Benelux application. (Decision of Apr. 1, 2008.) The BOIP stated that the goods in the application of both marks were partially similar and that the marks were visually, aurally, and conceptually similar so that there was a risk of confusion. Both Top Brands and Falcon International C.V. (a licensee) appealed against the decision of the BOIP at the Court of Appeal of The Hague, requesting the court to order the BOIP to revoke its decision, to register the trademark, and to order the BOIP to pay the costs of the proceeding.

First, the court found that the appeal was inadmissible because Falcon could not be a party in the opposition procedure in spite of the fact that it was a licensee and had the permission of Top Brands to act as a party according to Article 2.17.1 of the BCIP. (Article 2.17.1 provides: “Within two months following a decision on an objection . . . , the parties may submit a petition to the Court of Appeal in Brussels, the Gerechtshof [Court of Appeal] in the Hague or the Court of Appeal in Luxembourg with a view to obtaining an order cancelling the Office’s decision.”) Second, the court found that the BOIP could not be seen as a defendant or an interested party in a case of appeal according to Article 2.17.1 of the BCIP. (The treaty states that the opposition is conducted between two parties and that the BOIP is acting as legal authority.) The BOIP found that the goods in the application of the marks were similar and that the marks were visually, aurally, and conceptually similar so that there was risk of confusion. Top Brands argued in its defense before the court that the mark FALCON was used for all-weather sports and leisure clothing in the Benelux and that there was no similarity of goods because Falke used its trademark for socks, stockings, and underwear and not for sportive outdoor clothing. However, the appeal court instructed that in opposition proceedings, the BOIP had to take
into account the goods for which the application was filed. The court found that the goods in question were similar. Furthermore, the court observed that the overall view of the FALCON mark was specified more by the word element than it was by the figurative element because the word element took a bigger position in the mark and was placed in front of the figurative element. Based on the word element of the FALCON mark, the court found that there was visual, aural, and conceptual similarity so that there was risk of confusion on the part of the relevant public. The court concluded that when purchasing clothing the public would not have a high degree of attention; therefore, there was a risk of confusion.

Furthermore, the court stated that it was not bound by the contrary decision of the Spanish or the U.K. Trademark Authority, but that this case would have to be examined on its own merits. The Court of Appeal dismissed the claim of Top Brands against the BOIP. (Falcon International C.V. c.s. v. Falke KG & BOIP, Case No. 200.007.127/01 (Dutch Court of Appeal, The Hague, Nov. 30, 2010) (in Dutch).)

This decision is important because it declares that the BOIP is the decision-making authority and that it cannot be involved as a party in an opposition.

Michiel Rijsdijk

III.A. Infringement and Other Forms of Unfair Competition

Mercis B.V. is the company to which the creator of the character Nijntje transferred his copyrights and trademark rights. Mercis owns the Benelux trademark NIJNTJE, for goods and services in Classes 3, 6, 9, 14–16, 18, 21, and 24–28 (below, illustration at right) (Trademark No. 573738, registered May 1, 1996). The defendant, Sanrio Company Ltd, designed the character Kathy, a white rabbit with character traits similar to Nijntje's (below, illustration at left). Sanrio manufactures and sells products depicting Kathy.

Defendant's Mark  Plaintiff's Mark
Mercis claimed, in interlocutory proceedings, that Sanrio Co. and Sanrio GmbH had engaged in trademark and copyright infringement and requested that Sanrio Co. and Sanrio GmbH be halted from manufacturing and selling a character similar to Nijntje.

The Court of Amsterdam, in interlocutory proceedings, held that copyright infringement existed in The Netherlands. According to the court, Nijntje was its own original character and bore the maker's personal stamp. Nijntje could be seen as a copyright-protected work according to Article 10 of the Copyright Act 1912. The character Kathy was nearly identical to the character Nijntje, with the only perceptible difference being a pink bow in one of her ears; but the overall impression was that Kathy was similar to Nijntje. Thus Sanrio committed copyright infringement. The court ruled that there was not only copyright infringement but also trademark infringement, based on Article 2.20(1)(d) of the BCIP. Article 2.20(1)(d) provides:

A registered trademark shall provide its owner with an exclusive right. Without prejudice to the possible application of ordinary law in matters of civil liability, the exclusive right to a trademark shall permit the owner to prevent any third party, without its consent, from ... using a sign for purposes other than those of distinguishing the goods or services, where use of the sign without due cause would take unfair advantage of or be detrimental to the distinctive character or the repute of the trademark.

The court found that “Kathy” was used for purposes other than those of distinguishing goods and services; it was exclusively used as a character, brought into the market under the trademark HELLO KITTY. Referring to its findings regarding copyright, the court stated that the character Kathy was nearly identical to the character Nijntje. Thus Sanrio took unfair advantage of the distinctive character of the trademark NIJNTJE. The court concluded that Sanrio, by using the character Kathy, was benefitting from the attraction and the reputation of the character Nijntje. Without financial compensation, Sanrio was benefitting from the commercial efforts of Mercis as trademark owner (HvJ EG L'Oreal/Bellure). (Mercis B.V. v. Sanrio Co. Ltd. & Sanrio GmbH, Case No. 467440/KG ZA 10-1522 (Court of Amsterdam, Nov. 2, 2010) (in Dutch).)

This decision is important because it elaborates on the important decision of the European Court of Justice in L’Oreal v. Bellure, Case C-487/07 (Court of Appeal (England and Wales), Civil Div., June 18, 2009), which states that you cannot take profit from another or the performance or investment of another. This decision is also important because the character Nijntje is known in both the Netherlands and Japan, and throughout the rest of the
world. Sanrio did not make its character Kathy sufficiently different from the trademark NIJNTJE.

Michiel Rijsdijk

III.E.1. Injunction

On April 20, 2011, the District Court of The Hague granted an anti-filing injunction for any Benelux or CTM applications containing the words “pink ribbon” or other combinations of the words “pink” and “ribbon.”

The “Pink Ribbon” has been used since the 1990s as a symbol for the fight against breast cancer. The Pink Ribbon Foundation (the Foundation), which was formed in the Netherlands in 2003, holds a number of Benelux trademark registrations for figurative marks incorporating the words PINK RIBBON. The figurative marks are registered for fund-raising services in Class 36; information regarding, inter alia, breast cancer in Class 44; and various goods and services in other classes.

In 2004, Scheffrahn, an Internet trader, founded an organization, Pink Ribbon International, for the battle against breast cancer. Scheffrahn has filed applications for the registration of various word and figurative signs, including PINK RIBBON, RIBBON OF PINK, PINK RIBBON INTERNATIONAL, and PINK RIBBON MAGAZINE, as Community and Benelux trademarks.

The Foundation filed oppositions against these applications, and, right after the Foundation had substantiated its oppositions, Scheffrahn withdrew the applications. In addition, Scheffrahn let certain of its applications lapse by not paying the fees due, right after the Foundation commenced proceedings. Moreover, Scheffrahn filed applications in various languages in order to increase the Foundation’s translation costs, and Scheffrahn’s filings related not only to breast-cancer–related goods and services but also to firearms, incubators, and carcinogenic substances such as asbestos and tobacco.

The Foundation requested, inter alia, a prohibition on the filing of trademark applications by Scheffrahn, because filing and subsequently withdrawing trademark applications was unlawful vis-à-vis the Foundation. It argued that Scheffrahn’s manner of filing and litigating constituted an abuse of right.

The District Court found that the applicant had no legal interest in its filings. It was clear that the manner of filing was harmful to the Foundation because, as a result, it had to conduct many different opposition procedures and thus incur extra costs. Although the requested prohibition on further trademark filings was a far-reaching measure given the statutory right to file trademark applications, under the circumstances, the District Court nevertheless felt that this prohibition was appropriate.
This appears to be the first time that an anti-filing injunction has been granted by a Dutch court.

_Jaap Bremer_

**III.F.1. Non-Use**

In July 1997, Engels BVBA D. filed an application to register a Benelux trademark consisting of a figurative mark with the letters DE, to cover electronic equipment for domestic use, lightning-, and heating- and climate apparatus in Class 11 (Application No. 0616622, filed July 2, 1997). In March 2003, GmbH Daewoo Electronics Europe applied to register a CTM of an almost identical figurative mark for electronic equipment for relaxation, cooking, and cooling apparatus in Class 11 (CTM Application No. 003208787, filed Mar. 7, 2003).

Before the Commercial Court of Antwerp, on June 25, 2005, Daewoo requested the removal of Engels’ registration and also the cancellation of the Engels’ trademark DE because of non-use by Engels.

On March 31, 2006, the Commercial Court of Antwerp declared the claim of Daewoo to be well founded and ordered the removal of Engels’ registration and the cancellation of the Benelux trademark because of non-use. On June 28, 2006, Engels appealed the decision before the Court of Appeal in Antwerp, claiming that the mark DE was also used by Daewoo as a corporate logo and thus as an indication of the company. Engels stated that it could act against this use on the grounds of Article 10bis(3) of the Paris Convention by reason of creating confusion. Article 10bis(3) provides:

The following in particular shall be prohibited: (i) all acts of such a nature as to create confusion by any means whatever with the establishment, the goods, or the industrial or commercial activities, of a competitor; (ii) false allegations in the course of trade of such a nature as to discredit the
establishment, the goods, or the industrial or commercial activities, of a competitor; (iii) indications or allegations the use of which in the course of trade is liable to mislead the public as to the nature, the manufacturing process, the characteristics, the suitability for their purpose, or the quantity, of the goods.

The Court of Appeal dismissed the claim of Engels and stated that Engels’ claim was inadmissible based on Article 10bis(3) of the Paris Convention because the mark DE must be seen as a trademark within the meaning of Article 1 of the Benelux Trade Mark Act (currently Article 2.1(1) of the BCIP) and this registered mark had lapsed. Article 2.1(1) provides:

Names, designs, stamps, seals, letters, figures, shapes of products or packaging and all other signs able to be represented graphically and used to distinguish the goods or services of a company shall be regarded as individual trademarks.

According to the Court of Appeal, based on Article 12 of the Benelux Trade Mark Agreement (BTMA) (currently Article 2.19(1) of the BCIP), Engels could not rely on a lapsed mark to take legal action based on another legal ground. Article 2.19(1) provides:

With the exception of the owner of a trademark which is well known within the meaning of Article 6bis of the Paris Convention, and regardless of the nature of the action brought, no one may claim in court a sign deemed to be a trademark as defined in Article 2.1(1) and (2), unless that claimant can provide evidence of registration of the trademark which it has filed.

(BVBA D. Engels v. GmbH Daewoo Electronics Europe, Case No. A 2009/3 (Benelux Court of Appeal, Dec. 23, 2010).)

Engels appealed to the Supreme Court of Belgium. The Supreme Court stated that the cancellation of Engels’ trademark DE was permanent because of non-use. The Court postponed every other decision and requested a preliminary ruling from the Benelux Court of Justice.

The Supreme Court of Belgium referred the case to the Benelux Court of Justice for a preliminary ruling. The Supreme Court wished to know whether the meaning of Article 2.19(1) of the BCIP (formerly Article 12.A of the BTMA) precluded the possibility that a holder of a cancelled trademark could receive protection based on other legal grounds, in particular Article 10bis of the Paris Convention. The Benelux Court found that on the basis of the conjunction of Article 12 and Article 1(1) of the BTMA as well Article 2.19 and Article 2.1(1) of the BCIP, the holder of a mark that is used to distinguish goods and services from another company is granted protection only when an application for that
mark has been filed and the mark has been registered. But the court found that in some cases it is possible to invoke common law against actions that lead to unfair competition within the meaning of Article 10bis(3) of the Paris Convention when the use of a mark creates confusion. The Benelux Court stated that neither Article 4.8 of the BCIP nor the direct applicability of the provisions in the Paris Convention prevents the precluding of protection of a mark used as a trademark that is not registered. (Article 4.8 provides: “The provisions of this Convention shall not adversely affect application of the Paris Convention, the TRIPS Agreement, the Madrid Agreement and Madrid Protocol, the Hague Agreement and the provisions of Belgian, Letzeburgisch, or Dutch law giving rise to prohibitions on the use of a trademark.”) The Court substantiated this decision by referring to the Explanatory Memorandum to the BTMA as well to the explanation of the BCIP from the BOIP. According to the Benelux Court of Justice, the Benelux legislature has purposefully introduced a high sanction for not filing an application to register a mark in order to promote the application for registration of marks used as trademarks and to provide legal certainty so that third parties can be aware of the trademark right by consulting the trademark register. The Benelux Court of Justice declared that Article 12 of the BTMA on the one hand and Article 2.19(1) of the BCIP on the other hand must be read in conjunction with Article 4.8 of the BCIP. This must be taken to mean that the owner of a trademark that has lapsed under uniform Benelux Trademark Law cannot claim any protection against the use of that mark by a company that is creating confusion by using it. Those who invoke protection for a trademark based on Article 10bis of the Paris Convention are granted protection only when the mark’s registration is applied for and the mark becomes registered.

This decision of the Benelux Court of Justice is important because it makes clear that a trademark’s registration is a prerequisite for being admissible in claiming protection for a mark used as a trademark against a company that creates confusion by using that mark.

Michiel Rijsdijk

BRAZIL

I.D.2.a. Product Configuration

Bela Vista S/A Produtos Alimentícios, the plaintiff, filed a court action against Leite Fazenda Bela Vista Ltda, the first defendant, and the Brazilian Patent and Trademark Office (BPTO), the second defendant, seeking the annulment of the first defendant’s registration (No. 812720199) for the word mark BELA
VISTA in old local Class 31.10, for dairy products in general, under the claim that it was confusingly similar to the plaintiff’s prior registration (No. 003873889), for an identical trademark BELA VISTA, in Class 32.10, for pasta in general (Nullity Action No. 9200173284, filed before the 29th Federal Court of the State of Rio de Janeiro).

The first defendant argued, in its defense, that the trademarks in question could peacefully coexist, as they identified different products, corroborated by the fact that the trademarks in question were registered in different classes.

The lower court judge granted the plaintiff’s claim, having ordered the first defendant to cease the use of its BELA VISTA trademark and the BPTO to publish the nullity of the defendant’s Registration No. 812720199. The decision was grounded on the impossibility of registration of a trademark that reproduces a trademark previously registered in the name of a third party.

The first defendant then filed an appeal (Appeal No. 1992.51.01.017328-5) before the 3rd Chamber of the Federal Court of Appeals for the Second Circuit, which was rejected, leading the first defendant into filing a Special Appeal before the Superior Court of Justice (Special Appeal No. 863975/RJ).

The Superior Court of Justice granted the first defendant’s Special Appeal, overruling the first and second instance decisions on the grounds that the coexistence of the trademarks in question would not result in the risk of consumers’ confusion, as they identified different products. Despite the products in question being related, the Superior Court of Justice did not consider this enough for the first defendant’s registration to be annulled. This decision became res judicata.

Valdir Rocha
Mariana Vicentini

I.D.3. Conflict Between Trademarks and Corporate Names

On January 2008, Empresa São José de Comércio, Participações e Empreendimentos Ltda, the plaintiff, filed a court action (Court Action No. 0000817-96.2008.8.14.0301), before the 6th Civil Court of the City of Belém, State of Pará, in the Amazon Region of Brazil, against Dom Giuseppe Comércio e Serviços Ltda., the defendant, calling for the defendant to cease use of the marks DOMGIUSEPPE.COM and DOM GIUSEPPE for food and restaurant services and to pay damages to the plaintiff. The court action was grounded on the fact that the defendant’s marks were confusingly similar to the plaintiff’s trademarks GIUSEPPE (Registration No. 816958653, in Class 38.60) and GIUSEPPE
GRILL (Registration No. 825561191, in Class 43), which also cover restaurant services.

The lower court judge dismissed the court action on the grounds that the defendant had the right to use the trademarks in question, in view of the fact that its company name bears the term “DOM GIUSEPPE” and was registered in Brazil in 1989, prior to the filing date of the plaintiff’s trademark registrations, which occurred in 1994.

The plaintiff then filed an appeal (Appeal No. 2010.3.005.762-9) before the 4th Civil Chamber of the Court of Appeals of the State of Pará, which was partially granted to reverse the lower court’s decision, ordering the defendant to cease use of the challenged marks but not granting, however, the plaintiff’s request for payment of damages. The court of appeals grounded its decision on the fact that the plaintiff’s and the defendant’s corporate names and trademarks would not be confused, as they were different institutes. This decision became res judicata.

Valdir Rocha
Mariana Vicentini

II.C.1.c. Corporate and Trade Names

On 2009, Metalúrgica Albrás Ltda., the plaintiff, filed a court action (Court Action No. 2009.51.01.805660-0, filed on 2009, before the 25th Federal Court of Rio de Janeiro), against Albrás Alumínio Brasileiro S/A, the first defendant, and the BPTO, the second defendant, seeking the annulment of the administrative decisions that rejected Application Nos. 821.210.122 and 822.971.453 for the trademark ALBRAS in old local Class 40.15 (for commercialization, importation, and exportation of hardware in general) and International Class 6 (for hardware furniture, hinges of metal doors for furniture), respectively. The BPTO’s challenged decisions were grounded on the anticipation of the composite mark ALBRAS (Registration No. 811.819.094) and the word mark ALBRAS (Registration No. 790.243.474), both in the name of the first defendant in old local Class 06.10/20/30, for “ores in general; crude, semi-finished metals, and their alloys; and flat and non-flat metal products.”

The plaintiff claimed that the BPTO’s rejection decisions should be annulled in view of the fact that ALBRAS is the distinctive element of their commercial name, which was filed with the Commercial Registry in 1973—before the filing of the registrations cited by the BPTO in the challenged decisions, which only occurred in 1979. The plaintiff also claimed that the term ALBRAS was evocative (as it was a combination of ALUMINIO—Portuguese for aluminum—and BRASILEIRO—Portuguese for Brazilian) and that the trademarks in question have been used
and coexisting for years without causing confusion among consumers.

The first defendant argued, in its defense, that the plaintiff's corporate name protection was limited to the state wherein its by-laws were filed, as determined by the Brazilian Civil Code (Article 1.166). It also claimed that the parties were engaged in the same field of business, which was why their ALBRAS marks could not coexist without leading consumers into confusion.

The BPTO, in turn, claimed that the court action should be dismissed because the plaintiff's marks were not sufficiently distinctive in comparison to the first defendant's mark, and thus the marks could not coexist without causing confusion.

On August 19, 2010, the lower court judge dismissed the court action on the grounds that the legal protection granted to corporate names is restricted to the state where the company's by-laws were filed and that the Brazilian Industrial Property Law expressly foresees that owners of registered trademarks enjoy exclusive use over their marks, which is why the plaintiff's and the first defendant's identical marks could not coexist to identify similar goods.

The plaintiff then filed an appeal (Appeal No. 2009.51.01.805660-0) before the 1st Specialized Chamber of the Federal Court of Appeals for the Second Circuit), which is still pending a decision.

Valdir Rocha
Mariana Vicentini

III.A. Infringement and Other Forms of Unfair Competition

In January 2008, American Airlines Inc., the plaintiff, filed a civil lawsuit against America Air Taxi Aéreo Ltda., the first defendant, and the BPTO, the second defendant (Nullity Action No. 2008.51.01.800009-2) before the 9th Federal Court of Rio de Janeiro, calling for the annulment of the first defendant's trademark AMERICA AIR (Registration No. 821.790.463), covering air chartering services as well as the rejection of the first defendant's composite marks bearing the trademark AMERICA AIR (Application Nos. 828.634.882, 828.634.890, and 900.120.711). The court action was grounded on likelihood of consumer confusion, in view of the plaintiff's prior registrations for the well-known trademark AMERICAN AIRLINES and, also in view of the fact that the expression AMERICAN AIRLINES was the distinctive element of the plaintiff's commercial name (which, according to Article 8 of the Paris Convention, enjoys protection in Brazil regardless of any registrations).
The first defendant claimed, in its defense, that because the plaintiff does not render air chartering services, there would be no risk of consumer confusion arising from the coexistence of the marks AMERICA AIR and AMERICAN AIRLINES in the market. It also argued that some of the plaintiff’s registrations for AMERICAN AIRLINES were granted with a disclaimer exempting use over the expression AMERICAN AIRLINES, as it was composed of terms that are generic and of common use and, thus, not subject to exclusive use by anyone.

The Brazilian PTO, in its turn, argued that the term AMERICAN AIRLINES is of common use and thus not registrable as a trademark. It also contended that secondary meaning is not recognized under Brazilian industrial property law.

American Airlines then filed a rebuttal, reiterating its arguments and, addressing the BPTO’s argument of nonapplicability of secondary meaning in Brazil, it argued that the extended use of a trademark and the volume of investments in its promotion were paramount issues for the assessment of the level of distinctiveness thereof as determined by Articles 6quinquies of the Paris Convention and Article 15.1 of the Trade-Related Aspects of Intellectual Property Rights, which enable the applicability of secondary meaning in Brazil. America Air contended that several of the plaintiff’s registrations for composite marks bearing AMERICAN AIRLINES were granted with disclaimers and that its registration (No. 816.205.159) for the word mark AMERICAN AIRLINES was granted in 1996 without any disclaimers; thus, it was incontestable that the plaintiff held senior rights over this mark for airline and related services.

On February 10, 2011, the lower court judge partially granted the plaintiff’s claim, ordering the defendant to cease the use of the trademark and the BPTO to publish the nullity of the first defendant’s mark AMERICA AIR (Registration No. 821.790.463) as well as rejecting Applications Nos. 828.634.882, 828.634.890, and 900.120.711. The plaintiff’s indemnification request was, however, dismissed by the judge on the grounds that no damages arising from America Air’s conduct were evidenced in the court action.

Valdir Rocha
Mariana Vicentini

On August 24, 2011, the Brazilian Superior Court of Justice held that trademark applicants are entitled to enforce intellectual property rights against third parties even before the issuance of the corresponding trademark registration. (Recurso Especial No. 1.032.104/RS.)

The controversy was based on two provisions of the Brazilian Industrial Property Law: Article 129, which provides that
trademark rights derive solely from a validly issued registration, and Article 130, which assures an applicant the right to take measures to preserve a trademark’s reputation and integrity in the market.

Stating that “the delay in the issuance of a trademark registration cannot run in favor of the infringer,” the Superior Court of Justice adopted the understanding of legal commentators, according to which applicants must have instruments to stop infringement and unfair competition during the long period (two to four years) that trademark applications must await examination by the Brazilian Trademark Office.

The Court’s understanding was directly related to the pending trademark application and Article 130. It is not likely to be followed by courts in the absence of a lawful application filed at the Brazilian PTO, as Brazil has a first-to-file system in which very limited rights are derived from mere use in commerce.

The decision has largely been welcomed by trademark practitioners, as it helps facilitate enforcement of trademark rights throughout the country.

Leticia Provedel

III.A.3.a. Civil Actions

On 2003, Grêmio Football Porto Alegrense, a famous soccer team in Brazil, filed two actions against Beneduzi e Jachetti Ltda. The plaintiff first filed a precautionary search and seizure action (Court Action No. 0198791-17.2005.8.21.0021, before the 3rd Civil Court of the City of Passo Fundo, State of Rio Grande do Sul) and a subsequent court action for negative covenant (Court Action No. 0199711-88.2005.8.21.0021, before the 3rd Civil Court of the same city), regarding the manufacturing of counterfeit clothing articles bearing the plaintiff’s trademark and its logo (illustrated below).

Plaintiff’s Mark

The lower court judge granted a preliminary injunction and ordered the seizure of all products manufactured by the defendant bearing the plaintiff’s trademark and logo. Moreover, the lower court partially sustained the main court action, having ordered the defendant to stop manufacturing the products at issue as well as to pay material damages to the plaintiff. On the other hand, the
plaintiff's moral damages request was rejected on the ground of absence of evidence of damages to the plaintiff's image.

The plaintiff then filed an appeal (Appeal No. 70013375894) before the 12th Civil Chamber of the Court of Appeals of the State of Rio Grande do Sul, seeking to have the lower court's grant of moral damages overturned and to increase attorneys' fees. The appeal was partially granted, merely to increase the attorneys' fees arbitrated by the lower court judge, which led the plaintiff to file a Special Appeal before the Superior Court of Justice in Brasilia (Special Appeal No. 811.934/RS).

The Superior Court of Justice upheld the lower court's decision, on the grounds that moral damages should not be granted in this case, in view of the lack of evidence of damage to the plaintiff's image and, also in light of the fact that the manufacturing of clothing articles is not the main activity of the plaintiff—a soccer team of the city of Porto Alegre. The Superior Court of Justice also stated in its decision that although trademarks always enjoy protection, punitive damages arising from infringement are not assessed automatically. It is necessary for the plaintiff to show evidence of damages. This decision became res judicata.

Valdir Rocha
Mariana Vicentini

III.A.4. Unfair, Unauthorized, or Improper Use

Geoplan–Geologia, Comercio e Mineração Ltda, the plaintiff, filed a court action against Geoplan Assessoria, Planejamento e Perforações Ltda., the first defendant, and the BPTO, the second defendant (Court Action No. 0531856-53.2000.4.02.5101, filed before the 31st Federal Court of Rio de Janeiro on December 18th, 2000), seeking the annulment of the first defendant's registration for the composite trademark GEOPLAN (Registration No. 816238987, in old local Class 37.10) in view of the plaintiff's prior application for the GEOPLAN mark in the same old local Class 37.10 (Application No. 814797334, which, although filed before the defendant's application, had not been granted by the time the court action was filed, meaning that the BPTO analyzed the defendant’s application before the plaintiff’s).

The defendant argued, in its defense, that the court action was filed after the expiration of the five-year statute of limitation. Moreover, the defendant filed a counterclaim seeking the annulment of the plaintiff's application on the grounds that the defendant had been using the challenged mark in good faith before the filing of the application by the plaintiff and that, therefore, the latter's registration should be annulled. It also claimed that the
date of granting, rather than the filing date, should be taken into consideration for the purpose of assessment of anticipations.

The lower court accepted the plaintiff’s arguments, having granted the court action, and rejected the defendant’s counterclaim by determining the annulment of the latter’s registration.

The first defendant then filed an appeal before the Federal Court of Appeals for the Second Circuit (Appeal No. 2000.51.01.531856-2), which was rejected, as the chamber did not accept either the first defendant’s argument of lapse of the right of action or the argument that the granting date should overcome the filing date for the purpose of assessment of senior rights.

Therefore, the defendant filed a Special Appeal before the Superior Court of Justice (Special Appeal No. 899.839/RJ) reiterating its argument of lapse of the court action. The Superior Court of Justice did not accept their preliminary argument of lapse of the court action, because the challenged registration was granted on August 25, 1998, and the court action was filed on December 18, 2000; i.e., within the five-year statute of limitation pursuant to Article 174 of the Brazilian Industrial Property Law, which states that “the limitation for bringing an action for declaring the nullity of a registration is 5 (five) years counted from the date of registration.” The Superior Court of Justice also rejected the Special Appeal on its merits on the grounds that the assessment of senior rights over a trademark should be based on the filing date rather than on the granting date, which is why the plaintiff is the one that enjoys senior rights over the term GEOPLAN. This decision became res judicata.

Valdir Rocha
Mariana Vicentini

CANADA

I.B.2. Merely Descriptive

In Worldwide Diamond Trademarks Limited v. Canadian Jewellers Association (91 C.P.R. (4th) 187 (F.C.A. Nov. 30, 2010)), the Federal Court of Appeal dismissed Worldwide’s appeal from the decision (82 C.P.R. (4th) 435 (F.C. Mar. 17, 2010)) of Justice Kelen of the Federal Court affirming the Registrar’s finding of descriptiveness of three marks. Worldwide, a diamond distributor in Canada, had sought to register the following three marks (the “Worldwide Marks”) (shown below) for use with diamonds, diamond certificates, and diamond appraisals, diamond cloths, magnifying loops, point of purchase countertop displays, posters, pens, and diamond appraisal services:
The right to the exclusive use of the words CANADIAN DIAMOND, DIAMOND, CUT, POLISHED, and CANADA and the phrase A DIAMOND THAT IS MINED, CUT AND POLISHED IN CANADA was disclaimed in the applications for the Worldwide Marks. The applications were opposed by the Canadian Jewellers Association. While the Registrar upheld the opposition, the grounds of opposition based on descriptiveness under Section 12(1)(b) of the Trade-marks Act were refused. (R.S.C. 1985 c. T-13. Under Section 12(1)(b) of the Trade-marks Act, a mark is not registrable if it is “either clearly descriptive or deceptively misdescriptive . . . of the character or quality of the wares or services in association with which it is used or proposed to be used or of the conditions of or the persons employed in their production or of their place of origin.”) Justice Kelen disagreed and concluded that the Worldwide Marks described all Canadian diamonds that had been certified with a certificate, report, or appraisal for a diamond that was mined, cut, and polished in Canada. The only part of the marks that was not descriptive was the Canadian flaglike design with a diamond, which the Registrar had found was not a dominant part of the marks. Even assuming that the element MARK had a diverse range of meanings, Justice Kelen deemed the single use of this word insufficient to render the Worldwide Marks nondescriptive. Further, while the words REPORT, CERTIFICATE, and APPRAISAL did not accurately describe the goods in question, they did clearly describe them, in Justice Kelen’s view. There was no other meaning that could be ascribed to those words apart from the clear description of a certificate, report, or appraisal on the diamond’s Canadian origin or its evaluation. Abstract dictionary references, divorced from their context, could not be used to transform a trademark that on first impression was clearly descriptive into one that was not.

The Federal Court of Appeal was not persuaded that Justice Kelen erred in law or misapplied Section 12(1)(b). Nor was the Court of Appeal persuaded that Justice Kelen failed to consider the
trademarks in their entirety when he accepted that the distinctiveness of a mark composed of both words and a design element might be tested by “sounding” the words if the design element were found not to be dominant.

Paul Tackaberry

Interactive Sports Technologies Inc. sought to register the mark HIGH DEFINITION GOLF, for golf simulators. The Registrar held that the mark was unregistrable on descriptiveness grounds, having concluded that, in view of the wide use of the expression HIGH DEFINITION in the broadcasting industry, (1) the average consumer would react to the mark by thinking that the goods were golf simulators using high definition technology and (2) HIGH DEFINITION GOLF was a natural combination of words that other traders might wish to use to describe a feature, trait, or characteristic of their golf simulators.

On appeal, Interactive filed, inter alia, the following additional evidence: (1) particulars of third-party trademarks composed of HIGH DEFINITION in connection with a wide range of goods; (2) website printouts for a third-party distributor of virtual golf systems where the mark HIGH DEFINITION GOLF was used; (3) archived copies of the applicant’s website showing continuous use of the mark back to 2005; and (4) dictionary definitions of HIGH DEFINITION. In Justice Simpson’s view, the new evidence was neither substantial nor significant; he therefore reviewed the Registrar’s decision on a reasonableness standard. Justice Simpson was not persuaded that HIGH DEFINITION had multiple meanings. It was reasonable for the Registrar to conclude that the mark referred to a golf simulator that incorporated high definition technology in its video screen. At all material times, the applicant’s simulator used high definition technology. (Interactive Sports Technologies Inc. v. Attorney General, 2010 FC 1296 (Dec. 16, 2010), appeal docketed, File No. A-34-11 (F.C.A. Feb. 8, 2011).)

Paul Tackaberry

There was a similar outcome in Ontario Teachers’ Pension Plan Board v. Attorney General (89 C.P.R. (4th) 301 (F.C. Jan. 18, 2011), appeal docketed, File No. A-75-11 (F.C.A. Feb. 25, 2011)), in which Justice Mandamin of the Federal Court agreed with the Registrar that TEACHERS’ was unregistrable because it was clearly descriptive of both services (administration of a pension plan and management and investment of a pension fund for teachers in Ontario).

The applicant—which administered the Ontario Teachers’ Pension Plan—contended that the Registrar erred in concluding that TEACHERS’, being the phonetic equivalent of TEACHERS,
was an apt trade term for describing the intrinsic character of the administration, management, and investment of a plan/fund for teachers and as such should be left available for others to use. The applicant provided very limited arguments and almost no evidence to the Registrar in support of its position. On appeal, the applicant filed three volumes of evidence contained in two substantial affidavits regarding (1) use of the mark TEACHERS’ in public communications; and (2) examples of registered marks that were descriptive of the group targeted but not of the service offered (for example, GREAT TEACHERS for audiovisual media on a variety of academic topics like history, literature, and science, and INSTANT FIREFIGHTER for sprinkler systems). In Justice Mandamin’s view, this new evidence had sufficient bearing on the question of whether TEACHERS’ was clearly descriptive or misdescriptive. Accordingly, Justice Mandamin conducted a trial de novo.

Justice Mandamin noted that “[t]he applicant carefully skirts around the elephant in the room—the pension fund itself.” The applicant’s staff was composed of the financial managers who administered, managed, and invested the pension fund. While the Ontario teachers might be described as the possible end consumers of the financial services provided by the fund managers, they might also be described as the beneficial owners of the pension fund itself. Moreover, the various enterprises that sought to have the pension funds invested in their ventures might also be described as possible consumers.

Justice Mandamin concluded that TEACHERS’ clearly described a prominent characteristic of the goods or services provided, namely a pension plan exclusively for teachers. Providing the applicant with a monopoly on the use of this word would prevent other pension or financial services targeted at or belonging to teachers within Ontario or in other provinces and territories from using the term. Notwithstanding the new evidence submitted, Justice Mandamin came to the same conclusion as the Registrar, that is, that TEACHERS’ was unregistrable pursuant to Section 12(1)(b).

Paul Tackaberry

I.B.3. Deceptively Misdescriptive


The applicants had argued that the mark conveyed the attitudes, temperament, disposition, and character of the people of
Cuba in that it referred to the soul or essence of the applicant’s history in Cuba embodied in its rum products. The court, however, was of the opinion that the average Canadian would interpret the word SPIRIT in the mark as meaning distilled alcohol. The average consumer, confronted with the mark used in association with rum, would be more likely, on a first impression, to think that it was rum originating from Cuba. As the rum at issue was not manufactured in Cuba, THE SPIRIT OF CUBA could be viewed as deceptively misdescriptive of the place of origin of the goods. The court took judicial notice of the fact that Cuba was a producer of rum.

The application was allowed to proceed to registration for goods (non-alcoholic cocktails) and services (promotion of alcoholic and non-alcoholic beverages via on-premises promotional events at retail stores, bars, restaurants, nightclubs, and specialty sponsored events and retail sales of alcoholic beverages). *(Ron Matusalem & Matusa of Florida, Inc. v. Havana Club Holding Inc., S.A., 86 C.P.R. (4th) 437 (F.C., July 27, 2010), aff’g 79 C.P.R. (4th) 332 (T.M.O.B., Oct. 2, 2009), appeal docketed, File No. A-357-10 (F.C.A., Oct. 5, 2010).)*

*I.C. Distinctiveness*

Simpson Strong-Tie Company, Inc. opposed, on distinctiveness grounds, the applications by Peak Innovations Inc. to register the colors green and grayish-green as applied to the whole of the visible surface of fastener brackets for attaching deck boards. The Registrar rejected Simpson’s opposition (62 C.P.R. (4th) 390 (T.M.O.B., June 21, 2007)), and Simpson appealed the Registrar’s decision. Both the Federal Court (79 C.P.R. (4th) 79 (F.C., Nov. 23, 2009)) and, on further appeal, the Federal Court of Appeal, agreed with the Registrar. *(Simpson Strong-Tie Co. v. Peak Innovations Inc., 90 C.P.R. (4th) 399 (F.C.A., Oct. 20, 2010).)*

Before the Registrar, Simpson’s evidence comprised particulars of various third-party trademark applications and registrations. The Registrar rejected the opposition, finding that Peak’s marks did not lack distinctiveness. On appeal to the Federal Court, Simpson filed as additional evidence archived versions of Peak’s website, photographs of various products of Peak and another company, and information regarding Simpson’s various products and their sales and promotion. Justice Snider was of the view, however, that Simpson’s new evidence would not have materially affected the Registrar’s findings and conclusions with regard to distinctiveness. The judge was satisfied that different manufacturers used different colors for a variety of hardware products, including fastener brackets for attaching deck.
boards, and that there were many competing products that used other colors. There was no evidence that any other party used green or grayish-green in association with fastener brackets for attaching deck boards. Simpson failed to persuade the court that Peak’s marks were purely functional, utilitarian, or clearly descriptive of a quality or characteristic of a color coating. As to the allegation that Peak’s mark was insufficiently described in the application, Justice Snider opined that an applicant is not required to set out the dimensions of the objects in the drawings or elsewhere. Color alone can constitute a trademark. Because Simpson did not raise the issue of nondistinctiveness of Peak’s marks on the basis that they were used by Peak’s subsidiary before the Registrar, the judge held that the issue could not be raised on appeal.

Snider’s further appeal was also rejected, the Federal Court of Appeal holding that Simpson was merely attacking Justice Snider’s appreciation and weighing of the evidence. The intervention of an appellate court is limited to palpable and overriding error on the part of the trial judge. Simpson’s nondistinctiveness ground of opposition—as set out in the statement of opposition—related to subject matter (use and functionality) rather than to what Justice Snider characterized as the “inherent nature of the mark.” In any event, there was no evidence to demonstrate that Peak’s mark did not distinguish Peak’s goods. Even if Simpson were correct that Justice Snider placed too high an onus on Simpson with respect to the evidence of non-use, it was immaterial to the result because Justice Snider also found that Simpson’s new evidence did not relate to the color green and that there was no evidence that a green coating had any particular advantage over a coating of another color. The Court of Appeal was not persuaded that the lower court had erred in concluding that the issue of the sufficiency of the drawings was not raised in the statement of opposition.

Paul Tackaberry

The Federal Court of Appeal endorsed (Glaxo Group Ltd v. Apotex Inc., 91 C.P.R. (4th) 320 (F.C.A., Nov. 19, 2010)) the decision of Justice Barnes of the Federal Court (81 C.P.R. (4th) 459 (F.C., Mar. 12, 2010)) to cancel Glaxo Group Ltd’s registration for the color purple as applied to the visible surface of an inhaler for the administration of pharmaceuticals (see below) on the ground that the mark was not distinctive.
The full trademark description was as follows: “The trademark consists of the colours dark purple (Pantone* code 2587C) and light purple (Pantone* code 2567C) applied to the visible surface of portions of the particular object, namely an inhaler for administration of pharmaceuticals, shown in the attached drawing. The drawing is lined for the colours dark purple and light purple. *PANTONE is a registered trade-mark.” The object at issue was Glaxo’s ADVAIR DISKUS plastic spherical inhaler, which contained varying doses of dry-powder combination medication (fluticasone propionate and salmeterol xinafoate) for the treatment of asthma and chronic obstructive pulmonary disease. Justice Barnes invalidated Glaxo’s registration for lack of distinctiveness because physicians, pharmacists, and patients did not associate the trademark with a single source and did not rely on the mark to make their prescribing, dispensing, and purchasing choices. According to Justice Barnes, Glaxo’s evidence did not prove that a substantial body of patients made an association between the appearance of its mark and a single source.

In the course of dismissing Glaxo’s appeal, the Federal Court of Appeal noted that the presumption of validity simply means that an application for cancellation will succeed only if an examination of all of the evidence establishes that the trademark was not registrable at the relevant time. Glaxo was not suggesting that Justice Barnes did not examine all of the evidence before arriving at his determination. As a result, its argument that Justice Barnes erred by failing to hold Apotex to the proper burden of proof could not succeed. Moreover, Justice Barnes did not apply the wrong test for distinctiveness. It was wrong to say that Justice Barnes’s reference to the “use” consumers made of the mark in issue demonstrated a flawed application of the distinctiveness test. In making this statement, Justice Barnes was examining the process of connecting a product to its source. If one substituted “associate” for “use,” Glaxo’s argument evaporated. Glaxo was effectively seeking to reargue its case without pointing to any specific instance where Justice Barnes’s appreciation or assessment of the evidence was palpably wrong. Glaxo did not establish palpable and overriding error by Justice Barnes.
The Supreme Court of Canada dismissed Glaxo’s application for leave to appeal the Federal Court of Appeal’s decision. (Court File No. 34006 (May 20, 2011).)

Paul Tackaberry

I.D.1. Similarity of Marks


Marlboro Canada Ltd. claimed that Philip Morris Products’ use of the following registered Rooftop Design trademarks (the “Rooftop Designs”) in association with cigarettes infringed Marlboro’s rights in its registered MARLBORO trademark:

Since 2006, Philip Morris had been selling cigarettes in association with the Rooftop Designs (and no word mark). Marlboro argued that Philip Morris was deliberately inviting consumers to associate Marlboro’s products with the internationally known MARLBORO brand by using the same package dressing and by declining to label them with any particular brand name, thereby implicitly and subliminally usurping Marlboro’s rights in the MARLBORO mark. The Federal Court rejected Marlboro’s argument, as well as Philip Morris’s copyright infringement claim. In 1985, the Federal Court upheld the validity of the MARLBORO registration (*Philip Morris Inc. v. Imperial Tobacco Ltd.*, 7 C.P.R. (3d) 254 (F.C.T.D., Nov. 1, 1985)); the Federal Court of Appeal affirmed (17 C.P.R. (3d) 289 (F.C.A., Sept. 29, 1987)), and leave to appeal to the Supreme Court of Canada was dismissed (19 C.P.R. (3d) vi). The Federal Court refused to invalidate Philip Morris’s registrations for the Rooftop Designs.

The court accepted Philip Morris’s argument that the Rooftop Design registrations were a full and complete answer to Marlboro’s allegations of infringement. Marlboro’s allegations of infringement of its MARLBORO registration and invalidity of the Rooftop Design registrations because of nondistinctiveness were rejected.
for similar reasons. In particular, the court dismissed Marlboro’s arguments that consumers inevitably would make the connection between Philip Morris’s no-name product and the internationally recognized cigarettes associated with the word mark MARLBORO as a result of the similarity between the no-name package and the American Marlboro package and of the context surrounding the Canadian product. In the court’s view, Marlboro’s thesis was flawed in many respects: (1) the evidence did not entirely support Marlboro’s claim that a large number of Canadians were familiar with Philip Morris’s international MARLBORO brand and would associate the no-name product with that brand because of their shared features; (2) the connection some consumers might make could not create a “use” in Canada—a prerequisite for infringement; (3) a mark could not be said to be used only as a result of some abstract intangible mental association in the mind of a consumer; and (4) despite the need to adapt the narrow definition of use in order to take into account commercial realities and technological innovations, the requirement of a visual use of the mark has never been discarded or played down.

The court described as “reverse confusion” Marlboro’s argument that the absence of a word mark on Philip Morris’s package—together with the overall presentation of the product—would evoke an association with the international MARLBORO brand. It was noted that “reverse confusion” had not found much favor in Canada and might not add much to the analysis of confusion required by Section 20 (Section 20(1) reads: “The right of the owner of a registered trade-mark to its exclusive use shall be deemed to be infringed by a person not entitled to its use under this Act who sells, distributes or advertises wares or services in association with a confusing trade-mark or trade-name. . . .”). The Act is broad enough to accommodate both direct and reverse confusion, with likelihood of confusion remaining the key factor of inquiry (the court found support for this position in A&W Food Services of Canada Inc. v. McDonald’s Restaurants of Canada Ltd., 40 C.P.R. (4th) 126 (F.C., Mar. 23, 2005)). There was no likelihood of confusion between the Rooftop Design and the MARLBORO trademark. While some consumers referred to the Rooftop Design brand as “Marlboro,” there was no confusion as to the source of Philip Morris’s product. The “Marlboro” to which they referred was the American Marlboro brand, and not the Canadian Marlboro brand. Indeed, there was no evidence that Canadian consumers mistakenly believed that Marlboro was the source of Philip Morris’s no-name product. Because Section 20 seeks to prevent source confusion and not name confusion, that provision was not engaged. Not only was Philip Morris not using Marlboro’s registered word mark, but its use of the Rooftop Designs did not lead consumers to believe erroneously that Philip Morris’s product
was somehow associated with that of Marlboro. For these two reasons, Section 20 had not been infringed and the Rooftop Designs were held to be valid.

Paul Tackaberry

The Federal Court endorsed the Registrar’s finding of no likelihood of confusion between the applicant’s mark MONSTER ALLERGY (for a variety of goods, including non-alcoholic beverages) and the opponent’s mark MONSTER ENERGY (for non-alcoholic beverages). (Hansen Beverage Co. v. Rainbow S.p.A., 88 C.P.R. (4th) 286 (F.C., Nov. 8, 2010).)

The opponent alleged that the Registrar erred by finding that (1) MONSTER ENERGY was suggestive of beverages and less distinctive than MONSTER ALLERGY and (2) only a limited portion of the parties’ goods and channels of trade overlapped. Regarding issue (1), the Federal Court noted that even if the Registrar should have concluded that both marks possessed a similar inherent distinctive character, that would have been just one factor to be considered together with others in Section 6(5). Regarding issue (2), the opponent submitted that the Registrar should have concluded that other nonbeverage wares covered by the MONSTER ALLERGY application (such as food products) also overlapped with the opponent’s beverages because they would often accompany a snack with a drink, especially energy or protein drinks. The Federal Court rejected this argument because beverages and food products belong to different categories even though the channels of trade may overlap.

Paul Tackaberry

In Vancouver Association for Injured Motorcyclists v. Alliance for Injured Motorcyclists Canada (2010 FC 1207 (Nov. 30, 2010)), the Federal Court ordered the cancellation of the registration of the respondent, Alliance for Injured Motorcyclists Canada (AIMC), on the basis of the prior use of the trademark of the applicant, Vancouver Association for Injured Motorcyclists (VAIM).

The respondent, AIMC, had registered the trademark illustrated below at left. Since 1983, the applicant, VAIM, a not-for-profit society dedicated to assisting injured motorcyclists and promoting road safety for motorcyclists, had been using the mark illustrated below at right on pins, bumper stickers, printed publications, a website, and in connection with public awareness events and in-person hospital visitations.
Discussions involving VAIM regarding the potential for a national organization resulted in the creation of AIMC in 2002. At that time, the AIMC mark was adopted and registered. AIMC did not tender any written or oral arguments or file any evidence.

The following factors led the Federal Court to find a likelihood of confusion between the parties’ marks: (1) both marks had similar degrees of inherent distinctiveness, but the VAIM mark had become known to a significantly greater extent; (2) VAIM had used its trademark for a much longer period of time; (3) the parties’ goods, services, and channels of trade were effectively the same; (4) the parties’ marks had a high degree of similarity in appearance, sound, and ideas because both were both round and included the words INJURED MOTORCYCLISTS surrounding the acronym AIM and because ALLIANCE and ASSOCIATION both suggested the same idea. Accordingly, the court cancelled AIMC’s mark because (1) AIMC was not entitled to its registration and (2) AIMC’s mark was not distinctive of AIMC.

Paul Tackaberry

Chamberlain successfully appealed the Registrar’s dismissal of Chamberlain’s oppositions to proposed use applications by Lynx to register the trademark LYNXMASTER in word and design format in association with garage door openers. (*Chamberlain Group, Inc. v. Lynx Industries Inc.*, 89 C.P.R. (4th) 122 (F.C., Dec. 20, 2010).)

Chamberlain Group, Inc. opposed proposed use applications by Lynx Industries Inc. to register the trademark LYNXMASTER in word and design format in association with garage door openers. Chamberlain based its oppositions primarily on an allegation of confusion with its trademarks LIFT MASTER and GARAGE MASTER, which were registered for garage door openers.

The Registrar found there had been substantial use of Chamberlain’s LIFT MASTER trademark since 1990. Chamberlain’s LIFT MASTER goods enjoyed 33 percent to 65 percent market share. The Registrar concluded there was no significant likelihood of confusion, noting (1) there were great differences between LIFT and LYNX both in appearance and in sound, but most importantly in the ideas suggested; (2) MASTER, as an ordinary dictionary word, imparted a laudatory suggestion;
and (3) Lynx’s use of the formative MASTER was not unique in its general field. The Registrar dismissed Chamberlain’s oppositions (79 C.P.R. (4th) 465 (T.M.O.B., Oct. 19, 2009)), and Chamberlain appealed.

On appeal, Chamberlain tendered additional evidence. Because of the material nature of Chamberlain’s additional evidence, the court undertook a somewhat probing examination of the Registrar’s decision. The court held that there was a likelihood of confusion considering (1) the wares were identical; (2) the channels of trade were not different; (3) the LIFT MASTER product had been on the Canadian market for at least 15 years before Lynx’s applications were filed; (4) there were significant sales, market share, and advertising of the LIFT MASTER product; (5) there was no evidence that the LYNXMASTER product had ever been sold in Canada; (6) LIFT MASTER and LYNXMASTER closely resembled each other, differing only by three letters within the body of the marks; and (7) evidence of use by third parties of any mark composed of MASTER was scanty and largely hearsay and there were no relevant registered third-party trademarks. The Registrar had erred (1) by dissecting the marks; (2) by concluding—without any support in the record—that MASTER was a word supporting a laudatory suggestion; and (3) by comparing only LIFT with LYNX isolated from the rest of the trademarks.

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Centres Stop opposed Nautilus Plus’s application based on an allegation of confusion with Centres Stop’s trademarks STOP POIDS and STOP WEIGHT, which had been previously used in association with overlapping services. Both parties filed additional evidence on appeal. In particular, to support its argument that the ideas suggested by the trademarks were different, Nautilus Plus introduced several definitions of the term “diète” and excerpts from the Yellow Pages; the latter were also presented to demonstrate that Centres Stop’s advertising was directed at a completely different clientele. In a letter to the court, Centres Stop’s counsel stated that Centres Stop would not file a record or a memorandum.

In applying the standard of reasonableness, the court concluded that it was open to the Registrar to make the findings of fact that were made and to conclude that there was a likelihood of confusion between the parties’ trademarks. It was entirely plausible for the Registrar to find that the term “diète”—in the
context of the parties’ trademarks—referred to a calorie-reduced diet. The underlying concept of Nautilus Plus’s trademark was “stop going on diets; it doesn’t work.” Logically, “diète” combined with “stop” could not mean “stop eating.” Accordingly, Nautilus Plus’s new dictionary evidence was immaterial. The same conclusion was reached with respect to the new Yellow Pages evidence that Nautilus Plus filed on appeal. It was reasonable for the Registrar to find a likelihood of confusion even if the new evidence was found to be material. Centres Stop’s position in the appeal was ambiguous and unsatisfactory. While Centres Stop was allowed to be heard at the hearing, the court refused to consider the grounds of opposition initially raised by Centres Stop that were rejected, or that were not taken into consideration by the Registrar. No costs were awarded to Centres Stop because it failed to file a memorandum of fact and law or apply to the court for an order exempting it from this obligation.

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I.D.2. Similarity of Goods or Services

The Federal Court agreed with the Registrar that there was no likelihood of confusion between Chrysler Group’s proposed trademark and the same mark registered by Groupe Procyle Inc. for different goods. (Groupe Procyle Inc. v. Chrysler Group LLC, 87 C.P.R. (4th) 123 (F.C., Sept. 15, 2010).) The Registrar ruled that there was no likelihood of confusion between Chrysler’s proposed trademark ROCKY MOUNTAIN for passenger motor vehicles and the same mark registered by Procyle for bicycles. (72 C.P.R. (4th) 332 (T.M.O.B., Nov. 17, 2008).) Procyle appealed the decision.

The Federal Court found that it was reasonable for the Registrar to decide that Procyle’s ROCKY MOUNTAIN mark was less distinctive because (1) it could easily be associated with mountain bikes and (2) the mark was derived from the Rocky Mountains. Even if the Registrar’s conclusions on this factor should have been neutral, it was just one factor that had to be considered together with so many others. The evidence did not show that the average consumer would see any connection whatsoever between bicycles and cars. Accordingly, there could be no likelihood of confusion between identical marks used by a car manufacturer and a bicycle manufacturer. The new evidence filed by Procyle on appeal failed to establish a connection between bicycles and cars and their respective channels of trade. Indeed, Procyle’s witness stated that the channels of trade for bicycles were not the same as those for cars. It was reasonable for the Registrar to (1) draw conclusions about the market on the basis of ten third-party bicycle registrations including the word ROCK and
(2) reject Procycle’s argument relating to the existence of primary and secondary marks because the Act makes no such distinction. Because the additional evidence that Procycle filed on appeal was not sufficiently significant in light of the whole of the evidence, the Federal Court found it would not have changed the Registrar’s decision. As a result, the court was obliged to maintain a deferential stance to the Registrar’s decision.

Paul Tackaberry

II.C.1.h. Official Marks

Maple Leaf Foods Inc. owned a 1971 trademark registration for PARMA for use in association with a variety of meats, including ham, which Consorzio del Prosciutto di Parma, a group of ham producers in the province of Parma, Italy, unsuccessfully challenged. Maple Leaf applied for judicial review of a public notice given by the Registrar in 1998 (the “1998 Notice”) for Consorzio’s adoption of the PARMA Design mark pursuant to Section 9(1)(n)(iii) (marks likely to be mistaken for badge, crest, emblem, or mark of public authority not registrable). In 2000, the Federal Court held that Maple Leaf did not have standing to appeal the Registrar’s 1998 decision that Consorzio was a public authority and that it was not necessary to decide whether Consorzio was a public authority (the “2000 Decision”). Maple Leaf did not pursue further the appeal of the 2000 Decision, nor did it pursue its application for leave to convert its appeal into a judicial review.

In 2007, the Federal Court of Appeal, in Canada Post Corp. v. U.S. Postal Service (54 C.P.R. (4th) 121 (F.C.A., Jan. 9, 2007), aff’g 47 C.P.R. (4th) 117 (F.C.T.D., Nov. 30, 2005), leave to appeal denied), interpreted the term “public authority” as meaning that a public authority must be under the control of the Canadian (as opposed to a foreign) government. Following this decision, Maple Leaf asked the Registrar to withdraw the public notice of Consorzio’s adoption of the PARMA Design mark on the basis that Consorzio was not under the control of the Canadian government. The Registrar declined, stating that it had no authority, after giving public notice of the adoption and use of an official mark by a public authority, to reconsider the decision. Maple Leaf then commenced its application for judicial review of the 1998 Notice. (Consorzio’s official mark had been cited against Maple Leaf’s application to register the mark PARMA & Design, which was filed in 1994 and which was still pending at the time of the hearing of Maple Leaf’s application.)

The Federal Court dismissed Maple Leaf’s application for judicial review, finding that it was not initiated on a timely basis. Justice Simpson concluded that Maple Leaf’s application was time-
barred and was an abuse of process. Maple Leaf had 30 days from the giving of the 1998 Notice to seek judicial review, failing which it was obliged to seek an extension of time; this it had not done. (80 C.P.R. (4th) 328 (F.C., Oct. 15, 2009), summarized at 101 TMR 882 (2011).)

The Federal Court of Appeal affirmed. It held that it had no basis for intervening in Justice Simpson’s decision and declined to express an opinion on whether the application could also have been dismissed as an abuse of process. (Maple Leaf Foods Inc. v. Consorzio del Prosciutto di Parma et al., 87 C.P.R. (4th) 81 (F.C.A., Sept. 27, 2010).) The appellate court noted that if the Registrar issued a final refusal of Maple Leaf’s application based on Consorzio’s official mark, it would be open to Maple Leaf to appeal that refusal, and in that appeal Maple Leaf could raise the issue of the validity of Consorzio’s official mark in light of the Canada Post decision. On December 16, 2010, the Registrar issued a final refusal, and Maple Leaf subsequently lodged an appeal (File No. T-253-11, filed Feb. 15, 2011).

Paul Tackaberry

II.C.5. Certification Marks

In Ministry of Commerce & Industry of the Republic of Cyprus v. Les Producteurs Laitiers du Canada et al. (2011 FCA 201 (June 13, 2011)), the Federal Court of Appeal agreed with Justice de Montigny of the Federal Court that HALLOUMI had become recognized in Canada as designating a type of cheese.

At issue was an application by the Ministry of Commerce and Industry of the Republic of Cyprus (MCIRC) to register HALLOUMI as a certification mark based on use since 1995 in association with the following standard: “... the cheese is produced only in Cyprus using the historic method ... from sheep’s and/or goat’s milk. In case of mixtures, cow’s milk is also allowed. Raw materials which are used for its production include rennin, mint leaves and salt ...” The application was opposed, inter alia, on the ground that the mark was not registrable because it had by ordinary and bona fide commercial usage become recognized in Canada as designating a kind or quality of cheese contrary to Sections 10 (“Where any mark has by ordinary and bona fide commercial usage become recognized in Canada as designating the kind, quality, quantity, destination, value, place of origin or date of production of any wares or services, no person shall adopt it as a trade-mark in association with such wares or services or others of the same general class or use it in a way likely to mislead, nor shall any person so adopt or so use any mark so nearly resembling that mark as to be likely to be mistaken therefor.”) and 12(1)(e)
(“Subject to section 13, a trade-mark is registrable if it is not . . . a mark of which the adoption is prohibited by section 9 or 10.”).

Justice de Montigny of the Federal Court ruled that HALLOUMI had become recognized in Canada as designating a type of cheese. (84 C.P.R. (4th) 421 (F.C., June 30, 2010).) In Justice de Montigny’s view, the following facts supported the Registrar’s finding that HALLOUMI had become recognized in Canada as designating a type of cheese: (1) it was possible to procure from various Canadian sources cheese with packaging bearing the name HALLOOM, HALLOUM, or HALOUMI; (2) a number of Canadian producers had sold substantial quantities of cheese designated as HALLOOM in Canada; and (3) a number of stakeholders in the industry testified that the term “halloumi” designated a type of cheese and was used generically.

The Federal Court of Appeal agreed. The Court of Appeal rejected MCIRC’s argument that Justice de Montigny and the Registrar erred with respect to the nature and scope of the evidence required in support of the opposition under Section 10. There was sufficient evidence to demonstrate that the mark had become recognized in Canada. The Registrar correctly noted that “one would not be able to obtain the monopoly over a term or word under pretext that it is a certification mark if such mark has been used extensively in Canada” by others prior to the relevant date. The standard of proof on a balance of probabilities was properly applied to all of the abundant evidence presented to the Registrar. Accordingly, MCIRC’s appeal was dismissed, and its application for HALLOUMI was refused.

Paul Tackaberry

II.D.1. Immoral or Scandalous

Drolet v. Stiftung Gralsbotschaft (85 C.P.R. (4th) 1 (F.C., Jan. 6, 2009)) considered the validity of registrations of book titles and a logo as marks, as well as passing off and infringement actions.

In 1931, Oskar Ernst Bernhardt wrote a book titled In the Light of Truth: Grail Message (the “Bernhardt Book”). Stiftung Gralsbotschaft (“SG”), a charity based in Germany, was founded in the 1950s by Oskar Ernst Bernhardt’s widow. SG registered the mark ABD-RU-SHIN—the nom de plume of Oskar Ernst Bernhardt, who died in 1941—as well as the marks DANS LA LUMIÈRE DE LA VÉRITÉ, IN THE LIGHT OF TRUTH, and IM
LICHTE DER WARHEIT (the “Book Title Marks”). SG also registered the following trademark (the “Logo”):


In support of its argument that the Logo was invalid because it was scandalous, obscene, or immoral, Drolet relied upon Justice Blais’s obiter dicta in Canadian Jewish Congress v. Chosen People Ministries (19 C.P.R. (4th) 186 (F.C.T.D., May 28, 2002), aff’d, 27 C.P.R. (4th) 193 (F.C.A., June 18, 2003)), which stated that the menorah has been an official emblem of the Jewish faith and its people since antiquity and that it would be counterproductive to prohibit Jewish organizations and associations from using and adopting a mark such as the menorah because it had always been historically associated with the Jewish culture. There were three reasons why Drolet’s reasoning was faulty: (1) the rules applicable to an official mark—which was the subject of the Canadian Jewish Congress case—were different from those applying to trademarks; (2) the Federal Court of Appeal did not refer to Justice Blais’s obiter; and (3) the Logo did not enjoy the same universal and historical recognition as the official emblem of the Grail Movement as did the menorah for the Jewish community.

SG’s registrations for the Book Title Marks were declared inherently descriptive and therefore invalid not because they conveyed information on the content of the work but because they were the only way to identify the book in question. Thus the titles could not be dissociated from the work itself. The court relied upon U.S. jurisprudence to the effect that the title of a book cannot be registered as a trademark. (In re Cooper, 254 F.2d 611 (C.C.P.A. 1958); Herbko International Inc. v. Kappa Books Inc., 308 F.3d 1156 (Fed. Cir. 2002).) The court also relied on James E. Harper, Single Literary Titles and Federal Trademark Protection: The Anomaly between the USPTO and Case Law Precedents, 45 Idea 77, 86 (2004), and 2 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition, ch. 10 (4th ed., 2004).
SG’s action for infringement of its ABD-RU-SHIN registration was dismissed because (1) the appearance of the parties’ books was very different, with Drolet’s being essentially mimeographed copies, while SG’s were more elegant in appearance; (2) Drolet sold only one hundred copies of his book, and only to people he knew or to members who requested it; (3) Drolet did not make any profit and charged only enough to cover his costs; and (4) Drolet did not advertise his book or sell it in bookstores. Not only was the distribution of Drolet’s book very limited, but the people who bought it knew exactly what they were buying and were looking precisely for a version that was different from the one sold by SG. There was no evidence suggesting that consumers may have been misled into buying Drolet’s book by thinking it was published by SG.

The court also concluded that SG’s trademark registration for ABD-RU-SHIN was not prohibited by Section 12(1)(a) (which states: “a trade-mark is registrable if it is not a word that is primarily merely the name or the surname of an individual who is living or has died within the preceding thirty years”), but its registrations for the book titles DANS LA LUMIÈRE DE LA VÉRITÉ, IN THE LIGHT OF TRUTH, and IM LICHTE DER WARHEIT were invalid due to descriptiveness.

The Federal Court declared that SG’s registration for the Logo was not scandalous, immoral, or obscene pursuant to Section 9(1)(j) (which states: “No person shall adopt in connection with a business, as a trade-mark or otherwise, any mark consisting of, or so nearly resembling as to be likely to be mistaken for . . . any scandalous, obscene or immoral word or device”).

The Federal Court invalidated the registrations for the Book Title Marks and dismissed SG’s actions for passing off and infringement of the ABD-RU-SHIN registration. SG’s action for infringement of the Logo was allowed, and Drolet was ordered to pay nominal damages of $500 in view of his good faith and lack of profit. Drolet was also permanently enjoined from using the Logo in the future.

Paul Tackaberry

II.E. Examination and Opposition

In Indigo Books & Music Inc. v. C. & J. Clark International Ltd (86 C.P.R. (4th) 349 (F.C., Aug. 30, 2010)), the Federal Court agreed with the Registrar’s decision to not allow the opponent to amend its statement of opposition.

Indigo Books & Music filed statements of opposition against C. & J. Clark International Ltd’s applications to register the marks INDIGO and INDIGO BY CLARKS, covering footwear and standing. The oppositions had progressed to the written argument.
stage when Indigo sought to amend its statement of opposition against C. & J. Clark to allege noncompliance with Section 30(i) (which states: “An applicant for the registration of a trade-mark shall file with the Registrar an application containing . . . a statement that the applicant is satisfied that he is entitled to use the trade-mark in Canada in association with the wares or services described in the application.”) because of a likelihood of depreciation of goodwill pursuant to Section 22(1) (which states: “No person shall use a trade-mark registered by another person in a manner that is likely to have the effect of depreciating the value of the goodwill attaching thereto.”). The Registrar refused to grant such leave in view of (1) the late stage of the proceedings (the parties had filed their evidence, but written arguments had not been filed) and (2) Indigo’s failure to provide sufficient reasons for not seeking leave earlier. Indigo appealed the decision to the Federal Court.

The Federal Court refused to overturn the Registrar’s refusal to grant leave to Indigo to amend its statement of opposition to allege noncompliance with Sections 30(i) and 22(1).

The Federal Court refused to interfere with the Registrar’s decision because Indigo failed to establish special circumstances that would justify the judicial review, considering there were two alternative, appropriate, and realistic judicial proceedings available to Indigo: (1) Indigo could commence an action at any time against C. & J. Clark, alleging that C. & J. Clark’s use of the subject marks was a breach of Section 22; or (2) if C. & J. Clark’s trademark applications proceeded to registration, Indigo could apply to cancel any such registrations pursuant to Section 22. Indeed, these actions arguably would provide a more appropriate method of defending alleged rights under Section 22 than opposition proceedings because Section 22 is premised on an analysis of what a defendant has done, not on what a defendant proposes to do. The court distinguished the decision in Parmalat Canada Inc. v. Sysco Corp. ((2008) 69 C.P.R. (4th) 349 (F.C., Oct. 28, 2008), summarized at 100 TMR 396 (2010)), where the Federal Court allowed the judicial review, and referred back to the Registrar the request for leave to amend the statement of opposition because the Registrar had wrongly concluded that Section 22 could not form the basis of opposition.

Paul Tackaberry

In Tractor Supply Co. of Texas, LP v. TSC Stores L.P. (90 C.P.R. (4th) 223 (F.C.A., Feb, 7, 2011)), the Federal Court of Appeal affirmed the Federal Court’s refusal to stay opposition proceedings when both parties had filed their evidence in the oppositions and cross-examinations had taken place.
Tractor Supply Co. of Texas, LP brought a trademark infringement and passing off action against TSC Stores L.P., and Justice Mactavish of the Federal Court refused to stay the opposition proceedings. (86 C.P.R. (4th) 425 (F.C., Sept. 8, 2010).) In dismissing Tractor Supply’s motion for a stay, Justice Mactavish noted that the real issue was whether having the two proceedings continue in tandem amounted to an abuse of process. Tractor Supply failed to identify any specific evidence it would be unable to put before the Registrar, nor did it identify any other prejudice it would suffer if the opposition proceedings were not stayed. Justice Mactavish noted there was some commonality of parties between the two matters and there some overlap between the issues. However, the relief sought was different and there was not a significant risk of inconsistent findings because the differences in the evidentiary record were not substantial. Moreover, there was no suggestion that allowing the opposition proceedings to continue could render the action nugatory, as Tractor Supply could amend its claim to seek cancellation of the resulting registrations if it lost before the Registrar. The delay in the opposition proceedings would prejudice TSC.

In dismissing Tractor Supply’s appeal from Justice Mactavish’s decision, the Federal Court of Appeal noted that Tractor Supply was not alleging an error of principle, nor was the Federal Court of Appeal able to detect a palpable and overriding error. Tractor Supply failed to establish that Justice Mactavish reached her decision on the basis of irrelevant factors or that she failed to have regard to relevant factors.

Paul Tackaberry

II.I. Post-Registration Evidence of Use and Renewals

In Jose Cuervo S.A. de C.V. v. Bacardi & Co. Ltd (2010 FCA 248 (Sept. 28, 2010)), the Federal Court of Appeal endorsed the decisions of the Federal Court and the Registrar to cancel a registration because of lack of evidence of use.

The Registrar cancelled Jose Cuervo’s registration for CASTILLO for rum pursuant to Section 45, which provides for the cancellation of a registered trademark that is not used in the three-year period immediately preceding notice by the Registrar to the trademark owner requiring the owner to show evidence of such use. (78 C.P.R. (4th) 451 (F.C., Nov. 17, 2009), summarized at 101 TMR 895 (2011).) Section 45(1) states:

The Registrar may at any time and, at the written request made after three years from the date of the registration of a trade-mark by any person who pays the prescribed fee shall, unless the Registrar sees good reason to the contrary, give notice to the registered owner of the trade-mark requiring the
registered owner to furnish within three months an affidavit or a statutory declaration showing, with respect to each of the wares or services specified in the registration, whether the trade-mark was in use in Canada at any time during the three year period immediately preceding the date of the notice and, if not, the date when it was last so in use and the reason for the absence of such use since that date.

Jose Cuervo’s evidence before the Registrar established that (1) its most recent Canadian sale of CASTILLO rum was in 1999; (2) in May 2002, it undertook a new marketing strategy to incorporate the secondary COHIBA trademark (owned by Tequila Cuervo, a company related to Jose Cuervo) into the label for CASTILLO rum; (3) the new co-branding marketing strategy triggered a worldwide dispute between Tequila Cuervo and Cubatabaco, the owner of the trademark COHIBA for cigars; (4) until such time as the worldwide dispute was resolved, Tequila Cuervo instructed Jose Cuervo to defer plans for products branded with COHIBA in Canada, including CASTILLO-branded products whose label bore both marks; and (5) Jose Cuervo had a strong interest in resuming the use of the CASTILLO mark in Canada.

In ordering the cancellation of the CASTILLO registration for lack of use during the three-year period prior to October 26, 2005, the Registrar concluded that (1) the intention to resume use was not a special circumstance that excused the absence of use (relying upon *Scott Paper Ltd. v. Smart & Biggar*, 65 C.P.R. (4th) 303 (F.C.A., Apr. 4, 2008), summarized at 99 TMR 417 (2009)); (2) the threat of impending trademark litigation might be a reasonable excuse for non-use for a short period of time, but a deliberate decision by Jose Cuervo to wait out the litigation relating to COHIBA for six years was a voluntary decision; and (3) there was insufficient evidence to demonstrate the necessity for the co-branding marketing strategy with COHIBA and the lack of choice by Jose Cuervo to not use CASTILLO without the COHIBA mark until the dispute was resolved. On appeal to the Federal Court, Jose Cuervo filed additional evidence that Jose Cuervo resumed use of CASTILLO (without COHIBA) on August 4, 2008, which “coincidentally and suspiciously” coincided with the hearing that led to the Registrar’s decision under appeal.

Justice Kelen concluded that the additional evidence would not have changed the Registrar’s decision. In Justice Kelen’s view, it was reasonably open to the Registrar to conclude that Jose Cuervo had provided insufficient evidence as to why CASTILLO rum could not be marketed without reference to COHIBA. Jose Cuervo did not provide sufficient evidence to understand the basis for not using the CASTILLO mark between 1999 and 2008 or why the relationship between Jose Cuervo and Tequila Cuervo would not permit Jose Cuervo to continue using CASTILLO by itself. It
was illogical to Justice Kelen to suspend the use of a valid Canadian trademark because of a threat of impending litigation with respect to another mark. Generally speaking, a dispute over a secondary mark is not an exceptional occurrence in business. The Federal Court of Appeal’s decision in *Scott Paper* recalibrated the criteria for cancellation under Section 45 by requiring trademark owners to demonstrate that non-use is due to special circumstances that are (1) beyond their direct or indirect control and (2) not normal or would not apply to other persons in the marketplace.

The Federal Court of Appeal dismissed Jose Cuervo’s appeal for substantially the reasons given by Justice Kelen.

*Paul Tackaberry*

In a separate case, Justice Kelen set aside the Registrar’s decisions to cancel Cubatabaco’s registrations for (1) the COHIBA word mark for tobacco, manufactured tobacco for smoking and chewing, snuff, and cigarettes; and (2) the COHIBA design mark for raw tobacco, cigars, cigarillos, cigarettes, cut tobacco, rappee, manufactured tobacco of all kinds, matches, tobacco pipes, pipe holders, ashtrays, match boxes, cigar cases, and humidors. (*Empresa Cubana del Tabaco v. Shapiro Cohen et al.*, 91 C.P.R. (4th) 248 (F.C., Jan. 28, 2011), appeal pending, Court File No. A-91-11.)

Pursuant to a 1994 license from Cubatabaco, Habanos S.A. was responsible for the export, marketing, and commercialization of tobacco-related products bearing the COHIBA marks. Havana House Ltd. was Habanos’s Toronto-based distributor, with exclusive rights for Canada. The Registrar found that the use by Habanos did not accrue to Cubatabaco pursuant to Section 50 (which states that if an entity is licensed by or with the authority of the owner of a trademark to use the trademark in a country and the owner has direct or indirect control of the character or quality of the wares or services, then the use, advertisement, or display of the trademark in that country by that entity has the same effect as such a use, advertisement, or display of the trademark in that country by the owner) because (1) statements by Cubatabaco’s affiant regarding who manufactured the goods that Havana House purchased from Habanos were inadmissible hearsay; and (2) the evidence demonstrated that Habanos was not merely Cubatabaco’s exporting arm but, further, exercised control over the production of the goods. The Registrar found that the goods listed in Cubatabaco’s affidavit evidence (that is, cigars and cigarillos) were not among the goods listed in the COHIBA word mark registration (that is, tobacco, manufactured tobacco for smoking and chewing, snuff, and cigarettes). Regarding the COHIBA design mark, the
Registrar accepted Cubatabaco’s admission that the statement of goods should be amended to recognize only “cigars and cigarillos.”

On appeal, the Federal Court concluded that (1) the new evidence before it would have materially affected the Registrar’s decision whether the use of the COHIBA word mark for cigars and cigarillos constituted use of “manufactured tobacco for smoking and chewing” as listed in the COHIBA word mark registration; and (2) cigars and cigarillos were in fact “manufactured tobacco for smoking or chewing” and therefore fell within this general class in the statement of goods for the COHIBA word mark. There was no issue regarding whether the marks were used. The issue was whether the use was by Cubatabaco or by Habanos. The court explained that there are three main methods by which trademark owners can demonstrate the control required to benefit from the deeming provision in Section 50(1): (1) clearly swear to the fact that they exert the requisite control; (2) provide evidence that demonstrates that they exert the requisite control; or (3) provide a copy of a license agreement that explicitly provides for the requisite control. In contrast to the evidence that was before the Registrar, the court had significant new evidence that Cubatabaco exercised control over the character and quality of the cigars and cigarillos that bore the COHIBA word and design marks.

Paul Tackaberry

In Diamant Elinor Inc. v. 88766 Canada Inc., Justice Shore of the Federal Court affirmed the Registrar’s decision to cancel 88766 Canada’s registration for the trademark YVES DOLARME (“Registered Mark”) for use in association with watches and jewelry (see below).

The Registrar found that the evidence filed was ambiguous, in part because no information had been provided to establish whether the mark had been used in association with the goods with which the mark was associated, or whether the mark had been used during the relevant period. The additional evidence filed by 88766 Canada on appeal showed use of the trademark illustrated below (“Mark as Used”).

Yves Delorme

Yves Delorme
Applying *Promafil Canada Ltée v. Munsingwear Inc.* (44 C.P.R. (3d) 59 (F.C.A., July 8, 1992)), Justice Shore concluded that the Mark as Used did not bear the graphic feature of the Registered Mark in that it included an additional design element. Accordingly, the Justice had no choice but to find that 88766 Canada had not used the Registered Mark. The same dominant features were not maintained, and it was rather hard to characterize the differences as unimportant. Accordingly, 88766 Canada’s appeal was dismissed and the Registrar’s decision to cancel the Registered Mark was affirmed. (*Diamant Elinor Inc. v. 88766 Canada Inc.*, 90 C.P.R. (4th) 428 (F.C., Nov. 25, 2010).)

Paul Tackaberry

In *1459243 Ontario Inc. v. Eva Gabor International, Ltd.* (90 C.P.R. (4th) 277 (F.C., Jan. 11, 2011)), the trademark shown below at left (“Mark as Used”) was held to constitute use of the trademark shown below at right (“Registered Mark”).

![Mark as Used](Image)

![Registered Mark](Image)

The court admitted the hearsay evidence of the president of 1459243 Ontario to the effect that promotional flyers bearing the Mark as Used were included with customer orders. While the president was not personally involved with the packaging or shipping of men’s hairpieces and wigs, he had been informed by his employees that the promotional flyers were included with customer orders at the time of shipping during the relevant period. A stricter approach to hearsay evidence may be appropriate in cancellation proceedings initiated in the Federal Court pursuant to Section 57, where adversarial proceedings are intended to determine the rights of parties. On the other hand, Section 45 proceedings are intended to be expeditious and straightforward. Requiring registrants to submit affidavits from several employees involved in the use of the mark—in addition to that of the owner—would not be in keeping with the public interest purpose of Section 45 or consistent with the low threshold to establish use.

Promotional material provided to customers at the time of transfer of the goods can constitute evidence of use of a mark for goods. In the court’s view, the Mark as Used constituted use of the Registered Mark because (1) the unique font was the same; (2) the positioning and layout of the words were preserved; (3) the absence of the square and the addition of the letters XTS were only
cautious variations; and (4) an unaware purchaser would be likely to infer that both versions of the mark identified the goods as having the same origin. Because there was no evidence of use of the mark with respect to women’s hairpieces and wigs, and the hair grafting and hair transplanting services, those goods and services were deleted from the registration.

Paul Tackaberry

In TSA Stores, Inc. v. Registrar of Trade-marks & Heenan Blaikie LLP (91 C.P.R. (4th) 324 (F.C., Mar. 9, 2011)), TSA Stores successfully appealed the Registrar’s decision to cancel four registrations for trademarks composed of SPORTS AUTHORITY for non-use pursuant to Section 45.

TSA Stores operated (1) hundreds of retail stores in the United States selling sporting equipment and (2) a website that was accessible in Canada. Its Canadian bricks and mortar stores had been closed prior to the relevant period. The Registrar had determined that TSA Stores had failed to show use of its trademarks in Canada during the relevant period, in part because (1) TSA Stores’ name did not appear on its website and (2) there was no evidence that the website was regularly accessed by Canadians. In appealing the Registrar’s decision, TSA Stores filed additional evidence that (1) clarified the ownership of the trademarks and their licensed use by the entity named on the website; (2) provided details of the retail store services provided on the website, including the “Help Me Choose Gear,” “Shoe Finder,” and “Store Locator” services and various buyers guides; and (3) provided statistics on Canadian visitors to the website. The appeal was unopposed.

Justice Simpson of the Federal Court restored TSA Stores’ registrations for retail store services. As TSA Stores’ additional evidence would have had a material effect on the Registrar’s decision, the appeal was decided de novo. The ownership, licensing, and supervision issues in relation to TSA Stores’ website were dealt with in a satisfactory manner in TSA Stores’ additional evidence. Because the word “services” was not defined in the Act, the word should be given a liberal interpretation; each case should be decided on its own facts. The Act makes no distinction between primary, incidental, or ancillary services. As long as some members of the public—consumers or purchasers—receive a benefit from the activity, it is a service. TSA Stores’ “Help Me Choose Gear” and “Shoe Finder” services provided a significant volume of information and guidance about a vast array of products. Visiting these services on TSA Stores’ website was akin to visiting a bricks and mortar store and benefiting from a discussion with a knowledgeable salesperson. The “Store Locator” service allowed Canadians to find a nearby store in the United States. These
services were of benefit to Canadians. As the trademarks appeared in connection with these ancillary retail store services on TSA Stores’ website, there was evidence of use in Canada during the relevant period.

Paul Tackaberry

In *Spirits International B.V. v. BCF S.E.N.C.R.L. et al.* (2011 FC 805 (June 30, 2011)), Spirits was appealing the Registrar’s decision to cancel the registration for its trademark MOSKOVSKAYA RUSSIAN VODKA & Design (see below).

![Mark as Registered](image1)

![Mark as Used](image2)

The Registrar found that Spirits failed to show that it had direct or indirect control—in accordance with Section 50—over the trademark use demonstrated by its evidence. In particular, the Registrar found that (1) while the requirements of Section 50 may be satisfied if there is a common directing mind of both a corporate registrant and the user of the registered trademark, corporate structure alone does not allow the Registrar to make the inference that a registered owner has control over the use of a licensed mark; (2) Spirits was only one of several corporate entities grouped under “my company,” as defined by Mr. Fedoryna (Pavel Fedoryna, the “Acting Manager of the Swiss branch” of Spirits) in his affidavit; but (3) no description of the purported control exercised by Spirits had been provided, no copy or description of the license agreement had been furnished, and Spirits had not put forward any details regarding the presidents, directors, and officers of the various entities involved in “my company” to show a common directing mind of Spirits, the corporate registrant, and these purported users of the mark. The additional evidence filed on appeal did not resolve the deficiencies; indeed, instead of addressing unanswered questions, the additional evidence raised additional ones.

As the additional evidence would not have materially affected the Registrar’s decision, it was incumbent on the Federal Court to determine whether the Registrar’s finding was reasonable. In
concluding that the Registrar's decision was reasonable, Justice Scott noted that while it was not necessary to produce a formal licensing agreement, the mere fact that there was some common control between the trademark owner and other corporate entities was not sufficient to establish that the use of the mark was controlled such that a licensing agreement could be inferred from the facts. Clear evidence of control had to be adduced.

Justice Scott went on to conclude that the mark as allegedly used retained all of the major graphic elements of the mark as registered. While there were some differences between the two—for instance, some font changes, the altered globe logo, the use of bilingualism, the spacing of the medallions, and the removal of the words “COOL BEFORE DRINKING”—these differences were deemed insignificant; an unaware purchaser would be able to infer that both marks, in spite of these differences, had the same origin.

Paul Tackaberry

III.A.2. Passing Off


Target had used the following marks (in English and Chinese characters) in association with public markets in British Columbia: (1) RICHMOND NIGHT MARKET (since 2000); and (2) RICHMOND NIGHT MARKET SUMMER FESTIVAL (since 2002). In April 2008, Target issued a press release explaining that the market would be cancelled because the landlord had decided not to renew Target’s lease. In 2008, Lions commenced operating a market on the same premises under the names Richmond Summer Night Market and Summer Night Market. In addition to using Target’s site, Lions also used Target’s copyrighted rules and regulations for vendors and site plan showing the layout of the booths and other facilities.

Justice Simpson ordered the appellants to pay $15,000 in damages for copyright infringement and passing off pursuant to Section 7(b). (80 C.P.R. (4th) 413 (F.C., Jan. 11, 2010), summarized at 101 TMR 899 (2011).) She found that (1) by January 2007, Target’s inherently weak marks had acquired distinctiveness, which was lost when Target failed to open a night market in 2008; (2) there was no likelihood that vendors would be confused by the similarities of the parties’ marks in view of Target’s press release and the intense media coverage of the closing of Target’s market and the opening of Lions’ market; and (3) there was a likelihood of confusion among visitors to the market because they were led to
believe that the market in 2008 was a continuation of Target’s successful event. Lions and Cheung appealed and Target cross-appealed.

Many of the allegations of error related to Justice Simpson’s factual conclusions and did not warrant the appellate court’s intervention. However, Justice Simpson did err with respect to the scope of injunctive relief and the award of solicitor-and-client costs. The appellate court rejected the appellants’ argument that the Justice’s findings did not satisfy the damage component of the passing off test; Target suffered actual damage because it lost control over the impact of its trademarks in the appellants’ market despite Target’s absence from the market. Justice Simpson’s determination on the personal liability of Cheung was not palpably wrong, considering the admissions in the statement of defense that Cheung personally undertook the promotion and organization of the 2008 market, personally filed the permit application, and personally directed, controlled, and managed all of Lions’ activities. Where the Justice erred was in enjoining the appellants from operating a market that was a substantial reproduction of the site plan, because the Copyright Act (R.S.C. 1985 c. C-42) does not contemplate prohibitions against “use” or “operation.” The appellate court enjoined the appellants from further infringing Target’s copyright in the site plan by reproducing it, or any substantial part thereof, in any material form whatever.

Because of the exceptional nature of solicitor-and-client costs, a trial judge should provide some explanation as to why such an award is made. Justice Simpson did not provide any such explanation. Although certain conduct on Lions’ part was described as “sleazy,” the same conduct was not found to be unlawful. No reference was made in the record or in Justice Simpson’s reasons to any reprehensible, scandalous, or outrageous conduct. The appellate court rejected Target’s argument that an award of solicitor-and-client costs was appropriate to save harmless an innocent litigant from the otherwise unnecessary expense of litigation, considering that (1) a number of Target’s allegations were not made out at trial and (2) Target’s president was found not to be credible in a number of respects. Accordingly, Target was entitled to its trial costs on a party-and-party basis.

Paul Tackaberry

III.A.3.a. Civil Actions

Owners of luxury goods scored another victory against counterfeiters in Louis Vuitton Malletier S.A. et al. v. Singga Enterprises (Canada) Inc. (2011 FC 776 (June 27, 2011)). After a summary trial, the numerous defendants were ordered to pay a total of CA$1.14 million to Louis Vuitton and CA$840,000 to
Burberry as compensation for trademark and copyright infringement. Punitive damages totaling CA$500,000 were ordered, and costs were awarded on a solicitor-and-client basis. Other remedies included a permanent injunction and delivery up of infringing goods. This case adds to a growing list of recent cases where dealers in counterfeit goods have been ordered to pay large damage awards to brand owners. (See, e.g., Louis Vuitton Malletier S.A. et al. v. 486353 B.C. Ltd. et al., 2008 BCSC 799 (June 19, 2008), summarized at 100 TMR 408 (2010); Louis Vuitton Malletier S.A. et al. v. Yang, 62 C.P.R. (4th) 362 (F.C., Nov. 14, 2007), summarized at 99 TMR 437 (2009).)

Paul Tackaberry

III.A.6.d. Sponsored Advertising/Keywords

The legality of keyword advertising was considered in Private Career Training Institutions Agency v. Vancouver Career College (Burnaby) Inc. (2011 BCCA 69 (Feb. 11, 2011)), albeit not in a trademark context.

Private Career Training was a regulatory body created by the Private Career Training Institutions Act (S.B.C. 2003, c. 79). Vancouver Career College, which provided career training services, paid Google and Yahoo! for the use of competitors’ names as keywords, resulting in Vancouver Career College’s name’s appearing first or in another preferred position on a list of names that appeared when a user searched the competitor’s name. Private Career Training sought an injunction preventing Vancouver Career College from such practices, on the basis that it constituted misleading advertising in contravention of Private Career Training Bylaw 29(1), which prohibits engaging in advertising or making a representation that is false, deceptive, or misleading. The chambers judge refused the injunction because Private Career Training had not convinced him that Vancouver Career College’s use of its competitors’ names was misleading or was likely to mislead. In his reasons, the chambers judge cited trademark legislation and case law relating to confusion. Private Career Training appealed.

The Court of Appeal phrased the issue as whether there were reasonable grounds to believe that Vancouver Career College’s form of Internet marketing was misleading advertising. Cases that deal with confusion in the trademark context were said to be “not of assistance in this case.” The Court of Appeal rejected Private Career Training’s attempt to equate misleading with confusing. Advertising that is misleading also likely is confusing, but simply because advertising is confusing does not mean it is misleading. The chambers judge’s reference to trademark cases did not undermine his consideration of the appropriate consumer. He was
alive to the need to consider the applicable consumer in context. He did not err in concluding that the consumer must be given credit for having normal intelligence. In the Court of Appeal’s view, the case was not a dispute over intellectual property and the result should not be considered in that context.

Paul Tackaberry

III.E.1. Injunction

In Target Brands, Inc. et al. v. Fairweather Ltd. et al. (2011 FC 758 (June 23, 2011)), the Federal Court denied an application by Target, the U.S. operator of a chain of department stores, for an interlocutory injunction enjoining the use by Fairweather Ltd. of the mark TARGET APPAREL in connection with retail clothing stores.

In 2011, Target announced its intention to open Target stores in Canada in 2013; it was not currently operating any stores in Canada. Fairweather owned a registration for the trademark TARGET APPAREL for women’s apparel, which it acquired in 2002 when the original owner became bankrupt. Fairweather had been operating retail clothing stores under the TARGET APPAREL banner since 2009. In 2003, Target initiated summary non-use (Section 45) proceedings against the TARGET APPAREL registration, in which Fairweather ultimately prevailed in a 2007 decision of the Federal Court of Appeal. (Bereskin & Parr v. Fairweather Ltd., (2007) 62 C.P.R. (4th) 266 (F.C.A., Nov. 26, 2007), summarized at 99 TMR 420 (2009).) Target then commenced an action against Fairweather seeking damages and a permanent injunction enjoining the defendant from using the trade name “Target.” Fairweather counterclaimed against Target for infringement of its registered trademark. (The trial of these matters is scheduled to be heard in November 2012.)

As to the existence of a serious issue to be tried—the first factor in the test for an interlocutory injunction—there was “little doubt” that the low threshold for demonstrating a serious issue had been met. Target’s evidence (1) established that Target is a major retail store chain that is known to many Canadians who shop in the United States, and therefore has a degree of goodwill in Canada, and (2) raised the issue of whether Fairweather’s use of the TARGET APPAREL trademark would deceive customers into thinking that the stores were affiliated with Target and thereby harm Target’s reputation. The parties agreed that the survey evidence indicated that some degree of confusion already existed in the minds of Canadian shoppers.

The court noted that there is a high threshold to proof of irreparable harm, the second factor in the interlocutory injunction test. For the following reasons, the court was not persuaded that
the customer confusion demonstrated by Target's surveys would continue: (1) Fairweather's survey, which showed that the majority of TARGET APPAREL shoppers who were shown a picture of a Target store, indicated they would shop at Target; (2) there were real, observable differences between a 32,000-square-foot TARGET APPAREL discount clothing store and a 133,000-square-foot, full-featured retail Target department store. Target argued that Fairweather's use of the TARGET APPAREL mark would cause irreparable harm by breaking "the Target brand promise," bearing in mind that Fairweather's stores (1) sell only clothing, including unsold remainder items; (2) differ significantly in store design, layout, product assortment, and service; and (3) vary from store to store. Target also argued that once consumers associate a store with a poor shopping experience or with a particular category of goods rather than many categories, it is difficult if not impossible to change those perceptions, thereby significantly affecting consumer shopping behavior for years to come. The court found it difficult to assess Target's marketing theory about "sincere" and "exciting" brand personalities. Where expert evidence is provided by affidavit and is challenged in the course of the proceedings, assessment of such expert evidence is best left for the fullness of a trial, where review of qualifications and in-court testimony—direct, cross-examination, and redirect—are present.

The third factor—balance of convenience—favored Fairweather because (1) Fairweather was not seeking to prevent or delay the opening of Target stores in Canada; (2) if an injunction were granted, Fairweather would have to replace its signage; (3) Fairweather did not expand its TARGET APPAREL stores until after it prevailed in the Section 45 proceedings; and (4) Fairweather took precautionary steps in the face of Target's claims by (a) backing away, though not entirely, from a close copy of the TARGET name; (b) inscribing a red maple leaf in a circle rather than using a red bull's-eye; (c) posting a disclaimer to the effect it was not Target; and (d) undertaking to maintain records of its sales while the litigation is pending.

**CHILE**

**I.A.3. First to File Versus First to Use**

In 1999, María Eugenia Pero Costabal registered the trademark EXPLORA for all products included in Classes 24 and 25. Explora S.A. lodged a cancellation action before the National Institute of Industrial Property (INAPI) requesting the annulment of her registration. The plaintiff argued that (1) its use, since 1994, of the trademark EXPLORA began prior to the date of the defendant's registration and (2) it had been using the trademark not only to distinguish a famous and prestigious hotel but also to
identify bedding and clothing, both products included in Classes 24 and 25.

Although INAPI accepted the action, the Industrial Property Court of Appeals revoked that decision, mainly because, in the opinion of the court, Explora’s use of its mark was made only to advertise its hotels.

On further appeal, the Supreme Court held that the Industrial Property Court of Appeals did not decide the case in accordance with the applicable law. The Court pointed out that Explora had proved the use of its trademark in the sale of goods in Classes 24 and 25, and not just as a simple advertising function. The Supreme Court added that all legal requirements were accredited in the proceeding, namely an actual use in the context of trade, inside the national territory and prior to the date of the application for registration. In addition, it explained that the use must indicate a relationship between the mark and its owner with the goods and services, which means the marketing of them. In accordance with all these findings, the Supreme Court upheld the cancellation action. (*Explora S.A. v. María Eugenia Pero Costabal*, Decision No. 496-2009 (Supreme Court, Dec. 13, 2010).)

This is the first time that the Supreme Court has ruled in a case related to a cancellation action based on the prior usage of a trademark; this ruling is also particularly important because it analyzes the requirements to be met when using a nonregistered trademark.

*Rodrigo Velasco S.*

**I.C.1. Inherent Distinctiveness**

Comercial Sportex Limitada filed a trademark application for DOG & DOG & Design, covering toys and pet toys in Class 28 (see below).

[Image of applied-for mark]

INAPI rejected the application, arguing that the mark was not distinctive.
On appeal, the Industrial Property Court of Appeals upheld the first instance decision. The applicant then filed a recourse of cassation before the Supreme Court.

The Supreme Court stated that the findings of the ruling issued by the Industrial Property Court of Appeals were not properly accredited in the proceedings, because there was no proof of the lack of distinctiveness of the cited mark with regard to the scope of protection. It pointed out that there was not even a mention, in the appellate decision, about the overview of the applied-for trademark as a word and design mark. Therefore, the Supreme Court granted the trademark’s registration. (Comercial Sportex Limitada v. Industrial Property Court of Appeals, Decision No. 8548-2009 (Supreme Court, Mar. 23, 2011).)

Following a position previously adopted only by a majority vote, this time the highest court unanimously ratified the obligation of all courts to prove during the proceedings the lack of distinctiveness of a trademark and not merely the meaning of a word in a different language. The Supreme Court’s decision also introduces into case law the “overview” as a criterion in analyzing the distinctiveness of a trademark.

Rodrigo Velasco S.

Cia. Iguacu de Café Soluvel filed an application to register the mark CRUZEIRO & Design, for coffee in Class 30 (see below).

Applied-for Mark

INAPI rejected the application, arguing that the mark was misleading because the word GOURMET, a third party’s trademark, was included in the design.
The first instance decision was upheld by the Industrial Property Court of Appeals. The applicant then filed a recourse of cassation before the Supreme Court.

The Supreme Court stated that the most important element in the design was the word CRUZEIRO, previously registered as a trademark in the name of the applicant, which was used to distinguish coffee in the market and thus avoid any risk of confusion about the commercial origin of the product. The Court held that the main element of the design was not the word GOURMET, a generic or descriptive term clearly inserted in the background, which was intended to indicate only that the product was a superior-quality coffee. (Cia. Iguacu de Café Soluvel v. Industrial Property Court of Appeals, Decision No. 2360-2009 (Supreme Court, Nov. 10, 2010).)

In this case the Supreme Court held that even if a design mark includes a third party’s trademark, there is no risk of confusion if the latter is used in its original and descriptive meaning.

Rodrigo Velasco S.

II.C.1.g. Two- and Three-Dimensional Marks

Tresmontes Lucchetti S.A. filed an application for ZUKO LIGHT & Design, to cover instant powder drinks and other related products in Class 32 (see below).

Applied-for Mark

INAPI considered the applied-for trademark to be the packaging of the product and therefore nonregistrable. The applicant filed a recourse of appeal against this decision, arguing that the applied-for mark was only a two-dimensional design and thus not a packaging.
The Industrial Property Court of Appeals pointed out that the applied-for mark should have been examined as a whole, with both word and design elements, and remarked that the pertinent Trademark Law’s provision states that only the shape of products and packaging are nonregistrable marks. As a consequence, the recourse was upheld and the applied-for mark was granted registration. (Tresmontes Lucchetti S.A. v. National Institute of Industrial Property, Decision No. 33-2011 (Industrial Property Court of Appeals, Mar. 9, 2011).)

It is unusual for the Industrial Property Court of Appeals to rule in cases involving the shape of products or packaging. This decision shows that two-dimensional marks can be registered even if they seem to be the shape of packaging.

Rodrigo Velasco S.

III.C.1. International Conventions

In 1989, Inmobiliaria Oasis Ltda. obtained a trademark registration for the mark O’NEILL & Design, covering all products included in Class 25.

O’Neill, Inc. lodged a cancellation action before INAPI, requesting the cancellation of the trademark registration for O’NEILL, based on the following grounds: (1) O’Neill, Inc. was the worldwide owner of trademark O’NEILL, which distinguished products included in Class 25; (2) O’NEILL was a well-known and famous mark, registered and used before the registration date of the defendant’s mark; (3) the defendant registered the trademark at issue in bad faith, because its design was identical to that of the plaintiff’s mark; and (4) in accordance with the Paris Convention and the applicable case law, the period for filing the cancellation action had not expired, because the defendant acted in bad faith.

INAPI rejected the claim. It held that the period for filing the cancellation action had expired, as the claimant could not prove the defendant’s bad faith. Consequently, Article 6bis of the Paris Convention was not applicable.

The Industrial Property Court of Appeals upheld the first instance decision. In the opinion of the Court, Article 6bis of the Paris Convention, in particular paragraph 3, was not directly applicable, and could be cited only when the domestic law established the same provision or an analogous provision. The second instance tribunal therefore concluded that the trademark registration for O’NEILL had to be maintained in force. (Case No. 1074-2004 (Industrial Property Court of Appeals, Jan. 29, 2009) (unpublished).)

O’Neill, Inc. filed a recourse of cassation before the Supreme Court, which was accepted. (O’Neill, Inc. v. Inmobiliaria Oasis Ltda., Case No. 2174-2009 (Supreme Court, Jan. 20, 2011)}
(unpublished). The Supreme Court held that (1) all provisions contained in the Paris Convention were in force as of the date this convention was domestically published as law, without any other additional formality; (2) the trademark registration was indeed obtained in bad faith, as evidenced by the identity of the registered logo and the plaintiff’s foreign trademark; (3) in accordance with previous jurisprudence, before the date the Paris Convention came into force, trademark registrations obtained in bad faith could not take advantage of any statute of limitations; and (4) Article 6bis(3) of the Paris Convention provides that no time limit shall be fixed for requesting the cancellation of marks registered in bad faith. Therefore, the Supreme Court ruled that the local trademark registration for O’NEILL must be cancelled.

This decision is one of the most important rulings related to trademark law issued by the Supreme Court in the last several years. The highest court affirmed the permanent interpretation of the first instance tribunal in these matters and ended the uncertainty created by the Industrial Property Court of Appeals. This case also marks the first time that the Supreme Court discussed the applicability of the Paris Convention. Consequently, any trademark obtained in bad faith in Chile, at any time, is liable to be cancelled.

Rodrigo Velasco S.

CHINA, PEOPLE’S REPUBLIC OF

I.D.1. Similarity of Marks

Does “YONHE” (in Chinese characters) refer to YONHE SOYBEAN MILK or YONHE KING (both in Chinese characters)? This question puzzled not only consumers but also the owners of the two YONHE combination marks. (Confusion Over “YONHE SOYBEAN MILK” and “YONHE KING”, Both in Chinese Characters, China Intell. Prop. News, Nov. 19, 2010, China Trademark Information Center, Mar. 15, 2011.)

On April 23, 2004, Yonhe International Development Ltd., a Chinese company, filed an application to register YONHE SOYBEAN MILK (in Chinese characters) in Class 43 for restaurants. On July 2, it filed another application for YONHE (in Chinese characters) & Design for spring roll wrappings in Class 30. The State Administration for Industry and Commerce of the People’s Republic of China (SAIC) rejected the two applications as a result of two prior registrations for YONHE KING by Century Investment Ltd. Yonhe International appealed the decision. On July 5, 2010, the Trademark Review and Adjudication Board (TRAB), the administrative authority under the SAIC that is responsible for handling trademark disputes, upheld the SAIC’s
decision to reject the registration of the mark YONHE SOYBEAN MILK (in Chinese characters) because of the prior registrations of the YONHE KING mark in the same class. The applicant further appealed, and on November 11, 2010, the case came before the Beijing First Intermediate People’s Court.

On appeal before the TRAB, Yonhe International argued that it had registered YONHE (in Chinese characters) & Design in Class 43 and had used the mark and design for many years. Enjoying a certain reputation, the two applied-for marks were distinguishable from Century Investment Ltd.’s prior registrations for YONHE KING. Moreover, the company had, in addition to registering YONHE (in Chinese characters), registered YUNHE & Design for soybean milk, soft bean curd, and spring roll wrappings, etc. in Class 30. The applicant viewed the approvals as proof that the SAIC did not find the marks similar to YONHE KING (in Chinese characters). Using the same logic, Yonhe International claimed that the SAIC should not find YONHE (in Chinese characters) or YONHE & Design similar to YONHE KING (in Chinese characters), as YONHE was just a slight variation of YUNHE and both represented the same Chinese characters.

However, the TRAB stated that the dominant part of each mark was the part made up of identical Chinese characters and the differences in the designs were not sufficient. As the applicant failed to provide evidence to prove that the marks had become distinguishable, the TRAB rejected their registration. Moreover, past decisions should not be the basis for registration of the marks, as all applications should be decided on a case-by-case basis.

The TRAB’s reasoning touches the issue of applying consistent criteria in appeal proceedings. A decision by the court is pending.

_Hailing Zhang_

**I.D.3. Conflict Between Trademarks and Corporate Names**

Conflicts arising from using a term as a trade name and as a trademark by two different parties sometimes end up in court. Often, such cases are decided in favor of the trademark owner.

In April 2011, Guangdong Provincial High People’s Court rendered a decision in favor of the trademark owner of YOUBISU (in Chinese characters), thus ending a dispute between a Chinese express mail delivery company and the U.S. delivery giant United Parcel Service of America (UPS). (_UPS Lost to YOUBISU_, China Intellectual Property News, Apr. 18, 2011, China Trademark Information Center, Apr. 13, 2011.)

UPS named its Chinese subsidiary YOUBISU Package Delivery, Ltd., a Guangdong company (Guangdong YOUBISU),
which aroused great concern in Shenzhen YOUBISU Express Delivery Co., a Shenzhen company (Shenzhen YOUBISU).

The Shenzhen company had registered YOUBISU (in Chinese characters) (UES & Design in English) as a service mark for delivery services in China. It sued Guangdong YOUBISU for trademark infringement and unfair competition when it found out that Guangdong YOUBISU used the mark as the prominent part of its trade name.

The court of first instance found trademark infringement by Guangdong YOUBISU, and the losing party appealed.

Guangdong YOUBISU argued on appeal that its use of the term YOUBISU (in Chinese characters) was not a trademark use. The term was part of its trade name and was not used prominently. Moreover, unlike Shenzhen YOUBISU, Guangdong YOUBISU used the trademark UPS, and the special packaging it used for mailings was different from that of the plaintiff’s. Therefore, there was no actual or likely confusion in the marketplace. It petitioned the appeal court to reverse the decision of the lower court and reject all claims by Shenzhen YOUBISU.

The Guangdong High People’s Court did not agree. In its decision, the court stated that Guangdong YOUBISU used YOUBISU, the dominant part of the plaintiff’s registered mark, as its trade name in commercial activities. Such acts would cause consumers to be confused concerning the origins of the services provided by each party and would view the two parties as related or connected. Evidence provided by the plaintiff was sufficient to prove that Guangdong YOUBISU’s acts had already caused actual customer confusion in the marketplace.

The court also found that the defendant willfully rode on the goodwill of the plaintiff’s trademark YOUBISU (in Chinese characters) and dismissed the appeal filed by Guangdong YOUBISU. The decision was final.

Hailing Zhang

I.F. Famous and Well-Known Marks

In January 2011, the Beijing High Court upheld the decision of the Beijing First Intermediate People’s Court in a case involving the automobile manufacturer Nissan, allowing the cancellation of the trademark RICHAN JIAHE (“Richan” is the same as “Nissan” in Chinese characters and also means “Japanese products”) based on its similarity to two separate registered trademarks owned by Nissan.

In April 2006, Nissan filed an application to cancel the trademark RICHAN JIAHE (registered in April 2001 for lubricating oils), citing its famous registered trademarks NISSAN (in Chinese characters) and NISSAN & Device. The RICHAN
The JIAHE mark was cancelled in April 2009 by the TRAB, and an appeal was filed with the Beijing First Intermediate People’s Court. The Intermediate Court held that Nissan provided substantial evidence of use in China between 1979 and 1995, prior to the registration of its marks. As such, Nissan had established the well-known status of the trademarks NISSAN (in Chinese characters) and NISSAN & Device in China through their continuous use in advertising. Further, the Chinese media had been using the expression “Nissan cars” to refer to Nissan’s products. The court therefore found that use of “Nissan” had become directly linked to Nissan and that consequently the name enjoyed a high reputation in China.

The Intermediate Court also held that Nissan’s marks were highly distinctive in terms of wording and design. It found that as the contested mark RICHAN JIAHE was similar in wording and design to Nissan’s marks and that as it was used for lubricating oils, which were related to the goods in connection with which Nissan used its famous trademarks, use of the RICHAN JIAHE mark for lubricating oils resulted in confusion of the public and damage to Nissan’s trademark rights. In addition, there was evidence indicating that the registrant of RICHAN JIAHE had also applied for the registration of the names of other famous car manufacturers, such as Toyota and Honda, for use with lubricating oils. Consequently, the Intermediate Court held that the registrant intended to confuse consumers.

The cancellation decision was upheld by the High Court.

In light of the above, should trademark owners be able to provide substantial evidence of use of their marks in China prior to the application dates and should the marks be granted “well-known” status, the mark owners may be able to rely on this to cancel registered marks and in opposition proceedings, even if the marks are for different classes of goods and/or services.

Vivien Chan

I.G.1. Assignment

In a lawsuit between a former licensor and licensee over ownership of the trademark registration for SANLIAN (in Chinese characters), the former licensee requested free assignment of the mark, which the court rejected. The dispute between Sanlian Trading Co. and Shandong Sanlian Group Ltd. was decided by Shandong Jinan Intermediate People’s Court. (Sanlian Trading Lost in Court of First Instance over Trademark SANLIAN, China Intell. Prop. News, July 1, 2011.)

The two parties had been dueling a long time over ownership of the mark SANLIAN (in Chinese characters). As early as 2003,
when Sanlian Group restructured one of its subsidiaries, Zhenbaiwen (predecessor of Sanlian Trading), it signed a trademark license agreement to allow Zhenbaiwen to freely use its service mark SANLIAN (in Chinese characters) permanently, as long as Sanlian Group remained the biggest shareholder of Zhenbaiwen.

The licensee later changed its name to Sanlian Trading and was controlled by the majority shareholder Gome Electric Appliance Co. As a result of overlap of business, it became difficult for Sanlian Trading to continue use of the licensed mark. Therefore, Sanlian Trading sued Sanlian Group for free assignment of the mark.

The plaintiff argued that according to the exclusive license agreement signed with the defendant, the defendant allowed the plaintiff to use the mark exclusively, freely, and permanently. The defendant, as the former majority shareholder of the plaintiff, had reentered the home electric appliance field, for which the present majority shareholder, Gome, was known; this had endangered the capital invested and the continuity of Gome’s business operations. The plaintiff therefore petitioned the court to order free assignment of the mark.

Sanlian Group argued that the conditions that would support enforcement of the trademark license agreement signed years ago no longer existed. The plaintiff therefore was not entitled to the free assignment of the mark. It argued that the provision in the trademark license agreement that “the licensor, as the majority shareholder of the licensee, should actively support development of the licensee” had become unenforceable after the defendant sold its shares in the defendant company. The defendant was then under no obligation to enforce the trademark license agreement.

The court found that after the defendant auctioned its shares in Sanlian Trading, thus losing its position as the majority shareholder of the plaintiff, the basis to enforce the trademark license agreement no longer existed. The court rejected the plaintiff’s claim, stating that there was no factual support or legal basis for the plaintiff to request free assignment of the mark.

Hailing Zhang

II.E. Examination and Opposition

Fujian Hengan Group, the owner of a well-known mark, HEART ECO (in Chinese characters) for paper products, opposed the trademark application for LOVE ECO (in Chinese characters) in the same class for the same goods filed by another party, Shandong Liaochen Blue Sky Detergent Factory (Shandong Liaochen). (HEART ECO Opposed LOVE ECO, China Intell. Prop.
The case lasted for nearly ten years. In December 2002, Shandong Liaochen filed an application to register LOVE ECO (in Chinese characters) & Design for paper products in International Class 16. The application had been preliminarily approved for publication when Fujian Hengan Group opposed, arguing that both the mark and the goods designated were similar to its mark HEART ECO (in Chinese characters) and the goods it designated. If registered, the mark would likely cause confusion among customers.

The SAIC agreed with the arguments raised by the opponent and decided the opposition in favor of Fujian Hengan Group. Later, the TRAB also upheld the SAIC’s decision when Shandong Liaochen appealed. Unsatisfied, Shandong Liaochen brought an administrative court action before the Beijing No. 1 Intermediate People’s Court.

In March 2011, the court found the two marks to be similar in pronunciation and indistinguishable in meaning. It stated that use of the two marks on the same or similar goods by different parties would cause the public to be confused about the sources of the goods bearing the trademarks. Therefore, the TRAB’s decision was upheld and the registration of LOVE ECO in Chinese characters was rejected.

As reported, Shandong Liaochen filed a further appeal before the Beijing High People’s Court. The legal battle of ten years is not over yet.

Hailing Zhang

In a similar case, Guangxi Boke Pharmaceutical Ltd. (Boke Pharmaceutical) successfully appealed the SAIC’s decision to dismiss its opposition and prevented the registration of GUANGYU BOKE (in Chinese characters) in Class 5. (BOKE Defeated Similar Mark After a Six-year Fight, China Intellectual Property News, February 25, 2011, China Trademark Information Center, March 3, 2011.)

The opposed trademark application was filed by Henan Boke Biotech Company in May 2003. As soon as it was published, Boke Pharmaceutical filed an opposition based on its mark BOKE (in Chinese characters) (Registration No. 1074566, approved in August 1998). Boke Pharmaceutical argued that its mark BOKE (in Chinese characters) had become well-known after years of promotion and use. The opposed mark, with only two characters (GUANGYU added to BOKE), could not distinguish the two marks but would instead cause customer confusion and infringe Boke Pharmaceutical’s trademark rights. The opposition was not
supported by the SAIC. Boke Pharmaceutical then appealed to the TRAB.

The TRAB found that GUANGYU BOKE incorporated the whole mark BOKE and was not very different from the mark BOKE. As BOKE, after years of use, had acquired certain reputation, use of the opposed mark on similar goods would likely cause confusion. The two marks constituted similar marks on similar goods. Therefore, the TRAB rejected the registration of GUANGYU BOKE in Chinese characters.

Henan Boke Biotech Company stated afterwards that it had changed its trade name and would stop using the mark GUANGYU BOKE. Therefore, after over 6 years this case has finally come to an end to the satisfaction of the trademark owner.

In the next two cases, the trademark applicants had the final laugh.


Starbucks lost in the opposition proceedings before the SAIC and appealed to the TRAB, which found the two marks distinguishable in pronunciation, concept and overall impression. Because they were not similar marks used on similar services, the TRAB dismissed the appeal by Starbucks. According to reports, Starbucks did not appeal the case further.

On March 1, 2011, the applicant company advised the press that after years of legal battles against the leading American beverage company, it has grown from a business with little knowledge of trademarks to a company with deep understanding of trademark protection. The company has since registered its SHENBALI mark in several classes.

In VOLVO v. LOVOL, Volvo Trademark Holding Co. (Volvo Holding) lost its request to prevent the registration of LOVOL for cars, trucks, and land vehicles in International Class 12. (*VOLVO Hit by LOVOL, Volvo Trademark Holding Co. Lost in Opposition,*
In 1972 and 1997, Volvo Holding registered VOLVO in International Class 12 in China for tractors, vehicles, trucks, and trailers, and cars, buses, trucks and tractors, respectively. In 2008, when Volvo Holding discovered the application for LOVOL in the same class for similar goods, it filed an opposition, arguing that LOVOL was similar to VOLVO and that the goods designated were identical or similar.

However, the SAIC found the two marks distinguishable, as the first and last letters of the two 5-letter marks were different. The two marks were quite different phonetically and visually as well. Moreover, the mark LOVOL was established in December of 2003 and had also been extensively used and advertised since the applicant acquired it from the mark’s original creator and owner in November of 2006. The mark had thus acquired a certain reputation and public awareness.

The SAIC thus did not view LOVOL and VOLVO as similar marks on similar goods; therefore, the opposition and the appeal thereafter were dismissed. The Chinese applicant company was allowed to obtain and enjoy registration of LOVOL for cars and other vehicles in International Class 12.

This case shows that if two marks are distinguishable, then registration of the later mark is possible, even though the prior mark is well known in the industry.

Hailing Zhang

III.A. Infringement and Other Forms of Unfair Competition

On October 18, 2010, Beijing Haidian District People’s Court (Haidian Court) held a pretrial mediation conference between the two parties to a trademark infringement suit—the plaintiff, Shandong Red Sun Liquor Ltd (hereinafter Red Sun Ltd), and the defendants, Sichuan Wuliangye Co. and Beijing Zhongzhan Liuhe Liquor Trading Co. (Trademark Dispute over Alleged Infringement of RED SUN Settled, China Intell. Prop. News, Oct. 22, 2010, China Trade Information Center, Oct. 28, 2010.) The parties later settled the case.

Red Sun Ltd. was established in 2003 and has been in the business of the manufacture and sale of liquor bearing RED SUN series marks. In August 2007, Red Sun Ltd acquired a series of RED SUN marks from another Shandong liquor company, thus unifying its company culture, business philosophy, trade name, and trademarks under the classic concept of RED SUN.

In September 2010, Red Sun Ltd. sued the two defendants in Haidian Court for trademark infringement, alleging that the
defendants’ manufacture and sale of goods identical or similar to its liquor products bearing the RED SUN mark constituted unfair competition and trademark infringement. The plaintiff requested an injunction to cease the defendants’ manufacture and sale of liquor bearing trademarks such as WULIANGYE RED SUN and to halt their use of the trade name RED SUN. It also requested damages of RMB 500,000 yuan and attorneys’ fees.

Before the case went to trial, both parties engaged in negotiation and eventually settled the case.

In this case, one of the defendants, Sichuan Wuliangye, owned the famous mark WULIANGYE for its liquor products. However, even so, it could not, without authorization, use a lesser known mark (RED SUN) owned by another party in a new combination mark, though the dominant part of the mark was its well-known WULIANGYE mark. The case shows that trademarks, no matter how big or small, are protected now under the Chinese Trademark Law.

Hailing Zhang

In a similar court action, Adidas International Company (Adidas Co.) successfully prevented Jinggu Trading Ltd. (Jinggu Ltd.) and Dongguan Jinggu Composite Materials Ltd. (Dongguan Jinggu) from infringing its Y-3 mark. (Y-3 and Y3 Met in Court-Adidas Prevailed in Court of First Instance and Awarded RMB 200,000 yuan, China Intell. Prop. News, Jan. 7, 2011, China Trademark Information Center, Jan. 11, 2011.)

In December 2002, Adidas obtained recognition of its International Registration for Y-3 in Class 18 for leather goods, suitcases, etc. in China. It started selling its Y-3 series sports goods in China since August 2003 in its speciality stores.

In April 2009, Adidas Co. discovered traveling bags bearing the mark Y3 in the Beijing Wangfujing area. The mark Y3 was almost identical to its registered Y-3 mark except for a hyphen. Further investigation revealed that the infringing products were sold worldwide by Jinggu Co. and were manufactured and sold in China by Dongguan Jinggu. On the websites of the defendants, Y3 was prominently displayed. Adidas Co. claimed that the Y3 mark was identical in pronunciation to its Y-3 mark and looked quite similar and that the average customer would hardly be able to distinguish the two marks. The company alleged that the two defendants intentionally confused the marks so as to infringe its Y-3 mark.

The defendants argued that according to the international classification, the allegedly infringing goods were not identical or similar to the goods designated for the plaintiff’s Y-3 mark, as the designated goods for the plaintiff’s Y-3 mark (i.e., trunks and travelling bags) were made of leather or imitation leather, while
the Y3 mark was registered in Class 28 mainly for bags for bats for sports.

The court found that the products at issue were actually multi-functional bags and trunks, like all other goods classified in Class 18. Therefore, both the Y3 and Y-3 goods were similar in function, use, sales channels, and end users. The public would be confused if Y3 and Y-3 coexisted on bags not for balls and bats. It held that the defendants infringed the plaintiff’s Y-3 mark.

The Intermediate People’s Court of Dongguan, Guangdong, ordered the two defendants to stop manufacture and sale of products infringing the Y-3 mark, to delete the relevant infringing website, and to pay the plaintiff RMB 200,200 yuan as damages.

Hailing Zhang

In another case, Hangzhou Bina Trading Co., the registrant of the trademark NATURE and Chinese characters for “nature” & Design for wallpaper, sued Reine Decoration Materials Ltd. for trademark infringement. Hangzhou Bina Trading Co. received a favorable decision from Hangzhou West Lake District People’s Court. The court found infringement by the defendant and ordered the defendant to stop using NATURE in Chinese characters as a trademark in its business activities and pay damages of RMB 10,000 yuan. (Hangzhou Company Prevails over Dispute of Trademark NATURE in Chinese Characters for Wall Papers, China Intell. Prop. News, July 1, 2011, page 6.)

The dispute involved whether the trademark REINE, with Chinese characters for “nature” and REINE WALL PAPER for wallpaper was confusingly similar to the plaintiff’s NATURE & Chinese characters for “nature” and whether use of the defendant’s mark would cause confusion among relevant public about origin and source of the designated goods.

The court found both marks to be combination marks with identical Chinese characters for “nature.” As the dominant part of the marks, the Chinese characters would easily cause confusion among relevant customers. The defendant argued that the company was the first to use the mark REINE and the Chinese characters for “nature” and REINE WALL PAPER, while the plaintiff had not commenced actual use of its NATURE combination mark. Therefore, there was no established connection between the plaintiff and its mark, hence no possible customer confusion due to use of the two marks. The defendant also claimed that it had filed a cancellation action against the plaintiff’s mark based on non-use for three consecutive years. The defendant petitioned the court to stay the infringement proceedings, pending the outcome of the non-use cancellation action it filed.

In China, as in any other country, a trademark, once registered, enjoys exclusive rights and is protected by the law,
unless it is cancelled. Evidence submitted by the plaintiff was sufficient to prove it had commenced actual use of the mark in the local marketplace. Therefore, the court found the defendant to be infringing the plaintiff's trademark rights.

On June 22, the defendant stated that it was not satisfied with the court's ruling and would appeal. The plaintiff, on the other hand, was pleased with the result, stating that the favorable decision would facilitate enforcement of its trademark rights.

Hailing Zhang

III.A.1. Dilution

Yibing Wuliangye Ltd., the owner of the famous trademark WULIANGYE (in Chinese characters) for liquor, sued Beijing Yingwubao Liquor Co. (Beijing Yingwubao), a manufacturer of liquor and applicant for registration of the mark QILIANGYE in Chinese characters, before the Beijing No. 2 Intermediate People's Court. (WULIANGYE Fights Dilution, QILIANGYE Was Sued, China Intellectual Property News, Apr. 29, 2011, China Trademark Information Center, May 19, 2011.)

The plaintiff alleged that the defendant willfully rode on the high reputation of its WULIANGYE mark. WULIANGYE means “liquor made of five grains,” while QILIANGYE literally means “liquor made of seven grains.” By playing with words, the plaintiff argued, the defendant attempted to mislead consumers as to a connection between the two products, while in fact there was none.

The plaintiff submitted 36 pieces of evidence and requested an injunction and damages in the amount of RMB 500,000 yuan. The plaintiff claimed that WULIANGYE was a famous mark, that QILIANGYE was confusingly similar to WULIANGYE, and that the defendant knowingly and willfully infringed the WULIANGYE mark. Beijing Yingwubao's trademark application for QILIANGYE was rejected.

After rejection of its mark, the defendant still manufactured and sold QILIANGYE liquor products and falsely advertised that QILIANGYE was the predecessor of WULIANGYE.

According to the plaintiff, the WULIANGYE mark was recognized as a well-known mark in China in 1991 and its value was estimated at RMB 52.6 billion yuan, as the most valuable Chinese liquor brand. On November 18, 2005, a Mr. Gao filed an application to register MIDLAND QILIANGYE (in Chinese characters); the mark was rejected by the SAIC and the TRAB, as the dominant part of the term QILIANGYE had only one word difference from the registered trademark WULIANGYE. As WULIANGYE enjoyed a high reputation for liquor products, MIDLAND QILIANGYE, when used on the same goods, would
likely mislead consumers to expect that the two originated from the same source.

The defendant argued that the company used MIDLAND QILIANGYE, because the liquor products were in fact made of seven grains. Moreover, the term enjoyed a certain reputation in the marketplace. The defendant also emphasized that MIDLAND QILIANGYE was used as a product name and not as a trademark. Experts in the field commented that as a well-known and highly respected mark, WULIANGYE was unquestionably a distinctive mark. If the defendant was permitted to use a similar term as a generic term, it would inevitably conflict with the well-known mark. The plaintiff’s lawsuit was an action against dilution of its WULIANGYE mark.

Hailing Zhang

In a similar case, Beida Fangzheng Group Ltd. (Beida Fangzheng), based on its trademark registration for FANGZHEN YIHE (in Chinese characters), sued Beijing Fangzheng Yihe Science and Technology Ltd. (Fangzheng Yihe), requesting it to change its trade name and pay damages. (Beijing Fangzheng Yihe Co. Ordered to Change Its Trade Name Which Infringes Other's Trademark Rights, China Intell. Prop. News, Sept. 8, 2010, China Trademark Information Center, Oct. 14, 2010.) The Beijing Haidian District People’s Court ruled for the plaintiff, ordering the defendant to change its trade name, stop using the trademark FANGZHEN YIHE (in Chinese characters), and pay RMB 40,000 yuan as damages. Unsatisfied, Fangzheng Yihe appealed to the Beijing No. 1 Intermediate People’s Court, and the case was dismissed.

The plaintiff’s mark FANGZHEN (in Chinese characters) was popular for use on computers and font libraries. The defendant, Fangzheng Yihe, established in 1999, was in the field to develop and sell wireless data communication products including hardware and software for electronic palm devices.

The plaintiff, Beida Fangzheng, started to use FANGZHEN YIHE (in Chinese characters) in 1997 and registered the mark for computer products in 1998. In 1999, Fangzheng Yihe began using FANGZHEN YIHE (in Chinese characters) as its trade name and a trademark on products such as GPS devices and wireless cards.

The appearance of products in the same class bearing the same mark greatly compromised the plaintiff’s business. Moreover, unauthorized use of the mark by the defendant put the plaintiff at risk of being held responsible for the quality of products the company did not manufacture or offer for sale. The plaintiff sued the defendant after a settlement negotiation broke down.

The defendant argued that its trade name, FANGZHEN YIHE, was legally registered. Its use of FANGZHEN YIHE (in
Chinese characters) on its GPS and wireless card products was fair use. The defendant also contended that through extensive and long-term use, the trade name became well established. It did not and need not ride on the goodwill of the plaintiff’s mark.

The appeal court found that the defendant’s use of the mark as its trade name constituted infringement of the mark. The marks were the same, and the products were similar as to function, usage, sales channels, and end consumers. Although the defendant did not use FANGZHENG YIHE (in Chinese characters) as a trademark, it was used prominently on communication equipment, thus inevitably causing confusion among the relevant public.

Hailing Zhang

III.A.4. Unfair, Unauthorized, or Improper Use


Mr. Zhang created its SHENG’S DELICACIES mark after his first name and opened his dumpling store, SHENG’S DELICACIES, on Wujiang Road in Shanghai in September 2006. The next year, he applied for registration of the mark and discovered that it was already registered by Noodle Co. Thereafter, he received a cease and desist letter from Mia Co., stating that any unauthorized use of SHENG’S DELICACIES for dumpling restaurants would infringe its trademark rights. Mr. Zhang sued Noodle Co., requesting an injunction and damages of RMB 1 million yuan.

On November 22, 2006, Noodle Co. filed a trademark application for SHENG & SHENG’S DELICACIES for restaurant services and, in 2008, it assigned to Mia Co. its SHENG & SHENG’S DELICACIES trademark and all of its dumpling restaurants. Along with massive advertising of the SHENG & SHENG’S DELICACIES, Mia Co. sent cease and desist letters to Mr. Zhang’s SHENG’S DELICACIES dumpling restaurants.

The defendants, Noodle Co. and Mia Co., argued that Mr. Zhang was not the creator or actual user of the SHENG’S DELICACIES mark and therefore was not the proper plaintiff. Moreover, there was insufficient evidence to prove that SHENG’S DELICACIES was famous.

The court found otherwise and ruled that Mr. Zhang had been using the SHENG’S DELICACIES mark on dumpling restaurants since September 2006, while the defendants failed to prove they used the mark prior to Mr. Zhang’s use. Mr. Zhang’s first store had grown into a seven-restaurant chain, and his mark SHENG’S
DELICACIES had acquired a certain reputation. The defendants used the mark SHENG & SHENG’S DELICACIES, which was identical in words to the plaintiff’s mark. The goods covered by the two marks were the same, and to an average consumer, the two marks would look similar. In fact, the pictures on the defendants’ website of a local TV station visiting a dumpling restaurant actually showed the plaintiff's, not the defendant's, restaurant. Such false advertising by the defendants, in addition to their claiming rights to a trademark they did not own as well as their sending warning letters to the real owner of the mark to harass him, constituted unfair competition. The court ordered the defendants to stop the unfair acts, pay damages of RMB 100,000 yuan, and publish a public apology in local newspapers.

Hailing Zhang

COLOMBIA

I.C.2. Acquired Distinctiveness

On November 3, 2010, the Superintendency of Industry and Commerce issued Resolution Nos. 61084 and 61085, granting registration to the Adidas “three-stripe” design marks (illustrated below).

Applied-for Mark

Previous applications were refused on the ground that the design was not inherently distinctive. Thus, the present applications were based on Article 135 of Andean Community Decision 486, which states that “a sign may be registered as a trademark where its continued use in a Member Country . . . has endowed it with distinctiveness . . . .” To prove secondary meaning, Adidas submitted evidence of long and extensive use and results from two consumer surveys (one for each version of the mark) conducted in three Colombian cities. The results were as shown in the following table.
In short, over 80 percent of the respondents in each survey identified the image as an Adidas product, and of these, over 99 percent based their identification on the “three-stripe” design. Thus, the Director of Distinctive Signs concluded that “the sign under consideration, despite its simplicity, has acquired distinctiveness in the market,” and ordered that the registrations be granted.

*Luz Helena Adarve*

**I.D.1. Similarity of Marks**

Alpine Food Products Inc., a U.S. corporation, requested the annulment of the decision that granted the registration of the mark CRAZY PLANET CRAZY ROCKS (illustrated below) because it claimed that the Superintendency of Industry and Commerce of Colombia did not realize that the mark was confusingly similar to its own previously registered word mark CRAZZY to distinguish the same goods in Class 30 (confectionery).
The Superintendency of Industry and Commerce had noted that the applied-for trademark had four words (CRAZY PLANET CRAZY ROCKS) and a striking illustration, while the complainant’s mark consisted only of one word. On the other hand, the Andean Court of Justice, when asked about trademarks composed of one or more words in foreign languages, explained that if the words’ significance was not part of common knowledge, they should be regarded as fantasy trademarks (Andean Community, preliminary interpretation 100-IP-2008).

The State Council endorsed the registration of the trademark CRAZY PLANET CRAZY ROCKS and therefore considered that it was not confusingly similar to the mark CRAZZY. Moreover, the expression “crazy” was commonly used in the Colombian market and could be registered provided it was equipped with other elements that gave it enough distinctive force, such as with the expressions PLANET and ROCKS and the illustration. (CRAZZY v. CRAZY PLANET CRAZY ROCKS, Case No. 2002-00095-01 (Council of State of Colombia, July 8, 2010).)

This case is significant because it is one of the few times that the authorities have registered a composition of words in a foreign language and have checked if Spanish-speaking people understand its meaning.

Jorge Chávarro  
Natalia Tobón

The Superintendency refused Hector Cáceres Mora’s request to register the trademark STICKER (illustrated below) to cover products included in Class 18 (leather and imitation leather, goods made of these materials not included in other classes) for being identical to the word mark STICKER, previously recorded to cover products in Class 25.

Denied Mark

The Superintendency of Industry and Commerce refused to register the trademark STICKER in Class 18 because of its similarity with the word mark STICKER registered in Class 25 because it found that both marks were identifying products with a
competitive connection that could mislead consumers. Hector Cáceres Mora appealed.

The Council of State ruled against Mr. Mora because it held that the trademarks could not coexist because of their visual and spelling similarities. In addition, the Council of State considered that there was some commercial connectedness between the two marks, as the mark applied for was intended to distinguish goods of leather and imitation leather included in Class 18 and the previously registered mark was used to identify services rendered by warehouses, shops, boutiques, bazaars, supermarkets, and commercial establishments that could be used for the marketing of goods in Class 18. The Council of State ruled that it would not take much discernment to see that products covered by the mark applied for might be sold on the basis of the opposing, previously registered trademark. (*STICKER* vs. *STICKER*, Case No. 2003-00179-01 (Council of State of Colombia, Oct. 14, 2010).)

The Council of State held that there was a connection between products covered by the mark in Class 18 and Class 25; thus, it determined that there was a likelihood of confusion between the two trademarks even though they were registered in different classes.

*Jorge Chávarro*
*Natalia Tobón*

Technoquímicas, holder of the trademark NOPIÓN (illustrated below, right) (covering pharmaceutical products in Class 5), sought the annulment of the administrative acts that declared unfounded the opposition to the registration of the mixed trademark CHENIPIÓN (illustrated below, left), for which Mr. Ferzan Guerrero sought registration for products of the same class.

![NOPIÓN](image1.png)

**NOPIÓN**

**Defendant’s Mark**

**Plaintiff’s Mark**

The applicant, Technoquímicas, sought to deny the registration of the mark CHENIPIÓN on the ground that it could lead to confusion with its previously registered mark NOPIÓN.

Technoquímicas filed for annulment of the administrative acts by which it declared unfounded the objection lodged by him as owner of the trademark NOPIÓN. Mr. Ferzan Guerrero was granted mixed trademark registration of CHENIPIÓN for goods in Class 5.
The State Council allowed the existence of the two brands because it considered both trademarks to be different from the conceptual meaning of the words used in the marks because the words did not have specific meanings in Spanish. In fact, they were fantasy marks, fruit of the imagination of their creators and, therefore, not evocative of a particular idea or any particular product. *(NOPIÓN* vs. *CHENIPIÓN* (Council of State of Colombia, Rad. 11001-03-24-000-2004-00102-01, Jan. 27, 2011).)

In the plaintiff’s favor was the fact that the two marks identified the same product (anti-lice shampoo) and that both were distributed by the same marketing channels. The State Council warned, however, that the differences between the two marks were sufficient for the average consumer to easily identify the marks. The State Council also warned that while comparison between trademarks covering pharmaceutical products was more sensitive because of pharmaceuticals’ possible effect on human health; in this case consumers would be dealing with shampoos that did not involve any danger to life or health.

*Jorge Chávarro*

*Natalia Tobón*

The company Puma AG Rudolf Dassler Sport sought to register the mark PUMA (illustrated below, right) to cover products in Class 3 (among which include cleaning products, essential oils, and cosmetics) and requested the annulment of the decision of the Superintendency of Industry and Commerce of Colombia that denied the registration of the trademark based on an opposition filed by Inversiones del Pilar Ltda, owner of the registered trademark PUMA (illustrated below, left) also covering products in Class 5 (among which are pharmaceutical and veterinary products).

The Council of State had to determine whether there could be confusion between the two marks and whether there was a competitive connection between them. The Council consulted the Court of Justice of the Andean Community, and the Court, through pre-judicial interpretation, explained that in general there is a competitive connection between two brands when any of the following requirements is met: inclusion of the products in the
same class, the same marketing channels, or the same advertising media; an identical or similar relationship or link between the goods; the goods being in the same genre or having the same purpose; or the possibility of the two products being exchangeable. Likewise, the Court explained that the average or ordinary consumer must be taken into account in establishing the possible risk of confusion. (Process 14-IP-2010.)

The Council of State nullified the decision of the Superintendency of Industry and Commerce (which had refused to register the mixed mark PUMA in Class 3) because despite the word element of the marks’ being identical there was no competitive connection between the products that could be identified and therefore there was no risk of confusion between the two marks. Besides, the State Council observed that perfumery was usually offered separately from pharmaceuticals. (PUMA (nominative) vs. PUMA (text and graphic), Case No. 2004-00380-01 (Council of State of Colombia, Mar. 17, 2011).)

This case is significant because case law has not been uniform in determining when a competitive connection appears between two products registered in two different classes. Sometimes authorities find a link between the goods in Classes 3 and 5, and other times they rule that there is not. In this case, the authority held that there was no link.

Colombina SA requested the annulment of the decisions of the Superintendency of Industry and Commerce that authorized the registration of the mark BIN BUN for goods in Class 30 on the grounds that the mark was not confusingly similar to trademarks BON BON BUM, BUM, and MINI BOMBABUM previously recorded in the same class.

Initially, the Superintendency of Industry and Commerce had said that there was no possibility of confusion between the two trademarks. The State Council consulted the Andean Court of Justice, which, in the pre-judicial interpretation, explained the rules to determine if there was a conflict between the two trademarks and warned that if a party claims that its mark is well known that situation must be proved. (Process 4-IP-2010.)

The Council of State ordered the cancellation of the registration of the trademark BIN BUN because it was confusingly similar to the trademarks BON BON BUM, BUM, and MINI BOMBABUM. (BON BON BUM, BUM and MINI BOMBABUM v. BIN BUN, Case No. 2002-00050-01 (Council of State of Colombia, Mar. 31, 2011).)

The confusion was worse for the family of brands BON BON BUM, BUM, and MINI BOMBABUM because they were registered
in several jurisdictions and the products were exported to several countries. An average consumer in an international market, knowing that the two products were of Colombian origin, could easily be confused about the commercial origin of the products.

Finally, the Council of State considered that it was an inaccuracy of the Superintendency when it considered BON BON to be a descriptive term in Spanish for goods in Class 30, because this expression was not part of that language. In Spanish the word Bombon (and not Bon Bon) was the one used to distinguish one product of Class 30, specifically the chocolates filled with sweets.

The case is significant because the Council of State of Colombia addressed the issue of a “family of trademarks,” which is understood as a set of different brands that have a common element from which the public can make associations between individual brands. In the case of families of trademarks, an average consumer would assume that the marks had the same commercial origin and had as their main focus a key distinctive element that would serve as their link.

Jorge Chávarro
Natalia Tobón

I.F. Famous and Well-Known Marks

National Football League Properties, Inc., demanded the annulment of the resolution of the Superintendency of Industry and Commerce, which had granted trademark registration of the mark STEELERS to HILACOL S.A. to distinguish products in Class 25.

The plaintiff considered that its trademark PITTSBURGH STEELERS (illustrated below, left), registered in Class 25, was a famous and well-known trademark and, therefore, should prevent the registration of the mixed mark STEELERS (illustrated below, right) in Class 25.

Plaintiff’s Mark

Contested Mark
The Andean Community issued a judicial interpretation (No. 130-IP-2009, dated Mar, 10, 2010), where it explained the rules and criteria established by the Community case law about well-known trademarks:

- A well-known trademark is one that has acquired this quality because it is widespread among a community of individuals and has achieved recognition.

- Being a well-known trademark must be proved by the person who claims the circumstances that give it that status. The mere registration of the mark in one or more countries does not give the category of well-known mark. It is necessary to meet some standards as the extension of the consuming public, the intensity and scope of the dissemination, the advertising, the age of the brand, its constant use, and analysis of production and marketing of products by the mark.

- Trademarks that are easily confused with a well-known mark may not be registered without considering the effect of the kind of products or services for which such registration has been requested.

The Council of State rejected the recognition of the status of a well-known trademark for the National Football League because it considered that the plaintiff failed to prove the reputation of its mark for several reasons:

- Listings for all industrial property records obtained by the opposing trademark and copies of registration certificates were merely an indication but not conclusive evidence to establish the reputation of the brand.

- The list of products that appeared on the website of the Pittsburgh Steelers team and in copies of some publications worldwide contained both information and materials of the aforementioned brand; however, in most cases this material did not specify the dates on which such documents were prepared, and therefore, could not be valued as evidence.

In summary, the State Council considered that the evidence did not prove suitable to sufficiently fulfill the requirements of a well-known mark (such as the extent of brand awareness on the part of the consuming public, the age of the mark and its constancy of use, the intensity and scope of dissemination, the analysis of production and marketing of the products identified by the mark, and so on. (National Football League Properties, Inc. v. Superintendency of Industry and Commerce (Council of State of Colombia, Rad. 11001-03-24-000-2003-00315-01, Feb. 10, 2011).

This case is significant because it demonstrates once again, as a result of strict requirements that must be tested, that the
character of a well-known trademark in the Andean Community is not something that may be taken lightly.  

Jorge Chávarro  
Natalia Tobón

II.C.1.b. Personal Names

The comparison was between two nominative trademarks: DONALD'S and MCDONALD'S. The applicant, Juan Leslie Donald Toro, argued that he was entitled to register DONALD'S as a trademark because the mark was essentially his last name. The owner of the trademark MCDONALD’S opposed the registration, claiming that it might cause confusion among the public, especially because both marks covered goods and services in Class 29.

The multinational McDONALD’S opposed the registration of the mark DONALD’S on the ground that there was likelihood of confusion as a result of similarity of marks. The applicant argued that in the past both parties had gone before a civil judge, who ruled that there was no likelihood of confusion (Tribunal Superior de Bogotá, 2001).

In reviewing the case, the Council of State of Colombia stated that though the civil judge had ruled that there was no confusion, that ruling had been a legal process based on the confrontation between trade emblems, not between the trademarks themselves. The State Council explained that the trade emblems were governed by different rules than those governing trademarks.

The Council of State denied the registration of the trademark DONALD’S even though the applicant had “Donald” in his name. The authority considered that consumers could be confused, taking into account that the two brands had important similarities in phonetic spelling—the only difference between them was the element “Mc”: DONALD’S/MCDONALD’S. (DONALD’S v. MCDONALD’S, Case No. 2003-00465-__ (Council of State of Colombia, Aug. 12, 2010).)

The case is important because it separates cases of conflict between trade emblems and trademarks.

Jorge Chávarro  
Natalia Tobón

II.C.1.b. Personal Names

The Superintendency of Industry and Commerce of Colombia denied the registration of the composite mark L.A. CANO (illustrated below, left) because it considered the previously registered marks LA CANO and GALERIA CANO (illustrated below, right) to be visually and phonetically confusingly similar and also covering the same products: original reproductions of pre-
Columbian art in precious metals and their alloys, jewelry and trinkets, and precious and semiprecious stones.

Columbian art in precious metals and their alloys, jewelry and trinkets, and precious and semiprecious stones.

L. A. CANO

GALERIA CANO

Denied Mark Prior-Registered Marks

Luis Alberto Cano requested the annulment of the decision of the Superintendency of Industry and Commerce of Colombia that denied the registration as a mixed trademark of the expression L.A. CANO to identify goods in Class 14. (Annulment of Resolutions 321782001 (Sept. 28), 122382003 (Apr. 30), and 26769 2003 (Sept. 25).)

The State Council, before passing sentence, applied for judicial interpretation to the Andean Court of Justice (Concept 41-IP-2007), which made clear that proper names usually cannot be exclusively appropriated as trademarks, so the denial of a mark formed with a proper name cannot be based on the mere fact of its similarity to a prior mark.

This case involved a family business whose members were separated by differences in management. In 1970, Guillermo Cano Mejia y María Doris Barón founded Galería Cano as a family business engaging in the reproduction of pre-Columbian art pieces in semiprecious materials. His sons, Guillermo and Juan Manuel Cano Baron, at an early age, studied the business of jewelry design and archeology abroad to be prepared to continue the business. When they returned to Colombia they had differences over the administration of the business, and so in 1987 Luis Alberto Cano (L.A. Cano) decided to create his own company. When he applied to the Superintendency of Industry and Commerce to register L.A. CANO, the Superintendency denied registration because of the mark’s similarity to the mark of the family business.

However, the State Council decided differently and awarded the plaintiff his trademark registration because it considered that when analyzing a brand bearing the name of the owner the authorities must take into account the following factors: (i) nobody has the exclusive right to a trademark based on a family name, (ii) the term “CANO,” shared by the conflicting marks, had the same origin, which was none other than those who shared the surname of his blood relationship (father–child), (iii) nobody can prevent an individual to use his or her name in the exercise of his or her profession or trade, and it was sufficiently established that the
plaintiff’s mark was the result of the combination of the initial letters of his name with his surname LUIS ALBERTO CANO, and (iv) a consumer of a product bearing this mark would distinguish the plaintiff’s trademark from others because it was a mixed mark, with the words accompanied by graphics consisting of two interlocking circles with the pre-Columbian figures of monkeys. *(LA CANO and GALERÍA CANO vs. L.A. CANO (Council of State of Colombia, Rad. 11001-03-24-000-2004-00041-01, May 12, 2011)).*

The State Council made it clear that no one can prevent others from using an individual’s name or surname as a trademark, provided that the individual uses elements (such as graphics, in this case) that distinguish it from the original company.

*Jorge Chávarro*  
*Natalia Tobón*

**II.C.7. Copyright**

The Superintendency of Industry and Commerce granted the registration of an illustration of a lion as a trademark (illustrated below, left) to identify products in Class 25, covering clothing, boots, shoes, and general goods (Order 39393 of July 31, 2009). The author of a picture on a shirt and protected by copyright in Spain (illustrated below, right) opposed the registration of the mark because it consisted of a similar illustration to identify goods covered in Class 25.

Contested Mark  
Protected Copyright Design

The Superintendency of Industry and Commerce revoked the resolution by which it granted the registration of the contested trademark by finding that the mark was, indeed, very similar to a work protected by copyright in Spain. The contested mark was a representation of a smiling face whose contour resembled the mane of a lion, while the copyrighted design object was an illustration on a shirt that consisted of a smiling face surrounded
by a lion’s mane. Both had in common the kind of smiling face, the shape, and the head position. Although the Superintendency referred to the contested mark as a distinctive mark that was different from an original artwork, Decision 486, Article 136(f), provides that these similarities result in the later mark’s being unregistrable. (Sociedad It is not the same, GmbH v. Fredy Acevedo Villa, Case No. 020-99-732, Resolution No. 58377 (Superintendency of Industry and Commerce, Oct. 26, 2010).)

This is a typical case of a mark’s being unregistrable because of a conflict with a prior copyright.

Jorge Chávarro
Natalia Tobón

II.D.4. Violating Public Order

Natural Freshly Laboratory Ltd. applied for a declaration of invalidity of the decision of INVIMA (Institute for Food and Drug Administration of Colombia) that denied its mark’s (registered in Class 5) addition to the sanitary register.

INVIMA had refused to add the trademark NOVADIETTE to a product consisting of a mixture of cardamom, tea, and lettuce, stating that the health standards for food and raw materials for human consumption prohibit food labels from insinuating medicinal, preventive, or curative properties, as the labels might give false expectations as to the nature, origin, and quality of the food.

The Council of State denied the claims of the lawsuit and ruled in favor of INVIMA, explaining that the right to a trademark does not give entitlement to a medical claim because they are two different entities: while permission from INVIMA is mandatory before a manufacturer can add labels that claim health benefits onto food and medicines (in order to prevent risks that may affect the health of consumers), a trademark is an intangible asset of private and commercial nature that is not mandatory. In this regard, adding the trademark NOVADIETTE to a food product could confuse consumers into thinking that the product was a new medical product for diets. (The NOVADIETTE case, Case No. 2007-00148-00 (Council of State of Colombia, Sept. 30, 2010).)

The case is uncommon, as in Colombia these conflicts do not frequently occur.

Jorge Chávarro
Natalia Tobón

II.E. Examination and Opposition

This case decided the issue of whether or not the mark PETROLIZADO & GRAPHICS, consisting of the image of an oil
tower inserted into the vowel “O” (illustrated below, bottom), to cover goods in Class 3, was confusingly similar to the trademark BODY GEAR PETROLERO & GRAPHICS (illustrated below, top), consisting of three words and a drawing of four oil rigs, to distinguish goods in Class 25.

In the first instance, the Superintendency refused registration by Manuel Ferney Marin Flórez of the trademark PETROLIZADO to distinguish goods of Class 3, because it considered that it was confusingly similar to the trademark BODY GEAR PETROLERO, previously registered in Class 25.

Prior-registered Mark

\[ \text{BODY GEAR} \]
\[ \text{PETROLERO} \]

Opposed Mark

\[ \text{PETROLIZADO} \]

The Tribunal of Justice of the Andean Community issued a preliminary interpretation (107-IP-2009) giving general guidelines to determine whether there was likelihood of confusion between the two trademarks.

The Court found that the trademark PETROLIZADO was registrable because it did not have very significant similarities with the trademark BODY GEAR PETROLERO. \((\text{PETROLIZADO v. BODY GEAR PETROLERO}, \text{Case No. 2001-00317-01 (Council of State of Colombia, Nov. 29, 2010)})\). Indeed, while the applied-for mark consisted of a single word (PETROLIZADO) and the mark of the opposer was composed of three words (GEAR BODY PETROLERO), both of them would evoke in the consumer’s mind the idea of petróleo (in English, “oil”). The differences were strong enough, however, to avoid misleading the consumer about the products identified with one or another brand, or in connection with its commercial origin.

To complement the above, the Council of State warned that granting the registration of a mark consisting of a compound expression such as BODY GEAR PETROLERO does not mean that
its owner “has a right of exclusive use on the expressions BODY, GEAR, PETROLERO, considered individually or on the oil rigs that are seen in the graphic.” Therefore, the composite mark BODY GEAR PETROLERO must support the registration of other trademarks formed with the same expressions, provided, of course, that the combination is not similar.

This ruling makes it clear that the holder of a mark consisting of several words is not the owner of each of them separately.

_III.A. Infringement and Other Forms of Unfair Competition_

This case examined whether an authorized distributor of a product that is identified with a trademark can register the same trademark in Colombia, in his name, to identify products of the same type and whether this would be unfair competition.

Initially, the Superintendency of Industry and Commerce granted the registration of the trademark ACTIVA (illustrated below) in Class 14 (covering watches and other goods) to a Colombian distributor, Importaciones Aristgom S.A. (Aristgom) (Order 24475 of 2001).

![Contested Mark](image)

Invicta Watch Company of America Inc. brought an infringement action against Aristgom. The Superintendency of Industry and Commerce determined that Aristgom had engaged in acts of unfair competition when trying to register the trademark in its own name while being its authorized dealer in Colombia. The Superintendent found that Aristgom had acted in bad faith when it sent letters, after registering the trademark in its name, to other watch distributors in Colombia that ordered them to stop selling their “Active” brand watches. Ultimately, the Superintendent held that there were other ways—ways that would be consistent with good faith in business—to obtain recognition as the exclusive distributor of a product in Colombia. (Invicta Watch Company of America Inc. v. Importaciones Aristgom, Case No. 020-99-732, Decision 002 (Superintendency of Industry and Commerce, Jan. 31, 2011).)
Recently there have been very few cases of unfair competition based on trademark registrations. In fact, we know of no similar cases in the past.

Jorge Chávarro
Natalia Tobón

COMMUNITY TRADE MARK

I.A.4. Quantity and Quality of Use

In July 2007, the British company UK Gold Services Limited (UK Gold) applied for the registration as a Community trade mark (CTM) of the word mark DAVE, for various goods and services in Classes 9, 16, 28, 35, 38, and 41. (CTM Application No. 6110225, filed July 18, 2007.)

The British company Dave Soho Limited opposed the applicant's mark on the basis of its nonregistered trademark DAVE, the trade name Dave, and its company name, used in the course of trade in the United Kingdom for numerous goods and services in Classes 9, 16, 35, 38, 41, and 42. (Opposition No. B1294448, filed Mar. 10, 2008.) Dave Soho claimed that its use of the mark and the name was of more than mere local significance and conferred on it the right to prohibit the use of a subsequent trademark under UK law. The opponent submitted evidentiary material in support of its case and argued that (1) the marks at issue were identical; (2) at the time of filing of the application, the applicant was aware of the existence and name of Dave Soho; and (3) the mark DAVE was highly distinctive for the covered goods and services.

UK Gold countered that Dave Soho's main activity was brand consultancy, which did not extend to all the opposed goods and services, and that Dave Soho had failed to prove damages and confusion or misrepresentation.

Dave Soho asserted that its mark had been in use since 2003 and that such use had been substantial before the filing of the opposed application. It also stressed that it enjoyed goodwill and a reputation in its mark and claimed that damage existed.

In examining the case, the Office for Harmonization in the Internal Market (OHIM) took into consideration the voluminous evidentiary material submitted by Dave Soho. This included (1) a witness statement; (2) a list of CTMs filed by competitors, showing that similar companies intended to protect their business names in a wide range of classes; (3) extracts from the BBC News website from 2004 confirming the planning and launch of the Advert Channel, showing the connection between a TV channel and an advertising agency; (4) evidence showing the connection between broadcasting and advertising and its own activities as co-producer.
of TV programs; (5) lists of international awards Dave Soho had won between 2005 and 2007; (6) various articles bearing the name DAVE; (7) evidence of its activities in the field of advertising; (8) invoices showing activities as creator of computer and online games, podcasts, and examples of films; and (9) various documents showing its work for major companies.

The OHIM Opposition Division was satisfied by the evidence provided by the opponent. The Office stressed that such evidence concerned activities before the date of filing of the opposed trademark application; that it showed a considerable amount of sales, despite the fact that most of the amounts on the proposals, purchase orders, and invoices were hidden; and that it showed an extensive use, necessarily covering the goods and services listed by Dave Soho. Thus, the Office concluded that the opponent’s mark had been used in the course of trade of more than local significance in the United Kingdom in connection with the goods and services concerned.

The Opposition Division continued by assessing the opponent's rights under the three essential elements of passing off: goodwill, misrepresentation, and damage, which are often referred to as the "classical trinity." After examining the evidence further, the Office found that Dave Soho had goodwill in the United Kingdom, as its evidence showed a significant commercial volume of the use of its marks, as well as continuous and frequent use.

In deciding whether the condition of misrepresentation was met, the Office stated that in order to determine whether the public could be led to believe that the goods and services offered by UK Gold originated from Dave Soho it had to compare the goods and services and the marks in conflict. Based on a detailed comparison, the Office concluded that most of the goods and services were identical or similar, except for decorative magnets in Class 9 and stationery, pens, pencils, pencil sharpeners, erasers, pen and pencil cases, and writing implements in Class 16. The marks were identical. Thus, the public could be misled as to the origin of the goods and services, and the condition of misrepresentation was met.

The Office further found that the use of the applied-for mark was likely to cause damage to Dave Soho, as the use of the mark DAVE could result “in a potentially injurious association with the earlier signs, the diversion of sales or the dilution of the goodwill,” in light of the goods and services that were found to be similar or identical.

Consequently, the Opposition Division concluded that there was passing off, and it accepted the opposition for all goods and services that were found to be similar or identical. (Dave Soho Ltd v. UK Gold Services Ltd, Opposition No. B1294448 (OHIM Opposition Division, Jan. 24, 2011).)
UK Gold has appealed the decision. (Appeal No. R0604/2011-2, filed Mar. 21, 2011.)

Maria Athanassiadou

The Swiss company Zino Davidoff SA (Davidoff) filed a CTM application for the word mark GOOD LIFE, to cover goods in Class 3. (CTM Application No. 1709641, filed June 14, 2000.)

I. Kleinakis kai Sia OE (Kleinakis), a Greek company, filed opposition against said mark on grounds of likelihood of confusion. (Opposition No. B402893, filed June 15, 2001.) Kleinakis’ opposition was based on (1) its earlier CTM application for the word mark GOOD LIFE, covering goods in Classes 3, 5, and 16 (CTM Application No. 1663327, filed May 19, 2000; the mark was registered Sept. 20, 2006), and (2) its earlier Greek trademark registration for the word mark GOOD LIFE, covering goods in Classes 3 and 5 (Trademark No. 102703, filed Feb. 6, 1989, registration date not reported). The opposition was based only on goods in Class 3. In light of the fact that Kleinakis’ CTM application had in the meantime been rejected with respect to goods in Class 3, the OHIM Opposition Division took into consideration only the opponent’s prior-registered Greek trademark.

Upon Davidoff’s request, Kleinakis submitted evidence of use of its mark GOOD LIFE. The documents submitted were (1) decision of Greece’s Administrative Trademark Committee rejecting Davidoff’s cancellation petition against the Greek trademark registration for GOOD LIFE (Decision No. 2910/2002 (Administrative Trademark Committee, Apr. 8, 2002)); (2) 10 invoices; (3) 17 photocopies of photos taken inside and outside retail outlets of some clients of Kleinakis; and (4) scanned photos of three GOOD LIFE products. The Opposition Division was not convinced by the submitted material that there was extensive use of Kleinakis’ trademark, and it rejected the opposition. (I. Kleinakis kai Sia OE v. Zino Davidoff SA, Opposition No. B402893 (OHIM Opposition Division, Dec. 12, 2006).)

Kleinakis appealed against this decision. (Appeal No. R0298/2007-2, filed Feb. 16, 2007.) After examining the case, the OHIM Board of Appeal concluded that although the submitted evidentiary material on its own was insufficient to prove genuine use of the Greek mark GOOD LIFE, if it was taken into consideration as a whole, especially taking into account the relevance of the Greek decision, Kleinakis had proved that its earlier mark had been put to genuine use. Consequently, the Board remanded the case to the Opposition Division for further prosecution. (Case R0298/2007-2 (OHIM Second Board of Appeal, Nov. 30, 2007).)
Davidoff further appealed before the General Court, requesting the annulment of the Board of Appeal’s decision. (Appeal No. T-108/08, filed Feb. 27, 2008.)

The General Court first examined whether the Greek decision on the cancellation petition against Kleinakis’ trademark could constitute sufficient evidence that there had been genuine use of said mark. It found that the Greek decision referred to the submitted documents and to the arguments of the parties very briefly, in such a way that the Board of Appeal could not have been in a position to understand its reasoning, especially in view of the fact that the evidentiary material that had been presented before the Administrative Trademark Committee had not been included in the files of the proceedings. The Court therefore concluded that the Board of Appeal had erred in adopting the conclusion of the Greek decision.

Further, the General Court questioned the assessment of the figures of the invoices that had been submitted by Kleinakis. It found that there were several errors in the translation of said documents, which had given the Board of Appeal a different picture of the actual figures regarding the items that had been sold as well as the related prices, and had led it to adopt an erroneous decision as to the establishment of genuine use. Upon examination of the correct translation of the documents, the Court concluded that the actual number of the items sold was significantly smaller than that found by the Board of Appeal. It further confirmed the Opposition Division’s finding that only 45 soaps bearing the mark GOOD LIFE had been sold.

In view of the limited probative value of the decision of the Administrative Trademark Committee, in combination with the erroneous evaluation of the invoices on account of the mistranslation of that decision, the General Court concluded that the Board of Appeal might have reached a different finding if the evidentiary material had been correctly examined. Thus, in light of this procedural error, it ordered the annulment of the contested decision. (Zino Davidoff SA v. OHIM, Case T-108/08 (GC (Fifth Chamber), July 15, 2011).)

Maria Athanassiadou

I.B. Descriptiveness

In CheapFlights International Ltd v. OHIM (Cases T-460/09 and T-461/09 (GC (Seventh Chamber), May 5, 2011)), the General Court again grappled with issues concerning the scope of rights in logos containing—for some services at least—descriptive words.

On January 13 and October 30, 2003, Cheapflights Ltd filed CTM applications for a device mark in Classes 38, 39 and 41–44
The CTMs were opposed by competitor CheapFlights International Ltd based on various earlier registrations for trademarks consisting of or containing CHEAPFLIGHTS, including an Irish registration (No. 227053) (see below).

The OHIM Fourth Board of Appeal considered that the similarities between the respective signs “unexceptionally originated from their descriptive elements.” Therefore, there was no likelihood of confusion: “Travellers do not even need to speak English to understand expressions such as ‘ticket’, ‘airline’, ‘boarding’, ‘check-in’, ‘economy-class’, or precisely ‘cheap flights’.”

The opposition based on the word mark CHEAPFLIGHTS also failed. The figurative elements of the applied-for mark were sufficient to exclude a likelihood of confusion.

The General Court first found that the Board of Appeal was correct to find that “cheap” and “flights” could be understood by the relevant public, whether that group had knowledge of English or not.

Nevertheless, comparing the applied-for marks against the earlier figurative Irish mark, the General Court took issue with the Board’s assessment that the respective signs were descriptive, holding that there was insufficient reasoning provided in this regard as against the whole of the specification. For example, taking “telecommunications” (applied-for marks) and “providing and/or operating search engines” in Class 38 (opponent’s mark), the Court found there was no reason why “cheapflights” was descriptive of such services. Therefore, it annulled the decisions of the Board of Appeal.

The General Court limited its analysis to a consideration of the descriptiveness of the subject marks, without considering the level of distinctiveness of the earlier marks (though arguably for the Class 38 services this would not have changed the result).
A key lesson here, for applicants, is to consider filing for (or limiting to, if they face oppositions) goods and services of core importance. If the case here had been between Class 39 and Class 42 services only, the General Court would have had far greater difficulty in overturning the Board’s decisions.

Further, the decision demonstrates the considerable value in registering descriptive words as part of a logo (as was the case with the General Court’s decision in Codorniu Napa, Inc. v. OHIM – Bodegas Ontañón, SA (Case T-35/08 (GC (Second Chamber), Nov. 23, 2010)), discussed below).

Bill Ladas

In April 2009, Cree, Inc., an American company, applied for the registration as a CTM of the word mark TRUEWHITE, for light-emitting diodes (LEDs) in Class 9 and light fixtures in Class 11. (CTM Application No. 8272321, filed Apr. 30, 2009.) The OHIM examiner rejected the application on the ground that the mark was devoid of distinctive character, in accordance with Articles 7(1)(b) and (c) and 7(2) of the CTM Regulation (Council Regulation (EC) No. 207/2009, Feb. 26, 2009 (CTMR)). The examiner stressed that the covered goods were everyday consumer goods and they were destined for English-speaking public. The mark TRUEWHITE consisted of two words whose structure did not depart from the rules of English grammar and, taken as a whole, directly informed consumers of the qualities of the covered goods. (OHIM Trade Marks Department, Aug. 12, 2009.)

Cree appealed the examiner’s decision. (Appeal No. R0985/2009-2, filed Aug. 25, 2009.) The OHIM Board of Appeal held that in the context of a given source of light, the expression “truewhite” informed the pertinent consumer of what he expected, namely that the light source emitted a light that was really white, which was a characteristic of the latest generations of certain LEDs. Moreover, there was no perceptible difference between the mark TRUEWHITE and the simple sum of the elements of which it was composed. The Board found that there was no doubt that the pertinent consumer would automatically deduct from the mark TRUEWHITE applied to LEDs that the covered goods were designed to produce a white light analogous to natural white light. Consequently, it rejected the appeal. (Case R0985/2009-2 (OHIM Second Board of Appeal, Feb. 17, 2010).)

In response, Cree brought an action against said decision before the General Court. It argued that the mark TRUEWHITE was not descriptive either for the LED or for the light fixtures. Rather, the term TRUEWHITE was an autonomous original neologism, unknown and unusual in the English language. In addition, the junction of the words “true” and “white” created a perceptible difference between the mark applied for and the
covered goods. In any case, Cree argued, the mark should be accepted for registration insofar as the goods applied for included LEDs of colors other than white.

Based on its examination of the case, the Court held that in order for a mark to fall under the restriction of descriptiveness, there should be a relation between it and the covered goods that is sufficiently direct and specific in nature so that the public concerned immediately perceives without a second thought a description of the goods or services or one of their characteristics. The Court first confirmed OHIM’s observations that the word “true” should be considered as equivalent to “original,” “real,” or “authentic,” whereas the word “white” should be considered as designating the color white. It further held that in this case the neologism resulting from the combination of two words that were descriptive of a characteristic of the covered goods, owing to the absence of an unusual nature of said combination, did not create an impression that was sufficiently distant from that which was produced by the simple combination of the terms “true” and “white.” The Court here stressed that this combination was consistent with the rules of syntax and grammar of the English language and was not unusual in its structure. Thus, in a global assessment of the mark applied for, the term “truewhite” could be considered as referring to a “real whiteness.” Applied to LEDs, this term described an essential feature of said products, namely their ability to reproduce light as white as the natural light. The Court further held that the fact that the word “truewhite” did not appear in any dictionary as such did not change its descriptive character in any way.

Turning to Cree’s argument that the goods covered by the application included LEDs other than white and thus its registration should be accepted for them, the Court held that while a mark should not necessarily be refused registration if it was found to be descriptive for only part of the goods or services applied for, in this case a limitation of a category of goods could not be accepted. Indeed, a limitation would have been acceptable if the applicant removed from the list of goods and services one or more goods or services or one or more categories of goods or services contained in the list as such. However, a limitation before the General Court, which would change the whole or part of the list of goods in such a way that it would affect the facts that had been brought before OHIM for examination during the examination procedure, was not acceptable. In this case, a limitation at this stage would not mean removal of one of the two categories in which the mark had been applied for, but would amend the description of the category of LEDs, by adding that white LEDs were excluded from it. Thus, such a change was inadmissible. Regarding the light fixtures, the Court found that even if they did
not produce light themselves, being only the vector therefor, it was
to this vector that the LEDs or the bulbs diffusing the light were
fixed, in a way that the mark applied for was descriptive also for
these products. Consequently, the General Court dismissed Cree’s
appeal. (Cree, Inc. v. OHIM, Case T-208/10 (GC (Eighth Chamber),
July 7, 2011).)

Maria Athanassiadou

I.B.2. Merely Descriptive

The German company Deutsche Steinzeug Cremer & Breuer
AG (Steinzeug) filed a CTM application for the word mark
CHROMA, to cover, inter alia, goods in Classes 11 (sinks, shower
trays and bathtubs, wash basins, bidets, urinals, toilets, cisterns,
all of ceramic) and 19 (building materials, not of metal, tiles,
mouldings, pipes and fittings for building, all not of metal, ceramic
tiles, mosaics and shaped parts for building, potters’ clay (raw
material)). (CTM Application No. 6731103, filed Mar. 6, 2008.) The
OHIM examiner rejected the application on the ground that the
mark lacked distinctive character, per CTMR Articles 7(1)(b) and
(c) and 7(2). (OHIM Trade Marks Department, Aug. 7, 2008.)

Steinzeug pursued an appeal against the examiner’s decision.
(Appeal No. R1429/2008-4, filed Sept. 30, 2008.) The Board of
Appeal found that the mark CHROMA was a transliteration of the
Greek word for colour, χρώμα. According to the Board, this was a
descriptive indication of the characteristics of the goods covered by
the mark, which was therefore devoid of distinctive character. The
Board concluded that there was an absolute ground for refusal for
Greece and Cyprus, and it rejected the appeal. (Case R1429/2008-4
(OHIM Fourth Board of Appeal, May 8, 2009).)

The applicant then brought an action against said decision
before the General Court. It argued as follows:

1. The Board of Appeal had erred in placing the mark
CHROMA on the same footing as the Greek word χρώμα
and did not show that the transliteration into Latin
characters had been used in the same way as the word in
Greek. It should not have based its decision on the need to
avoid a monopolization of transliterations of Greek words.

2. There was no necessity for maintaining the availability of
the word χρώμα because this was not a characteristic of a
product but only a type of characteristics of goods. In
support of this argument Steinzeug stressed that there
existed many trademarks in the Community register
consisting of the word DIMENSION, BRILLIANCE, or
TINT.
3. Neither the word “colour” nor the word CHROMA described any qualities of the goods at issue. In this respect, Steinzeug pointed out that there existed various national and Community trademarks consisting of the word element CHROMA or CROMA.

The General Court confirmed the findings of the Board of Appeal. More specifically, it held that the goods in question were those in Class 11, such as sanitary appliances of ceramic, and Class 19, such as building materials, not of metal, bought by end consumers and construction firms, and that the relevant public was consumers in Greece and Cyprus. The Court held that transliterations of Greek words into Latin characters should be treated, for the purpose of examining the absolute grounds for refusal, in the same way as words written in Greek characters. According to the Court, the relevant Greek-speaking public would immediately understand the description in Latin characters of the Greek word χρώμα. The General Court further confirmed the opinion of the Board of Appeal that from the point of view of Greek-speaking consumers, the mark CHROMA could serve to indicate an essential characteristic of the relevant goods in Classes 11 and 19 in terms of the marketing thereof, namely that they were available in various colours other than the conventional black or white.

The General Court dismissed the applicant’s argument regarding the existence of trademarks consisting of words capable of conveying the same message, such as “colourful” or “multicoloured,” or that the word CHROMA was not actually used for descriptive purposes, on the ground that the Board of Appeal had made its decision in the exercise of circumscribed powers, and thus their legality could not be questioned by an argument regarding prior different decision making of the Office. Finally, the General Court rejected the applicant’s argument regarding the existence of Greek registrations for the mark CROMA. It stressed that registrations already made in EU member states could only be considered for providing detailed support for the assessment of a CTM application; however, they were not a decisive factor, in light of the fact that the Community trade mark regime is an autonomous system with its own set of rules.

Consequently, the General Court dismissed the appeal. (Deutsche Steinzeug Cremer & Breuer AG v. OHIM, Case T-281/09 (GC (Fifth Chamber), Dec. 16, 2010).)

Maria Athanassiadou

**I.C. Distinctiveness**

In Rosenruist v. OHIM (Case T-388/09 (GC (First Chamber), Sept. 28, 2010)), the General Court upheld the decision of the
Board of Appeal and found that the pocket design (the left design in the pictured pair) was devoid of distinctive character.

The Board of Appeal (Case R237/2009-2 (OHIM Second Board of Appeal, June 18, 2009)) had held that the stitched pocket was “usual and commonplace” for the goods and that the brand name on the product was “far more decisive.” Consumers would therefore pay “scant attention” to the stitched pattern when exercising the decision to purchase.

On appeal, the General Court endorsed the findings of the Board of Appeal. It agreed that the mark was “a simple, commonplace pattern with an exclusively decorative function.”

The applicant’s arguments, which included the following, were held not to be persuasive:

- The Board of Appeal had not considered the objection as it applied to each of the goods in Classes 18 and 25.
- The mark had a specific appearance that could not be considered banal. It was “elegant and eye-catching.”
- There had been many previous decisions from OHIM and from national offices accepting “simple signs on a pocket.”

The decision is consistent with earlier case law refusing CTM applications for such marks (although there have been some cases where OHIM accepted such marks). For example, the Board of Appeal (Case R868/2009-4 (OHIM Fourth Board of Appeal, July 29, 2010)) also rejected a CTM for the design shown on the right above (in this case the applicant tried to prove acquired distinctiveness; when that failed, the remaining evidence filed was not strong enough).

These approaches arguably are not in keeping with the perceptions of consumers of clothing goods. The finding that consumers pay “scant attention” to pocket stitching is a mere assertion and is contrary to the Court’s previous holding that “the choice of [an] item of clothing is generally made visually” (New Look Ltd v. OHIM, Case T-117/03, [2004] ECR II-3471 para. 50 (GC (Second Chamber), Oct. 6, 2004)).

Ultimately, the issue will come down to consumer perceptions, as viewed by OHIM, the Boards of Appeal and the Court of Justice. For now, it appears that the possibility of registering stitched
pockets or similar features will be limited to the situation where
the applicant can prove acquired distinctiveness under Article 7(3)
of the CTM Regulation (Council Regulation (EC) No. 40/94,
Feb. 26, 2009) or where the visual impact of the pocket stitching
counterbalances its decorative nature.

An alternative, of course, is to consider also a Community
design registration, which will not face substantive examination
before registration.

Bill Ladas

In Meredith Corp. v. OHIM (Case T-524/09, Sept. 7, 2011), the
General Court had the opportunity again to consider the criteria
that govern the examination of an advertising slogan under Article
7(1)(b) of the CTMR, namely that the slogan must be distinctive.
The Second Board of Appeal of OHIM (Sept. 23, 2009)
confirmed the examiner’s decision that the applicant’s mark
BETTER HOMES AND GARDENS was not eligible for
registration under Article 7(1)(b) CTMR with respect to insurance
services.

Meredith Corp. appealed to the General Court, which
concurred with the Board of Appeal in finding that the mark
BETTER HOMES AND GARDENS was devoid of any distinctive
character and therefore could not be registered.

The General Court referred to well-established law that it is
inappropriate to apply to advertising slogans criteria that are
stricter than those applicable to other types of marks, but it
reiterated that meeting these requirements is harder for
advertising slogans than for “traditional” word marks.

The Court concluded (like the Board of Appeal) that the
meaning of the word mark BETTER HOMES AND GARDENS
would be understood unequivocally by the English-speaking
portion of the public. It agreed with the Board’s characterization of
the mark as “banal,” holding that it did not present—in light of the
rules of English syntax, grammar, phonetics or semantics—an
unusual nature (there was no originality). The mark would be
understood directly, without any particular mental exertion, as
alluding to the fact that the services applied for aid in acquiring
better homes and gardens.

To conclude, the General Court distinguished the decision of
the Court of Justice in Audi AG v. OHIM (Case C-398/08 (CJEU
(First Chamber), Jan. 21, 2010)), regarding the mark
VORSPRUNG DURCH TECHNIK (a mark that could have “a
number of meanings, or [could] constitute a play on words or be
perceived as imaginative, surprising and unexpected and, in that
way, . . . be easily remembered”), on the basis that the mark
BETTER HOMES AND GARDENS was “not particularly original
or resonant” and that it did “not require at least some interpretation or thought on the part of the relevant public.”

The General Court therefore refused registration of the mark for Class 36 services on the ground that it was not distinctive.

Guillaume Mortreux

I.D. Likelihood of Confusion

In May 2006, the Bahamian company Longevity Health Products, Inc. filed a CTM application for the word mark E-PLEX, to cover, *inter alia*, the following goods in Class 5, after a restriction effected during the proceedings: “pharmaceutical and veterinary preparations, except medicines to combat diseases in connection with the central nervous system; sanitary preparations, dietetic substances adapted for medical use, preparations of trace elements for human and animal use, food supplements for medical purposes, mineral food supplements, vitamin preparations.” (CTM Application No. 5126909, filed May 22, 2006.)

In March 2007, the Portuguese company Tecnifar–Industria Farmaceutica, SA filed opposition against the registration of E-PLEX for the aforementioned goods on the basis of its prior Portuguese trademark registration for the word mark EPILEX, covering “anti-epileptics” in Class 5. (Opposition No. 1132069, filed Mar. 12, 2007.) The opposition was accepted for all the above goods except for sanitary preparations. (OHIM Opposition Division, May 20, 2009.)

Longevity’s appeal against this decision (Appeal No. R0662/2009-4, filed June 15, 2009) was annulled in part by the Board of Appeal. (Case R0662/2009-4 (OHIM Fourth Board of Appeal, Feb. 5, 2010).) The Board held that (1) the attentiveness of the relevant public, namely professionals in the pharmaceutical and medical field and end consumers in Portugal, was above average at the moment of purchase; (2) “anti-epileptics” were highly similar to “pharmaceutical and veterinary preparations, except medicines to combat diseases of the central nervous system,” and of average or low similarity to the rest of the contested goods; (3) when compared, the two marks were visually and phonetically similar to an average degree, and they were conceptually not comparable; and (4) the inherent distinctiveness of the earlier mark was average. Thus, the Board of Appeal concluded that there was a likelihood of confusion between the marks E-PLEX and EPILEX for those goods that were highly similar, and it annulled the contested decision in this respect.

Longevity further appealed before the General Court. It argued, *inter alia*, that (1) in response to the opposition, it had restricted its specification of goods to exclude anti-epileptic medicines, and there was no longer any likelihood of confusion;
and (2) it did not use, nor did it intend to use, the mark E-PLEX for anti-epileptic medicines. (Appeal No. T-161/10, filed Apr. 8, 2010.)

Interestingly, the General Court did not accept the restriction argument, stressing that express exclusion of the goods covered by the earlier mark from the list of goods of the contested one was not sufficient to exclude similarity and to prevent any risk of confusion of the public. The Court, confirming the findings of the Board of Appeal, held that the goods under comparison were all of the same nature, that is, pharmaceutical preparations; they had the same purpose, namely to treat human health problems; they were aimed at the same public, that is, healthcare professionals and patients; and they used the same distribution channels, namely health centers and pharmacies. Despite the fact that the Court found that the Board of Appeal had erred in concluding that the degree of similarity of the goods covered by the two marks was high, because of the difference in their therapeutic indications, it nevertheless came to the conclusion that, despite the restriction, the similarities between the goods in question outweighed the differences and that some degree of similarity still existed.

Turning to the comparison of the marks, the General Court held that E-PLEX and EPILEX had almost the same length and had the letters E, P, L, E, and X in common, placed in the same order, and they both began with the letter E and shared the ending -LEX. The Court shared the Board of Appeal’s opinion that the hyphen in E-PLEX gave the impression that the mark was composed of two elements, whereas EPILEX consisted of only one word, and thus the visual similarity was of average degree. Upon assessing the phonetic similarities, the Court held that the two marks had the same first syllable, E-, but E-PLEX had only one other syllable, whereas EPILEX had two. However, it deemed that the different number of syllables was not sufficient to exclude the phonetic similarity that existed between the two marks. Consequently, the Court confirmed that the marks had an average degree of phonetic similarity.

The Court, in line with established case law, emphasized that (1) the risk that consumers might believe that the goods in question came from the same undertaking or from economically linked undertakings constituted a likelihood of confusion and (2) there was a need for globally assessing the likelihood of confusion, according to the relevant public’s perception of the marks and the related goods and services, taking into account the interdependence between the similarity of the marks and the similarity of the goods or services.

Taking into account all the above, the Court concluded that in view of the fact that the goods at issue were found to have some degree of similarity and the marks had an average degree of visual
and phonetic similarity, there was a likelihood of confusion of the relevant public. The fact that the level of attention of the relevant public was above average was found insufficient to override the risk that consumers might believe that the goods in question came from the same company or from economically linked undertakings. The Court commented that the applicant’s argument that it did not use and did not intend to use the mark applied for to cover anti-epileptics was ineffective, in light of the fact that the restriction of goods had already been effected in the mark’s list of goods and had still been found insufficient to prevent likelihood of confusion. Consequently, the Court rejected Longevity’s appeal and sustained the Board of Appeal’s decision. (Longevity Health Products, Inc. v. OHIM, Case T-161/10 (GC (Fifth Chamber), May 24, 2011).)

Maria Athanassiadou

I.D.1. Similarity of Marks

Codorniu Napa, Inc. filed a CTM application for the ARTESA NAPA VALLEY Logo, for wines produced and bottled in Napa Valley (California, USA) in Class 33 (below, illustration at right). Bodegas Ontañón, SA opposed under Article 8(1)(b) of the CTM Regulation (Regulation No. 207/2009) based on its earlier CTM registration for ARTESO & Device, covering alcoholic beverages (except beers) in Class 33, and a Spanish registration for the word mark LA ARTESA, covering wines, spirits and liqueurs in Class 33 (below, illustration at left).

The OHIM Opposition Division upheld the opposition based on likelihood of confusion, and an appeal against that finding failed at the Fourth Board of Appeal.

The applicant’s key argument was that the Board of Appeal had “merely isolated and compared the word elements, finding them to be dominant, and dissociated the graphic components of the signs.”
The General Court was of the view that the word elements shared only a slight degree of visual similarity as both contained ARTES, but that there was a strong phonetic similarity between them. It also found that “consumers . . . usually describe and recognise wine by reference to the verbal element which identifies it, in particular in bars and restaurants, in which wines are ordered orally after their names have been seen on the wine list.” Therefore, the Court held that there was a likelihood of confusion, and the action was dismissed. (Cordoniu Napa, Inc. v. OHIM – Bodegas Ontañón, SA, Case T-35/08 (GC (Second Chamber), Nov. 23, 2010).)

It could be argued fairly that the General Court here ignored clear visual differences and effectively treated Bodegas Ontañón’s earlier CTM as if it were a word mark.

Certainly, if appealed, this case would give the Court of Justice another opportunity to consider the scope of rights provided by logo marks, which are protected differently from word marks. It is worth referencing in this regard the recent opinion of Advocate General Jääskinen in L’Oréal SA v. eBay (Case C-324/09, handed down on Dec. 9, 2010), which included the following observation on this very issue:

In my understanding the differences between pure word marks and stylised word marks or device marks where the word element is dominant are always significant. If that would not be the case, there would no[t] be reason for registering separately trade marks belonging to the latter categories.

Bill Ladas

In May 2002, the French company Helena Rubinstein SNC applied for the registration as a CTM of the word mark BOTOLIST, to cover various goods in Class 3. (CTM Application No. 2686392, filed May 6, 2002, registered Nov. 19, 2003.) Two months later, the French company L’Oréal SA filed an application for the registration of the word mark BOTOCYL for goods in Class 3. (CTM Application No. 2782282, filed July 19, 2002, registered Oct. 14, 2003.)

In February 2005, Allergan, Inc., a U.S. company, filed applications for the declaration of invalidity of both of the aforementioned marks based on its Community and national word and figurative trademark registrations for BOTOX, covering, inter alia, goods in Class 5. Both applications were rejected. (OHIM Cancellation Division, Mar. 28, 2007 (BOTOLIST), and Apr. 4, 2007 (BOTOCYL).)

Allergan appealed the two decisions. (Appeal Nos. R0863/2007-1 and R0865/2007-1, filed June 1, 2007.) The OHIM Board of Appeal allowed both appeals, holding that they were well
founded, despite the fact that there was no likelihood of confusion between BOTOLIST and BOTOCYL, on the one hand, and the BOTOX marks, on the other. (Allergan, Inc. v. Helena Rubinstein SNC, Case R0863/2007-1 (OHIM First Board of Appeal, May 28, 2008); Allergan, Inc. v. L’Oréal SA, Case R0865/2007-1 (OHIM First Board of Appeal, June 5, 2008).)

Both cases were brought before the General Court, and they were examined conjointly. Helena Rubinstein and L’Oréal asked that the Board’s decision be annulled and Allergan’s appeals be dismissed. They argued that (1) it was not proved that the mark BOTOX had a reputation at the time when the two contested marks were filed and (2) part of the evidentiary material submitted by Allergan was dated after the application dates of the contested marks, and thus it could not be taken into consideration to establish reputation. The Court held that despite the fact that the reputation of an earlier mark should be established as at the filing date of the disputed mark, documents bearing a posterior date could not be deprived of evidential value if they could allow conclusions to be drawn regarding the situation as it was on that date, especially in light of the fact that the reputation of a trademark is acquired progressively.

After assessing the similarity of the marks, the Court upheld the opinion of the Board of Appeal that the degree of similarity was not sufficient to give rise to a likelihood of confusion as to the industrial and commercial origin of the respective goods. However, the Court took the position that the relevant public (both practitioners and the general public) would notice that the two contested marks began with BOTO, which was almost the whole of the earlier mark. It therefore held that the public would be naturally led to make a link between the marks under comparison because (1) BOTO- was not a common prefix in the field of pharmaceuticals and cosmetics and it had no descriptive meaning, and (2) the prefix BOTO- could not be considered to be inspired by the generic name “botulinum,” as the applicants had argued. The Court opined that such an argument would be convincing if the marks applied for had been BOTULIST and BOTUCYL, respectively; however, the choice of the prefix BOTO- did not imply that the applicants wanted consumers to think of “botulinum.”

Finally, the Court agreed with the thought of the Board of Appeal that while the mere similarity between the marks was not sufficient to lead to the conclusion that there was a link between them, the covered goods, namely, “pharmaceutical preparations for the treatment of wrinkles” (BOTOX), on the one hand, and “cosmetics among other creams” (BOTOLIST) and “cosmetics, in particular creams” (BOTOCYL), on the other hand, although different, concerned “related market sectors” and thus confirmed
that consumers would naturally be led to associate the marks BOTOLIST and BOTOCYL with the reputed mark BOTOX.

Consequently, the General Court did not allow the registration of the two contested marks. (Helena Rubinstein SNC & L’Oréal SA v. OHIM – Allergan, Inc., Joined Cases T-345/08 and T-357/08 (GC (Third Chamber), Dec. 16, 2010).)

Maria Athanassiadou

The General Court handed down its decision in Annco, Inc. v. OHIM – Freche et fils associés (Case T-385/09 (GC (Eighth Chamber), Feb. 17, 2011)), in which a CTM application for ANN TAYLOR LOFT in Classes 18, 25 and 35 was opposed based on an earlier French trademark registration for LOFT in Classes 18 and 25.

Both the Opposition Division and the First Board of Appeal of OHIM held that the applied-for mark ANN TAYLOR LOFT was confusingly similar to the prior-registered mark LOFT for goods in Classes 18 and 25. In finding a likelihood of confusion, the Board of Appeal determined that the ANN TAYLOR LOFT mark would be perceived as a first name, a middle name and a surname. It further found—relying on the Court of First Instance’s decision in Harman International Industries, Inc. v. OHIM – Becker (Case T-212/07 (CFI (First Chamber), Dec. 2, 2008)), which was subsequently criticized by Advocate-General Cruz Villalón and the Court of Justice—that LOFT, as a surname, was the dominant element in ANN TAYLOR LOFT. (It should be noted that the Court of Justice has since set aside the judgment in Harman and remitted the case to the General Court, with some criticisms. Becker v. Harman International Industries, Inc. – OHIM, Case C-51/09 (CJEU, June 24, 2010).)

On appeal, the General Court found, first, that LOFT was a common descriptive word and that it would not be perceived by French consumers as a surname, and, second, that ANN TAYLOR was far more distinctive than LOFT when the ANN TAYLOR LOFT mark was considered overall. Therefore, the overall similarities between the marks at issue were weak.

In determining the likelihood of confusion, the General Court took into account the marketing methods in the fashion sector, and particularly that it is common in the clothing sector for the same mark to be configured in various ways and for a single clothing manufacturer to use sub-brands (signs that derive from a principal mark and that share with it a common dominant element) in order to distinguish its various clothing lines from one another.

Taking into account that ANN TAYLOR was the most distinctive element of the mark ANN TAYLOR LOFT, the weak similarities between the marks and that it was “normal for a ‘house brand’ to vary its own mark by adding to it an element that
characterises a secondary line,” the Court held there was no likelihood of confusion.

It remains to be seen whether this decision will be appealed to the Court of Justice, and also whether the findings regarding sub-brands and secondary lines will be extrapolated with regard to other goods and services. In the meantime, this case provides a reminder that there will not always be a likelihood of confusion where a later composite mark wholly incorporates an earlier registered one.

Bill Ladas

On February 17, 2011, the EU General Court (GC) dismissed an action brought by Formula One Licensing BV (FOL) against the application for registration as a CTM of the figurative mark F1-LIVE, for goods and services in Classes 16, 38 and 41, filed by Global Sports Media Ltd. (Formula One Licensing BV v. OHIM – Global Sports Media Ltd, Case T-10/09 (GC (Eighth Chamber), Feb. 17, 2011).)

FOL’s opposition was based on its earlier International Registration, as well as two national registrations, for the word mark F1 and on its CTM registration for the figurative mark F1 FORMULA 1. These registrations also covered goods and services in Classes 16, 38 and 41.

When comparing the F1 word mark with the figurative mark F1-LIVE, the General Court found that they differed visually, because of, inter alia, the presence of the word LIVE. Furthermore, the differences in layout between FOL’s figurative mark—the F1 FORMULA 1 logo—and the F1-LIVE mark meant that there was no visual similarity between these marks at all. Phonetically and conceptually, the marks were found to be similar to a certain extent, owing to the presence in all relevant marks of the element F1.

The Court concluded, however, that the relevant public perceives “Formula 1” as a generic term, designating a category of racing car and races involving such cars. As “F1” was the familiar abbreviation of “Formula 1,” “F1” was held to be equally generic. This meant that the F1 element did not play a dominant role in the opposed F1-LIVE mark. Therefore, the relevant public would not automatically associate the figurative F1-LIVE mark applied
for with FOL, merely because the mark incorporated the term “F1.”

FOL had argued that its trademarks were highly distinctive, as a result of extensive use over a period of many years. The General Court, however, found that the evidence submitted by FOL showed that it had consistently made use of its marks in a specific form, namely in the form of the F1 FORMULA 1 logo—that is, the figurative mark. Because the mark applied for also contained the element F1, but in a rather different figurative form than the public was used to seeing from FOL, there was no likelihood of confusion, even though the goods and services involved were very similar and in some cases even identical.

FOL had also argued that its marks enjoyed a reputation in the European Union and that the use of the F1-LIVE mark would take unfair advantage of and/or cause harm to the repute and distinctive character of FOL’s marks. However, the Court pointed out that the reputation in FOL’s marks related only to the F1 FORMULA 1 logo, not to the word marks. As this logo was dissimilar to the F1-LIVE mark for the same reasons as mentioned above, FOL’s claim for protection against free riding and dilution was also denied.

While it may be appealed, the decision is a reminder that extensive use of a word-and-device mark does not automatically mean that the word element is safeguarded against becoming descriptive. This is something for brand owners to keep in mind when designing their branding and trademark enforcement strategies.

Jaap Bremer

Powerchex Limited, a British company, filed a CTM application for the word mark POWERCHEX, to cover services in Classes 35, 36, and 38 (“Business management and business administration, insurance and financial services, Communication services”). (CTM Application No. 8532665, filed Aug. 19, 2009.)

The German company Paychex Inc. filed opposition against the registration of the mark. (Opposition No. B1626186, filed Feb. 23, 2010.) The opponent cited its earlier German trademark registration for PAYCHEX, covering goods and services in Classes 9, 16, 35, 36, 41, and 42. (German Trademark No. 30404022, registered Dec. 8, 2004.) Paychex’s opposition was based on the following services in Classes 35, 36, and 42: business management, business administration, insurance affairs, in particular health insurance affairs, life insurance affairs, financial affairs, in particular pension funds, company pension schemes, design and development of computer hardware and software, in particular software for payroll services and for transmitting payroll data. The
action was directed against all services in Classes 35, 36, and 38 of the contested mark.

Paychex argued that there was a likelihood of confusion on the part of the public because the marks at issue were highly similar and most of the services at issue were partly identical and partly similar.

The OHIM Opposition Division first compared the services in question and found that services covered by the marks in Classes 35 and 36 were identical and those covered in Classes 38 and 42 were similar.

After comparing the marks in question, the Opposition Division found that they were similar to a certain degree. It held that from a visual point of view the marks were similar to the extent that they shared the final four letters CHEX. However, the beginnings of the two marks (PAY and POWER) were totally different. The Opposition Division found that from an aural point of view the opposing mark would be pronounced in two syllables, the contested one in three. While the final syllable (CHEX) and the first sound (P) were identical, the remaining elements were not found to be related. Moreover, the rhythm and intonation of the two marks under comparison were found to be different because of the different number of syllables of the marks. Turning to the conceptual assessment of the marks, the Opposition Division held that the element POWER of the contested mark would be associated with (1) the ability to act or produce an effect, (2) possession of control, authority, or influence over others, and (3) a source or means of supplying energy, and that the element PAY of the opposing mark would be associated with the verb “to pay.” Thus, as both these elements had no counterpart in either the opposing mark or the contested mark from the point of view of the relevant consumer, the marks were found to be conceptually dissimilar.

In a global assessment of the two marks, the Opposition Division stressed that the average consumer in this case was not an expert and he or she was considered reasonably well informed and reasonably observant and circumspect. The fact that the marks shared the letters CHEX was not considered sufficient to suggest to consumers that the services covered thereby originated from the same undertaking. Stressing that consumers tend to focus on the first part of a mark and taking into consideration the total difference in the first parts of the marks at issue (POWER and PAY), the Opposition Division concluded that even in respect of identical and similar goods, consumers would not be misled as to the origin of the latter. It was of the opinion that even if consumers were considered to perceive the words PAY and POWER in an isolated way, the conceptual distance between these expressions would only stress the difference in the marks.
Consequently, the Opposition Division concluded that there was no likelihood of confusion, and the opposition was dismissed. (*Paychex, Inc. v. Powerchex Ltd*, Opposition No. B1626186 (OHIM Opposition Division, Feb. 21, 2011).)

Maria Athanassiadou

The German company Olymp Bezner GmbH & Co. KG (Olymp) applied for the registration as a CTM of the word mark OLYMP, for shirts, blouses, shoulder wraps, pajamas, night shirts, neckties, knitwear, in particular pullovers, knitted jackets, polo shirts, T-shirts, socks and belts, in Class 25. (CTM Application No. 1158328, filed Apr. 30, 1999.) The mark was registered January 18, 2002.

The Spanish company Miguel Bellido, S.A. filed a request for a declaration of invalidity (Petition for Cancellation No. 1895, filed Oct. 6, 2006) against the registration of the mark based on its earlier Spanish trademark registration for OLIMPO & Device, covering goods in Class 25 (see below). (Trademark No. 1804052, registered June 20, 1994.)

The application for a declaration of invalidity was upheld on the ground that there was a likelihood of confusion between the earlier mark and the contested one. (OHIM Cancellation Division, Mar. 5, 2008.)

Olymp pursued appeal against this decision. (Appeal No. R0531/2008-2, filed Mar. 26, 2008.) The Board of Appeal, however, dismissed the appeal on the grounds that (1) the goods covered by the marks under comparison were identical, (2) the word OLIMPO was the dominant word that the relevant Spanish public would retain of the overall impression of the earlier mark, and (3) the marks under comparison were visually and phonetically similar. (Case R0531/2008-2 (OHIM Second Board of Appeal, Mar. 11, 2009).)

Olymp further appealed the above decision before the General Court. (Appeal No. T-203/09, filed May 25, 2009.) Its main arguments were as follows:
1. Compared with the earlier mark’s figurative element, its word portion was not dominant—on the contrary, the two elements were of equal importance.

2. The marks were visually dissimilar because (a) their word elements were different in length, that of the earlier mark containing six letters and that of the mark under examination containing five, and (b) the device of the earlier mark gave rise to a difference between the marks.

3. The marks were phonetically dissimilar, as the contested mark consisted of two syllables and the earlier one consisted of three.

4. There was a conceptual difference between the marks. The mark OLIMPO referred to Mount Olympus, the highest mountain in Greece, which was believed to be the dwelling place of the gods of Greek mythology. (It could also be a reference to the Olympic Games.) The word OLYMP, on the other hand, did not exist in the Spanish language and thus was unknown to the Spanish public, which would perceive it as a fanciful element and would not necessarily associate it with Mount Olympus. The fact that the marks shared the same root did not necessarily mean that they would be associated with the same idea.

5. The device of the mark OLIMPO was very similar to a Calatrava cross, which, as a symbol of a Spanish order of knighthood, would be easily recognised by the pertinent public or at least identified as an ornamental cross.

The General Court first compared the two marks at issue. Regarding the element appearing above the mark OLIMPO, the Court held that it was likely to be perceived by the relevant public in different ways, such as a square, a cross, a stylized spider, or the letter O cut in four parts. On the contrary, there could be no doubt as to the way in which consumers would perceive the verbal element OLIMPO of the mark, which, being the only pronounceable element of the mark, could not but form the dominant feature thereof.

The Court further examined the visual impression given by the marks, stressing that they had four letters in common, their third letter being different. The earlier mark had also one additional letter at the end of it. Therefore, the Court concluded that there were significant similarities between the marks and confirmed this finding of the Board of Appeal.

Turning to the phonetic examination of the two marks, the Court found that the only difference in the pronunciation of the words OLYMP and OLIMPO was the letter O of the earlier mark and, given that the tonic accent was placed on the syllable LIM, the difference caused by the sound of the final O was reduced.
Thus, the Court reached the conclusion that the Board of Appeal had not erred in finding that the marks were phonetically similar.

Regarding the conceptual similarity of the marks, the Court accepted that the fact that they shared the same root did not necessarily mean that they would be associated with the same idea. However, it stated that Olymp had not produced any evidence showing that such a possibility was excluded in this case. Accordingly, it accepted that there was an equal possibility that the relevant public could associate the mark OLYMP with the Greek Mount Olympus. Consequently, taking into consideration all the above and given that the goods covered by the marks were highly similar, the General Court dismissed the action and upheld the decision of the Board of Appeal. (Olymp Bezner GmbH & Co. KG v. OHIM, Case T-203/09 (GC (Eighth Chamber), May 5, 2011).)

Maria Athanassiadou

Editorial Ecoprensa, S.A. (Ecoprensa), a Spanish company, applied for the registration as a CTM of the figurative mark EL ECONOMISTA, covering goods and services in Classes 9, 16, and 41 (see below). (CTM Application No. 4890455, filed Feb. 9, 2006.)

The Economist argued that the title THE ECONOMIST enjoyed a reputation in the United Kingdom. It alleged that it had
been used in the United Kingdom since 1843 in relation to a newspaper in magazine format, dealing with business and political events and offering analysis and opinion. Regarding the company, it argued that it had been incorporated as The Economist Newspaper Limited since 1929. The opponent submitted various documents to prove its reputation. Ecoprensa responded by inviting the opponent to submit proof of use of its earlier marks for the goods and services on which the opposition was based. The Economist submitted two witness statements in response.

The OHIM Opposition Division partially upheld the opposition, namely for “teaching apparatus and instruments” in Class 9, “printed matter” and “instructional and teaching material (except apparatus)” in Class 16, and “education; providing of training; sporting activities” in Class 41, for which it held that there was likelihood of confusion. (Opposition No. 1088907 (OHIM Opposition Division, Nov. 30, 2010).) The Opposition Division based its decision mainly on the following findings:

1. The opponent proved genuine use of its marks for “magazines, arranging and conducting of educational conferences and seminars.”

2. The goods and services mentioned above were found to be similar, and the rest of them were found to have low similarity or to be dissimilar.

3. The goods and services were directed both to the public at large and to business professionals.

4. The marks were visually similar to the extent that they coincided in the letters E-C-O-N-O-M-I-S-T and aurally similar to the extent that their pronunciation coincided in the syllables E-CO-NO-MIST. However, the other elements of the marks, namely the articles and the respective devices, were different. The Opposition Division also found that the earlier mark would be perceived by the U.K. public as referring to “an expert in economics,” whereas the Spanish mark lacked any meaning in that territory, and therefore the marks were conceptually dissimilar.

5. The figurative mark THE ECONOMIST had acquired distinctiveness for business magazines in the United Kingdom.

Ecoprensa appealed, requesting the annulment of the decision. (Appeal No. R0056/2011-4, filed Jan. 3, 2011.) It argued in the main that proof had been submitted for the device mark THE ECONOMIST and not for the word mark as such and that the proof concerned the reputation acquired and not genuine use. It argued, further, that the marks under comparison were dissimilar.

The Board of Appeal held that the Opposition Division was correct in finding that the evidence produced by the opponent
proved use of the marks for “magazines, arranging and conducting of educational conferences and seminars.” Regarding the proof of use, the Board found that it referred to both earlier marks and not only to the device mark. It pointed out that use of the earlier device mark also constituted use for the earlier word mark. At this point the Board stressed that word marks are considered used as registered also if the typeface is different (this may be different if the typeface is a very particular one), if there is a usual change in the letter size or a usual change between lowercase and capital letters, if used in a specific colour, or if it is used in combination with generic additions. The Board also found that the submitted evidence proved that the earlier marks had been seriously used in the United Kingdom for business magazines at the time of filing of the trademark application for EL ECONOMISTA and that as a result of such use the marks had already acquired an enhanced distinctiveness.

After comparing the goods and services covered by the marks, the Board confirmed the findings of the Opposition Division. As regards “instructional and teaching material (except apparatus)” in comparison to “magazines,” it held that magazines dealing with specific subjects can be used as instructional and teaching material and as such they were covered by this broader specification. In that sense, they might have the same nature, method of use, and purpose and thus could be complementary. The Board further confirmed the findings on the Opposition Division regarding the visual, aural, and conceptual similarity of the marks.

In a global assessment of the likelihood of confusion, the Board of Appeal, in line with established case law, rejected the argument of Ecoprensa that consumers might expect that products bearing the trademark THE ECONOMIST, such as magazines and periodicals, would contain information on the economy, which would render said marks weakly distinctive as to this kind of goods. Having accepted the enhanced distinctiveness through longstanding use of the earlier marks for business magazines, the Board concluded that said marks had acquired at least a normal distinctive character. Thus, the Board of Appeal rejected the appeal and confirmed the contested decision. (Editorial Ecoprensa, S.A. v. The Economist Newspaper Ltd, Case R0056/2011-4 (OHIM Fourth Board of Appeal, Aug. 5, 2011).)

Maria Athanassiadou

I.D.2. Similarity of Goods or Services

The General Court of the European Union has upheld the decision of the Opposition Division and Board of Appeal of OHIM that “pharmaceutical preparations” in Class 5 are not similar to “storage, distribution, delivery and packaging of pharmaceutical
preparations” in Class 39. (Mundipharma GmbH v. OHIM – Asociación Farmaceuticos Mundi, Case T-76/09 (GC (Eighth Chamber), June 22, 2011).)

Asociación Farmaceuticos Mundi (AFM) filed a CTM application for the mark FARMA MUNDI FARMACEUTICOS MUNDI & Design, to cover the following goods and services: pharmaceutical preparations in Class 5; commercial retailing of pharmaceutical preparations in Class 35; and storage, distribution, delivery and packaging of pharmaceutical preparations in Class 39 (below, illustration at left).

The application was opposed by Mundipharma GmbH on the basis of its earlier CTM MUNDI PHARMA, which was registered for pharmaceutical preparations (Class 5) and medical services (Class 44) (below, illustration at right).

Ohim allowed the opposition in respect of the applied-for goods and services in Classes 5 and 35; however, it rejected the opposition to the Class 39 services on the basis that they were not similar to either the Class 5 goods or the Class 44 services covered by the opposing mark.

AFM did not dispute the finding that the Class 39 services were different in respect of their nature, intended purpose, method of use and distribution channels and that the services were not in competition. However, it submitted that the services in Class 39 were complementary to pharmaceutical preparations in Class 5 as they were inseparably connected and that companies that manufactured pharmaceuticals also provided Class 39 services. Therefore, when they were covered by the same mark, the public would assume that those goods and services came from the same source or from economically linked undertakings.

The General Court disagreed. It found that the goods and services in question could not be complementary because they were intended for different consumers—professionals (Class 39 services) versus end-user consumers purchasing at a pharmacy (Class 5 pharmaceutical preparations). This holding was made even though the provision of services in Class 39—while subsidiary to the manufacturer’s main business—was not separate or independent from that business.
Therefore, the General Court upheld OHIM's finding that the Class 5 goods and Class 39 services were not complementary.

Carly Mansell

II.C.1.k. Nontraditional Marks

The Swedish company Sony Ericsson Mobile Communications AB (Sony Ericsson) filed a CTM application for a movement mark covering goods and services in Classes 9, 38, and 41. The application was accompanied by the following description of the mark: “The trademark is an animated sequence consisting of 20 stills that make up the sequence which runs within a time frame of approximately 6 seconds. The sequence starts at the upper left still and runs left to right on each consecutive row. The sequence shows a coloured stream of liquid which flows across the screen against a white background. The stream of liquid ultimately flows around and into the interior of the sphere which allows the colour of the liquid to be seen.” (CTM Application No. 8581977, filed Sept. 29, 2009.)

The examiner rejected the application on the ground that it was devoid of distinctive character, because (1) the graphic representation of the trademark application was not sufficiently clear, as it was impossible to perceive the movement from the provided images, which did not reflect everything that was described, and (2) the progress of the movement was not clear, nor was the way in which one image led to the next, because the images shown were isolated fragments that were not connected to each other.

Sony Ericsson submitted a new description providing further details, which, however, did not convince the examiner that the mark was eligible for registration, on the grounds that (1) the
images provided did not indicate a clear movement, (2) there were gaps in the progression of the movement between some of the images, and (3) the description did not provide sufficient assistance in comprehending the movement in question. Consequently, the application was rejected. (Ex officio refusal of application for CTM under Article 7 of the CTMR and Rule 11(3) of the Implementing Regulation (Commission Regulation (EC) No. 2686/95), Jan. 27, 2010.)

The applicant appealed against the examiner’s decision. It argued, inter alia, that (1) the mark was distinctive, as its house logo, which was already the subject of numerous CTM registrations, appeared in 11 of the images; (2) the mark was as clear and precise as other registered movement trademarks; (3) the Office had not assessed the sequence of the images as a whole but had concentrated on individual stills; (4) there was no requirement that it provide a detailed description of each one of the images; (5) the U.S. Patent and Trademark Office had already accepted the same mark for registration; and (6) it should not be prevented from having the mark registered for the only reason that OHIM could not accept MP4 format files. (Appeal No. R0443/2010-2, filed Mar. 25, 2010.)

Upon examining the case, the Board of Appeal held that the function of the requirement of graphic representation is to define the mark in such a way that the exact subject of protection is determined, so that economic operators can be easily be informed with clarity and precision of registrations or applications for registration of their potential competitors and their related rights. The Board further stressed that in cases where a mark was defined by both a graphic representation and a textual description, the latter should coincide with what could be seen in the graphic representation. It also took into consideration the representation in the form of a flipbook that had been submitted by Sony Ericsson and stressed that, if looked at in this way, the progression of the movement became clear and the gaps between the stills disappeared. The Board also mentioned that the examiner could have looked at it in the same way. Moreover, the Board expressed the opinion that, even without looking at the representation in the form of a flipbook, the mark was clear and the motion was not difficult to follow on the basis of the description. Contrary to the examiner’s opinion, it came to the conclusion that the graphic representation and the verbal description of the mark had been perfectly compatible and complementary.

Last, the Board of Appeal took into account prior movement CTM registrations invoked by Sony Ericsson, where there were also gaps between the images. The Board held that in view of the still limited number of movement marks, the Office could in this
case remain consistent with its own previous decisions, although it was not bound by them.

Consequently, the Board of Appeal annulled the contested decision and remitted the matter to the examiner for further prosecution. (Case R0443/2010-2 (OHIM Second Board of Appeal, Sept. 23, 2010).) The mark was registered March 18, 2011.

Maria Athanassiadou

II.D.6. Flags, Coats of Arms, and Other Insignia

On September 20, 2011, the General Court issued its judgment in Couture Tech Ltd v. OHIM (Case T-232/10). British Virgin Islands–based Couture Tech Ltd. was appealing OHIM’s decision rejecting its application to register a mark involving the emblem of the former Soviet Union on the ground that registration of such a mark would be regarded as contrary to public policy and accepted principles of morality by a substantial section of the relevant public.

In 2006, Couture Tech filed an application with OHIM for registration of the hammer and sickle design as a Community trade mark. Both the examiner and the OHIM Second Board of Appeal found that the mark consisted of an exact representation of the emblem of the former USSR. The hammer and sickle and the five-pointed red star are considered to be “symbols of despotism” according to the laws of Hungary. Relying on similar legislation in Latvia and the Czech Republic, OHIM found that the proposed trademark would be regarded as contrary to public policy and accepted principles of morality by a substantial section of the relevant public of that part of the EU where the public had been subjected to the Soviet regime. Couture Tech appealed to the General Court against OHIM’s decision.

The General Court made three basic points in dismissing Couture Tech’s appeal. First, it indicated that in certain circumstances the public policy or accepted principles of morality in a single member state of the EU may be considered a sufficient basis on which to refuse an application. It is, therefore, necessary, when considering the concepts of public policy and accepted principles of morality, to take into account those particular circumstances that could influence the perception of the relevant public in an individual member state. Second, the Court found that the legislation of the member states concerned was sufficient evidence on which to assess the public’s perception of a mark relying on the symbols of the former USSR; consequently, it was appropriate to take the legislation into account, not because of its normative value but to support the findings of fact as to the existence of a public policy. Finally, and as a result of the other two points, the Court held that OHIM did not commit an error in
finding that the applied-for mark was contrary to public policy and accepted principles of morality.

Jamal S. Smith

COURT OF JUSTICE OF THE EUROPEAN UNION (CJEU)

I.C. Distinctiveness

The German firm Media-Saturn-Holding GmbH is the owner of several German as well as Community trade mark (CTM) registrations, including for its name, logo, and advertising slogans. The marks are registered for, inter alia, apparatus, instruments, machines, advertising, and business management.

Media-Saturn maintains a two-retail-brand strategy. The two retail brands, Media Markt and Saturn, operate in the market as separate entities. They have their own consumer electronics stores and separate management structures. In June 2006, Media-Saturn applied for registration of the word/figurative mark BEST BUY as a CTM. (CTM Application No. 5189550, filed June 23, 2006.) The OHIM examiner refused registration, and the Fourth Board of Appeal upheld the examiner’s decision.

The General Court sustained the decisions below, finding the mark applied for to be devoid of any distinctive character. (Under Article 7(1)(b) of the Community Trade Mark Regulation (Council Regulation (EC) No. 40/94, Dec. 20, 1993) (CTMR), trade marks that are devoid of any distinctive character may not be registered.) According to the Court, the figurative mark lacked distinctiveness because it was perceived not as an indication of commercial origin but solely as a promotional slogan. (Media-Saturn-Holding GmbH v. OHIM, Case T-476/08 (GC, Dec. 15, 2009).)

Media-Saturn appealed to the CJEU for an annulment of this decision.

Despite the fact that two parts of the appellant’s plea were found to be manifestly inadmissible, the CJEU had to deal with the third part, regarding the assessment of the public’s perception of the respective trade mark.
The Court pointed out that according to established case law the mere fact that a mark is perceived by the relevant public as a slogan, and that, because of its laudatory nature, it could in principle be used by other undertakings, is not sufficient, in itself, to support the conclusion that that mark is devoid of distinctive character for the purposes of Article 7(1)(b). The laudatory connotation of a word mark does not mean that it cannot be appropriate for the purpose of guaranteeing to consumers the origin of the goods or services that it covers. Thus, such a mark can be perceived by the relevant public both as a slogan and as an indication of the commercial origin of goods or services. It follows that, insofar as the public perceives the mark as an indication of that origin, the fact that the mark is at the same time understood—perhaps even primarily understood—as a slogan has no bearing on its distinctive character.

However, the General Court found that as the trade mark BEST BUY would not only primarily but also exclusively be perceived as a slogan, it followed that the mark did not indicate the origin of goods and services and, therefore, lacked any distinctive character. As this conclusion was based on an assessment of facts made by the General Court, the CJEU was not entitled to review that part of the decision. Nevertheless, the CJEU held that the findings of the General Court regarding the lack of distinctiveness in this case were legally compatible with the principle that a mark generally can be perceived by the relevant public both as a slogan and as an indication of the commercial origin of goods or services.

All in all, the appeal was dismissed as partly manifestly inadmissible and partly unfounded. (Media-Saturn-Holding GmbH v. OHIM, Case C-92/10 P (CJEU (Fifth Chamber), Jan. 13, 2011).)

This case serves to emphasise that the fact a mark may operate primarily as a slogan does not necessarily mean that it lacks distinctive character sufficient to indicate origin.

Adam N. Cooke
Sahira Khwaja
Danielle Amor

I.C.1. Inherent Distinctiveness

In 1996, Freixenet SA applied for the registration of two three-dimensional CTMs in respect of sparkling wines in Class 33. Freixenet stated in both applications that the marks consisted of the shape of presentation of a product. In the first application, the colour claimed was “golden matt” and the mark was described as a “white polished bottle which when filled with sparkling wine takes on a golden matt appearance similar to a frosted bottle” (below, illustration at left). (CTM Application No. 32532, filed Apr. 1, 2001.
In the second application, the colour claimed was “black matt” and the mark was described as a “frosted black matt bottle” (below, illustration at right). (CTM Application No. 32540, filed Apr. 1, 1996.)

The applied-for marks were initially rejected by the examiner, and then, in February 2004, by the Fourth Board of Appeal, on grounds of lack of distinctiveness pursuant to CTMR Article 7(1)(b). Evidence put forward by Freixenet did not support the conclusion that the marks had acquired a distinctive character through use, and, accordingly, they could not be registered in accordance with Article 7(3) of the CTMR (allowing the registration of marks that have become distinctive in relation to the goods or services to be covered). Freixenet challenged the Board’s decisions by appealing to the Court of First Instance (CFI) (now the General Court).

In October 2006, the CFI overruled the Board of Appeal. It found that the Board based its decisions on evidence that had not been brought to Freixenet’s attention, thereby infringing the principle of the rights of defense. The matters were then remitted to the Board of Appeal. (Freixenet SA v. OHIM, Cases T-188/04 (frosted black matt bottle) and T-190/04 (frosted white bottle) (CFI, Oct. 4, 2006).)

In the second round, in November 2007, the First Board of Appeal proceeded to send the relevant pieces of evidence to the applicant, but confirmed that the marks lacked distinctive character and had not acquired distinctiveness. Freixenet
challenged these decisions before the General Court. On this occasion, the General Court agreed with the Board and dismissed the appeal. (*Freixenet SA v. OHIM*, Cases T-109/08 (frosted white bottle) and T-110/08 (frosted black matt bottle) (GC, Apr. 27, 2010).) Freixenet then appealed to the CJEU.

The CJEU overturned the General Court’s ruling. The Court started from the premise that the line of case law it had developed in relation to three-dimensional trade marks consisting of the appearance of the product itself or the packaging of goods was applicable here. That means that only a mark that departs significantly from the norm or customs of the sector is not devoid of any distinctive character pursuant to Article 7(1)(b). The General Court had not assessed distinctiveness of the marks at issue in light of those criteria. Instead, the General Court had simply stated that only word elements could determine the origin of the goods in question (here, sparkling wines), and therefore the colour and matt appearance of the glass bottle could not “function as a trade mark” without an additional word element. The CJEU concluded that this was incorrect as it would entail automatic exclusion from protection of marks that consist of the appearance of the packaging of the product itself and do not contain a word element. (*Freixenet SA v. OHIM*, Joined Cases C-344/10 P and C-345/10 P (CJEU (Third Chamber), Oct. 20, 2011).)

This judgment makes the registration of CTMs consisting of product shapes slightly easier. Had the General Court’s decision been upheld, purely three-dimensional marks could not have escaped objections under Article 7(1)(b). However, a party seeking to register a three-dimensional mark still faces an uphill struggle. The CJEU confirmed that the mark in question must vary significantly from the norm or customs of the sector to have distinctive character. This can be very difficult to demonstrate in practice, and the registration of product shapes is likely to become very rare unless applicants can demonstrate acquired distinctiveness.

Adam N. Cooke  
Sahira Khwaja  
Danielle Amor

**I.D.1. Similarity of Marks**

Calvin Klein Trademark Trust (Calvin Klein) owned two Spanish figurative trade marks, registered for goods in Classes 18 and 25, respectively, and both consisting of the stylized two-letter combination CK (see below). Zafra Marroquineros SL (Zafra) applied for a CTM registration for the word mark CK CREACIONES KENNYA, covering goods in Classes 18 and 25. (CTM Application No. 3386604, filed Oct. 7, 2003.)
Calvin Klein brought an opposition before OHIM against Zafra’s application. The opposition was based on CTMR Articles 8(1)(b) (likelihood of confusion) and 8(5) (the applied-for mark takes unfair advantage of, or is detrimental to, the distinctive character or the reputation of the earlier trade mark). Calvin Klein claimed that Zafra used the mark CK CREACIONES KENNYA in such way that the element CK was depicted in large, highlighted letters and was separate from the element CREACIONES KENNYA, which was depicted in very small letters.

OHIM’s Opposition Division and Second Board of Appeal both rejected the opposition in its entirety, taking the view that the marks under comparison were not sufficiently similar to give rise to a likelihood of confusion. After unsuccessfully appealing the Board’s decision to the General Court (Calvin Klein Trademark Trust v. OHIM, Case T-185-07 (GC, May 7, 2009), Calvin Klein brought an appeal before the CJEU.

The CJEU dismissed Calvin Klein’s appeal. It held that the General Court did not err in law by not having taken into account the way in which the mark was actually used by Zafra. Such circumstances could not be taken into consideration in the assessment of similarity in opposition proceedings under Article 8 of the CTMR. The CJEU also confirmed that, despite the identity of the goods and notwithstanding the reputation of Calvin Klein’s earlier marks, there was no likelihood of confusion because, as the General Court had ruled, there was insufficient similarity between the marks. Finally, the CJEU emphasised that CTMR Article 8(5) was not applicable if—as in this case—the marks at issue were not similar, irrespective of the degree of reputation that the earlier mark enjoyed. (Calvin Klein Trademark Trust v. OHIM, Case C-254/09 P (CJEU (First Chamber), Sept. 2, 2010).)

The judgment confirms that the current or likely future use that will be made of an applied-for CTM does not have any bearing on how the similarity of marks is assessed for opposition purposes. OHIM and the General Court only have to verify in the abstract whether, in accordance with regulations and case law, there is a similarity between the CTM applied for, as filed, and the earlier mark, as registered. The judgment also confirmed that the
similarity of the marks is a *conditio sine qua non* ("indispensable condition") for applying Article 8(5).

Adam N. Cooke  
Sahira Khwaja  
Danielle Amor

In March 2011, the CJEU rejected an appeal by Ferrero SpA to set aside the decision of the CFI in *Ferrero v. OHIM – Tirol Milch reg.Gen.mbH Innsbruck* (Case T-140/08 (CFI, Oct. 14, 2009)). The Court’s ruling brings to an end the attempt by Ferrero to obtain a declaration of invalidity of a CTM registration for the figurative form of the mark TiMi KiNDERJOGHURT, as shown, on the basis of the earlier mark KINDER and other marks featuring that mark. (*Ferrero v. OHIM – Tirol Milch reg.Gen.mbH Innsbruck*, Case 552-09 P (CJEU (Fifth Chamber), Mar. 24, 2011).)

The CJEU upheld the finding of the General Court that similarity of the marks was a precondition for invalidity under Articles 8(1)(b) and 8(5) of the CTMR. Article 8(1)(b) prevents registration or enables invalidation of a mark with respect to which, because of its similarity to an earlier mark and registration for identical or similar goods, there exists a likelihood of confusion; Article 8(5) prevents registration or enables invalidation of a mark that is similar to an earlier mark that has a reputation and where the use of the later mark without due cause would take unfair advantage of or be detrimental to the distinctive character or the repute of the earlier mark.

Ferrero argued that the reputation and distinctive character of an earlier mark, as well as similarity, should be taken into account in considering globally whether there is a likelihood of confusion for purposes of Article 8(1)(b), or whether the relevant public would form a “link” between the marks, which is a condition for a finding under Article 8(5). It also argued that the existence of a family of marks should be taken into account. According to Ferrero, the balance of these separate factors could result in a finding contrary to the particular article, even where there was low similarity of the marks, and that the General Court had erred in not taking this approach to the assessment.

The CJEU disagreed. A finding of similarity between the marks is essential in order for a tribunal to begin to consider other relevant factors when carrying out a global assessment of whether there is a likelihood of confusion or a sufficient link between the marks. If, following an appropriate examination, the marks are held to be dissimilar, that is the end of the matter. If they are held to be similar, even to a low degree, the other factors come into consideration. On the facts, the General Court had correctly examined the overall impression created by the marks and had found, in a global assessment of the visual, aural, and conceptual
features, that a certain number of visual and phonetic features precluded the marks from being perceived as similar. This precluded consideration of the other factors on which Ferrero wished to rely. Although the CJEU implied that, where appropriate, the existence of a family or series of trademarks should be taken into account as part of the global assessment of whether a link is made with the later mark, this was only to be done if there was found to be some similarity between the marks at issue. The existence of a family or series of trademarks was irrelevant for assessing the existence of similarity.

Consequently, Ferrero’s appeal was dismissed.

Charters Macdonald-Brown
John Colbourn

I.H. Exhaustion of Trademark Rights

Kosan Gas A/S is the exclusive licensee of a three-dimensional CTM (CTM No. 3780343, registered Jan. 20, 2006) (see below) and a three-dimensional Danish trade mark, depicting a “composite bottle” (lightweight bottle) for gaseous fuels and containers used for liquid fuels. The registrations are owned by the Norwegian manufacturer of the bottles in question. Kosan affixes to the bottles its name and logo, for which it holds both word and figurative CTM registrations covering, inter alia, gas.

Kosan sells composite bottles filled with gas to consumers, who pay for the gas and a premium for the composite bottle, which
becomes the consumer’s property. Once he or she has used the gas, the consumer may have the bottle refilled by Kosan and pay only for the price of the gas.

Viking Gas A/S offers a competing refilling service to owners of the composite bottles. A consumer may exchange his or her empty Kosan bottle for a Kosan bottle filled with non-Kosan gas directly with Viking or via one of Viking’s independent dealers. Viking attaches two adhesive labels to the refilled composite bottles, one bearing its name and the filling station number and the other providing information required by law. Kosan’s name and logo are not obscured by the additional labels.

Kosan brought an action against Viking for trade mark infringement. The Danish courts of first and second instance (the Viborg Bailiff’s Court and the Maritime and Commercial Court) both found in favour of Kosan, and prohibited Viking from selling gas by refilling Kosan’s composite bottles. Viking appealed to the Danish Supreme Court, which referred a number of questions to the CJEU for a preliminary ruling.

The CJEU was asked whether, and in which circumstances, the holder of an exclusive licence for the use of composite gas bottles intended for reuse, the shape of which was protected as a three-dimensional mark, to which bottles the holder had affixed its own name and logo, which were also registered as trade marks, could, pursuant to Article 5 and Article 7 of the European Trade Marks Directive (First Council Directive 89/104/EEC, Dec. 21, 1988, codified at European Parliament and Council Directive 2008/95/EC, Oct. 22, 2008), prevent those bottles, after consumers had purchased them and consumed the gas initially contained in them, from being exchanged by a third party, on payment, for composite gas bottles filled with gas that did not come from the holder of that licence. (Article 5 of the Directive provides that the trade mark owner may prevent the use by third parties of marks that are similar or identical to the registered trade mark for similar or identical goods or services. Article 7 provides that the owner may not prohibit use of the trade mark in relation to goods that have been put on the market under the trade mark by the owner or with his permission, except where there are legitimate reasons for the owner to oppose further commercialisation of the goods.)

After assessing whether Kosan’s rights in the three-dimensional mark for the composite bottle and other marks affixed to the bottles had been exhausted, the CJEU held that a balance needed to be struck between, on the one hand, the legitimate interests of Kosan and, on the other hand, the legitimate interests of purchasers of the composite bottles and the general interest in maintaining undistorted competition.
With regard to the interests of Kosan as licensee and proprietor of the relevant trade marks, the CJEU pointed out that the sale of the composite bottles allowed Kosan to realise the economic value of the marks relating to the bottles (as the bottles were sold at a premium over the cost of the gas), and this amounted to exhaustion of the exclusive rights conferred by the Directive. (See Peak Holding AB v. Axolin-Elinor AB, Case C-16/03 (ECJ, Nov. 30, 2004).)

In respect of the interests of consumers, the CJEU referred to the Advocate General’s caution that “[c]onsumers would no longer be free to exercise their property rights in the bottle but in practice [would be] tied to a single supplier if other suppliers were precluded from putting the bottles to practical use.” (Opinion of Advocate General Kokott, Apr. 7, 2011, para. 66.) In addition, the effect of ruling against exhaustion as a general principle would be to unduly reduce competition on the downstream market, if not close it off completely, for the refilling of gas bottles.

Therefore, the CJEU held that the sale of the composite bottle by Kosan exhausted Kosan’s exclusive rights in the relevant trade marks, including the shape of the bottle, and transferred to the purchaser the right to use that bottle freely (such as by having it refilled with gas supplied by a competitor). (Viking Gas A/S v. Kosan Gas A/S, Case C-46/10 (CJEU (First Chamber), July 14, 2011).)

However, the CJEU noted that the national court also had to consider the application of Article 7(2) of the Directive in this case—that is, whether the commercialisation of the composite bottles by Viking gave the impression that there was a commercial connection between Viking and Kosan that would entitle Kosan to oppose that commercialisation. It was for the national court to undertake such an assessment. The CJEU offered some guidance in that regard. First, the court should take into account the labeling of the bottles and the circumstances in which they were exchanged, which should not lead the average consumer who was reasonably well informed and reasonably observant and circumspect to consider that there was a connection between Kosan and Viking or that the gas used to refill the bottles was from Kosan. Second, the court should take into account industry practice and whether consumers were accustomed to the refilling of empty bottles by other dealers (Viking presented evidence that this was the case). Furthermore, it was reasonable to assume that a consumer who went directly to Viking to exchange or refill his empty Kosan bottle was in a better position to judge that there was no connection between Viking and Kosan. It was also thought relevant that the Kosan name and logo were still visible on the bottles after they had been refilled by Viking.
Although it did not break new ground in the area of EU exhaustion of trade mark rights, the CJEU confirmed and consistently applied the well-known principle of exhaustion, even in relation to the supply of gas, which, unlike pharmaceuticals, had been given relatively little attention by the courts. Further guidance on the interpretation of “legitimate reasons” to oppose further commercialisation of the goods pursuant to Article 7(2) of the Directive will no doubt be welcomed by national courts charged with the task of assessing the often finely balanced competing interests of rights owners and competitors.

Adam N. Cooke
Sahira Khwaja
Danielle Amor

II. Registration

In reference to a question referred to the CJEU by the Spanish Supreme Court, the Advocate General (AG) expressed the view that Article 27 of the CTMR excludes the possibility of considering the hour and minute of an application for the purposes of establishing priority. (Génesis Seguros Generales Sociedad Anónima de Seguros y Reaseguros v. Boys Toys SA, Case C-190/10 (Opinion of Advocate General Jääskinen, Mar. 31, 2011).)

Under Article 27, the filing date of a CTM application is that on which the complete documentation is filed with OHIM, subject to payment of the relative fee within one month.

The case arose from the filing, on the same day but at different times, of applications that were then the object of opposition proceedings in Spain. More specifically, the opponent electronically filed two CTM applications at OHIM on December 12, 2003 (one at 11:52 am and one at 12:13 pm), while the applicant filed a national application at 5:45 pm on the same day.

The Spanish Patent and Trademark Office (OEPM) rejected the opposition, holding that the CTM rights were not prior rights. On appeal, the OEPM held that the filing date of the CTM applications was later than that of the opposed national application because, under Article 27, the filing date of the CTM applications was to be considered the date on which OHIM received the application fees. Subsequently, the Superior Court of Justice of Madrid held that the filing date of the CTM applications was the date on which the filing was completed at OHIM (February 7, 2004) and not the date on which the application was sent electronically.

The AG noted that the date on which an application is filed electronically is to be considered the filing date, provided the formal requirements for the attribution of a filing date have been
met. Otherwise, the filing date will be later, corresponding to the date on which such formalities have been completed.

As to whether the actual time of filing could be considered in establishing the priority of applications having the same date, the AG justified his view that “filing date” should be interpreted as referring only to the calendar day by making reference to the Paris Convention, a literal interpretation of Article 27 of the CTMR, and Rule 5 of the implementing regulation (Regulation (EC) No. 2868/95); to OHIM guidelines establishing Central European time (GMT+1) as relevant for establishing a priority date but not a priority “time”; and to the practical difficulties of an alternative interpretation (including the four time zones of the European Union (EU)).

In this respect, the AG observed that the purpose of e-filing was to modernize and facilitate access to trademark protection, not to establish a “real time” priority regime.

Finally, the AG observed that the marks in conflict were therefore destined to coexist but that coexistence was an inevitable phenomenon in the EU’s multinational and multifaceted trademark system.

The CJEU is expected to confirm the AG’s opinion.

Peter McAleese

II.C.1.e. Letters and Numbers

In March 2011, the CJEU rejected an appeal by Agencja Wydawnicza Technopol sp. z o.o. (Technopol) to set aside the decision of the CFI in Agencja Wydawnicza Technopol v. OHIM (Case T-298/06 (CFI, Nov. 19, 2009)). (The CFI’s decision was reported in the INTA Bulletin, Vol. 65, No. 2, Jan. 15, 2010.) The CJEU’s ruling brings to an end a longstanding attempt by Technopol, which started in 2005, to register 1000 as a CTM for “brochures, periodicals, including periodicals containing crossword puzzles and rebus puzzles, newspapers” in Class 16. (Agencja Wydawnicza Technopol sp. z o.o. v. OHIM, Case C-51/10 P (CJEU (First Chamber), Mar. 10, 2011).)

In reaching its decision, the Court repeated that a mark composed exclusively of numbers, even with no graphic modifications, was not enough in itself to prevent that mark from being registered as a trademark. The first ground of appeal centered on Article 7(1)(c) of the CTMR, which prohibits the registration of descriptive marks. Technopol alleged that the CFI had not taken into account all the relevant criteria for the application of that article. It argued that marks could be refused registration only if they represented the “usual way” of designating the characteristics of goods or services. The CJEU said that each ground of refusal under Article 7(1) had to be interpreted in light
of the general interest underlying it, which was to ensure that descriptive signs relating to one or more characteristics of goods could be freely used by all traders offering such goods.

The effect of this was that it was not necessary for a mark actually to be in use in a descriptive way at the date of application; it was sufficient that the mark could be used in that way. It was not relevant to know the number of competitors who had or might have an interest in using the sign in question; it was also irrelevant that there were other, more usual signs than that at issue for designating the same characteristics of the goods referred to in the application. From this it followed that Article 7(1)(c) did not require the sign at issue to be the usual means of designation: a numerical sign can be used to designate a quantity, such as the number of pages or the number of puzzles contained within a book. Thus, the CFI had not erred in law by finding that registration of 1000 as a CTM had to be refused under Article 7(1). Article 12(b), which ensures that traders can freely use indications relating to the characteristics of goods, does not limit in any way the scope of Article 7(1)(c).

The second ground of appeal, that the CFI and OHIM had failed to take into account OHIM’s previous practice in other cases involving numerals, was rejected: consistency in OHIM decisions was necessary, but each application, with its particular facts, had to be considered fully. The sign 1000 was refused registration because of the specification of goods applied for and the way the mark would be perceived.

Consequently, Technopol’s appeal was dismissed.

Charters Macdonald-Brown
Katie Cullinan

BORCO-Marken-Import Matthiesen GmbH & Co. KG (“BORCO”) had applied to register the non-stylised figurative mark “α” (shown below) as a CTM, in Class 33, covering alcoholic beverages (except beers), wines, sparkling wines, and beverages containing wine.

Contested Mark

Registration of the mark had been refused by the examiner at OHIM on the basis of Article 7(1)(b) of the CTMR (devoid of distinctive character). BORCO had appealed the examiner’s decision, but the OHIM Board of Appeal dismissed the appeal. BORCO had appealed to the Court of First Instance (CFI), which annulled the decision of the OHIM Board of Appeal and held that OHIM had misapplied Article 7(1)(b).
On appeal to the CJEU, OHIM’s appeal was dismissed and the judgment of the CFI was upheld. The CJEU noted as a preliminary point that, pursuant to Article 4 of the CTMR, single letters are among the categories of marks that may, in theory, be registered as CTMs. However, this did not mean that a particular mark consisting of a single letter necessarily had distinctive character. It was settled case law (e.g., Storck v. OHIM, Case C-25/05 P, [2006] ECR I-5719) that the question of distinctive character must be assessed first by reference to the goods or services of the applied-for mark and, secondly, by reference to the relevant public’s perception of the goods or services.

The CJEU acknowledged that the relevant public’s perception is not necessarily the same for every category of mark. Therefore, distinctiveness may be more difficult to establish for certain categories of mark. This did not, however, exempt OHIM from having to carry out an examination of distinctive character for a particular mark based on the facts. Particularly as it may prove more difficult to establish distinctiveness for marks consisting of a single letter, OHIM was required to assess whether the mark at issue was capable of distinguishing the different goods and services, based on the facts and focusing on those goods or services. The CJEU confirmed that the examination of an application must be stringent and full, for reasons of legal certainty and good administration. It was not open to OHIM to rely merely on a conjecture, without relevant justification, when carrying out an examination of distinctive character. In this case, OHIM had not satisfied the requirements applicable to an examination of distinctive character.

This case clarifies the correct approach to take when assessing the distinctive character of marks that consist of nonstylised single letters. It confirms that such marks cannot be assumed a priori to lack distinctive character. (OHIM v. BORCO-Marken-Import Matthiesen GmbH & Co. KG, Case C-265/09 P (CJEU, Sept. 9, 2010).)

Adam N. Cooke
Sahira Khwaja
Danielle Amor

III.A.6. Other Internet Issues

In July 2011, the CJEU gave judgment on a reference from the English High Court in L’Oréal v. eBay, which concerned the sale, without L’Oréal’s consent, of L’Oréal’s products on the online marketplace operated by eBay. (L’Oréal SA et al. v. eBay International AG et al., Case C-324-09 (CJEU (Grand Chamber), July 12, 2011).)
The English court had referred questions concerning potential infringement of the European Trade Marks Directive and the CTMR and, in particular, the liability of Internet intermediaries.

The CJEU grouped the questions under relevant issues: (1) goods for sale or offered for sale and keyword advertising leading to infringements of the Directive and the CTMR; (2) the liability of the operator of an online marketplace; and (3) the scope of injunctive relief that a national court could order.

**Goods for Sale or Offered for Sale**

The CJEU ruled that the offer and sale of the following can, in principle, be prevented by a trademark proprietor:

1. Goods bearing a trademark that are located in a country outside the European Economic Area (EEA), where they are targeted at consumers within the EEA;
2. Testers, and demonstration items, supplied on a “not for sale” basis, because they were not “put on the market” by the proprietor within the meaning of the Directive or the CTMR (applying *Coty Prestige Lancaster Group v. Simex Trading*, Case C-127/09 (CJEU, June 3, 2010)); and
3. Goods whose packaging (e.g., outer box) with essential information, for example, relating to the identity of the manufacturer or person responsible for the marketing of the product, has been removed.

The Court gave full reasoning in its judgment. This report concentrates on the liability of intermediaries and prohibitive measures against them.

**Keyword Advertising**

The CJEU applied its rulings in *Google France* (Joined Cases C-236/08–C-238/08 (CJEU, Mar. 23, 2010)) and subsequent cases to the purchase of keywords by eBay. The trademark proprietor can object to keyword use of its trademarks if the related advertising does not enable reasonably well-informed and observant Internet users to ascertain without difficulty whether the goods originate from the proprietor (or economically linked undertaking) or from a third party.

The present case included counterfeit goods, which presumably fall within this ruling, but the CJEU did not confirm that this principle applies to goods that infringe a trademark but that may actually originate from the proprietor. It will be interesting to see how national courts apply this ruling to parallel imports, for example.
Liability of the Operator of an Online Marketplace

Article 14 of Directive 2000/31/EEC (legal aspects of information society services) contains certain exclusions of liability for service providers (including, where appropriate, operators of an online marketplace). The CJEU ruled that an exemption from liability applies where the operator has not played an “active role” allowing it to have knowledge or control over the data that it hosts. An operator plays such an active role, and therefore loses the protection of the exemption from liability, where it provides assistance such as optimizing the presentation of the offers for sale in question or promoting them. It would be for the referring court to determine whether the particular acts at issue in these proceedings took eBay outside the Article 14 exemption.

The CJEU also ruled that even if an operator has not played an “active role” of that kind, it cannot rely on that exemption from liability. The operator will be liable if it was aware of facts or circumstances from an appraisal of which a diligent business operator should have realized that the offers for sale in question were unlawful and then the operator failed to act expeditiously to prevent such acts.

Scope of Injunctions Against Operator of an Online Marketplace

Finally, the CJEU ruled on the scope of injunctive measures under Directive 2004/48/EC (enforcement of intellectual property rights). Under Article 11, trademark owners must be able to apply for an injunction against intermediaries whose services are used by a third party to infringe an IP right. The Court ruled that EU law requires the member states to ensure that the national courts with jurisdiction in relation to the protection of IP rights are able to order the operator to take measures that contribute not only to bringing to an end the complained-of infringements but also to preventing further infringements. Rules for operation of injunctions are a matter of national law, but they must achieve the objective of Directive 2004/48, so they need to be effective and dissuasive.

The measures cannot consist in the active monitoring by an operator of all data of each customer to prevent any future infringement of IP rights via its website. However, the operator may, for example, be ordered to take measures making it easier to identify the sellers who are its customers. Also, the court imposing an injunction must ensure that it does not create barriers to legitimate trade. Accordingly, an injunction, in the context of an online marketplace, cannot have as its object or effect a general and permanent prohibition on the selling, in that marketplace, of goods bearing those trademarks.
L'Oréal v. eBay is a landmark decision strengthening IP owners’ rights with respect to problems of fighting infringing goods offered via online marketplaces. The CJEU has clearly ruled that the operators of online marketplaces have to play a more active role in combating infringements by effectively taking down infringements from the marketplace and working toward preventing future infringements.

Charters Macdonald-Brown
John Colbourn

III.A.6.d. Sponsored Advertising/Keywords

The plaintiff in this case, Interflora (Interflora Inc. and Interflora British Unit), operates a well-known worldwide online flower-delivery service. Interflora holds U.K. and Community registrations for the trade mark INTERFLORA, covering goods and services in Classes 16, 31, 35, 38, 39, 41, and 42. The defendant, Marks & Spencer (Marks & Spencer plc and Flowers Direct Online Ltd), is a well-known U.K. retailer that offers, inter alia, an online flower-delivery service. Marks & Spencer used Google’s Internet referencing service, AdWords, to purchase Interflora’s trade mark INTERFLORA, and variants thereof, as a keyword for use in the online promotion of its own services via the GOOGLE user search facility. The keywords did not appear in the visible text of either the sponsored advertisement or the hyperlink to the defendant’s website (see below).

Taking into account the fact that various national courts in other EU member states had referred questions to the CJEU on similar issues, the High Court of England and Wales stayed the proceedings and referred its own questions to the CJEU regarding whether the use by a competitor of a keyword that is identical to a trade mark could amount to trade mark infringement under Article 5(1)(a) and/or Article 5(2) of the European Trade Marks Directive, even if such keyword did not appear in the visible text of the sponsored link or associated advertisement.
Following the CJEU’s ruling in the Google France cases (Joined Cases C-236/08–C-238/08 (CJEU, Mar. 23, 2010)), the High Court was invited to pare down its questions to those that the CJEU’s ruling had not addressed. This it did, and the CJEU then handed down its judgment on the remaining questions. (Interflora Inc. & Interflora British Unit v. Marks & Spencer plc & Flowers Direct Online Ltd, Case C-323/09 (CJEU (First Chamber), Sept. 22, 2011).)

On Article 5(1)(a) infringement, the CJEU considered that keyword advertising making use of a third-party trade mark without permission would amount to trade mark infringement if there was an adverse effect on one of the functions of the trade mark. In this regard, the Court stated that there were three functions that were liable to be affected in this context: the origin function; the advertising function; and the so-called investment function, which the CJEU identified as a new type of function in this judgment.

1. With regard to the origin function, the CJEU was of the opinion that this would be adversely affected if the advertisement suggested an economic link between the advertiser and the trade mark owner or if the advertisement was sufficiently vague that the reasonably observant Internet user was unable to determine (or could do so only with difficulty) whether there was such a link.

2. On the other hand, the CJEU did not consider that the advertising function would be adversely affected by keyword advertising. It reasoned that trade mark law was not designed to disrupt legitimate competition, and the fact
that the keyword bidding system often compelled a trade mark owner to pay more for its trade mark as a keyword in order to outbid competitors did not amount to preventing the trade mark owner from using its own trade mark as a method of promotion.

3. The CJEU held that the investment function (which it defined as “the ability to acquire or preserve an attractive force in your name”) was adversely affected if the advertisement substantially interfered with the use of the trade mark by the owner in order to acquire or preserve a reputation capable of attracting customers and retaining their loyalty. It was for the national court to assess on the facts whether this was the case.

On Article 5(2) infringement via detriment, the CJEU ruled that purchase and use by a competitor of a third-party trade mark with a reputation as a keyword would be detrimental to the reputation of that mark via tarnishment if the attractive power of the mark was reduced and detrimental to the distinctive character of the mark via dilution if the trade mark’s ability to identify the goods and services for which it was registered was weakened. (To illustrate the latter point, the CJEU gave, as an example, the situation where use of a trade mark contributed to its becoming a generic term.)

On Article (5)(2) unfair advantage, the CJEU considered that the only reason anyone would use a third-party trade mark as a keyword would be to take advantage, and following its decision in L’Oréal v. Bellure (Case C-487/07 (ECJ, June 18, 2009)), any advantage was necessarily unfair, on the basis that the advantage did not involve monetary compensation for the trade mark owner and took advantage of the effort of the owner. The Court thought that due cause would be an available defence on the facts for an advertiser offering an alternative product or service, but not if it were offering an “imitation.” This would be for the national court to decide.

It remains to be seen how the High Court will apply the CJEU’s ruling to the particular facts in this case. However, the CJEU’s judgment has clarified the circumstances in which advertiser liability may exist in respect of keyword advertising. Pending any further guidance from the High Court, U.K. competitors of third-party trade mark owners would be well advised to proceed with caution when considering purchasing such trade marks as keywords, given that it has been held not to be sufficient simply to make nonvisible use of the keyword in the
sponsored advertisement or hyperlink in order to avoid infringement proceedings.

Adam N. Cooke
Sahira Khwaja
Danielle Amor

III.E.1. Injunction

Chronopost SA owned a CTM registration for the word mark WEBSHIPPING in Classes 35, 38, 39, and 42, relating, in particular, to logistics and data transmission; telecommunications; transport by road; collecting mail, newspapers, and parcels; and express mail management. (CTM No. 1909183, registered May 7, 2003.)

Chronopost brought a claim in the Regional Court of Paris against DHL Express France SAS for trade mark infringement of its CTM. DHL had used the words “web shipping,” “WEB SHIPPING,” and “webshipping” in relation to its online mail-management service.

The Regional Court of Paris, acting as a CTM court, found that DHL had infringed Chronopost’s CTM by using the same word for online courier services, and it granted an injunction against DHL. The court also imposed a periodic penalty payment in accordance with French national law should DHL fail to comply with the injunction. DHL appealed. Chronopost cross-appealed, arguing that the scope of the injunction and periodic penalty payment should not be limited to the French territory, as it was granted in relation to a CTM.

The Paris Court of Appeal, acting as a CTM court of second instance, upheld the lower court’s decision. However, it refused to grant Chronopost’s request that the scope of the injunction should extend beyond the French territory.

The Court of Cassation agreed with the Paris Court of Appeal that the injunction applied only to France. Because it had doubts as to the interpretation of the relevant provision of the CTMR, the Court of Cassation decided to refer the following questions to the CJEU:

1. Must Article 98 of the [CTMR] be interpreted as meaning that the prohibition issued by a [CTM] court has effect as a matter of law throughout the entire area of the EU?

2. If not, is that court entitled to apply specifically that prohibition to the territories of other [m]ember [s]tates in which the acts of infringement are committed or threatened?

3. In either case, are the coercive measures which the court, by application of its national law, has attached to the prohibition issued by it applicable within the territories of
the [m]ember [s]tates in which that prohibition would have effect?

4. In the contrary case, may that court order such a coercive measure, similar to or different from that which it adopts pursuant to its national law, by application of the national laws of the [m]ember [s]tates in which that prohibition would have effect?

The CJEU ruled that Article 98(1) of the CTMR must be interpreted as meaning that the scope of a prohibition (in this case, an injunction) against further or threatened infringement of a CTM issued by a CTM court, whose jurisdiction is based on CTMR Articles 93(1)–(4) and 94(1), extends to the entire area of the EU. (Articles 93(1)–(4) and 94(1) deal with the extent of international jurisdiction for a CTM court in relation to acts of trade mark infringement that take place in the territory of any EU member state.) The Advocate General, in his nonbinding opinion, had emphasised that this premise goes to the root of the CTMR, providing a single right that may be cost-effectively and uniformly enforced throughout the EU. (Opinion of Advocate General Cruz Villalón, Oct. 7, 2010.)

The second sentence of Article 98(1) states that the CTM court “shall also take such measures in accordance with its national law as are aimed at ensuring that th[e] prohibition [that the court has ordered] is complied with.” The CJEU ruled that this clause must be interpreted as meaning that a coercive measure, such as a periodic penalty payment ordered by a CTM court by application of its national law (in order to ensure compliance with a prohibition against further infringement or threatened infringement that it has issued), has effect in other EU member states to which the territorial scope of such a prohibition extends. (DHL Express France SAS v. Chronopost SA, Case C-235/09 (CJEU (Grand Chamber), Apr. 12, 2011).)

Member states are to take any appropriate measure to ensure fulfillment of any obligations arising out of EU legislation. Therefore, where the national law of one of those other member states does not contain a coercive measure similar to that ordered by the CTM court, it would be sufficient if a court of that member state ordered a measure that would ensure that the prohibition was complied with in an equivalent manner.

As the jurisdiction of CTM courts and the scope of CTMs are pan-European, in principle an order made by a CTM court in respect of a CTM is also pan-European. However, this judgment means that even though national laws relating infringement of a
CTM have been harmonised, the remedies available in each EU member state may differ.

Adam N. Cooke
Sahira Khwaja
Danielle Amor

III.F.2. Lapsing of Registration

Evets Corp was the proprietor of CTM registrations for the word mark DANELECTRO (CTM Application No. 000117937) and a figurative mark QWIK TUNE (CTM No. 000117994) (illustrated below), each covering goods in Classes 9 and 15, which were cancelled for failure to renew. Evets applied to restore the two cancelled CTMs.

One of the Cancelled Marks

OHIM had notified Evets’ representative of the need to renew the CTMs within a specified period, but the representative had failed to inform Evets of this requirement. Following the expiry of a six-month grace period, the CTM registrations were cancelled.

Evets argued that the CTMs should not have been cancelled at that time, as the six-month grace period should start running from the date the proprietor became aware of the cancellation, rather than the date its representative became aware of it.

OHIM refused the application for restituto in integrum of the CTMs and the Fourth Board of Appeal of OHIM dismissed Evets’ appeal. The General Court then refused to annul the earlier decisions following Evets’ application.

The CJEU dismissed the appeal, ruling that any notification by OHIM to a duly authorised representative has the same effect as if it had been addressed to the represented person. The fact that Evets appointed a representative to deal with renewals did not help their argument. The CJEU went on to rule that where a proprietor has appointed several representatives notification to any one of them will be sufficient.

This decision clarifies that even where a proprietor has several appointed representatives, a notification by OHIM to one of those representatives is enough to put the proprietor on notice. This
reinforces the notion that clear lines of communication between proprietors and their representatives are vital and should be rigorously maintained by both sides. (Evets Corp. v. OHIM, Case C-479/09 (CJEU, Sept. 30, 2010).)

III.F.4. Cancellation

Fiorucci SpA, an Italian company founded by a well-known fashion designer, Mr. Fiorucci, sold to Edwin Co. Ltd all of its “creative assets” in the 1990s. These included all the trade marks Fiorucci owned, including a number of marks containing the word element FIORUCCI. After the sale of the assets, Fiorucci and Edwin collaborated for a time, until the business relationship broke down in the late 1990s/early 2000s. In 1999, Edwin successfully registered the word mark ELIO FIORUCCI as a CTM covering goods in Classes 3, 18, and 25. In 2003, Mr. Fiorucci sought to have the CTM declared invalid.

Mr. Fiorucci brought a cancellation action under Article 52(2)(a) of the CTMR, which states that a CTM can be declared invalid where its use can be prohibited because an earlier right, in particular a right to a name, is protected under either EU or national law. Mr. Fiorucci relied on protection for his name under Italian national law—namely a section of the Italian IP Code that states that if a personal name is well-known then it can be registered and protected as a trade mark only by the owner of the name or with the owner’s consent.

At the Cancellation Division, OHIM agreed with Mr. Fiorucci that the CTM should be declared invalid, but this was overturned by the Board of Appeal, which did not think that Mr. Fiorucci’s name fell within the scope of protection under the Italian IP Code. The Board of Appeal considered that the Italian IP code was designed to prevent third parties from exploiting well-known personal names, when the name had become well-known outside of the commercial sector. Mr. Fiorucci could not rely on that right any longer because he had acquired renown in his name in the context of his fashion design business and had sought to register his surname as a trade mark.

On appeal, the General Court found that the Board of Appeal had made an error in law by ruling out the application of Italian national law to this case. The General Court agreed with Mr. Fiorucci and annulled the decision of the Board of Appeal. The General Court found that there was no distinction in the Italian IP Code between whether the personal name had become well-known in a non-commercial or commercial context. Mr. Fiorucci was not
precluded from relying on this provision simply because he had commercially exploited his name previously.

Edwin appealed to the CJEU. The CJEU upheld the General Court’s decision. There was nothing in the wording or structure of Article 52 of the CTMR to support the narrow interpretation put forward by Edwin: that the provision concerns only the right to protect an “attribute of personality” and does not come into play when the name has already been exploited in the commercial sector. Article 52 may be invoked, for example, where an interested person claims an earlier right to a name, to his or her personal portrayal, or to copyright or industrial property rights.

The Court also found that the General Court had not interpreted the Italian IP Code in a way that was inconsistent with the wording of the national legislation. The General Court was fully entitled, without distorting the national law, to infer from it that, irrespective of the sector in which the renown was acquired and even where the name of the well-known person had already been registered or used as a trade mark, the proprietor of a well-known name is entitled to prevent the use of that name as a trade mark where he has not given his consent to its registration as a trade mark.

The Court confirmed that the General Court had jurisdiction to review the legality of OHIM’s assessment of the national law relied on and in the context of an appeal, the CJEU has jurisdiction to determine whether the General Court distorted the wording of the national provisions or of national case law, and whether the General Court made findings that were manifestly inconsistent with their content or significance.

The CJEU’s judgment should be borne in mind by parties who plan to register names as trade marks, particularly when acquiring a business that has been trading under a famous name so that the appropriate consent is sought. The judgment also confirms that the General Court has jurisdiction to review the legality of OHIM’s assessments of the national law relied on in considering CTM applications. (Edwin Co. Ltd v. OHIM, Case C-263/09 P (CJEU, July 5, 2011).)

Adam N. Cooke
Sahira Khwaja
Danielle Amor

### III.H.4. Evidence

Union Investment Privatfonds GmbH (Union Investment) owns German trade mark registrations for the word marks UNIFLEXIO, UNIZERO, and UNIVARIO, all of which are registered for goods in Classes 35 and 36. Unicre-Cartão
International de Crédito (Unicre) applied to register a CTM containing the word UNIBANCO, for goods in Classes 36 and 38.

On July 27, 2001, Union Investment opposed registration of the trade mark containing the word UNIBANCO in respect of credit card services in Class 36, based on a likelihood of confusion within the meaning of Article 8(1)(b) of the CTMR. The company was given until June 5, 2002, to respond to Unicre’s counterstatement. Union Investment sent its brief by fax to OHIM on May 29, 2002 (without attachments), but the original of the letter, including the attachments, only arrived at OHIM on June 6, 2002. OHIM informed Union Investment that it could not take the attachments into account, as they had arrived too late.

The OHIM Opposition Division rejected Union Investment’s opposition mainly because, without the attachments, there was not enough evidence to prove its claim. On appeal, Union Investment’s opposition was also rejected by the Second Board of Appeal of OHIM. The Board decided that because it could not take the attachments into account, Union Investment had not proved use of its trade marks. The similarity between the applied-for mark UNIBANCO and the three older trade marks was therefore insufficient for a successful opposition.

Union Investment appealed to the Court of First Instance (CFI, now the General Court), seeking annulment of the contested decision and a decision in favor of the opposition against the trade mark application. It raised two pleas in law in support of its action: first, an infringement of the procedural rules applicable before OHIM, namely Article 74(2) of the CTMR; second, infringement of Article 8(1)(b) of the CTMR. The CFI dismissed the action with respect to both pleas, and Union Investments appealed to the CJEU.

In its appeal, Union Investment again sought the annulment of the contested decision and a decision in favour of the opposition against the trade mark application. The appeal consisted of two pleas in law. First, Union Investment claimed for the first time in the whole proceedings that the attachments were, in fact, not delivered too late. Second, it argued that the CFI had misinterpreted Article 74(2) of the CTMR (now Article 76(2) of Regulation 207/2009) and that it had not used its discretion in its reading of that article. (Article 74(2) provides that OHIM may disregard facts or evidence that is submitted late.)

The CJEU rejected the first part of the appeal, as its purview is confined to a review of the findings of law on the pleas argued before the General Court.

With regard to the second plea, the CJEU also rejected all arguments that Union Investment had not already raised before the General Court. The CJEU held that the remaining arguments were not sufficient for it to rule in favour of Union Investment. The
Court stated that OHIM had, in fact, had to use its discretion to decide whether evidence was submitted too late under CTMR Article 74(2) and also had to give reasons for its decision. If the OHIM Opposition Division did not do so, then it was sufficient that the Board of Appeal had correctly done so, as was the case here. Therefore, in the opinion of the CJEU, OHIM’s decision did not contain any errors in law. Accordingly, Union Investment's appeal was rejected with respect to its second plea as well. (Union Investment Privatfonds GmbH v. OHIM, Case C-308/10 P (CJEU (Eighth Chamber), May 19, 2011.)

This decision confirms the rules set out in OHIM v. Kaul GmbH (Case C-29/05 P (ECJ, Mar. 13, 2007)) on the use of OHIM’s discretion under Article 74(2) of the CTMR.

Adam N. Cooke
Sahira Khwaja
Danielle Amor

CZECH REPUBLIC

I.D.1. Similarity of Marks

The applicant, Hundai Motor Company, sought to register the mark HYUNDAI MATRIX in Class 12 for vehicles, ground, air or water vehicles, mainly personal automobiles, carriage cars, buses, trailers, tractors, car wheels, tires, parts, and components of all above listed in Class 12. Hans-Georg Müller opposed the registration based on likelihood of confusion with earlier trademarks. The Industrial Property Office (IPO) partly refused the applied mark. In 2009 the Supreme Administrative Court (SAC) reviewed the earlier decision, and in 2010 the President of the IPO found no likelihood of confusion. The case was further reviewed by administrative courts. The SAC found in its decision of April 2, 2009 (File No. 7 As 39/2008–113) that the IPO incorrectly assessed the nature of the goods in question and the level of attention of the average consumer.

On the basis of the opposition based on Applicant Hundai Motor Company’s earlier MATRIX trademarks, the IPO found likelihood of confusion with the applied-for mark HYUNDAI MATRIX and partly refused the applied-for mark. This decision was upheld by the President of the IPO. The case was further reviewed by administrative courts. The SAC found in its decision of April 2, 2009 (File No. 7 As 39/2008–113) that the IPO incorrectly assessed the nature of the goods in question and the level of attention of the average consumer.

The President of the IPO concluded that there was no likelihood of confusion, in particular as a result of the higher level of attention of the consumer when purchasing the goods in question. The decisive element for the consumer is not the designation of the model of the car, but the designation of the producer, whose tradition and reputation play a significant role in the decision to purchase. The applied-for mark HYUNDAI
MATRIX would therefore not raise an association with the earlier trademark MATRIX, as a consumer who is considering the purchase of an automobile would usually be well informed and would always perceive the sign as HYUNDAI MATRIX and never as MATRIX. The consumer would identify the model in connection with the well-known trademark HYUNDAI. (File No. O-178643 (Decision of the President of the Industrial Property Office, Nov. 26, 2010).)

This case provides guidance for the future application of principles expressed by the Court of Justice of the European Union (CJEU) (formerly European Court of Justice) in Case C-120/04, [2005] ECR I-8551 (Oct. 6, 2005), Medion AG v. Thomson multimedia Sales Germany & Austria GmbH, in relation to products of the automobile industry in the Czech Republic.

_Thomas E. Mudd_

**I.D.1. Similarity of Marks**

The tobacco company Reemtsma filed an opposition against the trademark application of its competitor Gallaher Limited based on likelihood of confusion and breach of reputation. The IPO rejected the opposition, and in 2011 the SAC reversed the decision.

Under Application No. 428100, a three-dimensional trademark consisting of an octagonal box with the word element SILK CUT was applied for in International Class 34 for tobacco products and smokers' articles. The plaintiff's three-dimensional International Registration Nos. 656748, 688990, 740002, 791244, 791246, 874991, 878367, 878371, and 880345, consisting of octagonal shapes of boxes (black/white and colored), were also registered for tobacco products and smokers' articles in International Class 34.

Reemtsma's Marks
In the first instance, the IPO rejected the opposition because of lack of likelihood of confusion, holding that the shape of a cigarette box is not decisive for the average consumer. The opposition, which was based on reputation, was rejected because the opponent did not prove the existence of reputation. The first instance decision was upheld by the President of the IPO, who held, inter alia, that the compared marks were dissimilar and that the distinctive capacity of the opposing trademarks was rather low.

Based on the opponent's action, the appellate decision was cancelled by the Municipal Court of Prague. In the opinion of the court, the IPO was not allowed to express doubts about the distinctive capacity of registered trademarks and did not properly assess the question of whether the similar shape of a cigarette box could mislead the consumer as to the origin of the goods in question. The IPO and Gallaher Limited filed cassation pleas against the first instance court judgment with the SAC.

The SAC reversed the contested judgment, finding that the assessment of similarity by the IPO was correct, as it was based on the overall perspective. On the contrary, the opinion of the first instance court that only the comparison of the two octagonal shapes was decisive was refused as wrong. The SAC agreed with the first instance court that the IPO must respect the fact that the opposing three-dimensional trademarks were duly registered, however, held that by taking into account the low distinctive capacity of such trademarks in the assessment of likelihood of confusion, the IPO did not relativize or deny the rights arising from a duly registered trademark. (Reemtsma Cigarettenfabriken GmbH v. Industrial Property Office, File No. 1 As 80/2010–152 (Supreme Administrative Court, May 31, 2011) (in Czech).)

This decision outlines the basic principles of assessment of similarity in cases involving three-dimensional trademarks consisting of a shape of a product.

Thomas E. Mudd
I.E. Bad Faith

Yellow & Blue, s.r.o. opposed the applied-for mark of TV PRODUCTS CZ s.r.o. The IPO upheld the opposition, partly refusing the application. This decision was upheld by the President of the IPO, the Municipal Court of Prague, and the SAC based on the bad faith of the applicant.

TV Products CZ sought to register the mark BUN & THIGH MAX, covering goods and services in Classes 3 (cosmetics, perfumery, creams, gels, emulsions, oils, milk, dilutions, and cosmetic preparations appointed for body and facial massages, for body slenderizing, for body stabilization), 28 (appliances, equipment, and materials for body culture, healing gymnastics, regeneration and recondition, articles, equipment and gear for gymnastics, workout, and sports), and 35 (promotional activity and advertising). Yellow & Blue filed an opposition based on bad faith, claiming that it had sold a product under the mark BUN & THIGH MAX in the Czech Republic pursuant to its contract with the producer, that it had promoted it for one year by means of teleshopping, and that the applicant, TV PRODUCTS CZ, also active in the field of teleshopping, must have been aware of the right of Yellow & Blue as the user of an unregistered mark. The IPO upheld the opposition and partly refused the application for goods in Class 28 and limited Class 35 by adding the words “with the exception of promotional activity and advertising related to appliances, equipment, instruments and materials for body culture, workout and sports.” The decision was upheld by the President of the IPO and by the Municipal Court of Prague. The applicant filed a cassation plea with the SAC.

The SAC referred to its practice under which it is necessary to examine whether, taking into consideration all the relevant circumstances, the applicant was, or with regard to the circumstances should have been, aware of the existence of the opponent’s trademarks, whether harm was caused to the opponent by the application, and whether there was any reason that would justify the applicant’s conduct. It is also necessary to take into account all circumstances that could disprove or confirm bad faith.

The SAC upheld the decision of the court of first instance. Concerning the applicant’s argument that it had no reason to exploit the activities of Yellow & Blue because of its strong position in the market, the SAC held that the mere existence of a significant position in the market does not prove a competitor’s intentions toward other competitors. Moreover, this market position shows that the competitor is familiar with the market conditions. There may be various motives for a competitor’s conduct, but bad faith must be assessed on the basis of objective acts. The SAC further held that in a situation where both competitors are active in the field of TV advertising and
teleshopping and with respect to the transparency and specific character of the business of selling gymnastic articles, especially by means of teleshopping, the applicant must have been aware of the advertisement of Yellow & Blue because it had been broadcast for a period of more than one year. The fact that Yellow & Blue did not seek trademark protection for its mark did not demonstrate good faith of the applicant, as limiting the persons entitled to oppose a trademark application based on bad faith to trademark owners would deny the substance of the provision allowing for such opposition. (File No. 7 As 59/2010–102 (Judgment of the Supreme Administrative Court, Nov. 11, 2010).)

In this decision, the SAC expands on its previous decisions on bad faith applications and also provides guidance as to the circumstances proving or disproving bad faith in the specific field of the business in question.

Thomas E. Mudd

I.F. Famous and Well-Known Marks

Lidl Stiftung & Co. KG opposed the registration of the mark LÍDL MUSIC by LÍDL MUSIC, spol. s r.o. The IPO rejected the opposition, and the President of the IPO upheld the first instance decision, based on the reputation of the applicant’s earlier mark.

LÍDL MUSIC sought to register the mark LÍDL MUSIC to cover services in Class 42 (consultancy in the field of musical instruments and musical boxes and parts and accessories therefor). Lidl Stiftung opposed the application. The opposition was rejected by the Industrial Property Office in the first instance.

The President of the IPO found that the earlier LIDL trademarks had a reputation in the European Union. The reputation of LIDL trademarks was developed by their owner, Lidl Stiftung & Co. KG, particularly in relation to its supermarket chain. LÍDL MUSIC, a company founded in 1991, specialized in the selling of musical instruments and followed the tradition of the production of musical instruments under the brand Josef Lídl, which was established in 1892. It was therefore found that the mark LÍDL MUSIC existed in the marketplace long before the opening of the opponent’s supermarkets in the Czech Republic.

The President of the IPO held that if the contested mark has already acquired a strong distinctive capacity and reputation in the territory of the Czech Republic and if the products in question are aimed at different relevant parts of the public, one cannot conclude that, with regard to a different market segment, there was an attempt to take advantage of the reputation of the opposing trademarks. The President of the IPO therefore upheld the first instance decision rejecting the opposition. (Lidl Stiftung & Co. KG
This case brings to light general conclusions on the interpretation of the concept of taking unfair advantage of the distinctive character or the reputation of the earlier trademark.

Thomas E. Mudd

II.C.1.a. Word Marks

Mgr. Tomáš Kvasnička appealed the IPO's refusal of its trademark application, and the President of the IPO reversed the ruling.

Mgr. Tomáš Kvasnička applied to register the mark SINGLTREK in Class 12 (bicycles and accessories thereto); Class 25 (clothing, footwear, headgear); Class 35 (advertising and promotional services, business administration and similar services in relation to cycling); Class 37 (building construction, in particular building of cycling tracks; building construction supervision; repairs and maintenance of cycling tracks); Class 41 (agency for artists, education, entertainment, sports and cultural activities and similar services); Class 42 (scientific and technological services and research and designs related thereto; industrial analysis and research); and Class 44 (agricultural, horticultural and forestry services).

The Industrial Property Office refused the application for the registration of the trademark SINGLTREK based on lack of distinctive character and distinctiveness on the grounds that it is a Czech transcription of the word “singletrack” commonly used as a name for mountain forest tracks that have a natural surface and accurately defined parameters, and that are utilized for recreational sports, particularly by bikers. The applicant appealed the decision.

Upon appeal, the President of the IPO reviewed the matter and found that the applied-for mark consisted of two words, “singl” and “trek” (“trek” being a transcription of the English word “track”). The connection of these two words, with the second one being a phonetic transcription of an English word, would have no particular meaning for the Czech consumer, although it might in certain cases create an association with a one-way track. The finding on lack of distinctiveness was therefore incorrect, as a connection of word elements that are both frequently used words need not necessarily be nondistinctive for the applied-for goods and services. (File No. O-471381 (Decision of the President of the Industrial Property Office, Nov. 18, 2010).)

The mark SINGLTREK is also not descriptive for the applied-for goods and services, as it is sufficiently original and refers to other fields of human activity, with the exception of the services
“building construction, in particular building of cycling tracks; repairs and maintenance of cycling tracks.”

This case demonstrates the attitude of the IPO toward the registrability and inherent distinctiveness of marks created by merging two frequently used English words or their Czech transcriptions.

Thomas E. Mudd

II.C.1.j. Slogans

The applicant, JanSport Apparel Corp., appealed against partial refusal of its trademark application that was based on lack of distinctive capacity and descriptiveness. JanSport Apparel applied to register the mark BUILT TO RESIST for goods in International Classes 16, 18, and 25. In the first instance, the application was partly refused for goods in Classes 18 and 25, as it was found that as a result of its laudatory character, the applied-for mark lacked distinctiveness and was descriptive for the relevant goods, and the applicant was unable to prove acquired distinctiveness.

The appellate body affirmed the first instance decision in finding that although the mark might be perceived as a fantasy mark by a non-English speaking consumer, it would be necessary to take into account the fact that because of the recent increase in English language lessons in schools, the average consumer had at least a basic knowledge of the English language. It might therefore be assumed that the mark was capable of creating an association with the quality of the goods in question.

As the applicant submitted further evidence of acquired distinctiveness in its appeal, the matter was returned to the first instance for further examination. (File No. O-476549 (President of the Industrial Property Office, decision of May 20, 2011) (appeal against decision of the Industrial Property Office of March 1, 2011, partially refusing registration of the word trademark BUILT TO RESIST).)

This decision shows the approach of the IPO in matters concerning applications involving English slogans.

Thomas E. Mudd

III.E. Remedies

The plaintiff, Česká agentura na podporu obchodu (National Trade Promotion Agency of the Ministry of Industry and Trade of the Czech Republic), a governmental agency founded to provide support to Czech exporters, sought a court order prohibiting the use by the company Czech Trade Internet s.r.o. of the mark CZECH TRADE and ordering the company to change its corporate
name on the basis of its trademark and unfair competition. The plaintiff also claimed damages (including various costs related to the dispute) and asked for monetary compensation for moral harm caused by use of the mark CZECH TRADE by the defendant, Czech Trade Internet. The plaintiff's combined CZECH TRADE trademarks were registered for the propagation activity and to help with the operation of the business activities in International Class 35.

Plaintiff's Marks

In the first instance, the Municipal Court of Prague dismissed the action as a whole. Upon the plaintiff's appeal, the judgment was partly reversed and the defendant was prohibited from using the mark CZECH TRADE, excluding use as a part of its corporate name, and ordered the defendant to pay monetary compensation in the amount of CZK 30,000. On the basis of an extraordinary appeal, the matter was reviewed by the Supreme Court.

The Supreme Court upheld the appellate decision. Concerning the likelihood of confusion of the corporate name as a whole and the plaintiff's trademarks, the Supreme Court held that the appellate court had correctly assessed the marks as a whole and found no likelihood of confusion. The protection through the order to cease the use of the CZECH TRADE marks, except for the use as a part of the corporate name, was found to be sufficient.

Concerning the dismissed damage claim, the Supreme Court concurred with the appellate court that there was no causal link
between the acts of the defendant and the costs incurred by a media survey and legal analyses ordered by the plaintiff.

The Supreme Court also upheld the award of monetary compensation and its amount and confirmed that the appellate court took into consideration the appropriate factors, namely, the gravity and intensity of the infringement, its period of duration, consequences for the public perception (including occurrences of confusion on the part of the public and business partners of the plaintiff), the defendant’s awareness of the unlawful character of the conduct that had not been terminated voluntarily and also the position of both parties in the marketplace. (Česká agentura na podporu obchodu v. Czech Trade Internet s.r.o., File No. 23 Cdo 4384/2008 (Supreme Court, Apr. 28, 2011) (in Czech).)

The judgment of the Supreme Court provides a guideline for cases of infringement of a trademark by the choice and use of a corporate name. It also summarizes the position of the Supreme Court with respect to compensation of moral harm in trademark infringement/unfair competition cases.

Thomas E. Mudd

**ECUADOR**

**I.F. Famous and Well-Known Marks**

Philip Morris Products Inc. filed an opposition before the Ecuadorian Institute of Intellectual Property (IEPI) National Directory of Industrial Property against the application for registration of the trademark DISEÑO D (for a roof design) in Class 34 filed by La Moderna S.A. de C.V. (today Batmark Limited). (Proceeding No. 73493-96, filed Jan. 29, 1998.) The plaintiff argued that the applied-for mark DISEÑO D was graphically and visually similar to its trademarks MARLBORO LABEL (Trademark No. 228-56, registered June 30, 1956) and MARLBORO MEDIUM (Trademark No. 1384-93, registered May 20, 1993), also registered in Class 34, and that its indisputable similarities and identity determined that the registration and use of the applied-for mark would induce consumers to confusion, which would constitute an act of unfair competition that would affect the rights of Philip Morris Products in the notorious and famous MARLBORO trademarks.

In answering the action, La Moderna S.A. de C.V. claimed that the plaintiff’s trademarks coexisted in Mexico and in other countries with other BATMARK marks for similar roof designs, which demonstrated that the trademarks could peacefully coexist in the Ecuadorian market without creating confusion among consumers. The defendant also noted that the opposition filed was a clear act of unfair competition that affected not only its acquired
rights but also those of all cigarette manufacturers, as it claimed an exclusive monopoly over the use of the roof and other, similar designs. Therefore, the defendant requested the IEPI to reject the opposition and, consequently, to grant registration for the mark DISEÑO D in Class 34.

In September 1999, the IEPI issued a resolution denying the opposition and granting registration of mark DISEÑO D. (IEPI Resolution issued within File No. 73493-96, Sept. 22, 1999.) The IEPI concluded there were no similarities between the names in dispute that would lead consumers to become confused about the commercial origin of the goods given the nature of the goods covered.

Philip Morris Products filed a judicial appeal before the Administrative Contentious Court against the aforementioned resolution on the same basis of the opposition. (Administrative Contentious Court Proceeding No. 17802-2000-6865, filed Mar. 13, 2000.) The Andean Court of Justice issued the mandatory interpretation of the norms related to the case and stated that when notoriety is claimed it must be supported by evidence. Through a judgment dated April 28, 2011, The Administrative Contentious Court denied the judicial appeal and confirmed the registration of the trademark DISEÑO D in Class 34 because Philip Morris Products did not provide evidence to support the claimed notoriety of its MARLBORO formative trademarks.

This case is important because the court’s ruling establishes that notoriety cannot be declared without the evidence to support it.

Maria Cecilia Romoleroux

ESTONIA

III.A.5.a. Cybersquatting

Federal Express Corporation is the owner of the Estonian trademark FEDEX (Trademark No. 10727) in Class 39 and the Community trade mark (CTM) FEDEX (CTM No. 000219642 in Classes 12, 16, 38, and 39 and CTM No. 002788370 in Classes 9, 12, 16, 25, 38, and 41). Federal Express Corporation is also the owner of the domain name fedex.com.

Kristjan Reigo registered the domain name fedex.ee on September 20, 2010. Federal Express Corporation opposed the domain name registration on the grounds of its own prior word mark registrations and claimed that the filing of fedex.ee for registration was made in bad faith. Federal Express brought its claim of bad faith on the part of Kristjan Reigo before the Domain Disputes Committee and requested that the domain name be handed over.
In May 2011, Federal Express sent two cease and desist letters to Kristjan Reigo; however, in response, Kristjan Reigo did not show a willingness to hand over the domain name at the price (the direct cost of registration of the domain name) that Federal Express offered.

Federal Express brought its opposition request before the Domain Disputes Committee, which satisfied the opposition. The Committee found that the domain name was identical to the earlier trademarks and that the domain name fedex.ee had been registered without the registrant’s having a legitimate interest in the domain name. The Committee also stated that the fact that the owner of the earlier rights had not registered the domain name fedex.ee should not be an excuse for the defendant to apply the registration himself. However, according to the decision, the domain name fedex.ee had not been registered in bad faith, as there was no indisputable evidence of such submitted by Federal Express. (Case No. 11-1a-269, the Estonian Domain Disputes Committee, Sept. 15, 2011).

In 2010, the new Domain Name Regulation regarding the top-level domain (.ee) came into force and the Domain Disputes Committee was established. This decision was one of the first ones made by this specific independent body for resolution of disputes pertaining to .ee domains, which operates under the aegis of the Estonian Internet Foundation.

FINLAND

I.B.2. Merely Descriptive

Plaintiff-appellant I.S. registered the mark HEARTS & ARROWS DIAMONDS in Class 14. Six different companies filed a joint opposition with the National Board of Patents and Registration (NBPR) on the ground that the mark merely described the kind and quality of some of the goods in Class 14 covered by the registration, namely jewelry and precious stones.

The NBPR accepted the joint opposition, finding that the opponents had shown that the term “Hearts & Arrows” was commonly used to refer to a certain quality and characteristic of the grinding of a diamond. I.S. appealed, but the Board of Appeal of the Finnish Patent Office upheld the prior decision.

I.S. then filed an appeal with the Supreme Administrative Court to reverse the prior decisions in which the opposition against its registration had been accepted with respect to jewelry and precious stones. The Supreme Administrative Court rejected the appeal. It reasoned that the element DIAMONDS in the
appellant’s mark was a generic word, and therefore the assessment should concentrate on the word combination HEARTS & ARROWS. That term, which, the Court held, referred to a phenomenon where eight heart shapes and eight arrow shapes could be seen in a ground diamond, had been used in the market since 1988. The Court considered it unlikely that the consumers would know the meaning of the term; however, as the term was commonly used in the diamond business, the Court ruled that it should be kept free for use by every company. (I.S. v. Oy Alexander Tillander Ab, Kultakeskus Oy, Kultaseppä Ailio Oy, Karl Sandberg Ky, Oy Scanmerit Ltd & Kalevala Koru Oy, Case No. 3013/3/07 (Supreme Administrative Court, Dec. 2, 2008).)

Seija M. Saaristo

I.B.2. Merely Descriptive

Société Anonyme des Bains de Mer et du Cercle des Étrangers à Monaco applied to extend to Finland its International Registration for the trademark THERMES MARINS MONTE-CARLO in Classes 3, 28, 29, 32, 41, 43, and 44.

The NBPR rejected the registration of the mark for goods in Class 3 and for services in Classes 41 and 44 on the ground that the mark described the kind, quality, purpose of use, and place of manufacture of the goods and services. The applicant appealed to the Board of Appeal of the Finnish Patent Office, but the Board upheld the decision of the NBPR.

The applicant filed a further appeal with the Supreme Administrative Court, claiming that the extension of its International Registration to Finland should be accepted for all the goods and services covered by the registration.

The Supreme Administrative Court reversed the prior decisions. In its reasoning, the Court analyzed the elements of the plaintiff’s mark and stated that the element “thermes” (with the meaning “spa”) was not familiar to the Finnish consumers but that the word “marins” would be associated with the sea. The combination of these two words THERMES MARINS was, according to the Court, a suggestive mark and did not directly describe the goods or services. Similarly, the Court considered the end of the mark to be part of the mark THERMES MARINS MONTE-CARLO and was a predominantly suggestive term referring to a certain lifestyle instead of describing the place of manufacture of the goods. Thus, the Court held the mark to be distinctive for all the goods and services covered by International Registration. (Case No. 2249/3/07 (Supreme Administrative Court, Oct. 7, 2008).)

Words in languages other than Finnish or Swedish or commonly known words in English are usually considered
suggestive rather than descriptive. As stated, the meaning of the word was not familiar to the Finnish consumers.

Seija M. Saaristo

I.B.5. Suggestive

New Wave Group, which held an International Registration for the trademark NEW WAVE in Class 25, applied for the extension of its protection to Finland.

The NBPR rejected the application on the ground that the expression “new wave” was broadly used to describe something new and different from the traditional, and therefore the mark was only describing the kind, quality, and use of the goods concerned. The NBPR also held that the material provided by the plaintiff evidencing the acquired distinctiveness was insufficient.

The plaintiff filed an appeal to the Board of Appeal of the Finnish Patent Office. The Board of Appeal accepted the appeal of the plaintiff. It stated that although the word “new” meant the quality of the goods, the word “wave” was not understood by the average consumer or at least not used for describing the goods in question. Furthermore, the Board explained that the expression “new wave” was commonly used—for example in music, art, and politics—but it did not have any specific or general meaning relating to the clothing and footwear industries. In relation to clothing and footwear, the mark was vague and suggestive and thus distinctive. (Case No. 2006/T/123 (Board of Appeal, Finnish Patent Office, May 4, 2009).)

It is always interesting to learn how new expressions in different languages are interpreted in Finland.

Seija M. Saaristo

I.C. Distinctiveness

The plaintiff, Suomen Osuuskauppojen Keskuskunta, applied to register the mark HOUSE COLLECTION in Classes 25 and 35.

The NBPR rejected the plaintiff’s application for the mark HOUSE COLLECTION on the ground that the mark was describing the kind, quality, and purpose of use of the goods and services and was therefore devoid of distinctive character. The NBPR also stated that the mark had not become distinctive based on its use. The plaintiff appealed to the Board of Appeal of the Finnish Patent Office, but it upheld the decision of the NBPR.

The plaintiff filed an appeal to the Supreme Administrative Court and claimed that its mark should be accepted for registration. The Supreme Administrative Court also rejected the appeal of the plaintiff, explaining that the term HOUSE COLLECTION was obviously and directly referring to a fashion
house’s own collection and was descriptive of the goods concerned. The Court did not accept the claim of the plaintiff that the mark would have acquired distinctiveness as a result of its use within the five-year period before the filing of the application. When assessing the proof of use, the Court stated that some of the evidence actually covered the use of a HOUSE COLLECTION & Device mark. Additionally, as the mark was so strongly descriptive of the goods, the submitted amount of the evidence material was not sufficient to prove that the mark would have become distinctive. (Case No. 2252/3/07 (Supreme Administrative Court, Oct. 7, 2008).)

This decision indicates that the proof of use should serve as evidence of use of the exact mark in question and therefore, for example, material concerning the use of a device version of a mark might not be accepted for proof of use of a corresponding word mark. Additionally, it seems that the level of descriptiveness of the mark might have some effect on the amount of evidence required.

Seija M. Saaristo

I.D.1. Similarity of Marks

Cobra Automotive Technologies S.P.A., held the following trademarks:

(1) The Finnish registration for the mark COBRA, registered in Classes 9 and 12 (illustrated below);

![Plaintiff's Finnish Mark](image1)

(2) the Community Trade Mark (CTM) COBRA (in lower case letters), registered in Class 12 (illustrated below); and

![Plaintiff's CTM](image2)
(3) the CTM word mark COBRA CONNEX, registered in Classes 9, 12, 37, 38, 39, and 45.

The mark of the defendant, Cobra Electronics Corporation, a Finnish registration in Class 9, is shown in the illustration below.

![Defendant's Mark](image)

The plaintiff filed an opposition before the NBPR. The NBPR rejected the opposition based on the overall assessment of the case, finding that there was no likelihood of confusion between the marks even though the goods in Class 9 were considered to be similar. In its reasoning, the NBPR pointed out that the exclusive right based on a trademark registration does not cover the theme of a mark itself (here, the cobra figure).

The plaintiff filed an appeal to the Board of Appeal of the Finnish Patent Office and claimed that its opposition against the defendant's registration should be accepted.


As stated, the exclusive right based on a trademark registration does not cover the theme of a mark itself. In this case, the designs were different enough.

*Seija M. Saaristo*

The plaintiff's mark ORIFLAME ICE was registered in Classes 3, 14, and 25. The plaintiff applied to the NBPR to extend the protection of its International Registration for the mark ORIFLAME ICE to cover Finland. The NBPR rejected the application on the ground that there was a valid earlier national registration for the word mark ICE that covered similar goods in Classes 14 and 25 as well as an earlier CTM—ICE (with a lower case “e”)—covering similar goods in Class 3. The NBPR held that
There existed a likelihood of confusion, as all of the marks shared the element “ice,” which was one of the key elements in the plaintiff’s mark and which was identical to the word mark ICE and the dominant part of the mark ICE (with a lower case “e”) & Device.

The plaintiff filed an appeal to the Board of Appeal of the Finnish Patent Office to extend the protection of its International Registration for the mark ORIFLAME ICE to cover Finland.

The plaintiff appealed against the part of the decision that concerned likelihood of confusion with the CTM ICE (with a lower case “e”) in Class 3, and the Board of Appeal of the Finnish Patent Office reversed that part of the previous decision. The Board found that “ice” was a weak element regarding the goods belonging to Class 3, as it referred to the characteristics of the goods. Further, the Board found the device marks to be visually totally different from each other even though they shared the part “ice.” Added to that, the word element “oriflame” incorporated in the plaintiff’s mark distinguished the marks from each other phonetically. On these grounds, the finding drawn from the overall assessment of the case was that the marks were not confusingly similar. (Oriflame ICE v. Ice, Case No. 2007/T/015 (Board of Appeal, Finnish Patent Office, June 12, 2009).)

The NBPR provided a very good explanation of how a small detail (the weak element of ICE in Class 3) can be decisive and how much the visual differences and the addition of a distinguishing element can lead to a sufficient difference between the marks in other classes although both marks include the same word element (“ice”).

Seija M. Saaristo
I.D.3. Conflict Between Trademarks and Corporate Names

The defendant H.O.A.’s mark HURRIGANES was registered in Classes 25 and 41.

The plaintiffs (J.K., S.H., and S.J.) filed an opposition before the NBPR, claiming that the name of their rock band “Hurriganes” had already (in the 1970s) become an established and generally known mark in Finland. Additionally, they claimed that the mark in question was in conflict with a prior trade name—Hurriganes Company Ky Christer Häkkinen.

The NBPR rejected the opposition on the ground that the plaintiffs had not shown that their mark HURRIGANES would have become an established trademark for any goods or services covered by the application. Neither had they shown that they would have some other rightful claim relating to the name “Hurriganes.”

The plaintiff appealed to the Board of Appeal of the Finnish Patent Office, which rejected the appeal. In addition to the reasoning of the NBPR, the Board stated that the fact that the plaintiffs’ band Hurriganes had been known since the 1970s did not make the name of the band a mark that would have been used like a trademark in connection with any goods or services. Further, the Board explained that a band was not considered to be any legal person capable of having any rights or obligations. The Board also made it clear that the trademark HURRIGANES was not the surname, alias, pseudonym, or stage name of any of the plaintiffs on which they could have based their claim. Regarding the trade name “Hurriganes Company Ky Christer Häkkinen,” the Board did not find it to be in conflict with the trademark HURRIGANES, as the marks were different enough from each other and the goods and services covered by the application were not similar with the line of business of the trade name. (Case No. 2007/T/021 (Board of Appeal, Finnish Patent Office, June 22, 2009).)

The question regarding the rights to a name of a rock band has been unclear but this decision of the Board of Appeal provides the guidelines. A name has to be used as a trademark in connection with goods or services in order to acquire the kind of rights that are sufficient to prevent the unauthorized use of that mark.

Seija M. Saaristo

II.C.1.b. Personal Names

Lucia AG applied to the NBPR for the extension of protection to Finland of its International Registration for the word mark CLASEN, covering goods in Class 25.
The NBPR rejected the application on the ground that the mark was a word in use as a surname in Finland and there was a risk that the public might confuse the mark with another’s protected name. Additionally, the NBPR found that the word “clasen” was not incorporated in the trade name of the applicant (Lucia AG), nor did it have any other connection with the name.

Lucia AG filed an appeal with the Board of Appeal of the Finnish Patent Office. It argued that the registration should have been granted because according to the population register, fewer than five people were using the surname “Clasen” in Finland. Additionally, the appellant claimed that it was highly unlikely that the Finns would perceive the word as a surname. Despite these arguments, the Board of Appeal rejected the appeal and upheld the decision of the NBPR. Its reasoning was that the assessment of rare surnames as trademarks was to be made case by case. With regard to the name Clasen, the Board was of the opinion that consumers would perceive the word as a surname, and therefore the registration was rejected. (Case No. 2006/T/075 (Board of Appeal, Finnish Patent Office, Dec. 2, 2008).)

The NBPR and its Board of Appeal seem to have quite a strict line dividing what is considered to be a surname and what is considered a trademark in Finland. Even a group of fewer than five people who use the name as a surname can form a barrier to the registration.

Seija M. Saaristo

III.H.8. Payment of Legal Fees

Kata-Electronics Oy applied to register the mark KATA in Class 42. The NBPR rejected the six applications for registration of the mark based on the earlier CTM registrations for KATA WEB (CTM No. 1483205, registered Apr. 5, 2001) and KATA BUSINESS (CTM No. 1699271, registered June 8, 2000), which wholly incorporated the word element KATA and were registered in several classes, including Class 42 (see below). The NBPR also found that there existed a likelihood of confusion between the mark applied for and earlier marks with that identical element KATA.

KataWeb

CTM No. 1483205
The plaintiff appealed to the Board of Appeal of the Finnish Patent Office but did not pay the required appeal fee within the appeal period of 60 days. After receiving a notification from the Board, the plaintiff paid the appeal fee for one application but did not specify for which of the six rejected applications the fee was directed. The Board notified the plaintiff again and advised the plaintiff to direct the paid fee to one of the applications. As the plaintiff did not respond to the notification, the Board made its decision and dismissed the appeal on the procedural ground that the plaintiff had not paid the required appeal fee for any of the rejected applications.

The plaintiff filed an appeal to the Supreme Administrative Court in order to reverse the prior decision of the Board of Appeal of the Finnish Patent Office in which it had dismissed the appeal of the plaintiff.

The Supreme Administrative Court rejected the appeal of the plaintiff and confirmed the decision of the Board of Appeal of the Finnish Patent Office. (KATA vs. KATA WEB & KATA BUSINESS, Case Nos. 1827–1832/2/08 (Supreme Administrative Court, Jan. 1, 2009).)

Timely payment of the required appeal fees and response to any notifications of deficiencies issued by the registration authorities is essential; otherwise, the appeal will be rejected.

Seija M. Saaristo

FRANCE

I.C.2. Acquired Distinctiveness

Christian Dior is the owner of a figurative trademark (illustrated below) that is made up of two horizontal lines in relief (having the appearance of a scar) placed symmetrically on each side of the rectangular shaped product.
Learning that Bill Billyto and Galeries Lafayette were selling shirts for men that included darts formed on the backs of the shirts that reproduced or imitated its trademark, Christian Dior Couture brought an action against them on the ground of trademark infringement and unfair competition.

The Court of First Instance (Christian Dior Couture SA, Cupidon SARL et Udo Edling v. Bill Billyto SA, Galeries Lafayette SA, Court of First Instance of Paris, 3rd Chamber, 3rd Section, June 10, 2009, PIBD 2009 No. 904, part III, at 1401) cancelled the trademark for lack of descriptiveness and lack of distinctiveness, and held Christian Dior’s claims inadmissible on the grounds of trademark infringement and unfair competition.

In an interesting decision on the question of a “position trademark,” the Appeal Court (Christian Dior Couture SA, Cupidon SARL et Udo Edling vs Bill Billyto SA, Galeries Lafayette SA, Appeal Court of Paris, 2nd Chamber, Nov. 12, 2010, PIBD 2011 No. 931, part III, at 21) found that the trademark was valid and it rejected the arguments for trademark infringement and
unfair competition because the seams were not identically placed on the shirts at issue. Relying on Article L711-1 of the French Intellectual Property Code (“A trademark or service mark is a sign capable of graphic representation which serves to distinguish the goods or service of a natural or legal person.”), the Appeal Court found that the Dior trademark was valid because its representation (dotted drawing on a jacket back with two solid horizontal and symmetrical lines at the beginning of the armhole) was precise and lacking in ambiguity, and therefore sufficient to distinguish its clothes. The Appeal Court weighed the fact that the placement of the seams in a highly visibly manner was unusual. In fashion, this kind of detail can be important to the consumer. The uniqueness of the mark allows the consumer to identify the origin of the product. Thus, although weak, the trademark was endowed with a distinctive character for the goods concerned. Consequently, the mark would neither be seen as fulfilling a technical function nor satisfying only a decorative concern.

Marc Roger Hirsch

III.A.4. Unfair, Unauthorized, or Improper Use

The French company Hachette Filipacchi Presse (HFP), owner of the well-known trademarks MATCH (dating from 1977) and PARIS MATCH (dating from 1968), noticed that another company called Match.Com LLC had filed the Community trademark MATCH.COM on April 1, 1996 in Class 42 for “Information and consultancy services in the nature and field of on-line dating and introduction services” registered in 2004. HFP filed a request for a declaration of invalidity against this trademark.

The defendant argued that the request for invalidity should be rejected pursuant to Article 54(2) of the Council Regulation of the Community Trademark No. 207/2009 because the applicant had acquiesced to the use of the contested trademark for more than five years.

Addressing the interesting issue of the date acquiescence begins running, the Paris Court of First Instance (Hachette Filipacchi Presse Snc & Hachette Filipacchi Associés Snc v. Match.com International Ltd & Match.com LLC, First Instance Court of Paris, 3rd Chamber, 3rd Section, Oct. 8, 2010, PIBD No. 932, part III, at 64) explained that it is the date on which the applicant came to know of the “use” of a later Community trademark in the Member State in which the earlier trademark is protected and not the date on which the contested trademark was registered.

In the case at hand, the defendant argued that French consumers had been visiting its website match.com since 1998. However, the court pointed out that because the website was not in
the French language, it was not intended for French consumers. Moreover, the fact that HFP opposed the CTM in France did not necessarily lead to the conclusion that it was aware of the “use” of the CTM at issue. Therefore, acquiescence could only run from 2002, the date on which the website match.com was available in French. In this situation, less than five years had passed between 2002 and November 28, 2006, the date HFP began the present action. Consequently, HFP was duly entitled to apply for a declaration of invalidity.

Considering that the statute of limitations can be a cause of failure for an invalidity or infringement action, this ruling highlights just how important it is to be aware of starting dates, and those points that can lead to the action failing.

Marc Roger Hirsch

III.A.6.d. Sponsored Advertising/Keywords

The owner of the EUROCHALLENGES trademark and its licensee CNRRH observed that sponsored competitor advertising came up on the screen when the web user entered “eurochallenges” in a web search by a search engine—in this case, Goggle France. The two parties brought an action against the advertiser and Google France on the grounds of trademark infringement and unfair competition.

The Court of First Instance (SARL CNRRH v. SA Google France, Court of First instance of Nanterre, 2nd Chamber, Dec. 14, 2004) held the advertiser and the search engine liable for the use of the trademark EUROCHALLENGES in its Adwords program. This decision was affirmed by the Appeal Court of Versailles (Google France v. SARL CNRRH, Appeal Court of Versailles, Mar. 23, 2006, 12th Chamber, section 2).

The French Supreme Court (Google France and Tiger v. CNRRH, Supreme Court, July 13, 2010) stayed the proceedings and asked for the opinion of the CJEU (Google France v. CNRRH, CJEU, March 23, 2010, curia.europa.eu) regarding, among other things, the possibility for the trademark owner to forbid web advertising by an advertiser using the trademark as a keyword within the meaning of Articles L713-2 and L713-3 of the French Intellectual Property Code. (Article L713-2(a) provides: “The following shall be prohibited, unless authorized by the owner: The reproduction, use or affixing of a mark, even with the addition of words such as: ‘formula, manner, system, imitation, type, method,’ or the use of a reproduced mark for goods or services that are identical to those designated in the registration;” Article 713-3(b) stipulates: “The following shall be prohibited, unless authorized by the owner, if there is a likelihood of confusion in the mind of the public: The imitation of a mark and the use of an imitated mark
for goods or services that are identical or similar to those designated in the registration.

The CJEU clearly distinguished the liability regime applicable to search engines from that which applies to advertisers. It concluded, applying Article 5(1)(a) of Directive CE 89/104 on trademarks, that selection of a keyword corresponding to a trademark to propose identical products in the framework of an Internet referencing service is, theoretically, an infringement. However, this infringement would only occur in the case where the advertisement would not enable an average Internet user, or enable the user only with difficulty, to ascertain whether the referenced goods or services referred to therein originated from the proprietor of the trademark or an undertaking economically connected thereto or, on the contrary, originated from a third party. The advertiser who reserves a third-party trademark to identify identical goods to those covered by the trademark is infringing the trademark, except if the advertisement makes it perfectly clear that there is no connection between the trademark owner and the advertiser.

In the present case, the French Supreme Court (Google France and Tiger v. CNRRH, Supreme Court, July 13, 2010, legifrance.gouv.fr) fell in line with the position of the CJEU. Although the search engine was found not liable for trademark infringement through its referencing service, Google Adwords, the Appeal Court of Versailles’s decision was affirmed in that advertisers are penalized for trademark infringement. The present decision has been supported by several recent decisions (for example, Suza International France SA v. Professional Computer Associates France SA and France SARL, Appeal Court of Paris, Sept. 15, 2010, 1st Chamber, Section 5, PIBD No. 932 part III, at 58).

Marc Roger Hirsch

In May 2011, the Court of Appeal of Paris held that Google Inc. and advertiser Home Cine Solutions were both liable for unfair competition, misleading advertising, and illegal comparative advertising.

The French company Cobrason sells stereo and video equipment through its websites at cobrason.com and cobrason.fr. Cobrason submitted that when an Internet user searched for the term “Cobrason” in Google’s search engine, the search results included the address of the website homecinesolutions.fr, which belongs to the French company Home Cine Solutions—one of Cobrason’s direct competitors. After obtaining evidence pursuant to a bailiff report, Cobrason sued Google Inc., Google France and Home Cine Solutions, alleging unfair competition, misleading advertising, and illegal comparative advertising.
With regard to the unfair competition claim, the court found that the use of Cobrason’s company name and domain name as a keyword would:

• create confusion in the mind of the public;
• unfairly divert consumers from Cobrason’s website; and
• misappropriate Cobrason’s investments in its website and advertising campaigns.

The court added that, by offering for sale the keyword “Cobrason” in its AdWords system, Google Inc. had contributed from a technical point of view to the confusion created in the public’s mind. It confirmed the findings of the Trade Court except with regard to the liability of Google France, as the latter is owned by Google Inc.

With regard to the misleading advertising and illegal comparative advertising claims, the court pointed out that Internet users and potential clients could believe that there was a commercial link between Cobrason and Home Cine Solutions, given the identity of the products offered for sale. Moreover, the fact that, on the search results page, Home Cine Solutions’ web address was accompanied by the phrase, Pourquoi payer plus cher? (“Why pay more?”) was likely to divert Internet users looking for Cobrason to Home Cine Solutions’ website.

Given the uncertainty that has resulted from the Court of Justice’s rulings of March 2010 on how to enforce one’s rights against Google based on trademark infringement, the Court of Appeal’s decision suggests alternative grounds that trademark owners can consider in actions involving keyword advertising, at least from a French perspective.

Jean-Philippe Bresson
Franck Soutoul

The auction companies Christie Manson & Woods and Christie’s France publish, among their activities, catalogues presenting their pieces for sale. The company Artprice.com runs a database containing the results of public auctions and gives online access to a significant stock of catalogues of public auctions. The companies of the Christie group brought an action against the company Artprice.com when they located on the Internet the reproduction of all of their auction house’s catalogues without their consent. The grounds of the action were copyright infringement, trademark infringement, and unfair competition.

The judges found copyright infringement based on part of the catalogues produced in closing submissions. The judges also found infringement based on the total reproduction of the content of the catalogues. As for unfair competition, the judges found that
Artprice.com unduly benefited from Christie’s investments, know-how, and well-known reputation, without Christie’s consent or compensation, so that it could increase the number of clients subscribing to Artprice.images. (Christie Manson & Woods Ltd, Christie’s France SNC, Christie’s France SAS vs Artprice.com, Court of First Instance of Paris, 3rd Chamber, 4th Section, Sept. 30, 2010, PIBD No. 932, part III, at 70).

Christie’s allegation of trademark infringement against Artprice.com was based on:

- the use of the trademark CHRISTIE’S as a keyword of Artprice.com’s search engine to reference the catalogues that were reproduced; and
- the use of the trademarks CHRISTIE’S and CHRISTIE’S MATIGNON on the catalogues available at artprice.com.

The judges were not able to determine whether the word CHRISTIE’S had been registered as a keyword or was just identified in the documents available in the Artprice.com database. Nonetheless, a keyword used as an element of a database to allow the goods offered by Christie’s to appear is not infringing because it does not affect the function of identification of origin of the trademark. The court ruled that the reproduction of Christies’ trademarks on the catalogues available online on the Artprice.com database was made without Christie’s consent and therefore constituted trademark infringement.

Different factors may guide analyses in keyword disputes. In the present case, the keyword used in a database is a key to access the database, i.e., the content of a search field. In these circumstances, the court ruled that such use did not compromise any function of the trademark by misleading consumers as to the origin of the goods. This ruling could be different should the keyword, in particular when it is a well-known trademark like CHRISTIE’S, be used by a third party to attract consumers towards its own goods or counterfeit goods.

Marc Roger Hirsch

III.B. Procedure

The famous French company Louis Vuitton Malletier brought an action for trademark infringement against the U.S. company eBay Inc. and the Swiss subsidiary eBay International AG. Louis Vuitton alleged that the entry of certain keywords (being the subject of trademark protection) on the search engine of www.ebay.fr resulted in the display of proposals to purchase counterfeits on the websites www.ebay.com and www.ebay.ch.

During the proceedings in the Court of First Instance of Paris, the defendants challenged the territorial jurisdiction of the French
court and requested that the action be referred to the court having proper jurisdiction, that is, in the defendant’s main offices in the United States and Switzerland. The Court of First Instance denied the defendant’s request reasoning that the defendant’s websites www.ebay.com and www.ebay.ch are accessible in France and target the French consumer, and thus French law applies.

The defendants appealed, arguing that:

- there was no link between the alleged act of trademark infringement and the plaintiff’s claimed prejudices on French territory;
- websites with the top-level domain .com do not target the French public; and
- the Court of First Instance did not correctly apply the “criteria of accessibility” because the alleged infringement did not have any economic impact in France, and thus no tort occurred in the territory of France.

Consequently, according to Article 5(3) of the Lugano Convention, the defendants must be sued in the state of their domicile, and thus French jurisdiction does not apply.

The Court of Appeal (eBay Inc. & eBay International AG v. Louis Vuitton Malletier SA, Court of Appeal of Paris, May 22, 2009, 4th Chamber, Section B, Jurisdata 2009-378872) upheld the Court of First Instance’s decision and stated inter alia that a top level domain .com does not designate a specific country. Instead, it designates commercial entities of all global regions, including the French community, so French law applies.

Nevertheless, the defendants filed an appeal before the French Supreme Court, which ruled that French law applies and it confirmed the jurisdiction of the French court (eBay Inc. & eBay International AG v. Louis Vuitton Malletier SA, French Supreme Court, Dec. 7, 2010, PIBD No. 933 part III, at 96). The Supreme Court pointed out that the items offered on the defendant’s websites targeted the French consumer, because:

- the product description was in French;
- the purchase price was indicated in Euros;
- the products were offered for delivery in France; and
- consumers were redirected to the defendants’ sites when searching for certain keywords on the French website ebay.fr.

Consequently, the alleged trademark infringement should be judged under French law.

To challenge the jurisdiction of the court is a legitimate and frequently used means of defense. This is particularly the case when the defendant is located abroad and it thinks that the plaintiff, due to the higher costs involved, may not pursue the
alleged claim in a foreign country. Such matters with an international link occur regularly in cases of trademark infringement on the Internet.

In the past, French case law supported the competence of French courts when the website from which the alleged infringement resulted was accessible in France. Obviously, this approach was very broad and French courts subsequently considered more specific criteria to be necessary. Finally, the French Supreme Court abandoned the “criteria of accessibility” and applied the “criteria of destination,” which requires a sufficient, substantial or significant link between the act of infringement and the alleged prejudice.

The present decision of the French Supreme Court provides more specific criteria to establish a sufficient, substantial or significant link between the act of infringement and the alleged prejudice and, at the same time, strengthens the competence of French courts in matters having an international aspect.

Marc Roger Hirsch

III.F.3. Forfeiture

Owner of the UMD trademark, covering products in Classes 9, 38, 41, and regularly registered since 1998, Jean-Charles Silverio was assigned on the ground of trademark forfeiture by the Sony companies. The Court of First Instance (Sony Computer Entertainment v. Jean-Charles Silverio, Court of First Instance of Paris, Sept. 21, 2006) and then the Appeal Court of Paris (Sony Computer Entertainment and Sony Computer Entertainment Europe Ltd v. Jean-Charles Silverio, Appeal Court of Paris, July 4, 2008, 4th Chamber, Section B) found the forfeiture of the French trademark UMD covering services of musical production and compact discs to be unwarranted.

When this case reached the Supreme Court (Sony Computer Entertainment and Sony Computer Entertainment Europe Ltd v. Jean-Charles Silverio, Supreme Court, Nov. 9, 2010, Case Law No. 09-11999, JurisData No. 2010-020724, PIBD No. 931 part III, at 16, Revue Propriété industrielle, January 2011, § 5, at 37), it issued an interesting decision on a question of forfeiture and proof of genuine use. The UMD trademark at issue was used on the record sleeve of compact disc, with Mr. Silverio’s consent, and produced by an artists’ collective. According to the Sony companies, these acts were insufficient to justify a “use” of the UMD mark that is specified in Article L714-5 of the French Intellectual Property Code, which provides that the owner of the trademark who has not put his mark to genuine use in connection “with the goods or services referred to in the registration” during
an uninterrupted period of five years, without good reason, shall be liable to revocation of his rights.

However, the Supreme Court disagreed. It affirmed the Appeal Court’s decision finding that genuine use of the UMD trademark had been demonstrated. Although genuine use is assessed in relation to the relevant goods and services, the Supreme Court agreed with the Appeal Court in finding that the number of products and services sold under the mark is not important. In the present case, the discs were produced by a few artists (an artists’ collective) and not by a major label. Nevertheless, the Supreme Court reiterated the conditions of creating or maintaining market share that is consistent with Community case law (Ansul v. Ajax, ECJ, Mar. 11, 2003) and added that “minimal” use of a trademark can be sufficient if the use is considered justified, in the economic area concerned, to maintain or create market shares protected by the trademark.

Marc Roger Hirsch

GERMANY

I.C. Distinctiveness

New Wave Group AB, a Norwegian firm, sought protection of its International Registration for the word mark NEW WAVE, for ladies’ and men’s ready-made clothing and shoes in Class 25.

On April 7, 2005, the German Patent and Trademark Office issued a refusal of the trademark proprietor’s grant of protection and perpetuated its refusal by decisions of August 3, 2007, and July 23, 2009. The proprietor filed an appeal against these decisions with the German Federal Patent Court.

In its decisions, the Patent and Trademark Office stated that the word mark NEW WAVE did not have any distinctive character, in accordance with Section 8, Paragraph 2, No. 1 of the German Trademark Act. It held that the relevant trade circles would not need to analyze the term “New Wave” but would readily understand the expression as a clear reference to a new trend in fashion because the words “new” and “trend” were of great importance especially for the fashion industry. The Office argued, further, that an English/German Internet dictionary translated the expression “New Wave” as “neuer Trend” (in English, “new trend”) and that “New Wave” named a special style of music in the eighties which was also associated with a special fashion and lifestyle.

On appeal, the German Federal Patent Court reversed the Office’s decisions. (Case No. 27 W (pat) 237/09 (German Federal Patent Court, Jan. 18, 2011)—NEW WAVE.) Analyzing the mark, the court found that it was distinctive enough to be granted
protection in Germany because, in an overall view, the mark NEW WAVE could not be seen as a sufficiently clear reference to clothes. The court stressed that at least the average German consumer would not interpret the expression “New Wave” as a new trend in fashion. This assessment could not be changed by the fact that in an English/German Internet dictionary the expression “New Wave” was translated as “neuer Trend” (in English, “new trend”) because the users of such dictionaries could not be equated with the relevant German average consumers. Besides, the fact that in the seventies and eighties a special style of music was referred to as “New Wave” should not be seen as a bar to protection because the average user would not associate this style of music with a special clothing/fashion style.

This decision is important because it shows that in terms of the distinctiveness of foreign-language trademarks the users of dictionaries such as English-German Internet dictionaries cannot per se be equated with the relevant trade circles.

Kay Uwe Jonas

MUK Logistik GmbH applied for registration of the figurative/word mark i.STORE in Classes 36, 39, 40, and 42 for, inter alia, real estate and insurance underwriting; transportation, packaging and storage, especially for foodstuffs, luxury foodstuffs, medicines and plastics; treatment in terms of refrigeration and storage technology; and technical consultancy in terms of refrigeration and storage technology.

Registration of the applied-for term for services in those classes was refused by the German Patent and Trademark Office. The applicant appealed this decision.

In its decision of December 1, 2009, the Patent and Trademark Office refused registration of the figurative/word mark i.STORE because of lack of distinctiveness, pursuant to Section 8, Paragraph 2, No. 1 of the German Trademark Act. It held that the term “i.store” objectively describes an online store. Relevant German consumers would generally understand the “i” as an acronym for “Internet” and “store” as Laden (“store”). Nor does the graphical design of the applied-for trademark make the mark
distinctive, because of the standard usage of simple block letters in different colors.

On appeal, the Federal Patent Court confirmed the Office’s decision, holding that the trademark i.STORE was not registrable because of lack of distinctiveness, pursuant to Section 8, Paragraph 2, No. 1 of the German Trademark Act. The court referred to the Office’s arguments and stressed that the relevant consumers associate the term “i.store” with an online store because they know corresponding combined terms like “iPod,” “iPhone,” “iPad,” “iMac,” or “iTunes” from advertising. (Case No. 26 W (pat) 508/10 (German Federal Patent Court, Jan. 26, 2011)—i.STORE.)

This decision is important because it shows that by now the letter “i” is generally understood as reference for the Internet and therefore combined terms that include “i” refer to goods and services relating to the Internet.

Kay Uwe Jonas

The applicants, Karl-Heinz Rohm and Andreas Weiss, applied for the registration of the word mark BONSOIR, for services covering entertainment, cultural, and sports activities in Class 41.

Registration of the applied-for term was refused by the Patent and Trademark Office. The applicants appealed this decision.

In its decision of June 14, 2010, the Patent and Trademark Office refused registration of the word mark BONSOIR because of lack of distinctiveness, pursuant to Section 8, Paragraph 2, No. 1 of the German Trademark Act. It held that a German consumer would readily understand the expression Bonsoir only as the well-known greeting “Good evening” (in German Guten Abend), and not as an indication of origin concerning the relevant services.

On appeal, the Federal Patent Court confirmed the Office’s decision, holding that the word mark BONSOIR was not registrable because of lack of distinctiveness, pursuant to Section 8, Paragraph 2, No. 1 of the German Trademark Act. (Case No. 27 W (pat) 561/10 (German Federal Patent Court, Feb. 1, 2011)—BONSOIR.) Referring to the Office’s arguments, the court stressed that Bonsoir was merely a general greeting that would appeal to consumers only on a personal level. This would also be the case with German consumers because many Germans master French and, furthermore, the greeting Bonsoir is part of French basic vocabulary. Especially in relation to the applied-for services (entertainment, cultural, and sports activities), would German consumers understand Bonsoir as a greeting—for example, as a greeting and invitation to an evening event. Moreover, the applicants’ argument that there existed former comparable registrations could not be considered because every single case has to be judged individually involving the mark, the goods, and the services applied for and the relevant trade circles. Former
registrations of identical or comparable trademarks would not create a right of registration concerning subsequently applied-for trademarks because the decision on registration is not a matter of discretion but a matter of law.

A foreign-language word mark lacks distinctiveness if the relevant trade circles are able to understand the meaning of the word that refers to a corresponding feature of the relevant goods and services. Therefore, expressions that are not common in everyday language can also lack distinctiveness.

Kay Uwe Jonas

The applicant, Leaf Deutschland GmbH, applied to register the word mark AUTOPACK for goods including confectionery in Class 30. The German Patent and Trademark Office rejected the registration, and the applicant appealed the decision.

In its decisions of June 26, 2009, and June 17, 2010, the Patent and Trademark Office refused registration of the word mark AUTOPACK because of lack of distinctiveness, pursuant to Section 8, Paragraph 2, No. 1 of the German Trademark Act. It held that the word mark AUTOPACK would not be understood as an indication of origin concerning the relevant goods but was merely descriptive: the term “Autopack,” consisting of the descriptive words “Auto” and “pack,” was as a whole not greater than the sum of its parts. The word referred to a special feature of the applied-for goods and their packaging: the feature that the packing was particularly suited for use in cars.

On appeal, the German Federal Patent Court reversed the Office’s decisions. (Case No. 25 W (pat) 47/10 (German Federal Patent Court, Feb. 10, 2011)—AUTOPACK.) Analyzing the mark, the court found that the mark was distinctive enough to qualify for registration: The court took the view that the term “Auto” can be associated with the word Automobil (“car”) and the term “pack” can be associated with the word Verpackung (“package, packing”). But the terms “Auto” and “pack” in combination create an ambiguous term: the term “Autopack” does not obviously refer to a special feature of the goods applied for—for example, the feature that the packing is particularly suited for use in cars. Although goods like sweets are often consumed when travelling, the suitability of packages for certain modes of transport is not used as a product feature. The court stressed that if a term is ambiguous and therefore the consumers need some steps to analyze and to understand the term as a product feature of the goods applied for, the term is distinctive enough to qualify for registration.

This decision is important because it shows that a term consisting of several elements that are per se descriptive can as a whole be distinctive enough to qualify for registration. This is particularly the case if the overall term is ambiguous and therefore
is not readily understood as a special product feature by the relevant trade circles.

Kay Uwe Jonas

The applicant XXXLutz Marken GmbH applied for registration of the word mark XXXL for goods and services in Classes 16, 18, 20, 24, 25, 27, and 35, inter alia, paper, cardboard; leather, imitation leather, skins, fur, travelling trunks, suitcases, umbrellas, parasols, canes; furniture, mirrors, frames; woven material, textiles, table cloths, bed blankets; clothing, footwear, headgear for wear; mats, carpets; third-party advertising.

Registration of the applied-for mark was refused by the German Patent and Trademark Office. The applicant appealed this decision.

In its decision, the Patent and Trademark Office refused registration of the word mark XXXL because of lack of distinctiveness, pursuant to Section 8, Paragraph 2, No. 1 of the German Trademark Act. It held that the term “XXXL” is originally an Anglo-American dress size and means “extra-extra-extra-large.” But by now “XXL” as well as “XXXL” are commonly used in the German language. Therefore, a German consumer would understand these terms not only as a dress size used by the textile industry but also as a reference to very large products in general.

On appeal, the German Federal Patent Court affirmed the Office’s decision, holding that the word mark XXXL was not registrable because of lack of distinctiveness, pursuant to Section 8, Paragraph 2, No. 1 of the German Trademark Act. (Case No. 26 W (pat) 22/10 (German Federal Patent Court, Jan. 12, 2011)—XXXL.) The Court referred to the Office’s arguments and pointed out: whenever the term “XXL” is established as a general size indication for products, the same is true for “XXXL.” Moreover, especially in advertising, “XXL” as well as “XXXL” characterize the exceptional position of a product. Besides, in this particular case, lack of distinctiveness as an absolute bar to protection cannot be surpassed by acquired distinctiveness through use. In accordance with Section 8, Paragraph 3 of the German Trademark Act, distinctiveness through use is acquired only by using the trademark as an indication of trade origin for the applied-for goods and services. The applicant was selling a wide range of products and merely used “XXXL” to mark the outer surface of his stores and for self-/house advertising without any reference to the applied-for goods and services. Therefore, the applicant used “XXXL” not as an indication of trade origin but just in its descriptive function. The fact that the mark was often connected with the applicant’s products did not change the court’s assessment. Finally, the court stressed in reference to the European Court of Justice that former registrations of identical or
comparable trademarks create no right of registration concerning later applied-for trademarks because the decision on registration is not a matter of discretion but a matter of law.

This decision is important because it demonstrates that dress sizes introduced by the textile industry do not have any distinctive character if they have become common German language use for large products in general.

Kay Uwe Jonas

I.D.1. Similarity of Marks

Basic Trademark S.A., the plaintiff in this case, owns the international trademark KAPPA & Gemini Design, covering, *inter alia*, “Trunks and suitcases” in Class 18. The defendant, G. Visenzi Motomarket, S.r.l., owns a German trademark registration for KAPPA & Design, for the identical products in Class 18. (Trademark No. 30102097, registered Jan. 13, 2001.) The plaintiff applied for the partial invalidation of the defendant’s trademark based on relative grounds.

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Plaintiff’s Mark

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Defendant’s Mark
The courts of first and second instance dismissed the action because of lack of likelihood of confusion. As the figurative parts differed (Gemini logo on the one hand and stylized letter “K” on the other), there was no similarity of marks, in spite of the phonetic identity of the word parts. (Docket No. 33 O 4478/06 (District Court of Munich, Aug. 21, 2007); Docket No. 6 U 4556/07 (Munich Court of Appeals, Nov. 27, 2008).)

On appeal, the Federal Supreme Court reversed, remanding the case to the Court of Appeals. The Court clarified that, while one or more components of a complex mark may dominate its overall impression, it is only if all the other components of the mark are negligible that the assessment of the similarity can be carried out solely on the basis of one dominant element. In the case at hand, it was necessary to take into account not only the figurative parts of the marks, but also their word parts, which were not insignificant. Similarity of marks can be confirmed already if the marks are similar under phonetic aspects. The Court left open the question whether a similarity under phonetic aspects can be neutralized by optical differences, as the case law of the General Court of the European Union suggests. Such neutralization could, according to the Federal Supreme Court, be conceivable only if the products concerned are purchased solely under visual aspects. (*Basic Trademark S.A. v. G. Visenzi Motomarket, S.r.l.*, Case No. I ZR 31/09 (German Federal Supreme Court, Jan. 20, 2011) (unpublished)—KAPPA.)

The decision confirms standing case law, according to which similarity under phonetic aspects is usually sufficient to confirm likelihood of confusion, irrespective of differing device elements. The German Federal Supreme Court remains extremely reluctant in assuming that optical differences counteract the phonetic similarity and rejects the idea for products of Class 18. As a result, the neutralization of phonetic similarity by visual differences will be confirmed only in rare and exceptional cases.

*Ursula Stelzenmüller*

**I.D.2. Similarity of Goods or Services**

Ferrero Deutschland GmbH, the plaintiff in this case, is the owner of a three-dimensional trademark registration for chocolates in Class 30, consisting of a round-shaped chocolate in dark and light brown color (first illustration below). At a trade fair in Cologne, Germany, Ülker, a Turkish manufacturer of food products and the defendant in this case, displayed its round-shaped chocolates wrapped in red and gold foil (second illustration below).
The plaintiff filed an infringement action, requesting the court to order the defendant to, *inter alia*, cease and desist from offering the chocolates and/or advertising for and/or putting them into circulation.

The court of first instance dismissed the action. (No. 84 O 46/03 (District Court of Cologne, Mar. 18, 2004.) On appeal, the court of second instance overturned that decision. (Docket No. 6 U 83/04 Cologne Court of Appeals, Dec. 10, 2004.)

The Federal Supreme Court reversed and remitted the case to the Court of Appeals. In spite of the pending cancellation proceeding, the court in the infringement proceeding was bound by the fact of registration until a final verdict in the cancellation proceeding was issued. Further, the court of second instance correctly assumed that, even though at the trade fair the wrapped products were exhibited, the defendant used the form of the unwrapped chocolate in the course of trade for advertising purposes. The product contained in the packaging had also become part of the advertising.

However, the exhibition of a product at a trade fair in Germany does not automatically lead to the assumption that the

Plaintiff’s Trademark (Reg. No. 397 35 468)

Defendant’s Chocolate
product will also be offered or put into circulation in Germany. The information in the file does not justify claims for injunctive relief for offering and putting the product on the market. In the reopened proceeding, the Court of Appeals will have to establish whether there is a risk that the defendant will indeed offer or distribute the products in Germany.

The Federal Supreme Court held that it is possible that the form of the chocolate had been used as an indicator of origin and thus as a trademark, even though it was not visible at the time of purchase (when the chocolate was wrapped). Trademarks are also protected against the use of marks that are perceived only at the time of consumption. But, the Court of Appeals will have to examine further whether the defendant has indeed used the form of the chocolate as a trademark, taking into account the existing marketplace practices concerning chocolates, the degree of similarity of the marks at issue, the fact that the public will usually not see the form of a product as an indication of origin, and the degree of recognition of the plaintiff’s mark (which can have an impact on the question whether the form of the defendant’s chocolate is perceived as an indicator of origin). (Ferrero Deutschland GmbH v. Ülker, Case No. I ZR 17/05, GRUR 1103 (2010) (German Federal Supreme Court, Apr. 22, 2010)—Pralinenform II (“Form of a Chocolate II”).) Presence at a trade fair does not automatically mean that the products will also be offered and distributed in this country. In the future plaintiffs will have to better prepare their requests for injunctive relief and collect sufficient evidence in this respect. Three-dimensional marks remain problematic, not only regarding registration, but particularly also regarding enforcement. However, the mere fact that the product in the shape of the protected mark is distributed in packaging does not automatically exclude a likelihood of confusion with the protected three-dimensional mark.

Ursula Stelzenmüller

I.J. Coexistence Agreements

The plaintiff, JOOP! GmbH, owner of a stylized German trademark registration for JOOP!, for clothing in Class 25, was founded by fashion designer Wolfgang Joop in 1987. The defendant, Jette Joop, daughter of Wolfgang Joop, concluded in 1995 a prior rights agreement with the plaintiff, allowing her to use and register her name “Jette Joop” in combination with additional parts for jewelry. In 2003, however, she used marks containing the part “Jette Joop” for clothing.
The plaintiff sought injunctive relief regarding the use of the mark JETTE JOOP for clothing and based its claim on the prior rights agreement as well as on trademark infringement (likelihood of confusion and exploitation of reputation).

The court of second instance dismissed the action. (Docket No. 1 Kart-U 6/06, Sept. 18, 2008.) The marks, according to the court, were dissimilar, and, furthermore, the plaintiff could invoke the right to use her own name. Claims based on the prior rights agreement were rejected by the court of second instance as well: As the agreement went beyond possibly justified legal claims (no likelihood of confusion according to current case law), it was a prohibited restriction to competition (Section 1 of the Restrictive Trade Practices Act), resulting in its nullity according to Section 134 of the German Civil Code for violation of anti-trust law.

The Federal Supreme Court overturned the decision and, based on the prior rights agreement, ordered the defendant to cease and desist from using the marks for clothing. When the agreement was executed, case law regarding likelihood of confusion between marks consisting of first and last names suggested that the plaintiff could indeed enjoin the defendant from
using her mark for jewelry and clothing. If, at the time of the execution of the agreement, there was serious and objective reason to assume that the plaintiff had a justified cease-and-desist claim, then later changes in case law in the trademark field cannot render the previous valid agreement invalid. (JOOP! GmbH v. Jette Joop, Case No. KZR 71/08 (German Federal Supreme Court, Dec. 7, 2010) (unpublished)—JETTE JOOP.)

The Court further discussed the problem that the agreement did not contain any restrictions regarding duration, geographic scope, and products, for which the sign JETTE JOOP must not be used. Particularly, the latter obligation to cease and desist from using the sign for any products (including those for which the sign JOOP! does not enjoy protection) could, according to the court, violate competition law. Generally, such a violation would result in the nullity of the agreement in total. But the court leaves these questions open, relying on the agreement’s severability clause and holding the contract valid at least insofar as the obligation to cease and desist from using the mark for clothing in Germany is concerned. In the result, for prior rights agreements regarding trademarks, the court not only allows partial invalidity, with the remainder of the prior rights agreement remaining valid, but also the replacement of invalid provisions by valid ones, even if the latter is not foreseen in the agreement’s text. The reasons given by the court are the following: In the trademark field, such agreements are positive, in that they reduce conflicts and provide the necessary legal certainty for investments, thus encouraging competition. Also, their effect is not as harmful as, for example, in patent law, because they do not totally prevent access to the market, but solely affect the ability to promote products using a certain trademark.

This decision takes a quite liberal approach to prior rights agreements in trademark law. If, at the time of conclusion, the parties could seriously assume a collision according to current case law in the trademark field, then the agreement is valid and later changes do not automatically change its validity. Further, if the agreement is severable, the partial invalidity does not necessarily affect the whole agreement. Nevertheless, trademark owners should still be aware of the risk that extensively broad prior rights agreements, particularly regarding geographic scope, products and services, or marks covered, could prove to be invalid.

Ursula Stelzenmüller

II.F.1. Disclaimers

Section 11 German Trademark Act states, in accordance with Art. 6septies of the Paris Convention, that “the registration of a mark can be cancelled if it has been registered . . . without the
holder’s consent.” The Federal Court of Justice (FCJ) has now clarified that the principal has these rights not only when an identical mark is registered but also when the marks are confusingly similar. (FCJ judgment of January 21, 2010 – I ZR 206/07 – DiSC). The grounds for the decision have now been published.

A U.S. company, provider of personality tests and analysis procedures, is the owner of a combined word/figurative mark used in the United States since 1972, registered, inter alia, for tests, working documents and training.

The German distribution partner later had the word marks DISG and DISG TRAINING registered at the GPTO in its own name. The U.S. company requested that the marks be transferred. The FCJ assumed a risk of confusion owing to the similarity of the marks for identical services and granted this request.

When assessing the similarity of the marks, the FCJ based its considerations with respect to the older U.S. mark essentially on the word DiSC, even though the mark is a combined word/figurative mark and the holder, when registering the mark in the United States, had made a disclaimer that it would not claim protection for the word DiSC as such. However, since the word forms the basis of the combined word/figurative mark, it must be taken into consideration when assessing the similarity of the marks. How the disclaimer should be dealt with was therefore highly disputed. DiSC is an abbreviation for certain patterns of behavior and descriptive with respect to the services concerned. Without the disclaimer, the mark would not have been registered in the United States. Looking at the combined word/figurative mark without the word component DiSC would mean that the contested word marks DISG and DISG Training of the German distribution partner would be completely dissimilar. However, under German law such a disclaimer is of no significance. For this reason, according to the solution by the FCJ, the restriction of the scope of protection for the U.S. market had no influence on the assessment of the risk of confusion in Germany.

Kristofer Bott
III.A.4. Unfair, Unauthorized, or Improper Use

Free software and open-source software programs (F/OSS) allow the general public to copy, distribute, and modify the copyright-protected source code within the limits of the respective public copyright license. In a recent decision, the Higher Regional Court of Düsseldorf clarified the relationship between the general public license (GPL) and trademark law and confirmed that the GPL does not provide authorization for the use of third-party trademarks. (Case No. I-20 U 41/09 (Oberlandesgericht Düsseldorf Sept. 28, 2010) —xt:Commerce.)

One of the F/OSS programs subject to the proprietary GPL is “xt:Commerce,” a program for the administration of online shops, marketed by xt:Commerce GmbH (xt:Commerce). xt:Commerce claimed infringement of its Community trade mark (CTM) by the defendant, who develops software programs for supplementing the xt:Commerce software and advertised his programs and services with “xt:Commerce SEO ADMIN MODUL,” “xt:Commerce SP 2.1a Update” or “xt:C MORE THAN A SHOP SYSTEM.” In order to develop the programs, the defendant had used xt:Commerce’s source code, in accordance with the terms of the GPL.

The Regional Court of Düsseldorf rejected xt:Commerce’s infringement claims. On appeal, the Higher Regional Court of Düsseldorf granted the requested injunctive relief, holding that the defendant’s use of the marks xt:Commerce and xt:C infringed xt:Commerce’s trademark rights pursuant to Article 9(1)(b) of the Community Trade Mark Regulation (CTMR).

The court held that the defendant had used the marks xt:Commerce and xt:C in the course of trade in a way that established a likelihood of confusion with xt:Commerce’s CTM. The mark xt:C contained the dominant distinctive element of xt:Commerce’s trademark xt:Commerce. The letter “C” was a commonplace abbreviation for “Commerce.” Internet users would therefore wrongly assume that xt:C was the short form for xt:Commerce’s trademark xt:Commerce.

The court rejected the defendant’s argument that he used xt:Commerce’s trademark merely as a legitimate reference to his offer of supplementary software and services for xt:Commerce’s software. It pointed out that under Article 12 of the CTMR, a distributor of services, accessories and spare parts is not permitted to create the misleading impression of a commercial relationship between himself and the trademark owner. The defendant therefore should have emphasized that xt:Commerce was a third-party trademark used by him merely for describing the intended purpose of his own offer. Instead of the prohibited form of use, “xt:Commerce SEO ADMIN MODUL,” the defendant could have chosen a permissible descriptive reference, such as “SEO ADMIN
MODUL is a computer program that supports online shop-systems such as xt:Commerce."

In addition, the court found that xt:Commerce’s trademark rights were not exhausted. The defendant did not use xt:Commerce’s trademark for the distribution of an unmodified copy of the software “xt:Commerce”—an act that would have been subject to exhaustion. Rather, he created modified copies of the original source code. The right of copying, other than the right of distribution, is not subject to exhaustion. It is reserved exclusively—under copyright law, as well as under trademark law—to the owner.

Finally, the court confirmed that the GPL does not contain a consent—either express or implied—to trademark use. Rather, the license merely regulates copyright. The court held that such a limitation of copyright law without any corresponding permission for the use of trademarks did not render the GPL useless. It observed that developers of F/OSS programs could still market their modified versions under different names.

Anthonia Zimmermann

III.D.1. Descriptive Use

On April 14, 2011, the German Federal Supreme Court rendered a decision concerning the scope of the right to refer to third-party marks in relation to services offered for third-party goods. The decision (I ZR 33/10) strengthens the positions of owners of device marks, as the Court limited the right of a referring use of these marks by third parties.

ATU, an independent German supplier of maintenance and repair services for cars, had depicted the famous VW device mark of the German car manufacturer Volkswagen for advertising purposes. Volkswagen filed a claim against ATU for an infringement of its trademark rights. ATU argued that the use of the device mark was necessary to inform potential customers about its repair and maintenance services for Volkswagen cars. The Supreme Court considered the use of the device mark to be an infringement of Volkswagen’s trademark rights. The Court held that the use was not a permissible descriptive use of the VW trademark, as the use of the word mark would have been sufficient, whereas use of Volkswagen’s device mark was not necessary.

This decision is important for trademark owners, because the Supreme Court effectively restricted use of third-party device marks by independent suppliers for advertising purposes. The decision is in line with recent case law of the German Federal Supreme Court, according to which a potential infringer may not
claim it has made a mere descriptive use if the overall impression of the use in question appears to be unfair for other reasons.

Michaela Huth-Dierig

GREECE

I.B.2. Merely Descriptive

The British company BP PLC sought to register the Greek transliteration of its word mark TOP PERFORMANCE, CLEANER ENVIRONMENT, for industrial oils and greases, fuels, non-chemical additives for oils and fuels, lubricants and lubricating greases, oils, gear oils, and automotive final drive oils in Class 4. (Application No. 148874, filed July 4, 2003 (for ΚΟΡΥΦΑΙΕΣ ΕΠΙΔΟΣΕΙΣ, ΚΑΘΑΡΟΤΕΡΟ ΠΕΡΙΒΑΛΛΟΝ).) After examining the application, the Administrative Trademark Committee rejected it on the ground that the mark was devoid of distinctive character and thus could not be registered for use with the designated goods. (Decision No. 11918/2004 (Administrative Trademark Committee, Nov. 4, 2004).)

BP sought the reversal of the Committee’s decision. (Recourse No. 5003/2005, filed May 13, 2005.) The company argued that (1) the mark in question consisted of a totally original phrase that did not coincide with the names of the covered goods; (2) the mark had not been associated with those goods in such a way as to refer to them; (3) the mark did not suggest some elements or qualities of the goods; (4) the fact that the phrase “top performance, cleaner environment” had a certain meaning in Greek did not mean that it was necessarily excluded from registration as a trademark; and (5) the mark had already been registered in Greece in its English version (Trademark No. 148901, registered Nov. 17, 2004).

The Administrative Court of First Instance, taking BP’s arguments into consideration, held that the mark TOP PERFORMANCE, CLEANER ENVIRONMENT was original and had not been established in everyday language or in transactions as indicating the kind, the quality, or other characteristics of the goods that it was intended to cover. The court concluded that the overall visual and aural impression given by the mark provided it sufficient individuality and distinctive character, given that it did not consist totally of words indicating the qualities and characteristics of the covered goods. Consequently, the court accepted BP’s application. (Decision No. 2113/2010 (Administrative Court of First Instance of Athens, Feb. 2, 2011).)

A decisive factor in the court’s decision to allow the registration of the Greek version of the mark was the fact that its English version had already been accepted for registration.

Maria Athanassiadou
Golden Chemicals EPE, a Greek company, applied for the registration of the word mark MICROBAC, to cover goods in Classes 3 and 5. (Application No. 99496, filed Apr. 1, 1988.) The mark was accepted for registration. (Decision No. 3706/1989 (Administrative Trademark Committee, 1989).)

The German company Hans Schwartzkopf GmbH opposed registration (Opposition No. 855/1990, filed Apr. 26, 1990) based on its prior-registered Greek trademark BAC, covering goods in Class 3. (Trademark No. 18797, registered Aug. 29, 1953.) The Administrative Trademark Committee accepted the opposition and rejected the mark MICROBAC on the following grounds: (1) BAC was a well-known mark in the Greek market for goods in Class 3; (2) by using the mark MICROBAC, Golden would enter into the sphere of goods of Class 3, where the mark BAC already existed; and (3) the addition to BAC, the common element of both marks, of the prefix MICRO-, a commonly used term, did not provide distinctive power to the applied-for mark. (Decision No. 4231/1991 (Administrative Trademark Committee, 1991).)

On recourse filed by Golden (Recourse No. 1177/1992, filed July 17, 1992), the Administrative Court of First Instance reversed the Committee’s decision and accepted the mark MICROBAC for registration. (Decision No. 546/1995 (Administrative Court of First Instance of Athens, Jan. 26, 1995).)

Schwartzkopf appealed the first instance decision. (Appeal No. 1351/95, filed June 5, 1995.) The company argued that the goods covered by the opposed mark MICROBAC were identical to those covered by the opposing mark BAC, both in destination and in use: they served exactly the same needs, they were targeted at the same group of consumers, and they were distributed through the same kind of stores. Schwartzkopf emphasized the descriptive character and lack of distinctiveness of the prefix MICRO-, pointing out that there was a high risk that consumers might perceive MICROBAC as Schwartzkopf’s own new trademark, namely, as a variation of the already-existing well-known mark BAC.

Golden countered that MICRO- was capable of differentiating its mark from Schwartzkopf’s mark by creating a different visual and aural impression among consumers. It argued, further, that the goods covered by the mark MICROBAC were not just detergents, which belonged to Class 3, but also disinfectants, which belonged to Class 5 and had absolutely no similarity to Schwartzkopf’s goods. More specifically, the company asserted, its goods were specific disinfectants, detergents, and deodorants, suitable for professional use in working environments, hotels, schools, hospitals, and industrial installations, and were destined for use by professionals and not the public in general, as they were
not distributed through supermarkets or cosmetics stores. To prove its allegations, Golden submitted invoices; leaflets; copies of its trademark registrations for MICROBAC (Trademark No. 82415, registered June 17, 1982), covering a liquid against bacteria for use in swimming pools, and MICROBAC-WC (Trademark No. 86799, registered Feb. 14, 1984), covering a liquid detergent-disINFectant; and related leaflets advertising said goods. 

Schwartzkopf's appeal was accepted (Decision No. 682/1998 (Administrative Court of Appeal of Athens, Feb. 17, 1998)), and Golden then appealed before the Council of State. (Appeal filed July 20, 1998.) The Council, while acknowledging that there was a high degree of similarity between the marks, reversed and remanded the case to the Court of Appeal for further examination as to the intended use of the goods covered by the marks. (Decision No. 2804/2003 (Council of State, Oct. 8, 2003).)

Schwartzkopf appealed in turn before the Council of State. (Appeal No. 7649/2005, filed Oct. 19, 2005.) That tribunal once again remanded the case to the Court of Appeal, finding that the court had erred by not taking a position regarding the group of consumers for whom Golden’s goods were destined in relation to the consumer group at which Schwartzkopf’s goods were targeted, as Golden had alleged that its goods were absolutely specific. (Decision No. 3550/2008 (Council of State, Nov. 10, 2008).) The Council of State found, moreover, that the court should have examined whether Golden’s disinfectants and Schwartzkopf’s detergents were destined for similar uses, irrespective of whether they belonged to the same class.

In its further examination of the case, the Court of Appeal started from the position of the Council of State, which had accepted that the marks at issue were visually and aurally similar and that there was a risk of confusion of consumers that could not be prevented by the addition of the prefix MICRO- to the word element BAC. Turning to the assessment of the similarity of the covered goods, the court took into consideration the following: (1) the trademark registration for BAC covered, \textit{inter alia}, products for cleaning and removing stains in general; (2) the mark MICROBAC covered detergents and disinfectants for both house and professional environments, because in its specification of goods there was no related distinction and in the submitted leaflets there was no mention regarding the use of said products; (3) disinfectants, whether they belong to the same class with detergents or not, cover similar needs, as they usually are used in addition to detergents in order to provide complete cleaning care not only of houses but also of professional environments (in this respect, the court pointed out that from a leaflet submitted by Golden it was evident that the company already circulated the product MICROBAC-S, to which it attributed detergent,
disinfectant, and deodorant qualities); and (4) Golden did not prove that its products were not sold in supermarkets. Consequently, the court concluded that the marks BAC and MICROBAC covered similar goods that were destined for similar uses, and as a result there was a risk of confusion of consumers, both professionals and nonprofessionals, regarding the company of origin of the goods. The Court of Appeal therefore refused the registration of the mark MICROBAC. (Decision No. 2221/2010 (Administrative Court of Appeal of Athens, Sept. 30, 2010).)

Maria Athanassiadou

I.D.1. Similarity of Marks

Verisfield Ltd, seated at the British Channel Islands, applied for the registration in Greece of the word mark AMODIPAN, to cover goods in Class 5. (Application No. 147193, filed Nov. 1, 2001.) The Administrative Trademark Committee accepted the application. (Decision No. 4614/2003 (Administrative Trademark Committee, 2003).)

The Spanish company Almirall-Prodesfarma, S.A. filed opposition (Opposition No. 234/2003, filed Oct. 29, 2003), based on its prior Community trade mark (CTM) registration for ALMORIPAN, covering pharmaceutical preparations in Class 5. (CTM No. 529032, registered Aug. 16, 2000.) The Greek company Santa Pharma AE intervened in the procedure in favor of the acceptance of the mark AMODIPAN in its capacity as the new owner (by assignment) of the mark.

The Trademark Committee rejected the opposition. It found that the marks were sufficiently different and that the covered goods in Class 5, owing to their nature, were targeted at doctors, who could not be deceived as to the origin thereof. (Decision No. 7409/2004 (Administrative Trademark Committee, 2004).) Almirall then filed recourse before the Administrative Court of First Instance, stressing that the marks AMODIPAN and ALMORIPAN were highly similar both aurally and visually, because two out of the four syllables of which they consisted were identical and the other two were substantially similar. (Recourse No. 37907, filed Oct. 12, 2004.) Almirall contended, moreover, that it was not proved that the products covered by the contested mark were provided to consumers by medical prescription. Santa Pharma, the new owner of the AMODIPAN mark, argued in favor of the decision of the Trademark Committee; it stressed that the first and third syllables of the marks were different and that their identical ending, -PAN, could not create confusion among consumers because it was a common ending in marks covering pharmaceuticals. Santa Pharma also emphasized the importance of the apothecary’s role in the distribution of pharmaceuticals, as a
result of which apothecaries were very well aware of the pharmaceutical company from which goods in Class 5 derive. Finally, Santa Pharma brought to the court’s attention the fact that its products under the mark AMODIPAN already circulated in the Greek market under a marketing authorization from the Greek National Organization for Medicines (EOF), whereas those of Almirall the did not.

The court found that there was a certain visual and aural similarity between the marks. It pointed out, however, that although it is common for pharmaceuticals to have similar names, they are prescribed by physicians and consumers obtain them from specialized stores operated by qualified persons, thus preventing the risk of confusion as to the company of origin of the goods in question. Consequently, it rejected Almirall’s recourse and upheld the decision of the Administrative Trademark Committee. (Decision No. 15948/2009 (Administrative Court of First Instance of Athens, Oct. 30, 2009).)

Maria Athanassiadou

A Greek individual, Faidon Tsanas, filed a trademark application for AFROSPONTEX & Design, to cover printed paper, cardboards in Class 16 and absorbent towels in Class 24 (below, illustration at left). (Application No. 102255, filed Dec. 22, 1988.) The mark was accepted for registration. (Decision No. 3623/1990 (Administrative Trademark Committee, 1990).)

Spontex SA, a French company, opposed registration. (Opposition No. 1051/1991, filed Aug. 21, 1991.) The opposition was based on Spontex’s prior Greek registration for the trademark SPONTEX, covering containers and utensils for household and kitchen use, natural or artificial sponges and cleaning pads, optionally with a coarse surface, toilet sponges, articles for cleaning purposes, especially brooms, brushes, articles related to brushes, dusters, cleaning articles made of any material, especially paper towels, articles made of non-woven material, floor dusters, steelwool and other cleaning, polishing, scouring and abrasive preparations in Classes 3, 16, and 21 (below, illustration at right). (Trademark No. 82106, registered Mar. 18, 1993.) Spontex claimed that the marks at issue were confusingly similar. It further argued that (1) its mark SPONTEX, which was also its company name, was contained as a whole in the word portion of the mark AFROSPONTEX; (2) the word element AFRO in the opposed mark was descriptive, as it referred to the Greek word αφρός (aphros), meaning “foam”; (3) the typeface used in the opposed mark was identical to that used in the opposing mark; (4) the word part of the opposed mark was the dominant feature thereof; and (5) the design element of the mark AFROSPONTEX was not sufficient to differentiate the marks because it was also of a descriptive nature,
as it consisted of a woman and a male chef washing a kitchen pot using a sponge.

The Administrative Trademark Committee rejected the opposition on the ground that there was not sufficient similarity between the marks under comparison to cause confusion of the average consumer regarding the company of origin of the covered goods. (Decision No. 6475/1994 (Administrative Trademark Committee, 1994).) In particular, it emphasized that the difference in the visual impression caused by the marks was significant, especially in view of the design element of the opposed mark. The Committee also pointed out that the word element AFRO of the opposed mark resulted in a considerable aural difference, which totally differentiated the marks from each other.

Spontex filed recourse, seeking to reverse the decision. (Recourse No. 22/1994, filed Nov. 16, 1994.) The Court of First Instance, however, confirmed the decision of the Trademark Committee (Decision No. 14940/1996 (Administrative Court of First Instance of Athens, Oct. 23, 1996)), and, upon Spontex’s subsequent appeal (Appeal No. 787/1997, filed Apr. 17, 1997), so did the Court of Appeal (Decision No. 3942/2002 (Administrative Court of Appeal of Athens, Sept. 18, 2002)). The case was then brought to the Council of State. (Appeal No. 6154/2003, filed Aug. 21, 2003.)

The Council opined that, contrary to the holding of the Court of Appeal, there was both aural and visual similarity (identical typeface) between the marks SPONTEX and AFROSPONTEX that could not be avoided by the inclusion of the design in the latter mark. Consequently, it remanded the case to the Court of Appeal for further examination.
Taking into consideration the arguments of Spontex as well as the opinion of the Council of State, the Court of Appeal confirmed that the marks under comparison were indeed aurally and visually similar. It particularly stressed the identical typeface and accepted that the design element of the AFROSPONTEX mark was not capable of preventing consumer confusion. Consequently, the Court of Appeal reversed all the previous decisions to the contrary and did not allow the registration of the opposed mark. (Decision No. 3007/2009 (Administrative Court of Appeal of Athens, Nov. 26, 2009).)

Maria Athanassiadou

Chesterfield EPE, a Greek company, applied for the registration of the trademark CHESTERFIELD FINE ENGLISH FURNITURE & Device, to cover goods in Class 20 (below, illustration at left). (Application No. 159895, filed Nov. 20, 2001.)

The Trademark Committee rejected the application. (Decision No. 35/2004 (Administrative Trademark Committee, 2004).) It found that the mark applied for resembled the prior-registered Greek trademark HOUSE OF CHESTERFIELDS COLLECTION & Device (below, illustration at right), covering goods in the same class. (Trademark No. 149595, filed Mar. 30, 2000, registration date not reported.) The Committee held that there was a risk of confusion between the marks in view of the high degree of similarity between the covered goods and the almost-identical words CHESTERFIELD and CHESTERFIELDS, which aurally and visually dominated in both marks.

Chesterfield filed recourse, requesting the reversal of the Committee’s decision. (Recourse No. 6270/2004, filed Apr. 22, 2004.) It claimed that (1) the mark under examination was sufficiently different from the cited mark, as, apart from the word CHESTERFIELD, it contained the words FINE ENGLISH FURNITURE, whereas in the cited mark there also appeared the
words HOUSE OF and COLLECTION, and (2) there were substantial differences between the devices of the marks, which sufficiently differentiated them from each other.

Interestingly, in deciding the case the Court of First Instance focused on the substantial differences between the devices of the two marks, giving less importance to the similarities of the words CHESTERFIELD and CHESTERFIELDS. After comparing the word portions of the marks (CHESTERFIELD FINE ENGLISH FURNITURE and HOUSE OF CHESTERFIELDS COLLECTION), the court held that the pronunciation of the words CHESTERFIELD and CHESTERFIELDS was different, notwithstanding that they were in fact the same word appearing in singular and plural, respectively. After assessing the visual impression given by the marks, the court stressed that the device of the applied-for mark was totally different from that of the cited mark as the dominant feature of the former was a big leather armchair on which a dog was sitting, whereas the device of the latter consisted of a brown/red-colored label in which the words HOUSE OF CHESTERFIELDS COLLECTION stood. The court therefore concluded that the overall visual and aural impression given by the marks was totally different and there was no risk of confusion of consumers as to the origin of the covered goods. Consequently, it reversed the decision of the Trademark Committee and allowed the registration of the mark CHESTERFIELD FINE ENGLISH FURNITURE. (Decision No. 5547/2010 (Administrative Court of First Instance of Athens, Jan. 20, 2010).)

Maria Athanassiadou

The Greek company Sfakianakis AEBE filed a trademark application for SPORT ARENA, for goods in Class 28. (Application No. 147891, filed Dec. 17, 1999.) The mark was accepted for registration. (Decision No. 6391/2001 (Administrative Trademark Committee, Jan. 31, 2001).)

Registration was opposed by the Swiss company Arena Distribution S.A., owner by assignment of the prior-registered Greek trademark ARENA, covering goods in Classes 25 and 28. The opponent claimed that there was a high degree of similarity between the marks, as well as between the opposed mark and its company name. (Opposition No. 499/2002, filed Apr. 29, 2002.) The Committee accepted the opposition, finding that the marks as well as the goods covered by them were sufficiently similar to cause confusion among consumers. (Decision No. 6754/2003 (Administrative Trademark Committee, 2003).)

Sfakianakis’s recourse against this decision (Recourse No. 27535/2003, filed Aug. 1, 2003) was accepted by the Administrative Court of First Instance, which reversed the decision of the
Trademark Committee. The court held that despite the similarity of the goods covered by the marks under comparison and the common word ARENA, the additional word SPORT in the opposed mark was sufficient to differentiate it from the opposing mark. It stressed that the contested mark was not infringing the opponent’s company name because the word Distribution contained in the latter created a different aural and visual impression. (Decision No. 144/2007 (Administrative Court of First Instance of Athens, Nov. 22, 2007).)

Arena Distribution appealed the above decision. (Appeal No. 14887/2009, filed Apr. 28, 2009.) It claimed that the court had erred in finding that the marks were dissimilar and pointed out that the word SPORT was in common use. In support of its allegation the appellant mentioned that the word SPORT appeared in 105 national trademarks and 33 foreign trademarks in the Greek register, all covering, *inter alia*, goods in Class 28.

In deciding the case, the Court of Appeal took into consideration the fact that (1) the word ARENA was the dominant feature of both marks and (2) the word SPORT in the opposed mark was not capable of differentiating it sufficiently from the opposing mark because it was in common use, being widely used by the Greek public in its English and not in its Greek version. Consequently, the court concluded that the parallel use of the two marks could cause confusion among consumers as far as the covered goods in Class 28 were concerned, in light of the fact that said goods were intended for similar uses (sports activities) and were targeted at the same group of consumers. Finally, contrary to the conclusion of the Court of First Instance, the Court of Appeal found that the opposed mark also resembled the opponent’s company name because the additional word Distribution did not provide any particular distinctiveness. Thus, it reversed the lower court’s decision and refused registration of the mark SPORT ARENA. (Decision No. 1356/2010 (Administrative Court of Appeal of Athens, May 12, 2010).) (A slightly different version of this case summary appeared in World Trademark Review Daily on Dec. 2, 2010. See http://www.worldtrademarkreview.com/daily/detail.aspx?g=a49b663a-779b-4dff-bca9-1ce957a9293a&q=ARENA#search=%22ARENA%22.)

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Thomson Multimedia S.A., a French company, applied for the extension to Greece of protection for its international trademark MP3PRO & Device (IR No. 767288, registered Aug. 21, 2001), for goods and services in Classes 9 and 38 (below, illustration at left). (Application No. 4647, filing date not reported.)

The Administrative Trademark Committee refused registration on the ground that the applied-for mark was similar to
the prior-registered CTM MP3 & Device (below, illustration at right), covering goods and services in Classes 9, 38, and 42 (CTM No. 1441062, registered May 16, 2001). (Decision No. 1052/2003 (Administrative Trademark Committee, Jan. 15, 2003).)

Thomson filed recourse for the revocation of the Committee’s decision. (Recourse No. 3541/2003, filed Apr. 9, 2003.) It claimed that the overall impression given by the marks MP3PRO and MP3 was totally different, thus preventing confusion of consumers as to the origin of the covered goods and services. Thomson stressed that the device of the mark applied for created an impression completely different from that of the cited mark and that the word element PRO differentiated it aurally, the common element MP3 not being sufficient to create a risk of consumer confusion. Finally, the company invoked its prior International Registrations for MP3 & Device (below, illustrations at top) (IR Nos. 745385 and 745386, registered Sept. 29, 2000) and THOMSON MP3 (below, illustrations at middle) (IR Nos. 743605 and 743621, registered Sept. 29, 2000) and its prior Community registration for MP3 PRO DIGITAL AUDIO (below, illustration at bottom) (CTM No. 2510543, registered Oct. 29, 2003).
The Administrative Court of First Instance, in comparing the applied-for mark MP3PRO and the cited mark MP3 & Device, focused on the representations thereof and found that they were different (1) because of the different typefaces used and (2) because the word portion of the latter mark appeared in the middle of a cross and a circle. It stressed that the element MP3 was commonly known as the name of a protocol of sound compression, which was widely used by telecommunications companies to characterize the kind of their products and services. The court concluded, therefore, that the overall aural and visual impression given by the marks was totally different, and that their coexistence in the marketplace would not cause confusion among consumers as to the origin of the covered goods and services. (Decision No. 10401/2010 (Administrative Court of First Instance of Athens, June 24, 2010).)

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Schulke & Mayr GmbH, a German company, applied for the extension to Greece of protection for its international trademark ROTASEPT (IR No. 694773, registered May 9, 1998), covering cleansing and disinfectant products for use in dentistry in Classes 3 and 5. (Application No. 15704, filed Dec. 12, 2003.) The Administrative Trademark Committee rejected the application on the ground that the mark was similar to the prior-registered Greek trademark ROTERSEPT, covering pharmaceutical products, bandages, and disinfectants for human use in Class 5. (Decision No. 10079/2004 (Administrative Trademark Committee, Oct. 1, 2004).)

Schulke & Mayr filed recourse for the revocation of the Committee’s decision. (Recourse No. 8225/2005, filed Aug. 19, 2005.) The company claimed that the marks under comparison were sufficiently different both aurally and visually.

The Administrative Court of First Instance accepted the petitioner’s arguments, and in particular its claims that (1) the marks differed in their middle syllable (TA and TER, respectively) and (2) the cited trademark covered pharmaceutical products, bandages, and disinfectants for human use, whereas the applied-for mark covered cleansing and disinfectant products for use in dentistry. The court stressed that said goods were distributed in the market through specialized professionals (i.e., medical doctors and pharmacists), who usually had sufficient knowledge of the characteristics of the related products and the fact that certain companies were the source of those products. Consequently, it concluded that the marks under comparison were sufficiently different. The court therefore reversed the decision of the Trademark Committee and ordered the registration of the
In May 2001, the Cypriot company Blu Sky Epitrapezio Nero Ltd applied for the registration of the mark BLU & Device, to cover spring aerated water in Class 32 (see below). (Application No. 146462, filed May 21, 2001.) The application was accepted by the Administrative Trademark Committee. (Decision No. 10744/2002 (Administrative Trademark Committee, 2002).)

S.A. Bru Chevron N.V., a Belgian company, opposed registration (Opposition No. 140/2003, filed July 15, 2003, issued Feb. 25, 2004) on the basis of its CTM BRU, registered in Class 32 for “spring, natural, mineral, aerated and non-aerated, magnesian, bicarbonated, ferruginous waters, table waters in general, lemonade, drinks for refreshment and drinks included in this class.” (CTM No. 149161, registered June 11, 1998.) Bru claimed that the opposed mark constituted a falsification of its mark BRU and thereby posed a risk of confusion of consumers as to the covered goods. The Administrative Trademark Committee rejected the opposition, however, finding that there was a sufficient aural and visual difference between the marks under comparison to prevent the risk of confusion. (Decision No. 2124/2004 (Administrative Trademark Committee, 2004).)

Bru filed recourse before the Administrative Court of First Instance. (Recourse No. 8296/2004, filed May 28, 2004.) The company argued that (1) the marks at issue were substantially similar, because the difference in their middle letter (L and R, respectively) was not capable of differentiating them, especially as the covered goods were identical, and (2) the mark BRU infringed its rights deriving from its company name.
The Administrative Court of First Instance rejected the recourse and upheld the decision of the Trademark Committee. (Decision No. 17484/2008 (Administrative Court of First Instance of Athens, Dec. 22, 2008).)

Bru appealed the decision. (Appeal No. 3260/2010, filed Mar. 15, 2010.) It contended that (1) the court had erred in rejecting its recourse in not acknowledging that the word BLU was the dominant feature of the opposed mark; (2) said word was confusingly similar to the opposing mark BRU; (3) the decision was not in line with the established case law of the trademark courts and the EU General Court, according to which a complex mark may be considered similar to another mark if the similarity derives from the dominant feature of the complex mark; (4) the court had not taken into consideration that the goods covered by the marks were totally identical; and (5) the court had erred in finding that Article 8 of the Paris Convention, referring to the protection of company names, was not applicable in this case.

The Court of Appeal found that (1) the word portions of the marks BRU and BLU were visually and aurally identical, because the only difference was in their middle letter and that was not capable of differentiating them sufficiently; (2) the device of the mark BLU (dark background with bubbles on which the word BLU appeared) did not possess such distinguishing power as would allow consumers to perceive it as the distinguishing feature of the mark, with the result that consumers would pick the covered goods by recalling the word portion thereof; and (3) the goods covered by the marks were identical. Consequently, the court concluded that there was a risk of confusion of consumers as to the origin of the covered goods. It therefore reversed the prior decisions and accepted the opposition, prohibiting the registration of the mark BLU & Device. (Decision No. 2770/2010 (Administrative Court of Appeal of Athens, Nov. 29, 2010).)

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The Dutch company Formula One Licensing B.V. applied for the extension to Greece of protection for its international trademark F FORMULA 1 & Device (IR No. 823226, registered Sept. 5, 2003), registered for goods and services in 26 different classes (see below). (Application No. 17436, filing date not reported.)
The Administrative Trademark Committee accepted the application for most of the goods and services applied for but rejected it as far as goods and services in Classes 12, 16, 34, and 36 were concerned (Decision No. 1059/2005 (Administrative Trademark Committee, Jan. 28, 2005)), on the ground that the applied-for mark resembled the following prior-registered Greek trademarks: (1) FORMULA (word mark), covering goods in Class 34 (Trademark No. 93137, registered July 19, 1988); (2) FORMULA (word mark), covering goods in Classes 16 and 34 (Trademark No. 157252, registered Dec. 17, 2002); (3) FORMULA & Device, covering goods and services in Classes 12, 36, and 37 (Trademark No. 133126, registered May 18, 1999); (4) FORMULA-1 (word mark), covering goods in Class 34 (Trademark No. 132667, registered Apr. 4, 2000); and (5) FORMULA ONE (word mark), covering goods in Class 16 (Trademark No. 142106, filed Oct. 22, 1999, registration date not reported).

Trademark No. 157252
Trademark No. 133126
Trademark No. 142106

Formula One filed recourse, requesting the reversal of the Committee’s decision. (Recourse No. 9045/2005, filed Sept. 22, 2005.) The company argued that the aural and visual impression given by its mark and the cited marks was sufficiently different to preclude confusion of consumers.

The Administrative Court of First Instance, having examined the case, first referred to the device of the mark applied for. The court observed that it was particularly characteristic as it consisted of the combined use of the letter F (the initial letter of the word FORMULA) with the number 1 (in white, formed by the outline of the letter F and the device) and of the word FORMULA together with the number 1 in such a way that the word portion of the mark formed a substantial part of the device, resulting in a particularly original representation. It proceeded to the comparison of F FORMULA 1 & Device with the device mark FORMULA and the word mark FORMULA ONE, pointing out the differences in the visual details as well as the differences in
typeface and color; said differences, the court found, were particularly crucial in differentiating the latter marks from the one under examination. Regarding the use of the word FORMULA in all the marks, the court opined that it did not lower the degree of dissimilarity of the marks under comparison, because, as far as the perception of the average consumer was concerned, the distinguishing power of the marks was concentrated neither in this word nor in the number 1 as the overall impression given by the marks was not created by said elements only.

In comparing the mark F FORMULA 1 & Device with the mark FORMULA & Device (No. 133126), the court stressed the visual differences between the marks, focusing on the special script and colors of the prior-registered mark and the device of the mark under examination. Regarding the word FORMULA that the two marks had in common, the court held that the average consumer would not perceive that word as the one providing distinctive power to either mark. Consequently, it concluded that the overall aural and, more particularly, visual impression given by the marks was totally different in view of the device of the mark F FORMULA 1 and there was no risk of confusion of consumers despite the fact that the goods and services covered by the marks under comparison were similar. Accordingly, it allowed the registration of the trademark F FORMULA 1 & Device also for goods and services in Classes 12, 16, 34, and 36. (Decision No. 979/2011 (Administrative Court of First Instance of Athens, Feb. 2, 2011).)

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I.D.2. Similarity of Goods or Services

The U.S. chemical giant E.I. du Pont de Nemours and Company (DuPont) applied for the registration of the word mark ESCUDO, for fungicides in Class 5. (Application No. 149441, filed Feb. 18, 2004.) The Administrative Trademark Committee rejected the application on the ground that the applied-for mark resembled the prior-registered trademark SCUDO, covering sanitary products, plasters, material for dressing, sanitary napkins, tampons, and sanitary material for menstrual use in Class 5 (Trademark No. 61766, filed Aug. 16, 1978, registration date not reported), and therefore its registration would result in a risk of confusion of consumers. (Decision No. 1509/2005 (Administrative Trademark Committee, 2005).)

DuPont pursued recourse before the Administrative Court of First Instance. (Recourse No. 29813, filed Aug. 3, 2005.) It argued that there were visual and aural differences between the marks because (1) the mark under examination consisted of three syllables, whereas the prior-registered one consisted of two; (2) the
initial letter E of DuPont’s mark ESCUDO played a significant role in differentiating it from SCUDO, as the letter’s place at the beginning of the mark converted it into a distinguishing feature of major importance; and (3) the marks covered different goods, as DuPont’s fungicidal products were used in the field of agriculture, were destined for a specific group of consumers, and were distributed via pesticide and agricultural stores, whereas the goods covered by the SCUDO mark were related to feminine hygiene, were destined for the average consumer, and were distributed via apothecary stores and supermarkets.

The court held that there was strong visual and aural similarity between the marks at issue, in view of the fact that they both consisted of regular Latin characters of regular size and common script. It opined that the letter E at the beginning of the mark ESCUDO was not sufficient to eliminate the similarity because the main distinguishing function of the mark was performed by the element SCUDO. Turning to the examination of the similarity of the goods, the court found that despite the fact that they belonged to the same class, they were not similar. Indeed, the court stressed, fungicides were used exclusively against fungi, which were specific parasitic organisms of plants, and were destined for use in amateur or professional agriculture. By contrast, the goods covered by the mark SCUDO were destined for the protection and hygiene of the general population.

In light of the above, the Court of First Instance reversed the decision of the Trademark Committee and accepted the mark ESCUDO for registration. (Decision No. 17580/2010 (Administrative Court of First Instance of Athens, Nov. 11, 2010).)

Maria Athanassiadou

II.C.1.b. Personal Names

The French company Application des Gaz S.A. applied for the registration of the mark EL GRECO (in Greek characters) & Device, to cover fuels, gas for industrial or household use, oil, fuel gas, butane in the form of gas, propane in the form of gas, metal containers refillable or not, for gas, cylinders, bottles, cans and filling units, metal rods, electric or gas cooking appliances, ovens, coffee machines, and food warmers in Classes 4, 6, and 11 (see below). (Application No. 148444, filed Jan. 7, 2003.)
The Administrative Trademark Committee rejected the application on the ground that El Greco was the name by which the famous painter Domenikos Theotokopoulos became widely known. (Decision No. 2302/2005 (Administrative Trademark Committee, Feb. 14, 2005).)

Application des Gaz filed recourse, seeking to reverse the Committee’s decision. (Recourse No. 8067/2005, filed Aug. 3, 2005.) The company argued that (1) the words El Greco (“the Greek”) did not necessarily refer to Domenikos Theotokopoulos, nor were they his actual name; (2) the registration as trademarks of names of well-known or popular persons cannot be prevented if they are not associated in any way with the goods or services covered by the trademarks concerned, and in this case the goods covered by the mark applied for were totally irrelevant to the personality of the renowned painter; (3) the names of various well-known personalities had already been accepted for registration (e.g., VIVALDI, for goods made of leather and clothes in Classes 18 and 25; BRIGITTE BARDOT, for cosmetics and deodorants in Classes 3 and 5; and LAGUNA SALVADOR DALI, for perfumery in Class 3); and (4) it already owned a Greek trademark registration for KAFESTIA EL GRECO, covering goods in Classes 6 and 11, a legal variation of which was the applied-for mark.

The Administrative Court of First Instance made reference to established case law and theory, according to which the name (as well as the pen name) of a natural person is acceptable for registration unless its filing contravenes prior personality rights of third persons or a prior intellectual property right. A name also is not registrable if it is likely to create a risk that consumers will be misled mainly as to the quality or the nature of the covered goods or services, especially when the relevant consumer group might get the impression that the person concerned is related to the undertaking that owns the mark. More specifically, the names of deceased personalities may be accepted for registration if according to the perception of the average consumer there is no link between the personality and the covered goods or services, and under the condition that they do not contravene good morals or public order.

Taking into consideration the applicant’s arguments, the court held that the mark under examination had distinctive character as far as goods in Classes 4, 6, and 11 were concerned. It further held that despite the fact that the words El Greco referred to the name by which the well-reputed painter Domenikos Theotokopoulos became known worldwide, there was no question of a risk of confusion of consumers at whom the covered goods were directed because said goods were irrelevant to the artistic personality of the famous painter El Greco. Consequently, the court reversed the decision of the Administrative Trademark Committee and allowed
the mark to proceed to registration. (Decision No. 16307/2010 (Administrative Court of First Instance of Athens, Oct. 21, 2010).) (A slightly different version of this case summary appeared in World Trademark Review Daily on June 27, 2011. See http://www.worldtrademarkreview.com/daily/detail.aspx?g=15432354-17a6-4cfa-983f-379a2b90b6f4&q=el+greco#search=%22el+greco%22.)

Maria Athanassiadou

III.A.5. Domain Names

On July 1, 2007, a Greek individual, Athanassios Yemelos, obtained the registration of the domain name googlein.gr.

In August 2008, Google Inc. filed a cancellation petition before the Hellenic Telecommunications and Post Commission against googlein.gr. (Cancellation Petition No. 43100/2008, filed Aug. 6, 2008.) Google alleged that the contested domain name consisted of a slavish imitation of its prior GOOGLE CTM registrations, the distinctive features of its marks, and its company name. Indeed, the word Google was used as such in the contested domain name and formed its dominant feature. Google claimed that Yemelos’s application for registration of googlein.gr had been filed in bad faith in an attempt to create among Internet users the false impression that the corresponding website was related to Google and consequently to take advantage of Google’s worldwide reputation.

In deciding on the petition, the Commission accepted that Google had fully substantiated its allegations concerning its rights in the use of its company name, its trademarks, and its distinctive features and had proven that both its marks and the products covered thereby had become famous worldwide. Surprisingly, though, the Commission held that the law did not preclude the use of a commonly known word or of a famous trademark as part of a composite domain name registration and that all related composite names could not be excluded from registration. The Commission further held that (1) Yemelos had not acted in bad faith because he did not register the word Google as such as a domain name and (2) it was not convinced that Google visitors/clients were attracted in an unfair way to visit the googlein.gr website. It concluded that the existence of the website of the owner of the contested domain name did not in any way affect the number of visitors, the degree of recognition, or the established connection of Google with Internet users. Accordingly, it rejected Google’s cancellation petition. (Decision No. 520/60 (Hellenic Telecommunications and Post Commission, Apr. 28, 2009).)

Google appealed the above decision. (Appeal No. 344/2009, filed June 6, 2009.)
The Court of Appeal held that the Commission had erred in deciding that the registration of googlein.gr did not contravene the principle of good faith. It noted that although the registration of domain names takes place on a first-come, first-served basis, the cancellation of a registration can be effected if it is found that the domain name was registered in bad faith. In this case, the use of a domain name the largest and main part of which was identical to Google’s famous mark was, the court held, a bad faith action. Consequently, the court reversed the Commission’s decision and ordered the cancellation of the domain name. (Decision No. 1038/2011 (Administrative Court of Appeal of Athens, Apr. 6, 2011).)

Maria Athanassiadou

III.A.5.b. Typosquatting

Maria Anagnostopoulou, a Greek individual, obtained the registration of the domain name groogle.gr in August 2006. The corresponding website, presented as “a Greek search engine,” had a remarkable stylistic resemblance to that of the well-known GOOGLE search engine, with the word Groogle written in a manner similar to Google, using a similar font and logo.

Google Inc. filed a cancellation petition against groogle.gr based on (1) its series of prior GOOGLE CTM registrations; (2) its worldwide reputation and notoriety, obtained through its famous GOOGLE search engine and the numerous Internet services it had been providing for several years; and (3) its company name, as this was protected by virtue of the Paris Convention.

Google claimed that groogle.gr had been obviously registered in bad faith, because in 2006 it was impossible for the average person seeking a presence on the Internet not to be aware of the existence of the GOOGLE search engine. The similarity of the Groogle webpage to that of Google reflected an obvious intent on the part of the owner of the Groogle domain name to lead Internet users into the mistaken belief that there was an association or affiliation between Groogle and Google.

Google presented evidence that this was a case of typosquatting, a kind of cybersquatting that is based on common and foreseeable misspellings or typing errors committed by Internet users in typing a website address. (The mistyped address leads to the website of the cybersquatter.) It also brought to the attention of the Hellenic Telecommunications and Post Commission the U.S. Anticybersquatting Consumer Protection Act of 1999 and related U.S. case law, according to which, apart from the falsification of a name, there must be a stylistic imitation of the petitioner’s webpage.
The Commission found itself incompetent to judge the stylistic similarity and the contents of the webpages in question. However, in judging the similarity of the contested domain name to Google’s prior trademark registrations and company name, the Commission took into consideration decisions of the WIPO Arbitration and Mediation Center in similar cases, according to which “domain names incorporating a slightly misspelled version of a trademark may be held to be confusingly similar to such trademark.” In such cases “the Respondent . . . use[s] the Domain Names to create a likelihood of confusion with the Complainant’s trademark as to source, sponsorship, affiliation or endorsement of the Respondent’s website, and is using this confusion to entice Internet users to third party websites linked to the Respondent’s website, thereby achieving commercial gain for the Respondent through revenue from pay-per-click advertising.” (Lemco, Inc. v. Transure Enterprise Ltd, Case No. 2010-0300 (Apr. 20, 2010); see Tetra Laval Holdings & Finance S.A. v. Vahid Moghaddami, AzarNet.Co, Case No. 2010-0268 (Apr. 5, 2010).)

In light of the above, the Commission held that Groogle was a misspelling that infringed Google’s prior trademark rights and created confusion among consumers and Internet users. Consequently, it ordered the cancellation of the domain name. (Google Inc. v. Maria Anagnostopoulou, Decision No. 570/86 (Hellenic Telecommunications and Post Commission, July 8, 2010).) (A slightly different version of this case summary appeared in World Trademark Review Daily on Oct. 4, 2010. See http://www.worldtrademarkreview.com/daily/detail.aspx?g=637d150a_ef85_40be_8767-aec12dac2d7&q=groogle#search=%22groogle%22.)

Maria Athanassiadou

HONG KONG

I.D.2. Similarity of Goods or Services

Hendrickson International, a global supplier of truck and tractor suspensions that was founded in 1913, applied for an “H” logo in relation to vehicle axles and various vehicular parts and accessories (but not cars per se) in Class 12 (Application No. 300431838, filed June 2, 2005).
Honda Motor Co., Inc. opposed the registration on the basis that it had used similar “H” logos in Hong Kong. In 2011, the opposition was considered by a Hearing Officer of the Hong Kong Trade Marks Registry. Both parties filed statutory declarations to support a claim that they had rights in their particular “H” logos. Counsel attended the formal hearing for the applicant. The opponent filed written submissions but did not attend the hearing.

The issue for consideration was whether use of Hendrickson's “H” logo would give rise to confusion on the part of the public, including whether use was likely to be associated with an earlier mark. This opposition basis falls under Section 12(3) of Hong Kong's Trade Marks Ordinance, a provision similar to Section 5(2) of the UK Trade Marks Act of 1994, which implements Article 4(1)(b) of the First Council Directive 89/104 of the Council of the European Communities. The European Court of Justice had formulated the “global appreciation” test in considering that comparable provision in Sabel BV v. Puma AG ([1998] R.P.C. 199) and other cases.

The Hearing Officer endorsed the European Court’s “global appreciation” test in considering whether there were similarities in the marks and goods that would combine to create a likelihood of confusion. The Hearing Officer considered the visual, aural, and conceptual similarities between the marks, evaluated the importance attached to the elements, and also considered how the
goods would be marketed. This was considered globally from the perspective of an average consumer for the goods in question: How would such a consumer select the goods in the course of trade? The Hearing Officer noted that such consumer would be observant and circumspect and would perceive the mark as a whole and not analyze the details.

The Hearing Officer judged that the application claimed goods that were embraced by the broad specifications in the opponent’s registrations. Hence the goods were identical.

In comparing the marks, the Hearing Officer noted that both parties used a mark resembling a stylized letter “H.” It was noted that it is particularly difficult to establish distinctiveness for a single-letter mark—more difficult than for a word mark. In essence it is highly unlikely that a single trader could monopolize a single letter of the English alphabet in relation to vehicles and parts thereof. The Hearing Officer also noted that the opponent’s evidence showed that the boxed “H” mark was mainly used together with the “HONDA” house mark. This was seen to reinforce the view that the opponent’s “H” mark did not have strong independent character.

The Hearing Officer noted that although the applicant’s logo consisted of an “H” in a plain block letter font within a special four-sided border (particularly, a broken lined square with round borders). The border could stand on its own, but it was visually subordinate to the representation of the letter. That said, none of the elements could be regarded as negligible.

In considering the marks, the Hearing Officer determined that the opponent’s stylized letter “H” was clearly distinguishable from the plain letter “H” in the applicant’s combination mark. Further, given that one border was an irregularly shaped trapezium while the other was a broken square shape, the borders were distinguishable. Hence, while there was some similarity in the composition and arrangement of the marks, it was strongly mitigated by differences in the components. Given the differences in the stylization of the marks, the Hearing Officer found only low-level conceptual similarity.

The opposition failed. (Opposition to Trade Mark Application No. 300431838 (Registrar of Trade Marks, July 12, 2011).)

This case is important in considering rights in single-letter marks and in reviewing the confusion test adopted by the Registry. As a consequence of this case, owners of trademarks composed of single letters should be less optimistic about how far they can extend the scope of their rights. In other words, the “ring fence” will be closely restricted to the particular form of the single-letter mark used.

Barry Joseph Yen
I.E. Bad Faith

Total Favour Inc. had registered the mark MODERN GALA (illustrated below) (Registration No. 300311426) for games and playthings in Class 28. Modern Gala Industrial Limited (MGIL) had, since 1990, been a manufacturer and exporter of toys, particularly model trains. MGIL was a predecessor of Modern Gala International Limited. In 2005, Modern Gala International applied for a declaration of invalidity against Total Favour’s registration of MODERN GALA (illustrated below). The basis for the action was, according to the applicant, that Total Favour had filed its application for registration in “bad faith,” as described in Section 11(5)(b) of the Trade Marks Ordinance.

Modern Gala
Contested Registered Mark

The matter was considered by a Hearing Officer of the Trade Marks Registry in 2011. During the evidentiary stage, Total Favour’s Hong Kong agent withdrew from the proceedings and Total Favour did not file a new address for service. Consequently, Total Favour was deemed to have withdrawn from the invalidation proceedings.

MGIL had previously sold its products to a German company, Heris, which was owned by Ms. Iris Richthammer. Heris, in turn, distributed the products throughout Europe. The products bore the marks of Heris and/or the marks of Heris’ customers. MGIL operated under the business name “Modern Gala.”

Modern Gala International was incorporated in 2003 and around that time agreed to buy the assets of MGIL, including intellectual property rights. Following the transfer of business from MGIL, the applicant began doing business in a different way. Modern Gala International did not deal with Heris and, indeed, disagreements arose between the parties. Heris’ customers began to place orders directly with Modern Gala International. Following that, the mark MODERN GALA was used on the products.

Modern Gala International then learned of applications filed by Iris Richthammer in Germany and under the CTM system for the MODERN GALA mark. Iris Richthammer had also filed an application for the MODERN GALA mark in Hong Kong. That Hong Kong application was withdrawn and a new one was filed on November 1, 2004, in the name of Total Favour. The material date for consideration was the date the application. The same Hong Kong agent was used for both trademark applications. The references used on both applications were the same also, so Modern Gala International drew the irresistible inference that Iris
Richthammer must have had a substantial connection with Total Favour. The Hearing Officer accepted this interpretation and noted that there was no evidence from Total Favour to refute Modern Gala International’s submissions. Total Favour did not even include any explanation as to why the MODERN GALA mark application had been filed.

In commenting on the bad faith basis, the Hearing Officer favorably adopted the approach taken in Gromax Plasticulture Ltd v. Don & Low Nonwovens Ltd ([1999] R.P.C. 367 at 379), wherein the learned judge said, “Plainly it includes dishonesty and, as I would hold, also some dealings which fall short of the standards of acceptable commercial behaviour observed by experienced and reasonable men in the particular area being examined.”

The concept of “bad faith” also has a mental element and requires certain knowledge on the part of the defendant. An allegation of bad faith “involves a judgment on the moral aptitude of the party in question.” Although the registration of a trademark is prima facie evidence of its validity, it is not irrefutable.

The Hearing Officer also noted that the mark was distinctive in relation to the goods, the goods were the same as those of interest to Modern Gala International, and the exact replication of the marks could not be a coincidence. The only logical conclusion was that Total Favour filed the mark with the intention to prevent Modern Gala International from using the same or similar mark. The grounds for revocation were made out. (Application for Declaration of Invalidity of Trade Mark Registration No. 300311426 (Registrar of Trade Marks, June 30, 2011).)

This case is important in sending a message to entrepreneurs that their actions will be closely scrutinized. A mark judged to have been filed in bad faith will be rejected or revoked.

Barry Joseph Yen

III.H.3. Improper Pleadings

A-1 Bakery Co (HK) Ltd had registered its mark for a Japanese restaurant (illustrated below) (Registration No. 300757323) in Class 43 (“Japanese restaurant services, provision of Japanese food and drink”). Chikaranomoto Company Co. Ltd claimed that A-1 Bakery’s mark was invalid and should therefore be removed from the Register of Trade Marks.
A-1 Bakery, in its defense, stated that the trademark was “not being used as an indicator of source or origin but merely as a trading name.”

Chikaranomoto declared that the function of a trademark is to indicate origin and noted that the defendant had admitted that its trademark was not used to indicate origin; for this reason, Chikaranomoto applied for an order for judgment on admissions of fact made by the defendant in its defense.

The court stated that it was allowed to give judgment to a party only on its pleaded case. Unfortunately the plaintiff had not pleaded in the statement of claim that the defendant’s trademark failed to satisfy the meaning of a trademark. Counsel could not, of course, anticipate that the defendant would make such an admission. Under the Hong Kong Trade Marks Ordinance, a “trademark” means “any sign which is capable of distinguishing the goods or services of one undertaking from those of other undertakings and which is capable of being represented graphically.”

The plaintiff had relied on passing off and copyright infringement, among other grounds, but not on the ground that the defendant’s trademark failed to satisfy the definition of what constituted a trademark. (Chikaranomoto Company Co. Ltd. (also known as Kabushiki Kaisha Chikaranomoto Company Co. Ltd.) v. A-1 Bakery Co (HK) Ltd, [2011] HKCU 1188 (Court of First Instance, June 20, 2011).)

While we have the benefit of hindsight, the lesson here is that rights holders may need to consider the benefits of a broad claim and that defendants must be very careful about admissions in the defense.

Barry Joseph Yen

ICELAND

I.B.2. Merely Descriptive

The German firm Dorma GmbH & Co. KG applied for registration of the trademark GRAPHITE (word mark) for goods and services in Class 6 (metal building materials; ironmongery, small items of metal hardware; doors and windows; mechanical security devices for doors and windows; mechanical locks and keys, etc.), Class 9 (scientific, photographic, optical, measuring, signalling, checking (supervision) and life-saving apparatus and instruments; apparatus for recording, transmission or reproduction of sound or images, only for housing and security technology, life-saving technology, time recording systems and/or automatic or manual access control systems, etc.), and Class 45 (security services for the protection of property and individuals;
consultancy in the field of security, in particular for buildings; safety inspection of factories). The Registrar of Patents and Trademarks refused registration in Classes 6 and 9 on the ground that the mark was descriptive for all listed goods in those classes.

The Registrar’s refusal was based on the fact that the English word “graphite” means carbon in the form used in pencils and in lubricants for machines. Dorma argued, among other things, that the Registrar had not explained in what way the mark was associated with the goods in question nor how the mark would be descriptive for those goods. In this respect Dorma referred to the European Court of Justice’s (ECJ’s) judgment in the POSTKANTOOR case (Case C-363/99, [2004] ECR I-01619 (ECJ, Feb. 12, 2004)) in support of the mark’s registrability. It noted as well that the mark had been accepted by OHIM and the Norwegian Industrial Property Office.

In response, the Registrar pointed out that graphite was also used for the production of steel and electrical conductors. The Registrar contended that graphite, accordingly, not only was the name of a substance commonly used for making the same goods as the ones for which registration was sought but had qualities similar in importance to those of the applied-for goods.

Dorma countered that just because graphite was commonly used for goods of the kind applied for, that did not mean that graphite was used for the goods in question. It argued that graphite is classified under Class 1 or 4 of the Nice Classification and not under Class 6 or 9. Dorma further argued that various types of metal are used for making all kinds of goods and it would not be possible to refuse registration of marks containing metal names for a broad list of goods such as the one in its application. It expressed the opinion that the arguments by the Registrar rather related to the mark’s being suggestive, which would not prevent registration according to the decision rendered by the Appeal Board in the POWERWARE case and the ECJ’s judgment in OHIM v. Wm. Wrigley Jr. Co. (the DOUBLEMINT case) (Case C-191/01, [2003] ECR I-12447 (ECJ, Oct. 23, 2003)). Specifically, Dorma referred to the fact that, for example, graphite could not possibly be descriptive for “door signs” or “use of apparatus for surveillance.”

The Registrar rejected these arguments, noting that specific mention of graphite in the Nice Classification would rather strengthen the argument that the mark was descriptive. Referring mainly to the fact that graphite was commonly used in the production of the goods applied for in Classes 6 and 9, the Registrar refused registration.

Dorma filed an appeal with the Board of Appeal for Intellectual Property Rights. In support of reversal of the Registrar’s decision, it specifically objected to the Registrar’s
argument that graphite was specifically listed in the Nice Classification. Dorma also argued that the Registrar had not sufficiently supported the refusal (i.e., in defining how graphite related to the goods). The Registrar reiterated previous arguments.

The Board of Appeal reasoned that it was undisputed that graphite possesses various qualities such as elasticity, smoothness, luster, and density and is useful for making and maintaining various metal devices, metal mechanisms, and machines. It noted in particular that graphite possesses conducting qualities in respect to heat, sound, and electricity, and that makes it important for various security devices—for example, fireproof doors and the cooling mechanism for computers. Furthermore, the Board pointed out the known quality of graphite as a lubricant for various machines, mechanisms, and locks. Accordingly, it held that the English name for graphite must be considered descriptive for the goods in question and deceptive for the other goods applied for. Consequently, the Board of Appeal affirmed the Registrar’s decision. (Sigurjónsson & Thor ehf. f.h. Dorma GmbH & Co. KG v. Registrar, Case No. 9/2009 (Board of Appeal for Intellectual Property Rights, Sept. 23, 2010) (in Icelandic).)

In this case the decision to refuse registration on grounds of descriptiveness seems rather strict, especially because the Norwegian Industrial Property Office had accepted the mark for registration. It appears that the Icelandic Patent Office will continue to stand fast on refusing to register at least one-word marks where the word stands for a phenomenon with physical technical properties that in some way can be associated with the applied-for goods.

Skuli Th. Fjeldsted

INDIA

III.A.1.b. Tarnishment

The High Court of Delhi, in a short and succinct decision, held that because the movie Knockout had already been released, the display of the objectionable portions of plaintiff G4S Security Services’ trademark and trade dress (illustrated below) as portrayed in the movie must be blurred. (G4S Security Services (India) Pvt Ltd v. Sohail Maklai Entertainment Pvt Ltd, Case No. CS(OS) 2350/2010 (High Court of Delhi, Dec. 20, 2010) (unreported).)
This decision is significant because it provided the trademark owner a remedy from the dilution or tarnishment of its mark even after the movie containing the objectionable mark had been released. The case has already become a precedent and has been relied upon by the High Court of Delhi in the subsequent case of Frankfinn Aviation Services Pvt Ltd v. Ramesh Sippy & Ors.

Pravin Anand

III.A.6.b. Hyperlinks

Tata Sons Limited sought to restrain Hoop Anin & Ors from using the domain name tatadiamonds.com and from framing via
the Tata trademark T WITHIN A CIRCLE Device as well as the TATA Nano Car.

T WITHIN A CIRCLE Device  TATA Nano Car

While reiterating that TATA was a well-known mark, the High Court of Delhi in a comprehensive judgment held in favor of Tata Sons and restrained Mr. Anin and his company from using the domain name tatadiamonds.com. Interestingly, the Court also restrained Mr. Anin from “framing”—that is, maliciously juxtaposing the plaintiff’s web page on his web page through elements representative of the Tata Group (e.g., a photograph of the world’s cheapest car, TATA Nano, as well as the trademark T WITHIN A CIRCLE Device, which, when clicked, would lead to the plaintiff’s website, www.tata.com. Additionally, noting the flagrant violations by Mr. Anin, the Court awarded Tata Sons punitive damages of Rs. 5 million. (Tata Sons Ltd v. Hoop Anin & Ors. (High Court of Delhi, Dec. 16, 2011).)

Framing cases are yet to become the staple feeder of the IP case stream in India. In certain Western jurisdictions, namely the United States, such instances have been stringently dealt with (as in the famous case of Washington Post v. Total News). In that context, this case assumes great importance, as it is the first case in India on framing.

Pravin Anand

III.C.2. Detriment/Unfair Advantage

The Tea Board of India had registered the mark DARJEELING in Class 30 as a certification mark and a geographical indication (GI) under the Geographical Indications Act. The Tea Board sought to restrain I.T.C. Ltd from using the word “Darjeeling” as a part of one of its hospitality services at the ITC Sonar hotel, The Darjeeling Lounge.
In April 2011, a Single Judge of the Calcutta High Court refused to grant the Tea Board an injunction on issues of infringement of the GI and the certification marks, as well as for passing off and dilution.

On appeal, the Division Bench upheld the judgment of the Single Judge. In arriving at this conclusion, the Court made note of three important facts:

1. The Tea Board held only a certification mark (and a GI) for Darjeeling, and not a trademark;
2. Despite arguing that the Darjeeling Lounge sold other beverages apart from Darjeeling tea, it was not part of the Tea Board's argument that ITC was in the tea trade; and
3. The Tea Board was not in the hospitality industry.

Based on the above facts, the Court dismissed the arguments that ITC had attempted to falsely convey a nexus to the Darjeeling GI or the Darjeeling region in eastern India. Importantly, it held that no injunction could be granted in this case under the limited conspectus of rights conferred upon the Tea Board. (Tea Board, India v. I.T.C. Ltd (48) PTC 169 (High Court of Calcutta, Aug. 24, 2011).)

Specifically, the Court held that the rights conferred on obtaining a trademark as provided in Sections 28, 19, and 17 of the Trademarks Act, 1999, compared with the rights under Sections 78 and 75 of the Act, clarify that the positive right to obtain relief in respect of infringement of the trademark is conspicuously absent in the case of a certification mark. The Court held that the right conferred under Section 78 would be infringed only by a person who uses, in the course of trade, a mark that is identical with, or deceptively similar to, the certification mark in relation to any goods or services in respect of which it is registered.

This case clearly delineates, for the first time in India, the rights of a certification mark and GI holder vis-à-vis the holder of trademark rights generally under the Trademarks Act, 1999.

Pravin Anand
III.F.1. Non-use

Kamat Hotel (India) Limited filed a rectification petition before the Intellectual Property Appellate Board (IPAB) under Section 47 of the Trademarks Act, 1999 to have the trademark ROYAL ORCHID of Royal Orchid Hotels Limited struck from the register of trademarks on the basis of non-use of the mark.

The IPAB first held that the petition was filed prematurely, since the statutorily prescribed period of five years of non-use had admittedly not yet passed in the case of Kamat Hotels. In addition, the IPAB also held that the onus to prove non-use of a mark rest solely on the person who seeks to have the mark rectified. It further held that the fact that Royal Orchid Hotels had filed a suit for trademark infringement against Kamat Hotel was also tacit evidence of its use. (Kamat Hotel (India) Ltd v. Royal Orchid Hotels Ltd & Anr. (Intellectual Property Appellate Board, Oct. 4, 2011) (unreported).)

Since the onus of the proof under the Trademarks Act has not been specifically enumerated, this particular case very importantly establishes the principle that the non-use of mark has to be proven by the person seeking to rectify the register.

Pravin Anand

ISRAEL

I.D.1. Similarity of Marks

Philip Morris Products S.A. owns three registered trademarks in Class 34 (Nos. 32,212, 76,735, 77,907), all of which relate to packs of cigarettes for women with the woman's name “Eve” as the brand name. Akisionerno Droujestvo Bulgartabac Holding filed an application to register the trademark and design E♥A in Class 34 (Application No. 196,741), which is also used as the name of cigarettes for women.
Philip Morris Products submitted an opposition to the registration of the mark E♥A because of the mark’s similarity to three of its own registered EVE trademarks.

The Israeli Patent Office (IPO) held there are three tests in determining likelihood of confusion: look and sound; consumers and marketing channels; and other circumstances. The IPO ruled that in this case the chief test was phonetic, because the cigarettes would be purchased over the counter, and buyers would say the name of the products they wanted. The IPO held that there was no likelihood of confusion, because the applicant’s mark \(e-va\) is pronounced differently from the opponent’s mark [eev]. Also, it held that conceptual similarity (i.e., that the marks express the name of the first woman) is insufficient to cause a mistake or
incorrect connection. Therefore the IPO dismissed Philip Morris’s opposition. Philip Morris appealed to the Supreme Court.

The Supreme Court held that the threshold of likelihood of confusion is not a high one. It is sufficient if consumers suspect a connection between the goods bearing the marks to establish likelihood of confusion. In the present case, the visual and phonetic similarity of E♥A and EVE caused such suspicion. Also the likelihood of confusion increased because cigarettes are generally purchased quickly and without much thought. To all these considerations the Supreme Court added that imitation of the concept that lies at the core of the mark is also illegitimate. In this matter use of the first woman in a product for women constitutes such conceptual imitation. Therefore the Supreme Court reversed the IPO’s decision and ordered the cancellation of the registration of the mark E♥A. (Philip Morris Products S.A. v. Akisionerno Droujestvo Bulgartabac Holding, C.A. 3975/10 (Israeli Supreme Court, Oct. 2, 2011).)

In this case, the likelihood of confusion was actually low. Rather, it was the defendant’s imitation of the plaintiff’s concept that constituted infringement.

Shlomo Cohen

In a district court case decided in December 2010, Adidas brought legal action against an importer of shoes bearing the name SYDNEY and four diagonal stripes, on the ground that the stripes were confusingly similar to Adidas’s famous three-stripe trademark. (Adidas-Salomon v. Yassin, No. T.A. 2177/05 (Tel Aviv District Court Dec. 13, 2010).) Adidas filed the claim after Israeli Customs intercepted and detained a shipment of such shoes. Adidas supported its claim with numerous judicial decisions from around the world that ruled on the issue of four stripes in favor of Adidas (including the U.S. judgment in Adidas v. Payless ShoeSource, in which the defendant was ordered to pay Adidas over US $300 million for such infringement), and with a decision of the Israeli Supreme Court in preliminary proceedings (Adidas v. When the Shoe Fits) confirming protection for Adidas in similar circumstances.

Nonetheless, the Tel Aviv District Court (Justice Michal Agmon-Gonen) denied the claim. In a very detailed decision, the judge analyzed the history and basic principles of trademark law and related grounds (passing off and unjust enrichment) and ruled that trademark proprietary rights should be balanced against the need to keep marks in the public domain, the right of self expression and the right of “fair use” of a trademark. The judge indicated that given the lack of danger of consumer deception (in view of the different name prominently appearing on the shoes), it would be unjust to limit the defendant’s freedom of choice and self-
expression and to deny the consumer public the choice to buy discounted shoes in view of a certain similarity to Adidas’s trademark. She further ruled that the shoes would not dilute Adidas’s trademark because they did not bear any of Adidas’s trademarks. Accordingly, the judge denied the claim, ordered the release of the shipment of shoes from Customs and awarded rather significant costs to the defendant.

The judgment, which reflects an extremely restrictive perspective of trademark rights, includes severe criticism of attempts to monopolize marks in the public domain and contains some statements that seem to be in contradiction to the main Israeli case law in that regard. Among other things, the judgment explicitly rejects principles of trademark law adopted by Israeli courts over the years, including that bona fide conduct is not a defense against a claim for trademark infringement, that marks should be compared to registered trademarks regardless of any distinguishing features appearing on the product (such as a different name) and that the doctrine of dilution also applies with respect to confusingly similar marks. Moreover, the judgment is apparently in strict contradiction to the above-referenced decision of the Israeli Supreme Court in a similar matter (Justice Agmon-Gonen held that she was entitled to deviate from the Supreme Court’s decision because it was given in preliminary proceedings).

Assuming that Adidas appeals the judgment to the Supreme Court, it will be interesting to see whether this judgment marks a change of direction by Israeli courts toward a much more restrictive perspective of trademark rights or whether the Supreme Court will restore its previous rulings on the relevant issues.

Dan Adin
Eran Liss

Night Sleep Center Plus Ltd. has marketed beds under the name DR RELAX. Two other bed manufacturers, Relaxon (Israel) the Best Furniture in the World Ltd. and The Center for Health Ltd., owners of the trademarks RELAXON and DR GAV (Gav is Hebrew for “back”), respectively, sued for both trademark infringement and passing off.

The Tel Aviv District Court ruled that DR RELAX did not infringe either mark. The court pointed out that “Dr” was a general indication of medicine and academic research and that “relax” was a general term. Both words were generic, and their combination neither sounded like nor looked like either mark. As there was no confusing similarity, there was no trademark infringement. Furthermore, there was no passing off. (Eliyahu & Sons Ltd. et al. v. Night Sleep Center (2000) Plus Ltd. et al., No. T.A. 9143-11/08 (Tel Aviv District Court June 22, 2011).)
The court noted that somewhat similar images of a reclining person appeared in DR GAV and in DR RELAX, but it considered that the different positioning of the graphic element, its generic nature and the different color schemes were insufficient to create a likelihood of confusion. The court also rejected a survey performed by the plaintiff as not providing the correct indication of confusing similarity in a purchasing environment.

Judge Grushkopf noted that neither plaintiff sued when the defendant first started using the DR RELAX brand, but only did so some time later following other disputes between the parties. This was seen as undermining the plaintiffs’ claims of inequitable behavior.

It transpired that when the brand DR RELAX was first used, six years earlier, Night Sleep Center Plus Ltd. created a catalog confusingly similar to that used by Relaxon (Israel) the Best Furniture in the World Ltd. Furthermore, evidence was provided that a salesperson had indicated to a private investigator that the DR RELAX products were identical.

For each of these separate passing-off actions, the court awarded statutory damages of NIS 100,000 to Relaxon, but it did not consider the actions to be sufficient justification to prevent the now successful competitor from using the brand six years later.

The judge noted that both complainants had filed oppositions to the DR RELAX trademark application, but indicated that they would not relate to the mark’s registrability.

Michael Factor

II.C.1.j. Slogans

Eveready Battery Company Inc. applied to register the mark FREE YOUR SKIN in Class 3 (Application No. 204,832) for shaving soaps, shaving preparations, and shaving cosmetics and toiletries, and in Class 8 (Application No. 204,499) for razors and razor blades.

The IPO denied the applications, relying on the IPO Circular M.N. 29, which stated that, unlike regular marks, multiword marks lack inherent distinctiveness and are registrable only upon evidence of acquired secondary meaning. The IPO held that the plaintiff did not provide such evidence. Eveready Battery appealed to the Tel Aviv District Court.

The court reversed the IPO’s policy regarding multiword marks. It reviewed various foreign decisions and held that the IPO applied excessively rigid tests for registration of multiword marks. Multiword marks, said the court, may have promotional functions as well as indicating origin of goods and services. Therefore, they are and should be examined in a way similar to other marks. However, the court denied registration of the mark FREE YOUR
SKIN on the ground that it was rather descriptive and laudatory. (Eveready Battery Co. v. Registrar of Patents, Designs & Trademarks, AR 21488-05-11 (Tel Aviv District Court, Dec. 8, 2011).)

This case establishes that the multiword marks should be registered upon the same requirements as other marks. In view of this decision the IPO changed its policy regarding multiword marks and cancelled Circular M.N. 29.

Shlomo Cohen

III.A.3.c. Customs Actions

The Israel Customs Authority confiscated counterfeit LEVI’S jeans and billed the manufacturer for the cost of storage and eventual destruction. Tel Aviv Judge Abraham Yaakov ruled that Customs was wrong in attempting to charge Levi Strauss & Co. for the cost of storing and eventually destroying the counterfeit jeans. (Levi Strauss & Co. v. Algamal, Alnazer Odeh & Israel Customs & VAT Authority, No. T.A. 3261-03/10 (Tel Aviv District Court Jan. 2, 2011).)

Customs argued that Section 200A of the Customs Ordinance enabled it to impound goods believed to infringe copyright or registered trademarks for three days, but further action required the rights holder to post a deposit. It further argued that the deposit was not only to compensate the importer if it prevailed in court but also to cover Customs’ expenses should the importer prove untraceable, go into bankruptcy or liquidation, or otherwise default.

The judge’s ruling included the following findings:

- The Customs Authority itself acknowledged that the primary party responsible for paying for destruction of infringing goods is the importer. As the rights holder has done nothing wrong, why should it have to pay such costs?

- Although Customs claimed that the rights holder plays an active role in the legal proceedings, this is not necessarily the case. Customs can seize and hold goods without the rights holder being an active party.

- Even if the rights holder informs Customs about its rights and about an infringing shipment, Customs is obligated to act as a law enforcement agency, not merely as protector of the financial interest of the rights owner.

- Although Section 53(1) of the TRIPS Agreement includes a provision for rolling the costs of enforcement over to the rights holders, Section 200b of the Israel Customs Ordinance, instituted in the wake of TRIPS, rejected billing the rights holder for the actions performed by Customs and
established that the deposit paid by the rights holder to cover the seizure of goods should be refunded in full if the courts ruled that the goods indeed infringed.

The court pointed out that the interpretation of the Customs Authority was equivalent to arguing that the rights holder should serve as a guarantor for the infringing importer.

As to Customs’ claim that the only party that benefits from destruction of the infringing goods is the rights holder, the judge ruled that it was in the national interest to uphold intellectual property rights and to enforce the criminal law. Indeed, the judge observed, having signed TRIPS, the state accepted its obligation to enforce IP rights.

In summary, the court ruled that the only reason for posting bond was to prevent frivolous actions and to protect the rights of wrongfully charged importers.

Levi Strauss was awarded NIS 100,000 (approximately US $28,000) for statutory damages and NIS 10,000 costs from the first defendant, who did not attend the hearing; the second defendant, who was present, was ordered to pay just NIS 2,500 costs for the goods to be destroyed. The Customs and VAT Authority was ordered to pay Levi Strauss NIS 10,000 in legal fees.

Michael Factor

In a judgment handed down on June 20, 2011, the Israeli Supreme Court accepted the Customs Authority’s appeal and held that intellectual property rights owners should bear the storage and destruction costs of infringing goods that were abandoned by the importer.

The Customs Authority filed the appeal after the district court had issued a judgment in default for the plaintiff, Christian Dior Couture, which brought a lawsuit against a foreign resident. The defendant was the importer of a shipment of shoes that bore the plaintiff’s registered trademarks. The Customs authorities detained the shipment and notified Dior, in accordance with Section 200A of the Customs Ordinance.

Section 200A of the Customs Ordinance was legislated in 1999 as part of a reform conducted on Israel’s intellectual property laws in order to comply with the TRIPS Agreement. TRIPS sets out a minimum standard of IP protection to be provided by each member state.

Under Section 200A, in order for the Customs authorities to detain a shipment of allegedly infringing goods, the IP rights owner must initiate a legal proceeding against the importer and provide Customs with a bank guarantee to cover any expenses related to the detention or to compensate the defendant for any damage due to the detention.
The district court ruled that the shipment was to be destroyed by the importer, which would bear the expenses. As the defendant was absent, a default judgment was handed down, and it was assumed that the defendant would not carry out the judgment. Therefore, the court had to determine who should bear the storage and destruction costs.

The district court held that the Customs authorities should bear the expenses for storing and destroying the infringing goods. It rejected the argument that the expenses should be paid by way of forfeiture of the bank guarantee deposited by the plaintiff.

The Supreme Court, in a precedential judgment, reversed the district court’s decision. (Israel Customs Authority v. Christian Dior Couture et al., No. CA 3960/10 (Israeli Supreme Court June 20, 2011).) The Court noted that it was a difficult situation where one of the two parties had to pay for the wrongdoing of a third party. It interpreted Section 200A of the Customs Ordinance, which complies with Section 53(1) of the TRIPS Agreement, as allowing the Customs Authority to use the bank guarantee for that purpose.

There was no justification, said the Court, for having public funds cover the costs of protection of privately owned property.

The Supreme Court also addressed the state’s interest in protecting IP rights. It recommended that the government consider requesting further guarantees from importers and, if an infringement was proven, consider confiscating the importer’s import tax return in order to cover the IP rights owner’s expenses.

Eran Soroker

ITALY

I.B. Descriptiveness

Since 1921, Guccio Gucci S.p.A. (“Gucci”) has distinguished all its products with the mark GUCCI, which it has registered in almost every country in the world for a wide range of goods and services. In Italy, this mark is protected for all the goods and services in Classes 1 to 42 of the Nice Classification.

In mid-2010, extensive press coverage reported that Gucci was about to open a five-star hotel in Dubai under the brand ELISABETTA GUCCI. Ms. Elisabetta Gucci is a furnishings designer and a distant descendant of Mr. Guccio Gucci, founder of the Gucci fashion house.

An in-depth investigation revealed that the company responsible for the business initiative was actually Mirabili S.r.l. This firm had also registered the mark ELISABETTA GUCCI, in relation to “construction, restoration, and installation services” in Class 37, and the domain name elisabettagucci.com. On the
website www.elisabettagucci.com, another company, Formitalia S.r.l., was listed as the contact for the merchandise sold under the brand ELISABETTA GUCCI, consisting of articles such as silverware, golf accessories, and stationery. The mark ELISABETTA GUCCI also was used on a website owned by a certain Lorens Ziller, who had presented himself to the international press as the chief executive officer of “Elisabetta Gucci Hotels.”

Gucci brought injunctive proceedings before the Court of Florence for trademark infringement against Formitalia S.r.l., Formitalia Group S.p.A., Mirabili S.r.l., and Mr. Ziller. The petitioner asked, *inter alia*, that the Court enjoin the defendants from further using the mark ELISABETTA GUCCI and order the publication of the interim decision in some Italian newspapers and magazines.

The defendants countered that there was no infringement because their behavior fell under the limitation of trademark rights contained in Article 21, paragraph 1(a) of the Italian Industrial Property Code (which states that the rights to a registered trademark do not entitle its proprietor to prohibit third parties from using in the course of trade, provided it is in accordance with the principles of honest practice, their name and address). This provision, which is in compliance with the European Trademarks Directive (Directive 2008/95/EC, codifying Directive 89/104/EEC), has amended the former Italian rules on the use in the course of trade of personal names that may conflict with a prior-registered trademark, and now sets only one limit to such use: that it be in accordance with the principles of honest practice.

The Court observed that, according to the case law's interpretation of the new statutory provision, the use of someone’s personal name that is identical or similar to a prior-registered mark is permitted only when it is strictly necessary to indicate the qualities or characteristics of a product, but not when the personal name is used to distinguish goods. From a graphic standpoint, the personal name must be part of a complex mark in which the name is given less prominence with respect to the so-called heart of the mark.

The prominence of the personal name within the complex junior mark is particularly important when, as in the case at hand, the senior trademark enjoys a reputation. In such cases, because the repute of the senior mark puts those marks that are identical or similar to it in a position of advantage, the personal name must be only a minor component of the junior mark. On the basis of these considerations, the Court concluded that the trademark ELISABETTA GUCCI could not be considered in compliance with Italian and EU laws permitting the use of personal names.
In the Court’s opinion, the evidence Gucci had submitted showed that when the defendants used the brand name ELISABETTA GUCCI they intended neither to present the designer’s professional career as an interior stylist nor to describe her activity. Instead, they simply aimed at emphasizing the GUCCI patronymic component of the mark and, thus, at taking unfair advantage of the renown of the petitioner’s trademark.

In this respect, the Court also stated that the disclaimer in Mirabili’s website, according to which there was no connection or association between the designer Elisabetta Gucci and the Gucci company, did not rule out trademark infringement because this clarification was not part of the infringing trademark.

The Court of Florence therefore issued an EU-wide restraining order against any further use of the mark ELISABETTA GUCCI and the domain name elisabettagucci.com. It also imposed a penalty for any possible violation of the order and ordered that the decision be published in two newspapers and a magazine at the defendants’ expense. (Guccio Gucci S.p.A. v. Formitalia Group S.p.A., Formitalia S.r.l., Mirabili S.r.l. & Lorens Ziller (Court of Florence, July 16, 2010) (unpublished).)

The defendants appealed, but the Board of Appeal upheld the interlocutory decision. (Court of Florence, Nov. 9, 2010) (unpublished).)

In this case, the Court of Florence, in line with the leading Italian case law and the EU jurisprudence on the use of personal names, confirmed that in order to conclude that such use is lawful, a court must take various elements into account when dealing with trademarks that enjoy a reputation. More specifically, it held that the limitation of trademark rights under Article 21, paragraph 1(a) of the Industrial Property Code is not applicable when the use of the personal name may impair the value of the trademark because it takes unfair advantage of the repute or distinctive character of the same.

Pier Luigi Roncaglia

I.F. Famous and Well-Known Marks

British Sky Broadcasting Group Plc (“BSkyB”) was one of the major players in the field of entertainment, with about 30 TV channels and 16 simulcast high-definition channels. BSkyB owned the mark SKY, registered for, inter alia, “radio, television and sound recording instruments and apparatus” in Class 9 and “telecommunication services” in Class 38 and used in Italy and the European Union for over a decade to distinguish its television services, as well as some goods. In addition, BSkyB owned a large family of SKY-formative marks.
Sky Italia S.r.l. was responsible for the management of the direct-to-home (DTH) platform in Italy.

Skytek S.r.l. and Skytek Telecomunicazioni S.r.l. (jointly, “Skytek”) used the mark SKYTEK both as a company name and to distinguish their Internet broadband and telecommunication services. In addition, Skytek had registered this mark as a trademark in relation to, inter alia, goods and services in Classes 9 and 38 and as a domain name.

BSkyB and Sky Italia S.r.l. brought a cancellation and infringement action against Skytek, claiming that the defendants’ mark SKYTEK was invalid based on their prior rights in the mark SKY and that the use of the defendants’ mark created a risk of confusion with their mark. Additionally, the plaintiffs claimed that Skytek’s activity was detrimental to the distinctive character of the SKY mark.

The defendants countered that, as the trademark SKY was descriptive or, at best, scarcely distinctive, the presence of the suffix -TEK in their mark ruled out any likelihood of confusion. They maintained, moreover, that the goods and services distinguished by the SKYTEK mark were dissimilar to those covered by the plaintiffs’ trademark because they were destined for different consumers.

The Court of Venice, in line with the leading Italian case law, held that words, images, or other distinctive signs are considered highly distinctive marks when they do not have any connection with the products or services they distinguish.

It is possible, however, that a mark that initially is weak may acquire, through extensive use during the years, a highly distinctive character. This phenomenon, known as “secondary meaning,” occurs every time a trademark that originally lacks distinctive character on account of its genericness or descriptiveness becomes established in the market and acquires distinctiveness.

Whenever a mark becomes well known to the public thanks to its penetration in the market, the law affords the mark a broader degree of protection that stretches beyond its function as a source indicator and protects also its intrinsic value as a carrier of goodwill. Trademarks enjoying a reputation are in fact protected vis-à-vis identical or similar marks irrespective of any likelihood of confusion, provided the infringing mark takes unfair advantage of, or is detrimental to, the repute or the distinctive character of the trademark.

The Court noted that in the case at hand the trademark SKY could not be considered descriptive of the products or services it distinguished. In fact, it did not describe any quality, geographical origin, or destination of the plaintiffs’ products or services.
More specifically, the Court observed that SKY not only was a highly distinctive mark *ab origine* but also had increased its distinctiveness over the years. For this reason, the addition of the mere suffix -TEK in the defendants' mark was not sufficient to rule out infringement. Moreover, the penetration of the plaintiffs’ mark in the market had made it so well known to the public that it could be accorded protection also with respect to similar marks distinguishing unrelated goods or services.

The Court therefore upheld the plaintiffs’ claims and partially cancelled Skytek’s trademark. In addition, it enjoined the defendants from further using their trademark and ordered that they amend their company names and cancel their domain names. *(British Sky Broadcasting Group Plc & Sky Italia S.r.l. v. Skytek S.r.l. & Skytek Telecomunicazioni S.r.l., Case No. 9401/2009 (Court of Venice, May 2, 2011) (unpublished)).*

In this decision, the Court of Venice clearly outlined the criteria according to which trademarks are considered highly distinctive. It pointed out that trademarks enjoying a reputation are granted a broader degree of protection that takes into account the intrinsic value that they have acquired in the market as message bearers and carriers of goodwill.

*Pier Luigi Roncaglia*

**II.C.1.e. Letters and Numbers**

SZ Design S.r.l., International Mark Management (I.M.M.) S.A., and Streetlight Holding B.V. owned a mark consisting of a stylized letter “Z” with arrow-shaped ends inside which were the words ZAGATO MILANO (below, illustration at left). The mark was used on the side of cars to indicate that the designer Zagato had designed the body.

Nissan used a mark formed by a letter Z in a particular graphic rendition encompassed in a circle (below, illustration at right). This mark was placed on the side of a particular model of car that Nissan manufactured and sold.
SZ Design and the other parties instituted an action on the merits for trademark infringement and unfair competition. The Court of Milan rejected the plaintiffs’ claims, holding that, given the graphic differences in the marks at issue, there was no likelihood of confusion. The Court also ruled in favor of Nissan with respect to the claim of unfair competition.

The plaintiffs appealed the decision on several grounds. They preliminarily observed that the Court had erred when it applied the statutory provisions on marks consisting of letters.

In fact, the Court decided the case on the basis of the provisions of the former Trademark Law, according to which these marks are intrinsically void or, at the very least, weak and therefore should be afforded a lesser degree of protection, limited to very peculiar graphic renditions.

However, 1992 amendments to the Trademark Law extended to letters the same principles that were applicable to other trademarks. Accordingly, letters that may be represented graphically may be valid trademarks, whose strength will depend on the circumstances of the case.

The Court of Appeal rejected this ground of appeal, noting that the issue under scrutiny was not whether marks formed by letters may constitute valid trademarks. (SZ Design S.r.l., International Mark Management (I.M.M.) S.A. & Streetlight Holding B.V. v. Nissan Motor Co. Ltd., Nissan Italia S.p.A. & Autopiù Milano S.r.l. (Court of Appeal of Milan, June 9, 2008) (published in Giur. ann. dir. ind., 2009).) In this respect, the court of first instance had correctly applied the law and held that they may. Yet, just as with other marks, their registrability and scope of protection depend on their distinctive character. Consequently, letters may be registered as trademarks only if they are capable of distinguishing the goods or services of one enterprise from those of other enterprises.

A direct consequence of the nature of letter marks is that the assessment of distinctive character must necessarily take into account the concrete graphic peculiarities of the letters’ rendition. In the case at hand, the Court of Milan properly recognized that the distinctive character of the plaintiffs’ mark was determined by its peculiar graphic characteristics.

The Court of Appeal, however, determined that, because of the graphic differences in the trademarks, there was no risk of confusion, and consequently it upheld the decision of the court of first instance and ruled out trademark infringement.

Additionally, the Court of Appeal rejected the appellants’ claim that Nissan’s use of the Z mark on the side of cars gave rise to unfair competition. In particular, the appellate court noted that, while in the past a logo or trademark on the side of a car indicated that the body had been designed by someone other than the car manufacturer, it was now common in the automobile industry to
place one’s logo or trademark on the side of a car. Use of these marks on that particular part of a car meant that they had therefore lost their distinctive character.

This decision is important because it clearly affirms that letters, similar to other trademarks, are afforded protection provided they have a distinctive character, either *ab origine* or because they have acquired a secondary meaning.

Pier Luigi Roncaglia

**II.G. Trademark Incontestability**

Daniel Flachaire, of Monte Carlo, has registered internationally the trademarks BANANA MOON and BANANA MOON TOP WAVE for goods in Class 25. He licenses these marks to Mc Company S.A.M.

Raffaele Carofiglio owns and uses in the Italian territory the identical mark BANANA MOON, to distinguish articles of clothing in Class 25 and leather goods in Class 18.

Daniel Flachaire and Mc Company S.A.M. brought an action on the merits before the Court of Milan against Raffaele Carofiglio personally and as owner of the sole proprietorship Raffaele Carofiglio, seeking a declaration of infringement and unfair competition. The plaintiffs also counterclaimed that Mr. Carofiglio’s trademark was void for lack of novelty.

Mr. Carofiglio rebutted that his mark had been validated because the plaintiffs had tolerated its use for five consecutive years. Additionally, he counterclaimed that the plaintiffs’ mark had lapsed for non-use with respect to the Italian territory.

The Court preliminarily examined the issue of validation of the defendant’s mark. In this respect, it held that when determining whether a mark has been validated, a court should take into consideration not only whether the owner of the earlier mark has consciously tolerated the use of the later mark for five consecutive years from when it was registered, but also a subjective element. Under Article 28 of the Industrial Property Code, indeed, validation may not occur “when the later mark was applied for in bad faith.”

In the Court’s view, Mr. Carofiglio did not adequately show that he had used the mark for five consecutive years and that, during this time, the plaintiffs had tolerated this use. In fact, all the invoices he had submitted referred to a few years prior to the filing of the application for the mark BANANA MOON.

Additionally, the plaintiffs’ evidence showed that the defendant was not acting in good faith when he filed the trademark application and was well aware of the existence of prior exclusive rights in the mark BANANA MOON owned by a third
party. Consequently, the Court concluded that Mr. Carofiglio’s mark was not valid and that it infringed the plaintiffs’ mark.

The Court issued a restraining order and set a penalty, which, however, did not extend to the city of Bari, where it recognized the defendants’ rights of prior use of the mark BANANA MOON on a signboard of a shop.

Finally, the Court also rejected the defendant’s counterclaim of forfeiture of the Italian portion of the plaintiffs’ mark for non-use. It observed that the defendant had not satisfied the burden of proof with regard to this issue, while the plaintiffs had proved their use for clothing articles of the mark BANANA MOON in the Italian territory. (Daniel Flachaire & Mc Company S.A.M. v. Raffaele Carofiglio personally and as owner of the sole proprietorship Raffaele Carofiglio, General Docket No. 32358/07, Decision No. 13699/2010 (Court of Milan, Nov. 30, 2010) (unpublished).)

The decision is currently under appeal before the Court of Appeal of Milan.

In this case the Court of Milan, one of the most important Italian specialized tribunals in the field of intellectual property, examined in detail the issue of validation of a mark through toleration of its use and confirmed that this principle may not apply to trademarks that were applied for in bad faith.

Gabriele Lazzeretti

III.A.4. Unfair, Unauthorized, or Improper Use

The famous Italian fashion house Salvatore Ferragamo S.p.A. owned the trademark FERRAGAMO, registered in almost every country in the world, including Italy and the European Union, for a wide range of goods and services.

Ferragamo ascertained that for a couple of weeks before Christmas 2010, Conad del Tirreno and Lionel S.r.l. had sold in their department stores towels and robes bearing the figurative mark CREATIVE DESIGN DI FIORE FERRAGAMO (see below). Accordingly, it brought injunctive proceedings against Conad and Lionel for trademark infringement and unfair competition and asked, inter alia, that they be enjoined from using the mark FIORE FERRAGAMO.
Creative Design di Fiore Ferragamo, the sole proprietorship that purported to have rights in this mark, joined the action. It objected that its use of the contested mark amounted to fair use under Article 21, paragraph 1(a) of the Industrial Property Code because the name of the owner was Fiore Ferragamo.

The Court of Florence noted that, according to the case law's interpretation of this provision, the use of someone's personal name that is identical or similar to a registered trademark is permitted only when it is strictly necessary to indicate the qualities or the characteristics of a product, but not when the personal name is used distinctively. From a graphic standpoint, therefore, the use of a personal name is permitted when the same is part of a complex mark in which the personal name is given less prominence with respect to the so-called heart of the mark. In such cases, not only must the personal name be only a minor component of the junior mark, but in addition the use of the personal name must be accompanied by the address and the name of the entity using it.

Consequently, the Court—taking into account that in the contested mark the component CREATIVE DESIGN was merely generic, that the component FIORE FERRAGAMO was in the same boldface font as the other parts of the mark, and that there was no mention of the address of the company—concluded that the mark could not be considered in compliance with the Italian and EU laws on the use of personal names. The Court therefore enjoined the defendants from further using the mark CREATIVE DESIGN DI FIORE FERRAGAMO and set a penalty for any possible violation of the order. (Salvatore Ferragamo S.p.A. v. Conad del Tirreno – Società Cooperativa in Forma Abbreviata Conad del Tirreno, Lionel S.r.l. & Creative Design di Fiore Ferragamo & C. S.a.s. (Court of Florence, Jan. 17–19, 2011) (unpublished).)

With respect to the prerequisite of irreparable harm vis-à-vis the interim measures of the injunction and the penalty, the Court interpreted it in compliance with the EU case law. In particular, the Court held that even when there is no concrete risk that an
infringement will be continued or repeated, in actions based on Community trade marks an EU court can issue a restraining order against the defendant.

In this case, the Court of Florence confirmed that in order to conclude that a third party’s use of a personal name is lawful, such use must be in accordance with the principles of honest practice. In general, when dealing with trademarks enjoying a reputation, the limitation of trademark rights under Article 21, paragraph 1(a) of the Industrial Property Code is never applicable when the use of the personal name may impair the value of the trademark because it takes unfair advantage of the repute or the distinctive character of the same.

Gabriele Lazzeretti

JAPAN

II.C.1.g. Two- and Three-Dimensional Marks

In June 2011, the IP High Court in Tokyo reversed the June 23, 2010, appeal decision of the Japan Patent Office (JPO) and found that the three-dimensional trademark (Application No. 2008-11532) for the well-known “Y” chair made by the Danish company Carl Hansen and Son was registrable. (Carl Hansen & Son, Japan KK v. JPO (IP High Court June 29, 2011).) The highly popular “Y” chair, now named the “wishbone chair,” was designed by Hans J. Wegner and has been in continuous production, with variations in color and material, since the 1950s.

The JPO had found that while the mark was easily distinguishable as a three-dimensional representation of an armchair, providing an impression of excellent design and function, the mark per se was merely descriptive.
Although the IP High Court found that the mark was descriptive according to the provisions of Article 3(1)(3) of the Japanese Trademark Act, it overturned all the arguments of the JPO regarding Article 3(2). Specifically, based on evidence provided by the plaintiff (and discounted by the JPO), the court found that the mark met the requirements of distinctiveness based on the following: the shape of the mark; the start and duration of use; the region of use; the amount of goods sold; duration, region, and scale of advertising; and the effort of applicant to challenge goods of a similar shape, etc., as related to Japan. In other words, the court found the mark to be distinctive based on various commercial activities of the plaintiff over a long period of time in Japan. Interestingly, even though the issue was not discussed in the appeal decision, the court also touched on registrability based on Article 4(1)(18) (regarding functionality of three-dimensional trademarks) and indirectly found that the mark was more than just purely functional.

This decision follows the ruling in November 2010 regarding the application for a three-dimensional trademark for the ubiquitous (in Japan) plastic bottle for the lactic acid drink Yakult, where the court reached a similar conclusion and held that, “taking into consideration the long use and the remarkable sales record of the goods, the shape alone has acquired distinctiveness.” In 2008, Coca-Cola was the beneficiary of a similar court decision in Japan on its contour bottle, following the lead case on three-dimensional marks (marks related to the Mini Maglight).

The IP High Court continues to make clear that a three-dimensional configuration that has acquired distinctiveness through use can be registered as a trademark, despite the very stringent examination guidelines at the JPO. Overcoming the three hurdles posed by Articles 3(1)(3), 3(2), and 4(1)(18) is tough, but not impossible.

Jim Hughes

JORDAN

I.A.2. Intent to Use

Plaintiff New Look Limited, a British company, filed a cancellation action against the registration of the trademark NEW LOOK based on the non-use of the mark for the last three years preceding the date of initiating the current action.

The Registrar had rejected the plaintiff’s mark NEW LOOK in Jordan because the mark was registered in the name of the defendant, Mouafaq & Radwan Adel Hussein Shammout Co., a Jordanian company. The defendant registered its trademark NEW LOOK for “clothes” in Class 25 (Registration No. 59659, granted
Defendant's Mark  Plaintiff's Marks

Upon receipt of the examiner’s rejection of its trademark applications for the registration of the trademarks NEW LOOK in plain block letters and in script, the plaintiff conducted a market investigation, which proved that the same forms of the mark were not being used by the defendant. Consequently, the Registrar accepted the notice of cancellation and stated in its decision that as the plaintiff was able to prove that the challenged trademark had not been used and that he was an aggrieved party, the trademark should be expunged from the Trademarks Register. (New Look Limited v. Mouafaq & Radwan Adel Hussein Shammout Co., Decision No. T/59659/32056 (Registrar of Trademarks, Nov. 4, 2010) (not appealed and unpublished).)

Mazen K. Dajani
Ghaida’ M. Ala’ Eddein

I.B.1. Generic

Philip Morris Products S.A., a Swiss company, applied to register the trademark MARLBORO WIDES (illustrated below) for “tobacco, raw or manufactured, including cigars, cigarettes, cigarillos, tobacco for roll your own cigarettes, pipe tobacco, chewing tobacco, snuff tobacco, tobacco substitutes (not for medical purposes); smokers’ articles, including cigarette paper and tubes, cigarette filters, tobacco tins, cigarette cases and ashtrays not of precious metals, their alloys or coated therewith; pipes, pocket apparatus for rolling cigarettes, lighters; matches” in Class 34 (Application No. 87872, filed Sept. 7, 2006, published in the Official Gazette No. 352, Feb. 25, 2007, at 208).
Upon the publication of the mark in the Official Gazette, the plaintiff, British American Tobacco Brands, Inc., a U.S. company, filed a notice of opposition on the basis that the mark MARLBORO WIDES was not registrable, as it was descriptive of the goods in connection with which it would be used. The Registrar rejected the opposition and stated in its decision that even though the plaintiff was able to prove that the word WIDES describes the size of the cigarettes, the defendant was able to overcome the allegation with proof that the trademark was distinctive. The defendant was not using the word WIDES alone but in combination with the famous mark MARLBORO. MARLBORO is a very famous mark, and its use in combination with the word WIDES did not alter its distinctiveness. (*British American Tobacco Brands, Inc. v. Philip Morris Products S.A.*, Decision No. T/87872/12411 (Trademarks Registrar, Apr. 19, 2011) (not appealed) (unpublished).)

Mazen K. Dajani
Ghaida’ M. Ala’ Eddein

I.D.1. Similarity of Marks

Plaintiff DaimlerChrysler AG, a German company, owns the trademark for “Three Pointed Star in Ring Device,” which has been registered in Jordan since 1959 (Registration Nos. 4677-4685, 4687-8, 77984, 77986, 77987, 77969, 77966, 77970, and 77990) for goods in Classes 1, 2, 4, 6, 7, 9, 11, 12, 14, 16, 17, 18, 24, 25, 28, 34, and 37. Defendant Sany Group Co., Ltd, a Chinese company, filed an application to register the trademark for SANY and the “Three Pointed Star in Ring Device” for “road rollers, excavators, diggers, hydraulic pumps; trailer-mounted concrete pumps; truck-mounted concrete pumps; elevating apparatus; mixing machines; concrete mixers [machine]; bulldozers; motor graders; asphalt pavers; horizontal directional drilling machines; cranes; asphalt mixing plants; concrete mixing plants; rotary pile drills; milling machines; mining machines; pumps [machines]; extractors for mines; mine borers; drilling machines; mine-working machines; rail-laying machines; railroad constructing machines; power shovels; road making machines; pumps [parts of machines, engines or motors]; belt conveyors; hydraulic controls for machines, motors and engines; hydraulic components” in Class 7, for “buses; lorries; sports cars; motor cars; motor buses; locomotives; concrete mixing vehicles; aerial conveyors; lifting cars; [lift cars]; automobile chassis; hydraulic circuits for vehicles; asphalt material transfer vehicles; automobile bodies” in Class 12 (Application Nos. 88980 and 88977, filed Sept. 26, 2006, published in Official Gazette No. 356, Mar. 19, 2007, at 66 and 101).

The plaintiff opposed both registrations for the marks that were composed of two elements, i.e., the word SANY, which was
the main part of the defendant’s name and the “Three Pointed Star in Ring Device,” which was used as the main trademark for designating products nearly identical to those of the plaintiff, and most likely to cause public confusion and unfair competition.

Plaintiff’s Mark  Defendant’s Mark

The Registrar did not accept the opposition and stated in its decision that as the plaintiff was able to prove prior use and registration of the “Three Pointed Star in Ring Device” in Jordan and other countries, and that the device shown in the opposed trademark resembled the trademark owned by the plaintiff, the defendant would be obligated to amend its mark by removing the “Three Pointed Star in Ring Device” but it would be permitted to use the word SANY. Therefore, the opposed trademark would be granted registration as the word mark SANY only. (DaimlerChrysler AG v. Sany Group Co., Ltd, Decision No. T/88977/18424 (Registrar of Trademarks, June 14, 2010) (appealed and unpublished); DaimlerChrysler AG v. Sany Group Co., Ltd, Decision No. T/88980/7697 (Registrar of Trademarks, Mar. 8, 2011) (unpublished)).

The defendant appealed the decision related to the trademark in Class 12 but the High Court of Justice rejected the appeal, as it was not filed on time. (Case No. 331/2010, Decision No. 27 (High Court of Justice, Jan. 23, 2011).)

This is an important decision, as the Registrar partially decided the issue by removing the offending part of the opposed trademark.

Mazen K. Dajani
Ghaida’ M. Ala’ Eddein

Plaintiff Lee’s Famous Recipes, Inc., a U.S. company, owned the trademark LEE’S. Although the plaintiff did not have any registrations in Jordan, the action was based on the prior use and registration of its mark in other countries for the marks LEE’S, LEE’S FAMOUS, and SO GOOD IT’S GOT TO BE LEE’S, for goods covered in Classes 29, 30, and 42. Defendant Al-Fareida Fast Food Company, a Jordanian company, applied to register the mark LEE’S CHICKEN RESTAURANT for “food and beverage services” in Class 42 (Registration No. 88004, granted Sept. 17, 2006, published in Official Gazette No. 352, Feb. 25, 2007, at 291).
The plaintiff filed a notice of cancellation of LEE’s CHICKEN RESTAURANT based on the confusingly similarity between the marks that would result in public confusion. The Registrar accepted the notice of cancellation, finding that the plaintiff was able to prove prior use and registration of its mark and that both trademarks were similar to the extent that public confusion was likely to occur between the marks at issue. (Lee’s Famous Recipes, Inc. v. Al-Fareida Fast Food Co., Decision No. T/888004/30113 (Registrar of Trademarks, Oct. 17, 2010) (appealed and unpublished).) On appeal, the High Court of Justice affirmed the Registrar’s decision. (Case No. 524/2010, Decision No. 49 (High Court of Justice, Feb. 28, 2011).)

Mazen K. Dajani
Ghaida’ M. Ala’ Eddein

Plaintiff Retaj Marketing and Project Management Co, a Qatari company, owns the trademark RETAJ (in Arabic) (Registration Nos. 95499-95500, granted May 20, 2007) for “paper, cardboard and goods made from these materials, not included in other classes; printed matter; bookbinding material; photographs; stationery; adhesives for stationery or household purposes; artists’ materials; paint brushes; typewriters and office requisites (except furniture); instructional and teaching material (except apparatus); plastic materials for packaging (not included in other classes); printers’ type; printing blocks” covered in Class 16, and for “services for sale, buy and rental of all kinds of real estate, real estate compounds management, real estate appraisal, rental of apartments, rent collection, real estate brokerage” covered in Class 36 (published in Official Gazette No. 381, Mar. 4, 2008, at 134 and 254, respectively). The plaintiff had filed for the registration of trademark RETAJ (in Arabic) “for hotels and tourism services, services of restaurants and providing of meals” in Class 42, but the application was rejected due to the existence of the mark RETAGE HOTEL that was registered by the defendant, Alanwar Co. for Tourism Investment, a Jordanian company, registered the trademark RETAGE HOTEL for “temporary residency (hotel)” covered in Class 42 (Registration No. 86715, granted Nov. 17, 2005, published in Official Gazette No. 348, Jan. 16, 2007, at 310).
In response to the examiner’s rejection of its application for the registration of the mark RETAJ (in Arabic) on account of the prior-registered mark RETAGE HOTEL (Registration No. 86715), the plaintiff initiated a cancellation action based on priority of right. The Registrar rejected the notice of cancellation and stated in its decision that the plaintiff was not able to prove that it had prior use and/or registration in Jordan and that RETAJ is a famous trademark that should remain in the Trademarks Register. (*Retaj Marketing & Project Management Co. v. Alanwar Co. for Tourism Investment*, Decision No. T/86715/9253 (Registrar of Trademarks, Mar. 17, 2011) (not appealed and unpublished).)

Mazen K. Dajani  
Ghaida’ M. Ala’ Eddein


The plaintiff opposed the registration of the mark SHAKHSHIR COMFORT SLEEP SUITES on the basis of confusing similarity to its mark COMFORT INN. It argued that several elements, i.e., the words SHAKHSHIR, COMFORT, SLEEP SUITES, and the “C” logo, all of which are the main parts
of the plaintiff’s trademarks that designate the services offered by the plaintiff’s company. The plaintiff also alleged that due to such similarity between the two marks, it would be highly likely that public confusion and unfair competition would result. The Registrar did not agree, and consequently, it did not accept the notice of opposition. It held that the existing similarity would not lead to public confusion. (Choice Hotels International, Inc. v. Shukri Shakshir & Brothers Co., Decision No. T/91611/12913 (Trademarks Registrar, Apr. 24, 2011) (not appealed) (unpublished).)

Mazen K. Dajani
Ghaida’ M. Ala’ Eddein


The plaintiff submitted a notice of cancellation against the defendant’s mark FAIRY PLUS on the basis of confusing similarity to its prior-registered mark FAIRY. The Registrar accepted the notice of cancellation, finding that the existing similarity would lead to public confusion, regardless of the addition of the word PLUS to FAIRY. (Procter & Gamble Limited v. Rola Assaf Co., Decision No. T/76037/13779 (Trademarks Registrar, May 4, 2011) (not appealed) (unpublished).)

Mazen K. Dajani
Ghaida’ M. Ala’ Eddein

plaintiff opposed the registration of the mark VALEXIS based on its similarity to its trademark VELUXUS.

\[
\begin{array}{l|l}
\text{VELUXUS} & \text{VALEXIS} \\
\hline
\text{Plaintiff's Mark} & \text{Defendant's Mark}
\end{array}
\]

As it generally finds in cases involving similarity of pharmaceuticals, the Registrar held that as both trademarks were used on pharmaceuticals, public confusion would not occur because only those in the profession of pharmaceuticals would deal with pharmaceutical products. (Aventis Pharma S.A. v. Grunenthal GmbH, Decision No. T/97834/14900 (Trademarks Registrar, May 15, 2011) (not appealed) (unpublished).)

Mazen K. Dajani
Ghaida' M. Ala’ Eddein

Plaintiff Ava Enterprises Inc., a U.S. company, owns the trademark BOSS AUDIO SYSTEMS for “vehicle audio components; namely, AM/FM stereo receivers, cassette tape decks, compact disc players, power amplifiers, equalizers, electronic cross-over and speakers; video and television monitors; DVD machines; car navigation computers; satellite navigational systems namely, global positioning systems (GPS); and parts thereto” in Class 9 (Registration No. 89796, granted Dec. 17, 2006). Defendant PC Mall Suppliers, L.L.C., a Jordanian applied to register the mark BOSSTECH for “computers, mobiles and its accessories, TV, cameras, irons, radios and recorders, account machines, computer games, videos” in Class 9 (Application No. 95584, filed July 17, 2007, published in Official Gazette No. 381, Mar. 4, 2008, at 96).

\[
\begin{array}{l|l}
\text{BOSS AUDIO SYSTEMS} & \text{BOSSTECH} \\
\hline
\text{Plaintiff's Mark} & \text{Defendant's Mark}
\end{array}
\]

The plaintiff filed a notice of opposition on the basis that both trademarks were confusingly similar to the extent that public confusion could be expected. The Registrar rejected the opposition, finding that the existing similarity would not lead to public confusion. The Registrar referred to a prior decision of the High Court of Justice, in which it held that the marks KLIM and KLIO were not confusingly similar. (Ava Enterprises Inc. v. PC Mall
On appeal, the High Court of Justice affirmed the Registrar’s decision by rejecting the notice of appeal based on a formalities issue and not on the merits of the case. (Case No. 127/2011, Decision No. 18 (High Court of Justice, May 31, 2011).)

Mazen K. Dajani
Ghaida’ M. Ala’ Eddein


The plaintiff opposed the registration of the defendant’s mark because both marks were similar and it was highly likely that public confusion and unfair competition would result from their coexistence.

The Registrar accepted the opposition, finding that the existing similarity would lead to public confusion. (Jack Daniel's Properties, Inc. v. Labs Haddad Distiller, Decision No. T/99805/ 17226 (Trademarks Registrar, June 6, 2011) (not appealed) (unpublished).)

Mazen K. Dajani
Ghaida’ M. Ala’ Eddein

Plaintiff Royal Trademarks Establishment, a Lichtenstein company, owns the trademark CHRONOTECH, which was not registered in Jordan but in several other countries for goods covered in Class 14. Defendant Justian Linardi, a Singaporean citizen, applied to register the trademark CHRONOFORCE (illustrated below) for goods in Class 14 (Application No. 97281, filed Dec. 2, 2007, published in Official Gazette No. 389, June 17, 2008, at 118).
The plaintiff opposed the registration of the trademark CHRONOFORCE on the basis of confusing similarity. The Registrar rejected the opposition, finding that the existing similarity would not lead to public confusion. The Registrar explained that the mark should be considered as one term and not in parts, and that the similarity of the prefix CHRONO was descriptive of the goods covered. (Royal Trademarks Establishment v. Justian Linardi, Decision No. T/97281/18349 (Trademarks Registrar, June 19, 2011) (not appealed) (unpublished).)

Mazen K. Dajani
Ghaida’ M. Al’ Eddein

**I.F. Famous and Well-Known Marks**


KRYOLAN

Plaintiff’s Mark

Defendant’s Mark

The plaintiff opposed the mark on the basis that they own the mark in several countries and that the mark is a famous trademark. The plaintiff alleged that the registration of the defendant’s mark would certainly create public confusion and unfair competition.

The Registrar accepted the opposition and stated in his decision that as the plaintiff was able to prove that its mark KRAYOLAN is a famous trademark and is well known to Jordanian customers, and as the defendant failed to provide convincing evidence to support their right to register the mark in their name, it should not proceed to registration. (Kryolan GmbH Chemische Fabrik v. Al-Khazen Trading S.A.R.L., Decision No.
Plaintiff 7-Eleven, Inc., a U.S. company, owns the trademark 7-ELEVEN & Logo in Classes 16 (Registration No. 48683), Class 42 (Registration Nos. 68838), and Class 35 (Registration No. 94699). Defendant Nadia Mohamad Akram Alqudsi Trading Corporation, a Jordanian company, applied to register the mark 7-LINK & Logo for “trading in mobiles and computers and accessories thereof” in Class 42 (Application No. 96669, filed Sept. 4, 2007, published in Official Gazette No. 387, May 19, 2008, at 299).

The plaintiff filed a notice of opposition against the mark 7-LINK in due time on the basis that both marks were confusingly similar to an extent that public confusion was expected to occur. It was raised in the notice of opposition that the applicant had previously applied to register the same mark, i.e., SEVENLINK (Application No. 68534) in Class 42 and that the plaintiff had opposed that mark with no submission of the defendant’s counter-statement at that time, and the application was cancelled.

The Registrar accepted the opposition and stated in its decision that the opposed trademark should not be registered, as both marks were confusingly similar. Supporting that decision were the facts that the applicant had previously filed for the registration of the same mark SEVEN LINK and that the plaintiff had also opposed that mark with no submission of the defendant’s counter-statement at that time. The Registrar also added that the trademark 7-ELEVEN is a famous trademark. (7-Eleven, Inc. v. Nadia Mohamad Akram Alqudsi Trading Corporation, Decision No. T/996669/____ (Trademarks Registrar, Jan. 18, 2011) (not appealed) (unpublished).)
Jordan. The defendant, the Brazilian company Sadia S.A., holds a trademark registration for HOT POCKET for “bread, bread rolls, cake, cake paste, farinaceous foods, paste, pancakes, pastry, rolls, tarts and tortillas” in Class 30 (Registration No. 91960, granted Nov. 1, 2006, published in Official Gazette No. 368, Sept. 11, 2007, at 159).

**HOT POCKET**

No. 91960

The plaintiff, upon receipt of the examiner’s rejection of its trademark applications for the registration of the mark HOT POCKET in Class 30, as a result of the existence of the mark HOT POCKET (Registration No. 91960) in the same class, initiated a cancellation action based on its priority of right to register the trademark HOT POCKET. The plaintiff claimed that the mark HOT POCKET would create public confusion and unfair competition. The plaintiff was able to prove that he was the owner of the mark HOT POCKETS for goods covered in Class 29 in Jordan.

The Registrar accepted the notice of cancellation. In his decision the Registrar stated that as the plaintiff was able to prove that his trademark HOT POCKET is a famous trademark and is well known to Jordanian customers, and as the defendant failed to submit convincing evidence to support its right to register HOT POCKET, that the mark should be expunged from the Register. (Société des Produits Nestlé S.A. v. Sadia S.A., Decision No. T/91960/12261 (Trademarks Registrar, Apr. 17, 2011) (not appealed) (unpublished).)

**LATVIA**

**I.D.1. Similarity of Marks**

The plaintiff, Procter & Gamble Company, a U.S. corporation, filed an opposition with the Board of Appeal of the Latvian Patent Office against the figurative trademark LADY’S SECRET (illustrated below, left) (IR No. 977276, registered Apr. 25, 2008; extended to Latvia), registered in the name of the defendant, Sora Kozmetik Ve Kimya Sanayi Ve Ticaret Limited Sirketi, a Turkish corporation, for goods in Class 3 on the basis of the word mark SECRET (CTM No. 000330662; filed Aug. 22, 1996; registered Oct. 13, 1998) and the figurative trademark SECRET (illustrated
The opposition was filed based on the earlier registration, the similarity of the trademarks, the similarity of the goods of Class 3 (Article 7.1.2 and Article 7.2.1 of the Law on Trademarks and Indications of Geographical Origin, June 16, 1999 (Latvian Trademark Law)), and the well-known status of the trademark SECRET in Latvia (Article 8 of the Latvian Trademark Law).

On April 8, 2011, the Board of Appeal considered the opposition and satisfied it. The international trademark registration of the figurative mark LADY'S SECRET was recognized as invalid in the territory of the Republic of Latvia in respect of all goods of Class 3.

Procter & Gamble, having filed the opposition and invalidated the similar trademark LADY'S SECRET, enhanced the position and public awareness of its figurative trademark SECRET and its word mark SECRET in the Latvian market.

Vladimir Anohin

II.C.1.a. Word Marks

The plaintiff, Latvijas Humusvielu Institūts, SIA, a Latvian corporation (Latvian Institute of Humic Substances Ltd.), which since 2009 had been dealing with researching, developing, and producing biologically active, human- and eco-friendly products using innovative technologies, sought to register the national word mark GREEN OK (Application No. M-10-548, filed Apr. 30, 2010; Registration No. M 63 006, registered Jan. 20, 2011) in Latvia in Classes 1, 2, 3, 5, 19, 31, 32, 35, 40, and 44. The Patent Office of the Republic of Latvia issued a provisional refusal in respect of this mark in Latvia on the grounds that the mark lacked distinctiveness in respect of the applied-for goods and services (Article 6.1.2 of the Latvian Trademark Law), that the mark consisted solely of designations that could be used in trade (Article 6.1.3 of the Latvian Trademark Law), and that the mark could
confuse consumers as to the character of the goods (Article 6.1.7 of the Latvian Trademark Law).

The Latvian Institute of Humic Substances had prepared and filed a response to this provisional refusal. The response mentioned that before applying to register the word mark GREEN OK, the institute conducted a provisional research to ground its choice of trademark. Reported survey results stated that 75 percent of the respondents admitted that the mark GREEN OK was distinctive, 88 percent confirmed that this mark was known as a Latvian product developed by the plaintiff, and 76 percent of the respondents said that the letters “OK” were associated with the name and surname of the famous Latvian physicist, Olegs Kukainis, not with the colloquial English word denoting approval, acceptance, assent, or acknowledgment. Therefore, it was proven that the mark GREEN OK underwent provisional selection and had been a subject of the survey before the application for registration was filed. Finally, it was emphasized that the plaintiff was actively taking part in international exhibitions and had obtained distinctiveness abroad. Taking into account the facts mentioned above, the Patent Office of the Republic of Latvia changed its opinion and issued a decision to register the trademark GREEN OK in Latvia under a limited list of goods and services.

Additionally, it was mentioned that the figurative mark GREEN OK was already registered in the name of the Latvian Institute of Humic Substances (in Classes 1, 2, 3, 5, 19, 31, 32, 35, 40, and 44) and a word mark OK already registered in the name of Mr. Oleg Kukainis (in Classes 35, 39, and 41).

The plaintiff managed to prove that the chosen trademark GREEN OK is distinctive enough and is associated with the initials of a researcher’s name (Mr. Olegs Kukainis) at the Institute, which was proven by the public survey.

Vladimir Anohin

II.D.2. Deceptive

The Patent Office of the Republic of Latvia issued a provisional refusal with respect to the word mark VIRGINIA S. (Application No. M-09-926, filed Sept. 9, 2009; Registration No. M 63 214, filed Apr. 20, 2011) in the name of the plaintiff, Philip Morris Products S.A., a Swiss corporation, in Classes 14 and 34. The refusal was based on the opinion that the mark could confuse consumers with respect to the character of the goods (Article 6.1.7 of the Latvian Trademark Law).

Philip Morris prepared and filed a response to the provisional refusal, stating that the trademark VIRGINIA S. should be perceived as a whole, without analyzing each element separately. The mark was created to call to mind a particular image of a
stylish, appealing woman. Philip Morris owned another international trademark, the word mark VIRGINIA S. A WOMAN LIKE NO OTHER (IR No. 1031925; registered Feb. 12, 2010; extended to Latvia), which confirmed that the plaintiff had a creative approach to its trademarks in its associations of images of a fancy woman who is beautiful, slim, and stylish, similar to the new cigarettes they were introducing. Therefore, the name of the mark would not be associated solely with one of the states of the United States and it would not point to the geographical origin of the products. Even more, in the Latvian language, there are such women’s names as Vīrđžīnija, Vīrđžīnija, and Virginija and, therefore, in Latvia the English word “Virginia” would unlikely be associated with the U.S. state of Virginia. Additionally, it was mentioned that the mark was distinctive enough with respect to the goods it covered and finally, this mark was already successfully registered in quite a few countries.

Taking into account the above-mentioned, the Patent Office of the Republic of Latvia withdrew its refusal and issued a positive decision for the registration of the word mark VIRGINIA S. in Latvia with a limited list of goods.

Philip Morris managed to defend its trademark VIRGINIA S. and enhanced its position and public awareness in the Latvian market.

Vladimir Anohin

III.A.2. Passing Off

The plaintiff, Cello Plastic Industrial Works, an Indian corporation, filed a cancellation action with the Office for Harmonization in the Internal Market (OHIM) against the word mark CELLO (CTM No. 005068176; filed June 13, 2006; registered Mar. 29, 2007) registered in the name of the defendant, Cello Europe Ltd., a United Kingdom corporation, which the plaintiff claimed was acting in bad faith (Article 52(1)(b) of the Council Regulation (EC) 207/2009 of Feb. 26, 2009 (CTMR)). The cancellation action was based on the fact that Cello Europe Ltd. was an agent/representative of the Cello Plastic Industrial Works and applied for registration of the trademark in his own name without the plaintiff’s consent (Article 53(1)(b) of CTMR).

The plaintiff was a member of business conglomerate Cello Group, the members of which were involved in a wide range of business in the segments of thermoware, insulated products, vacuum-seal container products, household products, oral hygiene products, writing instruments, molded furniture, etc. The plaintiff was the first adopter, user, and registered owner of the goods that had been manufactured under the mark CELLO since 1961. The first CELLO trademark was registered on October 17, 1983, and
continued to be registered in various countries all around the world.

After long proceedings before the OHIM, the invalidation decision was taken by OHIM on October 6, 2011. Cello Europe Ltd.’s trademark CELLO was invalidated for the following reasons:

1. Submission of the certificates showed that the plaintiff was the owner of a number of trademarks, all of which were registered in various countries outside the European Union and all of which consisted of the word CELLO and were therefore identical to the contested trademark.

2. Proof that relationship between the plaintiff and the defendant started in 2003 and continued from 2004 up to 2006. The defendant was purchasing CELLO goods in order to resell them and consequently he was a distributor during the two years preceding the date of filing of the CTM CELLO.

3. Filing was made in the name of the agent (the defendant).

4. Absence of the plaintiff’s consent to register the mark.

5. Absence of justification for action. The defendant argued that he filed the application in order to protect the goodwill of the trademark CELLO in the EU, which had been established solely as a result of its trading activities.

Vladimir Anohin

III.A.3.a. Civil Actions

A final decision of the Senate of the Supreme Court of the Republic of Latvia was adopted on the case initiated by the plaintiff, Adidas AG, a Delaware corporation, on June 1, 2007, by filing a court claim with the Riga Regional Court. The case was examined through all the possible court instances of the Republic of Latvia, that is, before (1) Riga Regional Court, (2) Civil Chamber of the Supreme Court (Case No. C04306207; PAC-0081 (decision adopted on May 5, 2010)) and (3) Senate of the Supreme Court (Case No. SKC-557/2011 (decision adopted on Nov. 2, 2011).

On June 1, 2007, Adidas raised a claim with the Riga Regional Court (court of the first instance) against Baltic Trans, Ltd., a Latvian corporation, seeking an end to its illegal use of the plaintiff’s trademark and device (Application No. M-93-5428, filed June 10, 1993; Registration No. M 16 691, registered Aug. 10, 1994) (illustrated below). The mark and device was registered for goods in Class 25 (“sports and leisure footwear”), and was also considered a well-known trademark in the territory of the Republic of Latvia (Article 8.3 of the Latvian Trademark Law).
Adidas requested the following of the court: to recognize the well-known status of the three-stripe trademark; to prohibit the defendant from the illegal use of the well-known three-stripe trademark; to impose on the defendant the obligation to destroy 15,960 pairs of shoes illegally marked with the three-stripe trademark; to compensate the plaintiff for legal expenses.

The court of first instance satisfied the claim in full and recognized the well-known status of the three-stripe trademark.

The defendant appealed the decision before the Civil Chamber of the Supreme Court (the court of second instance), asking to cancel the decision in full. The court of second instance rejected the appeal and upheld the decision of the court of first instance. (See 101 TMR 1093 (2011).)

The defendant filed a cassation appeal with the Senate of the Supreme Court (the court of third instance), asking to cancel the decision in full. The court of third instance rejected the cassation appeal and upheld the decision of the court of first instance.

In its final decision, the Court:

- Prohibited the defendant from the illegal use of the well-known three-stripe trademark;
- Ordered the defendant to destroy 15,960 pairs of shoes;
- Ordered the defendant to pay legal expenses in the amount of 120 LVL in favor of the plaintiff; and
- Set a deadline for the defendant to voluntarily execute the part of the judgment relating to the compensation of legal expenses within ten days of the judgment’s having come into legal force.

Vladimir Anohin
LITHUANIA

I.B.1. Generic

In the re-established Republic of Lithuania, AB Sanitas, a pharmaceutical company, was the first to register the word mark NEOCITRAMONAS in Class 5 (medicines for human use). The mark contained the word “citra mon,” which had been used in the Soviet Union to indicate a pain-healing medicine. Stirolbiofarm, a Ukrainian pharmaceutical corporation, registered the word mark CITRAMON-FORTE STIROL, which had been registered earlier by Sealine LLC, a Lithuanian corporation, in Class 5 (pharmaceutical preparations), after annulment of that registration by the State Patent Bureau of the Republic of Lithuania.

This case concerned primarily Stirolbiofarm’s action requiring the court to annul the decision of the Patent Bureau that recognized the trademark CITRAMON-FORTE STIROL as invalid as a result of confusing similarity with the mark NEOCITRAMONAS, to recognize the mark CITRAMON as nondistinctive in relation to goods in Class 5, and to cancel the registration of the trademark NEOCITRAMONAS. The action was heard in all court instances and returned by the Lithuanian Supreme Court to the first instance to hear it de novo. After its return to the first instance court, Stirolbiofarm filed an amended action requiring the court to recognize the mark CITRAMON as generic for medicinal products consisting of paracetamol, aspirin (acetylsalicylic acid), and caffeine, to recognize the mark CITRAMON as having no distinctive character for medicinal products, and to cancel the registration of the trademark NEOCITRAMONAS.

The Patent Bureau accepted the oppositions of AB Sanitas and UAB Veratrum, owners of earlier trademarks containing the word element CITRAMON (later, in the first instance court, UAB Veratrum and the defendant signed a settlement agreement, and the case was terminated in this part) holding that CITRAMON would be the dominant and distinguishing element when comparing the trademarks and would be the element that users would find most memorable. The Patent Bureau also annulled the registration of the trademark CITRAMON-FORTE STIROL owned by Sealine LLC. (AB Sanitas, UAB Veratrum v. Sealine LLC, No. 2, Ap-811 (Lithuanian Patent Bureau, Appeal Division, Oct. 4, 2005).)

The courts of the first and second instances (Vilnius County Court and Appeal Court of Lithuania, respectively) dismissed Stirolbiofarm’s action, holding that “citra mon” was an artificially created word, that it was not descriptive as to its chemical structure (international names of active ingredients are “Acidum
acetylsalicylicum,” “paracetamol,” “Coffeinum”), and that it was not generic, as the word “citramon” did not appear in dictionaries and was not used as a synonym by users for all pain-healing medicines in the current language and fair commercial practice. (*Stirolbiofarm v. AB Sanitas & UAB Veratrum*, No. 2-453/2008 (Vilnius County Court, July 3, 2008); *Stirolbiofarm v. AB Sanitas & UAB Veratrum*, No. 2A-147/2009 (Appeal Court of Lithuania, Mar. 31, 2009)).

On further appeal, the Lithuanian Supreme Court reversed in respect of the evaluation of the distinguishing feature of the mark CITRAMON, holding that in issuing their decisions the lower instance courts had not analyzed whether such mark *per se* carried out its function as a source identifier to a user, that is, whether it constituted a means of competition for such category of medicinal products. The Supreme Court indicated that the lower instance courts should analyze whether a user would distinguish the goods as emanating from a particular person namely because of the use of the trademark. Further, the Supreme Court explained that the fact that the mark CITRAMON was used by several companies trading in medicinal products, the fact that the mark and many marks containing the word element CITRAMON (along with other elements) were registered or had been submitted for registration, and the fact that oppositions had been filed by two different companies showed that the mark CITRAMON might not be a dominant distinguishing element in the trademarks or used marks. The Supreme Court remanded the case to the first instance court for further proceedings.

The first instance court partially satisfied Stirolbiofarm’s action. (*Stirolbiofarm v. AB Sanitas*, No. 2-640-392/2010 (Vilnius County Court, Feb. 10, 2010).) The Vilnius County Court found that the mark CITRAMON had been created during the Soviet times and that on account of its long-standing and extensive use by different producers and distributors for medicinal products consisting of paracetamol, aspirin (acetylsalicylic acid), and caffeine, the mark became generic and had lost its distinctive features for the medicinal products in Class 5. Despite that fact the Vilnius County Court acknowledged that the trademark NEOCITRAMONAS had acquired distinctive character through use, it dismissed Stirolbiofarm’s request to cancel the registration for the trademark NEOCITRAMONAS.

The Appeal Court of Lithuania upheld the position of the Vilnius County Court regarding genericness and nondistinctiveness of marks containing the word element CITRAMON but overruled its decision regarding acquired distinctiveness of the trademark NEOCITRAMONAS through use, as in the appellate court’s opinion the trademark NEOCITRAMONAS was made up of two generic words, neither of
which, including the main element CITRAMON, the public associated with the defendant AB Sanitas. Therefore, the Appeal Court annulled the registration of the defendant’s trademark NEOCITRAMONAS. (*Stirolbiofam v. AB Sanitas*, No. 2A-747/2010 (Appeal Court of Lithuania, Dec. 6, 2010).)

The Lithuanian Supreme Court confirmed the conclusions of the lower instance courts that the mark CITRAMON may not be protected by exclusive rights for the reasons stated in the lower court decisions, namely that this mark had been used by different producers and distributors for the same type of goods for a long time; that the word “citramon” had been used for more than fifty years to name medicinal products consisting of paracetamol, aspirin (acetylsalicylic acid), and caffeine; and that both in the post-Soviet countries and in other countries the medicinal product named “citramon” is one of the most popular medicinal products identified by users as pain-healing medicine. Therefore, in the opinion of the Supreme Court this mark, as a result of its long-standing use, did not carry out its identification function; for the average user in Lithuania, the mark had become the customary name for identifying a well-known type of goods—pain-healing medicine.

However, the Supreme Court overturned the decision of the Appeal Court regarding invalidation of the trademark NEOCITRAMONAS and stated that in deciding whether a mark could be protected as having acquired distinctiveness through use, the level of identification of commercial origin by users should not be so high as to factually become proof that the trademark is well known or has a reputation. In its opinion, the trademark NEOCITRAMONAS, as a result of its long-standing use in the name of the defendant, its volume of use, and its public notoriety (as confirmed by public opinion polls) for the goods for which it has been registered, “crosses” the barrier where the mark (as a whole) could be considered to have acquired distinctive character through use and thus protected through exclusive rights. However, despite that, the Supreme Court decided to recognize the word element CITRAMON as an unprotected element in the trademark NEOCITRAMONAS.

The decision in the NEOCITRAMONAS case indicates that if a trademark encompasses elements that have been used for a long period of time by others to mark the same goods and if the owner of a trademark containing such element or mark tolerates similar trademark registrations, it is very likely that such element or mark in the trademark will be recognized as generic and nondistinctive, which may lead to invalidation of the trademark. The acquired distinctiveness of the trademark containing such element or mark through long-standing use does not necessarily guarantee that the exclusive rights to the mark will be acquired.
The decision is also important because the Supreme Court holds that for proving that the trademark has acquired distinctiveness through use, the level of identification of commercial origin by users is lower than for proving notoriety or reputation of the trademark.

**III.F.1. Non-Use**

The defendant Ferrero S.p.A.’s international trademark ROCHER (word mark) is registered for a broad range of goods in Classes 29 and 30; however, it is used mainly to indicate sweets produced by Ferrero S.p.A. (IR No. 688261, registered Feb. 16, 1998).

Under the factual circumstances of the case, the confectionery corporation Roshen started legal proceedings against Ferrero S.p.A. in order to revoke the latter’s International Registration for ROCHER because the trademark had not been genuinely used in Lithuania for five years (that is, it had not been used to indicate all the goods for which it was registered). Furthermore, the goods were marked with the word ROCHER and the name of the producer FERRERO, which together constituted the trademark FERRERO ROCHER that was registered by the defendant in Class 30. (IR No. 799546, registered Jan. 28, 2003.)

The courts of first and second instance dismissed the plaintiff’s claim. It was concluded that the defendant held rights to a number of registrations of trademarks consisting of the phrase FERRERO ROCHER—a phrase used for marking the boxes with sweets, on the websites and in promotional publications, in the company’s invoices, and in import documents. Moreover, it was stated that the sign FERRERO indicates the company Ferrero S.p.A. and creates the connection between the goods and the producing entity. Thus, the courts decided that there was no reasoned basis to claim that the defendant did not use the trademark.

Contrary to the decisions described above, the Supreme Court ruled that the courts of lower instances had not revealed the essence of the case and returned the case to the first instance court for reexamination. (Roshen v. Ferrero S.p.A., Case No. 3K-391/2010 (Supreme Court of Lithuania, Nov. 19, 2010).) In this case, the Supreme Court distinguished three important points that the court must consider to identify whether the trademark had been in use.

First, the Supreme Court indicated that the courts must always assess the date of the beginning of the five-year term after which trademark registration could be revoked if the trademark is
not used. According to the Supreme Court, in Lithuania, regarding international trademark registrations, a five-year term begins after the expiry of an 18-month term for the state to inform WIPO about refusal to provide the protection for such trademark.

Second, the Supreme Court held that the courts must assess all classes and goods for which the trademark was registered. The courts must not limit the examination to only one type of goods (in this case, sweets) but must analyze all categories of goods, considering their similarity and affinity. If the mark has been registered for a wide enough category of goods that could be divided into separate subcategories, the use of the mark may cover only one of such subcategories. However, if the list of goods is described precisely and properly so that it would be impossible to exclude separate subcategories, the proof of genuine use would be applied for all such goods. In the Supreme Court's view, the fact that the trademark is used for marking one category of goods does not presuppose that the trademark is used for all goods for which it has been registered.

Third, the Supreme Court explained that while evaluating whether the trademark has been used, the courts must identify whether such use was genuine. Examination of this issue should include the evaluation of all facts and circumstances that indicate the reality of the commercial use of the trademark in a particular economic sector, the specifics of the market, and the scope and frequency of the use of the trademark. Moreover, it was noted that evaluation must be performed objectively when considering the commercial use of the trademark in the market.

Furthermore, the Supreme Court stated that the trademark in use must maintain its identity and individuality. In the court's view, if two separately registered marks are used together, it must remain clear that these marks are individual and do not form one composite trademark. Generally, as the Supreme Court explained, incorporation of one word trademark into another mark constitutes the loss of distinguishing features of the mark.

It remains to be seen if the court of first instance will rule in favor of Roshen.

This decision is important because it explains how the regulations related to the revocation of a trademark for non-use will be applied in Lithuania.

Rūta Pumputienė
Edita Ivanauskienė
Gediminas Ramanauskas
MACEDONIA

I.D.2. Similarity of Goods or Services

On July 8, 2011, the State Office of Industrial Property (SOIP) refused the application for the extension to Macedonia of protection for the international trademark AGRO APOTeka (figurative mark), registered by the Serbian company Agro Apoteka d.o.o. for agricultural products in Class 16. (IR No. 954279, registered Jan. 9, 2008.)

The opponent, the U.S. corporation Apple Inc., known worldwide as the owner of the APPLE brand for electronic devices, had, on July 29, 2008, filed an opposition against the mark. The opposition was based on Apple’s prior rights in Macedonia, that is, on the national trademark registrations for the word mark APPLE (No. 4670) and the figurative mark BITTEN APPLE Design (No. 4671), both covering goods in Classes 9 and 16. The opponent argued that its APPLE mark was well known, especially for goods in Class 16. It further asserted that the opposed international trademark used the dominant colors of its prior-registered trademark BITTEN APPLE Design and used the same specific design and incline of the leaf.

The defendant argued that the trademarks were not similar with respect to their positioning or colors and that the apple has traditionally been used as a symbol of health and proper nutrition; the apple has also been a symbol of man’s striving for human perfection, and, as such, it has been used for marking different types of goods and services. With respect to the similarity of the classes, the defendant argued that the opponent’s trademarks were registered only for publications in Class 16, while the defendant’s trademark was registered for the class heading of Class 16. The defendant also maintained that the opponent’s products were not well known on the Macedonian market, except to the relevant public, but they did acknowledge that the opponent provided relevant evidence in support of its well-known status. Furthermore, the defendant argued that the users of their goods (covered by the opposed mark)—agronomists who purchase the defendant’s fertilizers—would not be misled in any way to believe
that Apple, the computer company, was connected to the goods covered with the mark AGRO APOTEKA.

After examining the arguments of both parties, the SOIP determined that there was a great similarity between the marks with respect to the distinctive element—the apple. Namely, the SOIP determined that the representation of the apple is very similar in both marks, that the leaf incline is similar in both marks, and that both marks consist of the same colors, despite the fact that their combination is not same. The SOIP’s conclusion was that the apple was the most distinctive element in both trademarks and that made them very similar. Moreover, the apple was considered a highly distinctive mark for the goods in Class 16, and therefore the similarity of both marks with respect to Class 16 was very high.

Consequently, the SOIP refused the registration of the international trademark AGRO APOTEKA with respect to the goods in Class 16 in the territory of the Republic of Macedonia. The mark remained valid for the rest of the goods (Classes 1–3, 5–8, 17, 18, 20–22, and 31) in the territory of the Republic of Macedonia.

With this decision, the SOIP once again demonstrated its determination to protect owners of prior trademark rights, especially in acting against trademark dilution.

Zivka Kostovska-Stojkovska

I.F. Famous and Well-Known Marks

On May 5, 2011, the SOIP refused the Macedonian trademark application for PAYPAL (TM 2007/1149) in Class 9 (magnetic cards, readers, informatics) and in Class 38 (telecommunications), applied for by PEJ PLUS, a Macedonian company that, among other things, handles processing and distribution of electronic transactions.

The opponent, PayPal, Inc., a United States company, is a world-known provider of secure payments on the Internet that enables users to pay, send money, and accept payments without revealing their financial information. On November 28, 2008, PayPal filed an opposition against the application for national registration of the mark PAYPAL filed by PEJ PLUS. The opponent, who did not own a national trademark in Macedonia, argued that it was the owner of a worldwide family of trademark registrations for PayPal in Classes 9, 14, 21, 25, 36, 38, and 45, and that they were present on many websites that were popular among the relevant Macedonian public. For this reason, the opponent argued that his trademarks should be considered prior registered trademarks in Macedonia within the scope of Article 6bis of the Paris Convention and Article 16(3) of the TRIPS
Agreement. The opponent also argued that they had prior rights from their trade name within the scope of Article 8 of the Paris Convention.

The opponent asserted that the existence of the identical Macedonian mark PAYPAL for Classes 9 and 38 would represent unfair competition and would harm the reputation and the well-known status of the prior PayPal family of marks, thus misleading consumers.

The defendant did not respond to the arguments presented in the opposition notice.

After examining the legal grounds for the opposition and the evidence provided, the SOIP established that the opponent had a legitimate legal interest in filing the opposition and that PayPal’s mark should be considered prior marks with respect to the opposed trademark application PAYPAL. Based on the evidence, the SOIP concluded that the opponent’s trademark was a well-known trademark in the territory of the Republic of Macedonia, considering awareness, recognition, image, overall appearance, and identification among consumers. Based on these facts, the SOIP ruled that the opponent’s PAYPAL mark was a well-known trademark according to Article 6bis of the Paris Convention, and, as such, enjoyed special protection.

In its ruling, the SOIP concluded that both trademarks were indubitably identical (both phonetically and visually), and were intended for the same classes of goods and services, as a result of which the opposed trademark application PAYPAL could not be granted protection and should be refused.

This decision of the SOIP is an important decision with respect to the protection of well-known trademarks in the territory of the Republic of Macedonia and will serve as a precedent, both for the officials involved in the protection of IP and for the local business community in their future decision-making processes.

Zivka Kostovska-Stojkovska

MALAYSIA

II.C.3. Geographical Indications/ Appellations of Origin

In the recent case Agricultural & Processed Food Products Export Development Authority of India (APEDA) v. Syarikat Faiza Sdn Bhd ([2011] 2 MLJ 768), the High Court invoked the traditional concept of confusion and the provisions governing the registrability of a mark to protect the term ponni, which had become synonymous with a particular variety of rice originating from the Kaveri (also referred to as Ponni) Delta region in the southern Indian peninsula.
Although the High Court did not define ponni as a geographical indication, the decision is significant in that it shows the continued relevance of the traditional trademark law analysis to the protection of geographical indications even after the enactment of the Geographical Indications Act 2000 and the introduction into the Trade Marks Act 1976 of provisions against the registration of misleading geographical indications.

In this case, a Malaysian company dealing in rice was not permitted to retain exclusivity over the use of the name ponni for its rice variant.

The civil action initiated by six applicants from India against Syarikat Faiza Sdn Bhd requested an order to expunge and remove the registered trademark PONNI under the company’s name from the Malaysian trademark register. The applicants were the Agricultural and Processed Food Products Export Development Authority of India (APEDA), Nadu Agricultural University (TNAU), two farmers and two exporters.

APEDA, a statutory body under the government of India, is engaged in the development and promotion of exports of certain agricultural and processed food products from India, including a variety of rice known as ponni rice. TNAU, an agricultural university in the State of Tamil Nadu, is the creator of the term ponni and was responsible for developing the ponni rice variety. The farmers are cultivators of ponni rice in Tamil Nadu, and the exporters are rice exporters based in the city of Chennai in that state. On the issue of whether the applicants had standing to bring the action, the High Court held in the affirmative, as the applicants were, either singly or collectively, persons aggrieved under the Act.

On June 6, 2000, Syarikat Faiza Sdn Bhd filed for the registration as a trademark of the word ponni. Eventually the company obtained a certificate making it the registered proprietor of the trademark in Malaysia. APEDA and the other applicants contended that the trademark PONNI was an entry made on the register without sufficient cause and/or an entry wrongfully remaining in the register. The farmers and exporters claimed that the exclusive rights granted to the company for the use of ponni as a trademark in Malaysia could and would affect their ability to distribute and/or otherwise trade in ponni rice in Malaysia and elsewhere.

The High Court relied on two provisions in the Act in finding that ponni did not meet the requirements for registrability (namely, it was a descriptive word and not a coined term) and that use of ponni was likely to deceive or cause confusion and, hence, its registration by the respondent should have been prohibited. At the hearing, there was sufficient evidence to show that ponni rice was available for sale and consumption in India, Malaysia and many
countries around the world prior to June 6, 2000. *Ponni* rice was recognizable in the trade and among consumers as the name of a variety of rice from the Tamil Nadu region as of the date of the trademark application. For that reason, the High Court judge held that *ponni* was not a coined word. Instead, he concluded, the word was directly descriptive of a particular variety of rice originating from the Tamil Nadu region of southern India. Hence, registration of *ponni* under the Act would prevent others from legitimately using it as a descriptor for a particular variety of rice originating from that region.

Accordingly, the company’s registered trademark PONNI was expunged and removed from the register.

*Peter Huang*

**MONTENEGRO**

*I.B.1. Generic*

In September of 2008, Intel Corporation filed an application with the Intellectual Property Office of Montenegro (IPO) to register the word mark INTRU for goods in Class 9 (computer software, three-dimensional (3D) animation software, 3D animation process technology software, etc.) and Class 41 (entertainment services, namely, production of motion pictures, videos and films, etc.).

The IPO issued an office action stating that the mark’s general appearance did not enable the goods/services to be distinguished in the course of trade and that the mark was customary for designating a given type of goods in Class 9. In other words, the IPO found that the mark was nondistinctive and generic. The IPO stated that the word mark INTRU was a term used for marking 3D technologies and therefore, as such, did not enable the goods in Class 9 to be distinguished in the course of trade.

In an extensive response to the Office action, the applicant stated that its mark was a fanciful term that could not be found in standard or technical dictionaries. Furthermore, the applicant invoked his copyright on an “INTRU 3D animation motion sequence” and his right to protect INTRU as a distinctive element of this copyright’s name. At the same time, the applicant pointed out that the content of the motion sequence was developed through animation technology, but that the mark itself did not represent new technology. Moreover, the applicant disclosed his intention to develop other products under the applied-for mark, such as home videos, video games, etc., and has, to that end, applied and registered the mark in over 130 countries. Finally, the applicant noted that the mark had been presented to the public for the first time in 2008, in a commercial for the animated movie *Monsters vs
Aliens, during SUPER BOWL XLIII. The applicant argued that it was impossible in such a short time for the mark to have lost its distinctiveness and become generic for 3D technologies.

On April 7, 2011, the IPO accepted the applicant’s arguments and invited the applicant to pay the registration fees.

The case shows the lack of knowledge and lack of experience of the examiner in a new jurisdiction and in an even younger IPO, established only in 2008. This is not an isolated case but a relatively common occurrence in Montenegro.

Jasna Jusic-Paovic

I.C. Distinctiveness

On April 21, 2009, Visa International Service Association applied for the registration of the mark/slogan MORE PEOPLE AROUND THE WORLD GO WITH VISA, for services in Class 36. The Montenegrin IPO rejected the registration on the ground that “[the mark’s] general appearance” did “not enable the goods/services to be distinguished in the course of trade.”

The IPO found that this slogan was a simple and trivial claim that “a lot of people around the world go with Visa,” and therefore was nondistinctive and not suitable to distinguish the services in Class 36 in the course of trade. Further, the IPO found that the mark designated “exclusively the type, purpose, time or method of production, quality, price, quantity, weight or geographical origin of the goods/services,” and specified that the mark covered the type of services in Class 36, namely financial affairs, done through VISA credit cards.

The applicant disagreed with both claims of the IPO, identifying in its response a number of slogans registered for the territory of Montenegro and offering analysis of the same. The applicant explained that slogans were often descriptive and would appear as a simple and understandable claim that would be easy to remember. Furthermore, the applicant pointed out that the purpose of a slogan is to advertise—namely, to create a need in a customer’s mind and motivate him to buy a certain product or use a certain service. The applicant explained that the applied-for slogan was beyond a simple claim—that is, it represented a subtle invitation to use VISA. The applicant also pointed out that the mark contained the distinctive element VISA, protected with three trademark registrations in Montenegro, and therefore could not be considered nondistinctive.

With regard to the second assertion that the slogan designated the type of services in Class 36 (namely, financial affairs done through VISA credit cards), the applicant argued that the slogan did not designate these services in any way. Indeed, only the registered trademark VISA, as a part of the contested slogan,
pointed to the services in Class 36; and these services were indicated only as a result of the strong recognizability of this well-known trademark.

Finally, the applicant presented numerous registrations already obtained for the applied-for mark/slogan worldwide, as well as for two similar trademarks/slogans PEOPLE EVERYWHERE GO WITH VISA and MORE PEOPLE GO WITH VISA, which are registered CTMs. These trademarks will become part of the Montenegrin legal system once Montenegro joins the European Union.

On December 30, 2011, the IPO accepted the arguments of the applicant and invited it to pay the registration fees.

This case is important, as it establishes a practice regarding the registration of slogans in Montenegro.

Jasna Jusic-Paovic

NEW ZEALAND

I.D. Likelihood of Confusion

In a recent opposition hearing, the Intellectual Property Office of New Zealand found in favor of the Eden Park Trust Board, the managing body of a major Auckland sports stadium, Eden Park, and refused to register an application by 5/8 Eme Cosmeto for a mark incorporating the words OVAL BY EDEN PARK and a rugby ball device. (5/8 Eme Cosmeto v. Eden Park Trust Board, [2011] NZIPOTM 15 (IPONZ June 23, 2011).) Because of the fame in New Zealand of Eden Park, which was set to host the final of the Rugby World Cup later that year, the Assistant Commissioner considered that use of the mark OVAL BY EDEN PARK would be likely to cause confusion, even though the application was for goods that were dissimilar to any goods or services provided by the opponent.

The applicant, a French company, sought the registration of the trademark for perfumery and related products. The Assistant Commissioner held that owing to the opponent’s extensive use of Eden Park, both as the name of a sports stadium and in relation to merchandise, the use of the trademark OVAL BY EDEN PARK would cause a substantial number of persons to wonder if there was a connection in trade between the applicant’s goods and the opponent. The Assistant Commissioner noted that for this ground
of opposition, use by another party of a name or unregistered mark could be relied on.

The second ground on which the opposition succeeded was based on the finding that EDEN PARK was a well-known mark. The decision demonstrates that the more well known a mark is, the more likely it is that its owner will be able to block the use or registration of a similar mark, even in relation to dissimilar goods or services.

John B. Hackett
Jude Antony

I.D.1. Similarity of Marks

Delegat’s Wine Estate Limited is a famous New Zealand winemaker, having sold wines under the mark OYSTER BAY since 1990 both for domestic consumption and for export. When Oystercatcher Wines Limited’s application for the word mark OYSTERCATCHER for wines was accepted by the Intellectual Property Office of New Zealand (IPONZ), Delegat’s opposed on the basis of its trademark registrations for OYSTER (word mark), OYSTER BAY (word mark), and OYSTER BAY Device and for the word mark SOMETIMES THE WORLD REALLY IS YOUR OYSTER.

In comparing the respective marks, the Assistant Commissioner of Trade Marks focused primarily on the word marks OYSTER BAY and OYSTERCATCHER. Despite the overall differences between the marks, in particular the conceptual difference, where one was a place name and the other a wading shorebird, the Assistant Commissioner, in considering the actual use of Delegat’s mark in trade, found that the OYSTER element was the dominant and essential feature of the mark and that Oystercatcher’s mark was similar.

The Assistant Commissioner held that OYSTER BAY branded wines were promoted by reference to the term SOMETIMES THE WORLD REALLY IS YOUR OYSTER and by particular reference to oysters. As a result, consumers had been educated to recognise OYSTER as the dominant feature of Delegat’s mark.

Expert evidence supported Delegat’s submission that the public would use the OYSTER element to identify its wines in the purchasing process. The existence of a number of BAY composite marks for wines also meant that the OYSTER element assumed greater significance.

Noting the extensive sales of OYSTER BAY wines in New Zealand and overseas, the large range of outlets, and the extensive advertising and promotion undertaken by Delegat’s, the Assistant Commissioner concluded that the OYSTER BAY mark was well known in New Zealand.
Given that it is not unusual for a family of marks to grow out of the success of a well-known mark, the Assistant Commissioner considered it likely that consumers would be deceived or confused and that OYSTERCATCHER would be wrongly perceived as being part of Delegat’s family of OYSTER marks. Oystercatcher’s use of the OYSTERCATCHER mark would therefore prejudice Delegat’s interests, as it would blur the distinctiveness of Delegat’s association with the word OYSTER and the connotations of quality. (*Oystercatcher Wines Ltd v. Delegat’s Wine Estate Ltd*, [2011] NZIPOTM 1 (Feb. 24, 2011).)

The distinctiveness of the OYSTER element and its association with Delegat’s were central to the Assistant Commissioner’s decision.

*John B. Hackett
Sooyun Lee*

## I.F. Famous and Well-Known Marks

In January 2008, Pabst Brewing Company sought registration of the word mark PRIMO for various beer beverages in Class 32. New Zealand Milk Brands Limited (NZMBL) opposed registration on the basis of its prior registrations consisting of or incorporating the mark PRIMO for milk and milk products. NZMBL also relied on public awareness of its PRIMO mark in New Zealand.

The Assistant Commissioner found that the respective marks were identical, but milk products and beer were not similar goods, and therefore Pabst’s use of PRIMO was unlikely to cause deception or confusion. However, the Assistant Commissioner refused to register the applicant’s mark PRIMO on the basis that the opponent’s trademark PRIMO was distinctive and well known in New Zealand, and therefore use of the mark by PABST for beer was likely to cause confusion and mislead or deceive the public. NZMBL was able to succeed on this point by showing extensive use of its mark and substantial sales since 1991. (*Pabst Brewing Co. v. New Zealand Milk Brands Ltd*, [2011] NZIPOTM 3 (Mar. 30, 2011).)

The Assistant Commissioner held that a substantial number of persons in the relevant market were likely to be confused or deceived, or at the very least would be likely to wonder if there was a connection in the course of trade between PRIMO branded beer and NZMBL, given that (1) NZMBL’s mark was distinctive and well known; (2) the respective marks were identical; (3) the respective goods, despite being dissimilar, were beverages; and (4) both types of goods were marketed to appeal to a similar target market.

The Assistant Commissioner also found that use of the mark PRIMO for beer would prejudice NZMBL’s interests, as it might
cause consumers to wonder if Pabst’s PRIMO beer was an extension of NZMBL’s PRIMO branded goods. This would result in dilution of NZMBL’s exclusivity in its PRIMO brand for beverages, damage the healthy image of NZMBL’s milk beverages by the negative association with beer, and have a negative impact on sales of NZMBL’s PRIMO branded goods.

Pabst did not appeal the decision.

This decision shows how an owner of a well-known mark in New Zealand can prevent use of the identical mark on dissimilar goods.

John B. Hackett
Sooyun Lee

III.H.4. Evidence

In December 1999, Lacoste filed an application for the word mark CROCODILE, for clothing, footwear, and headgear in Class 25. The application was accepted by IPONZ. Crocodile International Pte Limited, which had never sold its goods in New Zealand, opposed.

At the IPONZ hearing, the Assistant Commissioner found in favour of Crocodile and refused registration. Lacoste appealed to the High Court of New Zealand on the two findings of the Assistant Commissioner: (1) that Crocodile had established spillover reputation in the CROCODILE mark in New Zealand; and (2) that Lacoste filed the application in bad faith, having had no intention to use the CROCODILE mark at the time of filing.

The High Court applied the test set out by the Assistant Commissioner in *NV Sumatra Tobacco Trading Co. v. British American Tobacco (Brands) Inc.* ([2007] NZIPOTM 41 (Nov. 28, 2007)) and held that, to succeed, Crocodile needed to show that there was an awareness or knowledge of its CROCODILE mark by a substantial number of persons in the relevant market.

Crocodile relied on witness testimony and migration and travel statistics which, the court commented, had considerable difficulty as proof of reputation. However, the court affirmed that spillover reputation is possible where there has been no use of a mark in New Zealand and that reputation or awareness is a factual issue (citing *Pioneer Hi-Bred Corn Co. v. Hy-Line Chicks Pty Ltd.*, [1978] 2 NZLR 50, 57). On the facts of the present case, the High Court found that Crocodile had significant reputation in Asia but that the evidence was insufficient to establish that its reputation had spilled over into New Zealand. (*Lacoste v. Crocodile International Pte Ltd.*, No. CIV 2009-485-2536, [2011] NZHC 166 (High Ct. Wellington, Mar. 1, 2011)).

The High Court also expressed concern that too much consideration might be given to the concept of intention to use. It
held that, on the evidence, Lacoste did have an intention to use the CROCODILE mark at the time of filing. The evidence established that Lacoste had a history of using the word “CROCODILE” on swing tags and in various forms in advertisements, and, importantly, “CROCODILE” was a concept that was central to and intimately connected with Lacoste. The court also commented that the fact of application usually is seen as carrying with it a presumption of intended use.

This decision affirms that it is possible to establish spillover reputation where no use has occurred, but, given that awareness of a mark is a factual issue, the quality of evidence filed in support is crucial.

John B. Hackett
Sooyun Lee

NORWAY

I.D.3. Conflict Between Trademarks and Corporate Names

In March 2008, the corporation Gardermoen Airport Hotel AS filed a trademark application for GARDERMOEN AIRPORT HOTEL & Device, covering advertising, business management, business administration, and office functions in Class 35; insurance, financial affairs, monetary affairs, and real estate affairs in Class 36; and food and drink and temporary accommodation services in Class 43 (below, illustration at left). (Application No. 200804035, filed Mar. 28, 2008.) The mark proceeded to registration. (Trademark No. 249504, registered Jan. 26, 2009.)

The question was whether there was a risk of confusion in accordance with the Norwegian Trademarks Act between Gardermoen Airport Motell, the corporate name of the sole proprietorship Gardermoen Airport Motell Svensson, which operated a motel near the airport that offered temporary accommodation, and the registered trademark GARDERMOEN AIRPORT HOTEL. The hotel operation had been ongoing since 1995, and the name Gardermoen Airport Hotel had been used by the owner since 2007. On March 23, 2010, the sole proprietorship Gardermoen Airport Motell Svensson was registered in the Norwegian Register of Business Enterprises. The motel operation started on May 3, 2010, under the name Gardermoen Airport Motell. The motel’s mark (below, illustration at right) is used as a trademark but is not registered. Both the motel and the hotel are situated in close proximity to Gardermoen Airport, and the distance between the two establishments is only 500 meters. After a number of incidents of confusion in which travelers ended up at
the wrong establishment, in May 2010 the hotel asked the motel owner to change the name. On September 29, 2010, Gardermoen Airport Hotel AS brought an action against Gardermoen Airport Motell Svensson, asking that the defendant stop using GARDERMOEN AIRPORT MOTELL or a similar trademark.

The district court found not only that the hotel’s trademark, which consisted of the geographical name GARDERMOEN, the word AIRPORT, and the word HOTEL, enjoyed protection as registered with the device element, but also that the word elements, used alone, were protected through the registration. Further, the court found that the marks at issue pertained to identical services and that the establishments geographically were in close proximity to one another. Consequently, the court concluded that there was a risk of confusion, and it ordered Gardermoen Airport Motell Svensson not to use GARDERMOEN AIRPORT MOTELL or similar designation as a trademark for temporary accommodation services or similar operations. (Gardermoen Airport Hotel AS v. Gardermoen Airport Motell Svensson, Case No. TOVRO-2010-153471 (Øvre Romerike District Court, Aug. 16, 2011), published Lovdata TOVRO-2010-153471.)

This case is interesting because both marks were descriptive of temporary accommodation services provided close to Gardermoen Airport. Nevertheless, the court found that there was a risk of confusion if they were allowed to coexist.

Gardermoen Airport Motell Svensson has appealed the district court’s decision to the Eidsivating Court of Appeal.

Kjersti Rogne

Canvas Dyrø, a sole proprietorship selling furniture, interior, and building materials, was established at the end of the 1980s and was registered in the Norwegian Register of Business Enterprises on October 1, 1989. In January 2007, it was transformed into a limited liability company and the name was changed to Canvas AS. (Dyrø was the name of the proprietor of the sole proprietorship, and AS is the abbreviation used to identify a limited liability company (i.e., the Norwegian equivalent of LLC).)

On May 18, 2007, the foundation Kanvas filed a complaint with the Norwegian Industrial Property Office (NIPO) regarding the registration of the company name Canvas AS, alleging a risk of confusion with the foundation’s registered trademark KANVAS.
The question was whether the priority date for a company name for a sole proprietorship was retained when the proprietorship was transformed into a limited liability company and adopted a new corporate name that omitted the proprietor’s surname and added the abbreviation for LLC.

On December 21, 2007, the First Division of the NIPO cancelled the registration of the company name Canvas AS on grounds of risk of confusion with the prior-registered trademark KANVAS, which covered various goods and services in Classes 16, 37, 41, 42, 43, and 45, including services of architecture, including interior architecture, and services of interior decoration, industrial design, and furniture design. (Trademark No. 234796, filed under Application No. 200509401 Sept. 14, 2005, registered Sept. 7, 2006.) The NIPO’s Board of Appeals upheld that decision. (Decision of Sept. 12, 2008.) On further appeal by Canvas AS, the district court overruled the decisions below (Case No. TOSLO-2008-170507 (Oslo District Court, Apr. 7, 2009)), but the appeal court reversed. (Case No. LB-2009-85830 (Borgarting Appeal Court, Jan. 5, 2010).) Ultimately the case was appealed to the Norwegian Supreme Court.

The Supreme Court discussed whether the priority date for the company name Canvas Dyrø stayed the same when the company name was changed to Canvas AS. It concluded that the priority was lost, as the name Canvas was different from Canvas Dyrø. If the priority were retained, it would imply a broadening of the scope of the protection for the company name. (Canvas AS v. Ministry of Trade and Industry, Case No. 2010/362 (Norwegian Supreme Court, Sept. 15, 2010), published Lovdata HR-2010-1522A, Norsk Retstidende Rt-2010-1047.)

This case is important because it concerns the protection and priority of company names for sole proprietorships. It is mandatory for sole proprietorships to include the surname of the proprietor in the company name. Frequently, after some time, such companies are transformed into limited liability companies, and the company may then wish to omit the surname and replace it with the abbreviation AS. Now the Supreme Court has clearly ruled that such transformations and name changes will result in loss of priority for the company name.

Kjersti Rogne

II.C.1.e. Letters and Numbers

Audi AG, a German corporation, applied for the extension to Norway of protection for its international trademark A1, registered for “vehicles; apparatus for locomotion by land, air or water” in Class 12; “leather and imitations of leather, and goods made of these materials (included in this class); animal skins, hides; trunks
and travelling bags; umbrellas, parasols and walking sticks; whips, harness and saddlery” in Class 18; and “games and playthings; gymnastic and sporting articles (included in this class); decorations for Christmas trees” in Class 28. (IR No. 945205, registered Nov. 9, 2007.)

The First Division of the NIPO refused registration based on lack of distinctiveness. It found that the mark was regarded as a mere description of the quality of the goods covered by the application. (Decision of Sept. 7, 2009.)

On appeal by Audi, the NIPO’s Board of Appeals found that “A1” could mean “first-class, tip-top, super.” It cautioned, however, that one could not automatically conclude that this meaning would be perceived by the average consumer, as the likely perception should be assessed in connection with the goods or services to which the mark in question pertained. The Board found that A1, or A ONE generally, was not very well known as an identification of quality in Norway. In addition, the Board found that it was not common to use mere descriptions of quality as trademarks for vehicles. The average consumer would not expect that trademarks for vehicles would function as an identification of quality, and consequently the risk of the mark’s being perceived as a reference to the quality of the goods in question would be reduced. The Board concluded that A1 could not be seen as a descriptive term for vehicles. (Case No. PS-2011-7995 (Board of Appeals, Norwegian Intellectual Property Office, Apr. 4, 2011).)

The Board also considered whether the mark would be perceived as a name for a model. It was of the opinion that its decisions regarding the marks IS-F and IS F (Case Nos. PS-2010-7944 and PS-2010-7945 (Board of Appeals, Norwegian Intellectual Property Office, May 10, 2010), reported at 101 TMR 1107 (2011)) should be seen as reflecting a softening up of the distinctiveness criteria under the Norwegian Trademarks Act. The Board’s holding in this case is in line with those decisions.

Kjersti Rogne

PHILIPPINES

I.D.1. Similarity of Marks

In March 2002, Skechers USA, Inc., with the assistance of the National Bureau of Investigation, obtained from the Regional Trial Court of Manila (lower court) search warrants against an outlet and warehouse operated by Inter Pacific Trading et al. that was suspected of infringing its registered trademark SKECHERS and its trademark “S” (within an oval design) on shoes. Seized from these locations were more than 6,000 pairs of shoes with the mark STRONG, the “S” of which was similar to the “S” logo of Skechers.
On motion by Inter Pacific the lower court quashed the search warrants, holding that there were glaring differences between the contending marks such that an ordinary and prudent purchaser would not likely be misled or confused and purchase the wrong article. On Skechers’ appeal, the Court of Appeals affirmed the lower court’s decision.

Dissatisfied with the ruling of the appellate court, Skechers appealed to the Supreme Court (Skechers USA, Inc. v. Inter Pacific Industrial Trading Corp., G.R. No. 164321). In its March 23, 2011, ruling setting aside the appeals court decision, the Supreme Court held: “[A]pplying the dominancy test to the case at bar, this Court finds that the use of the stylized “S” by respondent in its Strong rubber shoes infringes on the mark already registered by the petitioner with the IPO. While it is undisputed that petitioner’s stylized “S” is within an oval design, to this Court’s mind, the dominant feature of the trademark is the stylized “S”, as it is precisely the stylized “S” which catches the eye of the purchaser. . . .”

Editha R. Hechanova

I.D.3. Conflict Between Trademarks and Corporate Names

The Intellectual Property Office of the Philippines (IPOPHL) implemented mandatory mediation proceedings in October 2010. In May 2011, IPOPHL settled the long-contested case involving the famous local brand BINALOT, owned by Binalot Fiesta Foods (BFF), a dispute that had been dragging on since November 2007.

BFF, a 14-year-old local fast-food chain, has more than 35 branches nationwide, with locations in Metro Manila and nearby provinces. Its owner, a young businessman by the name of Rommel Juan, sued his competitor, “Nid’s Binalot,” for P 1 million (US $23,000) in damages. The main contention of the case was the use of the brand name BINALOT, which literally means “wrapped” in Tagalog. The brand name was first used by BFF in 1996, mainly in regard to rice meals paired with traditional Filipino dishes like adobo, bistek, and salted eggs and tomato, served wrapped in banana leaves.

After mandatory mediation proceedings were implemented, this case was one of those referred to the Mediation Committee in January 2011. Mediation began in March, and in early May the parties reached an agreement. They agreed that BFF is the only entity authorized to use the name “Binalot” in its establishments. They further agreed that the competitor’s name would be changed from “Nid’s Binalot” to “Nid’s Balot and Bilao” and the competitor would pay BFF P 200,000 (US $4,650) to cover BFF’s attorney fees. The terms and conditions embodied in the Compromise Agreement were submitted to the director of the Bureau of Legal Affairs
(BLA) of IPOPHL for entry of judgment; however, to date, the BLA has yet to issue an order dismissing the case.

Jennifer D. Fajelagutan

I.F. Famous and Well-Known Marks

In 1988, Fredco Manufacturing Corporation secured a trademark registration for HARVARD JEANS USA, for goods in Class 25. It allegedly used the mark in the Philippines as early as January 2, 1982. On the other hand, in 1993, Harvard University was issued a registration for the trademark HARVARD VERITAS SHIELD SYMBOL in Classes 16, 18, 21, 25 and 28.

Harvard filed an infringement action against Fredco. In turn, Fredco filed a cancellation action against Harvard, arguing that the date of actual use in the Philippines should prevail in determining who had the better right to register the mark.

The Director General of the Intellectual Property Office of the Philippines found in the University’s favor. More than just using the trademark in the Philippines, the applicant must own the mark sought to be registered. The right to register a mark is based on ownership, and when the applicant is not the owner, it has no right to register the mark.

The Court of Appeals upheld the Director General’s decision. It cited a previous ruling stating that “[o]ne who has imitated the trademark of another cannot bring an action for infringement, particularly against the true owner of the mark, because he would be coming to court with unclean hands.”

At the final instance, the Philippine Supreme Court ruled that Fredco’s registration should be prohibited because both the Trademarks Law and the Intellectual Property Code prohibit “the registration of a mark which may disparage or falsely suggest a connection with persons, living or dead, institutions, [or] beliefs . . . .” Also, both the United States and the Philippines are signatories to the Paris Convention, which prohibits the registration of a mark already belonging to a person entitled to the benefits of the Convention and used on identical or similar goods.

The Supreme Court declared HARVARD an internationally well-known mark because it is rated as one of the most famous marks in the world and registered in at least 50 countries. The mark has been used and promoted extensively in numerous publications around the world, and considerable goodwill has attached to it worldwide since the founding of Harvard University over 350 years ago. Being a well-known mark, HARVARD was entitled to protection whether or not it was registered in the Philippines, and the University could prevent its unauthorized use on identical or similar goods. (Fredco Manufacturing Corp. v.
III.A.5. Domain Names

On August 19, 2011, in what is considered a landmark case in local cyberspace history, the WIPO Arbitration and Mediation Center handed down a decision involving the disputed domain name www.sulit.ph, registered with DotPH Register. (Netrepreneur Connections Enterprises Inc. v. Anton Sheker, Seo.Com.Ph, Case No. DPH 2011-0003.)

The complainant, Netrepreneur Connections Enterprises Inc., operates the website www.sulit.com.ph, which provides an online classified advertisements portal that “incorporates interactivity among its users by allowing people to respond to ads via a personal message or posting messages. This facilitates initial contact and negotiation. The actual sale is consummated by the buyer and seller themselves when they eventually decide to meet up.” It boasts of being the number-one online classified ads buy and sell website in the Philippines, and is rated as one of the top 10,000 sites in the world. Further, Netrepreneur Connections registered the mark SULIT.COM.PH with the Intellectual Property Office of the Philippines (IPOPHL) on October 13, 2008 (Reg. No. 2002008005602). (Sulit is a Filipino term that means “value for your money,” “worth it” or “a good buy.”)

In June 2011, Netrepreneur Connections filed a complaint with the WIPO Arbitration and Mediation Center against Anton Sheker, Seo.Com.Ph for having registered a domain name that was identical or confusingly similar to a trademark in which the complainant alleged it had rights. Sheker operates the website www.classifiedads.ph, another online ads listing. He registered the domain name www.sulit.ph, and while he does not use the website, he redirects visitors to its classifiedads.ph page.

Under paragraph 4(1) of the WIPO Rules, a complainant has to prove all three elements:

• That the domain name is identical or confusingly similar to a trademark or service mark in which the complainant has rights; and

• That the respondent has no rights or legitimate interests in the domain name; and

• That the disputed domain name has been registered and is being used in bad faith.

After consideration of all the evidence submitted by the parties, the WIPO Panel held that the complainant was able to prove the first element, namely that the word sulit in the disputed
domain name was confusingly similar to the trademark SULIT.COM.PH, considering that SULIT was the dominant portion of the mark.

However, the Panel found that the complainant failed to prove the second and third elements. It observed that there was an overall lack of evidence on the part of the complainant. Moreover, SULIT was found to be too weak as a trademark, taking into account its meaning and/or generic nature, coupled with the fact that the complainant was not able to establish any trademark rights in SULIT either in combination with other elements or as a stand-alone term.

The Panel further held that the respondent’s use of sulit.ph as a redirecting site did not, by itself, constitute lack of legitimate interest, especially considering that its use was consistent with the descriptive nature of the term sulit.

The proceedings of this case and the outcome generated a lot of public interest in the Philippines.

Jennifer D. Fajelagutan

POLAND

I.A. Use

The Swiss firm Syngenta Participations AG owns the international trademark DUAL, registered in Class 5 for preparations for destroying vermin (IR No. 534713, registered Apr. 4, 1989). Nufarm Australia Limited owns a Polish trademark registration for DUAL SALT TECHNOLOGY, for pharmaceutical, veterinary, and sanitary preparations, biocides, fungicides, herbicides, and parasiticides in Class 5. (Trademark No. R-164428.)

Syngenta filed opposition against the Polish Patent Office’s decision granting the protection right to the trademark DUAL SALT TECHNOLOGY because of the confusing similarity of trademarks DUAL and DUAL SALT TECHNOLOGY. Nufarm filed a request for declaring the right to the trademark DUAL lapsed as a result of its non-use in the Polish territory for the goods in Class 5. In reply, the rightholder of the trademark DUAL presented copies of invoices issued for the sale of goods named DUAL GOLD 960 EC.

The Polish Patent Office (Case Nos. Sp. 522/06 and Sp. 535/07) declared the protection for the trademark DUAL lapsed in the Polish territory, on the ground that the rightholder failed to present evidentiary materials proving the use of the trademark DUAL for the goods specified in the request in a genuine and serious manner.
The District Administrative Court (DAC) (Case No. VI SA/Wa 1807/09) upheld the Office’s decision. It found that the documents presented by the rightholder showed that it was the trademark DUAL GOLD (also registered in the name of Syngenta), not DUAL, that was used. The DAC noticed that as two trademarks, DUAL and DUAL GOLD, were registered in the same class in the name of the rightholder, they should be treated as independent trademarks. The DAC confirmed the authority’s opinion that where the same legal entity is granted protection right for two or more trademarks that are identical or similar, it is impossible to acknowledge that the use of one of them may be deemed as the use of the remaining ones.

On appeal, the Supreme Administrative Court (SAC) dismissed the DAC’s judgment and forwarded the case to the Polish Patent Office for reexamination. (Syngenta Participations AG v. Patent Office of Poland, Case No. II GSK 839/10, Supreme Administrative Court, Oct. 3, 2011.) Apart from finding that the DAC’s judgment contravened the proceedings provisions, the SAC referred to the interpretation of the substantive law relating to the genuine use of a trademark in the market.

As to the interpretation of Article 169.4(i) of the Industrial Property Law (Law of June 30, 2000, Journal of Laws No. 119/2003, item 1117, as amended), which stipulates that “[u]se of a trademark . . . shall also mean the use of a mark: in a form varying in elements which do not alter the distinctive character of the mark in the form for which the right of protection has been granted,” the Court admitted that the issue of fulfilling the use requirement as a result of using different form of the trademark that contains a separate trademark or even is an autonomous trademark itself, whether registered or not, was controversial, but that it did not mean that the Patent Office should avoid tackling the problem.

The Court stated that the Patent Office should pay attention to the standpoint represented in European judicial decision in this respect—for example, the judgment of the Court of First Instance (CFI) in CRISTAL (Castellblanch, SA v. OHIM, Case T-29/04, [2005] ECR II-05309 paras. 33–34 (CFI, Dec. 8, 2005)): “According to the Board of Appeal, the case could arise where two or more trademarks are used jointly and autonomously, with or without the name of the manufacturer’s company. . . . That approach must be followed. The situation is not that the intervener’s mark is used under a form different to the one under which it was registered, but that several signs are used simultaneously without altering the distinctive character of the registered sign.” (Also compare the judgments of the European Court of Justice (ECJ, now CJEU) in THOMPSON LIFE (Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH, Case C-120/04, [2005] ECR I-08551.
In addition, the SAC’s prior case law indicates that this Court recognizes a great deal of freedom of disposing of a trademark by its rightholder must be taken into account—for example, the judgment of the SAC of June 24, 2008 (Case No. II GSK 251/08), wherein the Court found:

Due to the fact that the trademark MILKA cited against the conflicting trademark is a word mark, its use may be manifested in a manner selected by the rightholder, which means that the rightholder may put it on the goods in any way provided it does not infringe the conditions under which the protection right was granted. Thus, when designating the goods for which the protection was granted, the said rightholder may use a word trademark by incorporating the same into other trademarks or attach it to other known elements being the designations owned by that rightholder.

The SAC’s judgment is of major significance for Polish case law, as it comprises guidelines applicable in understanding the issue of fulfilling the use requirement as a result of using a different form of the trademark that contains a separate trademark or may even be an autonomous trademark itself, whether registered or not.

Beata Wojtkowska

I.F. Famous and Well-Known Marks

In May 2011 the Supreme Administrative Court (SAC) issued a judgment revoking the judgment of the District Administrative Court (DAC) (Case File No. VI SA/Wa 1938/09 (DAC, Dec. 29, 2009)) in which the DAC had revoked the decision of the Polish Patent Office that cancelled the Polish registration for the trademark DAKAR, owned by the company Dakar Sp. Z.o.o. and covering car accessories in Classes 3, 27, and 37. (Trademark No. R-174205.) The SAC’s judgment is worth noting because of the Court’s interpretation of the question of reputation enjoyed by trademarks, particularly in terms of the trans-border character of such reputation.

The Patent Office cancelled the right of protection for the trademark DAKAR on the ground that it violated Article 132.2(iii) of the Industrial Property Law. Article 132.2(iii) provides:

A right of protection for a trademark shall not be granted, if the trademark . . . is identical or similar to a renowned trademark registered or applied for registration with an earlier priority (provided that the latter is subsequently registered) on behalf of another party for any kind of goods, if
it without due cause would bring unfair advantage to the applicant or be detrimental to the distinctive character or the repute of the earlier trademark. The above provision shall apply to well-known trademarks accordingly.

Specifically, the Office indicated that said mark infringed the reputation of the international trademark DAKAR, registered by Parks-Dakar SAS. (IR No. 606861, registered Sept. 7, 1993.) The DAC, in revoking that decision, pointed out the Office’s errors in conducting the proceeding to take evidence in support of the reputation enjoyed by the trademark DAKAR in Poland. The court was of the opinion that the Office had not evaluated the trademark’s reputation from the perspective of all the criteria indicated in the ECJ’s judgment in the CHEVY case (General Motors Corp. v. Yplon SA, Case C-375/97, [1999] ECR I-05421 (ECJ, Sept. 14, 1999))—for example, market share, in terms of both the quantity and the value of the sold goods, the extent and duration of advertising of the product designated with a given mark, the territorial scope and duration of use of the mark, etc.

The SAC, having examined the final appeal submitted by the French company, revoked the lower court’s judgment. (Paris-Dakar SAS v. Patent Office of Poland, Case File No. II GSK 578/10 (Supreme Administrative Court, May 25, 2011).) It accepted that the Patent Office adopted a mixed methodology of evaluating the reputation of the trademark DAKAR, taking into account the elements of the absolute and relative methodology. The trademarks PARIS DAKAR and DAKAR are not among those trademarks that are most often met in trading—in other words, they are not trademarks destined to designate consumer goods—and, as a result, for the purpose of evaluating their reputation one should not apply the criteria appropriate for the evaluation of reputation in that group of marks. The Court noted that the ECJ, in its judgment in the CHEVY case, stated that in order to determine whether the reputation prerequisites had been met, all the vital facts of the case should be taken into account; the Court observed that this viewpoint should be shared, simultaneously taking account of the fact that the requirement to consider all vital facts of the case cannot necessarily be equated with applying all the known evaluation criteria. In each individual case, the law-applyng body should determine which criteria of evaluating trademark reputation are adequate in order to make such evaluation under the particular facts of the case.

Moreover, the SAC, while disqualifying the idea of an automatically assumed trans-border nature of reputation, also indicated that the question of trans-border character of trademark reputation should not be treated separately from the facts of a given case, because reputation arises from a plurality of aspects; whether it is trans-border is decided on the basis of its territorial
The discussed judgment is of great importance for trademark owners, as it explicitly underlines the aspect often disregarded in the practice of lower instances: that when evaluating reputation the law-applying body is obligated to consider all essential circumstances of the case but is not necessarily required to apply each and every time all the known evaluation criteria.

Beata Wojtkowska

ROMANIA

I.D.2. Similarity of Goods or Services

On April 21, 2011, the Romanian Office for Inventions and Trademarks (ROIT) rendered a decision on the opposition filed by Go Fast Sports & Beverage Company against the extension to Romania of protection for its international trademark GO FAST SPORTS ENERGY DRINK, registered in the name of Dr. Martin W. Duppenthaler of Switzerland (IR No. 967609, registered Sept. 5, 2008). The ROIT refused registration for all goods in Classes 25 and 32 and all services in Class 35.

The opposition notice was based on the likelihood of confusion with the opponent’s prior rights, namely its CTM registrations for the word mark GO FAST. (CTM No. 003060258, registered Jan. 17, 2005, for goods in Classes 25 and 28; CTM No. 002267029, registered Nov. 8, 2002, for goods in Class 32.)

The opponent argued that not only were the trademarks in question highly similar, but there was also a direct conflict with the goods in Class 25 of CTM No. 003060258 and Class 32 of CTM No. 002267029. For these reasons, the ROIT concluded that a likelihood of confusion existed with respect to the goods in Classes 25 and 32.

The opponent argued that because Class 35 covers, among other things, general retail services and the manufacture of goods that are intended to be put on the market, the services in Class 35 covered by the opposed International Registration were closely connected to the goods in the conflicting Classes 25 and 32. Consequently, a likelihood of confusion for Class 35 existed as well, and the Romanian designation of IR No. 967609 must also be rejected for the services in Class 35.

The ROIT agreed with the opponent’s arguments and accepted that services in Class 35 were closely connected with the goods in Classes 25 and 32, for which the earlier marks were registered. The ROIT therefore rejected the application in its entirety. Specifically, the ROIT stated in its decision that, “because the
goods in Classes 25 and 32, for which the respective trademarks are registered, are similar and the services in Class 35 are *complementary* with the list of goods the trademarks were registered for, there is likelihood of confusion” (emphasis added).

This decision constitutes valuable national case law, as it provides a precedent with respect to complementary services as they may relate to Class 35. The decision in question could be used in future disputes between, on the one hand, trademarks covering only goods and, on the other hand, trademarks covering both goods and complementary services in Class 35.

_Aura Campeanu_

**II.D.6. Flags, Coats of Arms, and Other Insignia**

In August 2010, observation notices were filed against 101 national trademark applications in the name of Silviu Vasile Prigoana, a Romanian individual, on behalf of the European Commission, the European Union’s executive body that represents and upholds the interests of the European Union. The applications were all composed, in part, of a figurative element depicting a circle of 12 gold stars (imitating the European Union emblem) placed on top of an abstract blue arch, and a word element in the form of a Romanian city name followed by the word “TV” (see the example below, illustration at left). (Filing observations is a newly introduced procedure in the process of trademark registration in Romania and is similar to the procedure set forth in Article 40 of the Community Trade Mark Regulation (CTMR) (Council Regulation (EC) No. 207/2009, Feb. 26, 2009). Specifically, Article 18 of the Romanian Trademarks Law (Law 84/1998 on Trademarks and Geographical Indications, as amended and republished in 2010) provides that within two months after publication of a national trademark application interested persons may present observations regarding the absolute registrability of the mark applied for, under Article 5 (absolute grounds of refusal).

The legal basis for the filed observations against the 101 applications was Article 5(1)(l) of the Trademarks Law. Article 5(1)(l) provides that registration shall be refused for trademarks that contain, without the permission of the competent authorities, reproductions or imitations of armorial bearings, flags, other emblems, abbreviations, initials, or denominations that are governed by Article 6ter of the Paris Convention and that belong to international intergovernmental organizations.

The European Commission argued that the applications in question each contained an imitation of the official emblem of the European Union, a circle of 12 gold stars on a blue background, which belongs to the European Union and is the sole symbol of the European Commission (below, illustration at right).
Following the filing of the observation notices, Silviu Vasile Prigoana abandoned his applications.

As a result of these observations and in order to clearly regulate the protection conferred in Romania to the European Union emblem, the State Office for Inventions and Trademarks inserted, in the Implementing Regulations to the Trademarks Law, a specific provision on protection of the European Union’s emblems. Accordingly, the Regulations currently provide in Article 20(14) that “. . . signs containing emblems or parts of the European emblem owned by the Council of Europe shall be refused registration.”

Aura Campeanu

RUSSIAN FEDERATION

I.C.2. Acquired Distinctiveness

The Russian Federal Service for Intellectual Property, Patents and Trademarks (Rospatent), registered the trademark LINGVO (trademark No. 224996, registered Oct. 17, 2002) in Classes 9, 28, 35, 38, and 42 in the name of a third party, ABBYY Software Ltd. The Russian company Ectaco RD, LLC brought an action against the decision of Rospatent that granted legal protection to the LINGVO trademark in Classes 9, 28, and 42. Plaintiff Ectaco argued that the mark was not distinctive for the covered goods and services in those classes.

The courts of first instance (Moscow Arbitrazh (Arbitration) Court) and second instance (Ninth Appellate Arbitrazh Court) and Federal Arbitrazh Court of Moscow District) dismissed the plaintiff’s action. They held that the distinctiveness of the LINGVO trademark had been acquired in the process of its use as a mark for goods and services related to linguistic technologies; this acquired distinctiveness allowed the courts to find that the LINGVO mark had acquired secondary meaning among consumers.

The courts upheld the legality of Rospatent’s decision, adopted pursuant to objections filed by Ectaco RD, LLC against providing
legal protection for the trademark LINGVO. The courts did not agree with the following arguments of the plaintiff: (1) the verbal element LINGVO was a common and known term, in the international language Esperanto, for language and for the organ of taste; it was also a term meaning phonation in linguistics and the name of a software product; (2) the trademark LINGVO was not distinctive semantically and visually because its graphical presentation was not specific and original; (3) the verbal element LINGVO was semantically and phonetically identical to the disclaimed verbal element LINGVA of a third-party trademark; (4) the verbal element LINGVO described goods and services related to linguistic activity, indicating their type, characteristics, and function; (5) the verbal designation LINGVO was identical to (parts of) the company names of enterprises and institutions working in the field of linguistic technologies and well known in the Russian Federation.

The courts agreed with Rospatent’s conclusion that LINGVO had acquired distinctiveness and dismissed the lawsuit on the following grounds: (1) not being an independent lexical unit of a natural language for speakers of these languages, including native speakers of Russian, the word LINGVO could be considered a fantasy word with unclear semantics, and its absence in the specialist terminology dictionaries indicated that it could not be considered an accepted term referring to linguistics; (2) because the word LINGVO was not to be found in English, German, French, Italian, or Spanish dictionaries, it could not be called a descriptive notation used for the provision of goods and services that described the characteristics of goods and services, because it had no particular semantic interpretation defined in dictionaries; (3) the plaintiff’s allegation that the disputed trademark contradicts the requirements of Article 7(1) of the Russian Trademark Law was not justified, because the registration of the disputed trademark containing the word element LINGVO, phonetically similar to a disclaimed element LINGVA of a word and device trademark (No. 179878), which was previously registered in the name of another person, did not entail a violation of the exclusive rights of the owner of the mentioned trademark; (4) the plaintiff’s objection that registration of the disputed trademark was a violation of the requirements of the Trademark Law, as the mark was identical to the names of companies and organizations in the Russian Federation containing the word LINGVO was not sustainable because the designation LINGVO did not reproduce the company names of these organizations and there was no evidence of priority of the exclusive rights to the word LINGVO within the registration of those company names. The court also took into account the fact that the trademark had acquired distinctiveness in the process of distribution and
advertising of the trademark owner’s goods in the market; and that the trademark owner earned high praise from consumers in the linguistic technology market and became synonymous with high quality, all of which allowed the court to draw a general conclusion that the LINGVO mark to date has a secondary meaning.

The plaintiff appealed to the Supreme Arbitrazh Court of the Russian Federation requesting the revision of the lower courts’ decisions, which had affirmed Rospatent’s decision to register LINGVO as a trademark. The Supreme Arbitrazh Court of the Russian Federation, to which the plaintiff turned for a supervisory review, ruled that there was no basis for a supervisory review of the lower courts’ decisions. (*Ectaco RD, LLC v. Rospatent*, Case No. VAS-9056/08 (Supreme Arbitrazh Court, June 29, 2010).)

As Russian legislation does not give an unambiguous interpretation of the concept of trademark distinctiveness, there are often problems in the way that applicants, PTO examiners, and courts interpret this criterion. The court practice has been controversial because the assessment of trademark distinctiveness is mostly subjective. Therefore, each court decision on this issue is extremely important because it establishes court practice and clarifies the approach to the contradictory issue of trademark distinctiveness.

_Eugene A. Arievich_

I.D.1. Similarity of Marks

Intel Corporation filed a cancellation action with the Chamber for Patent Disputes of Rospatent against granting legal protection to the combined trademark COMINTEL (                    ) registered by Comintel, LLC, a local telecommunication services company. Intel Corporation argued that the mark was confusingly similar to the mark INTEL and capable of misleading consumers with respect to the company that renders these services. Rospatent refused the action on the basis that the trademarks COMINTEL and INTEL have disputable similarity and are registered for dissimilar goods and services. (Decision of the Chamber for Patent Disputes on trademark No. 259074 dated July 8, 2009.) Intel Corporation initiated proceedings before the Arbitrazh Court of Moscow, seeking to invalidate Rospatent’s decision and cancel the COMINTEL mark. The Arbitrazh Court of Moscow agreed with Intel Corporation and ordered Rospatent to cancel the mark. Rospatent’s appeal to the Ninth Appellate Arbitrazh Court (Case No. 09AP-3432/2010-AK (Ninth Appellate Arbitrazh Court, April 22, 2010)), and the further appeal to the Federal Arbitrazh Court of Moscow District (Case No. KA-A40/8554-10 (Federal Arbitrazh Court of Moscow District, August 20, 2010)) were dismissed.
The Supreme Arbitrazh Court upheld (Case No. VAS - 16212/10 (Supreme Arbitration Court of the Russian Federation, Feb. 17, 2011)) the lower courts’ decisions that the mark COMINTEL was confusingly similar to the well-known INTEL trademark and annulled Rospatent’s decision, ruling the latter to cancel the COMINTEL mark. \((Rospatent \textit{v.} \text{Intel Corporation}, \text{Case No. VAS-16212/10 (Supreme Arbitrazh Court, Feb. 17, 2011).})\)

The courts of all instances found that the combined trademark COMINTEL was confusingly similar to the trademark INTEL, that the trademarks would not be perceived by consumers as identical but as trademarks owned by the same company or related companies. The courts also stated that the key element in the challenged trademark was the word COMINTEL, which could be divided into the parts COM and INTEL; thus the second part, INTEL, visually, phonetically, and literally generated an association with Intel Corporation, as the INTEL part in both trademarks was executed in letters of the Latin alphabet in a standard font. Moreover, the word INTEL was completely included in the challenged trademark. The possibility of confusion was strengthened by the fact that Intel Corporation owned a large number of INTEL-based trademarks and by the fact that the trademark INTEL was formally recognized as well known in Russia. The courts also stated that Intel Corporation and the company in whose name the trademark was registered carried out similar activities. Intel Corporation produced computer chips, personal computers, servers, software, and similar goods. The third party was engaged in rendering services in the field of communication, including cable television and access to the Internet. As far as rendering digital communication services was impossible without the use of personal computers, servers, workstations, and processors, it allowed one to draw a conclusion that usage of the COMINTEL trademark might mislead consumers regarding the company rendering the services under the mark.

In this case, the courts have offered a broader interpretation of the similarity of goods versus services by finding computer hardware similar to telecommunication services and also by relying on trademark theory regarding well-known trademarks.

\(Eugene \ A. \ Arievich\)

\textbf{III.F.1. Non-use}

The Chamber of Patent Disputes of Rospatent dismissed the action brought by Kazachje, Ltd, to cancel the early termination of legal protection of the combined trademark with the verbal element Стрижамент (“Strigament”). It argued that Kazachje had no legal standing in the matter. (Decision of the Chamber for
Patent Disputes on trademark No. 249971, registered Mar. 23, 2009.) Kazachje initiated proceedings against Rospatent before the Arbitrazh Court of Moscow, seeking to invalidate Rospatent’s decision dismissing the case and seeking to obligate Rospatent to consider the non-use action on its merits. The Arbitrazh Court of Moscow dismissed the lawsuit. (Case No. A40-77602/09-15-252 (Arbitrazh Court of Moscow, Feb. 3, 2010).) Subsequently, the Federal Arbitrazh Court of Moscow District affirmed the decision of the lower court. (Case No. KA-A40/6939-10 (Federal Arbitrazh Court of Moscow District, June 12, 2010).) Denying the claim, the courts concluded that Kazachje could not be considered an interested party because the mere filing of a trademark application and payment of the state fee were not enough to substantiate interest in the early termination of the distillery’s trademark.

By virtue of Paragraph 1 of Article 1486 of the Civil Code of the Russian Federation (Fourth Part of the Civil Code of the Russian Federation No. 230-FZ, Dec. 18, 2006 (adopted by State Duma Nov. 24, 2006, approved by Federation Council Dec. 8, 2006, effective Jan. 1, 2008)), the application for early termination of a trademark in respect of all or some goods as a result of non-use may be filed with the Chamber for Patent Disputes (as of December 9, 2011, the venue for non-use actions was the Arbitrazh Court of Moscow) by an interested party upon expiration of three years after the mark’s state registration, provided that the trademark has not been used before the date of filing such application. Within the context of Part 1 of Article 1486 of the Civil Code, anyone having a legitimate interest in cancellation of the legal protection of an unused trademark may be deemed to be an interested person.

The Supreme Arbitrazh Court overruled the decisions of the lower-instance courts and also invalidated Rospatent’s decision that dismissed the action. The Court explained that the lower instance courts misinterpreted the above-mentioned provision of the law, because its literal meaning does not limit the circle of interested persons to those whose rights and legitimate interests are violated by the challenged trademark registration. Any producer of goods covered by a trademark in respect of which a non-use action is filed, or of similar goods, who has a real intention to use the disputed or a confusingly similar mark in its activity and who has carried out preparatory steps for such use, and in particular a person who submitted an application for registration of an identical or similar trademark, may qualify as an interested person. In this case, Kazachje conducted business related to goods in International Class 33, which was confirmed by a license on production, storage, and delivery of alcoholic beverages, as well as by the information on the volume of alcohol produced in 2009. Kazachje applied to Rospatent for registration of a trademark with
an identical verbal designation Стрижамент/Strigament in Class 33. Therefore, the finding of the lower courts that there was no evidence of Kazachje’s intention to trade goods under the Стрижамент/Strigament mark did not correspond to the actual circumstances of the case, and therefore Kazachje could be considered an interested person. (Kazachje, Ltd v. Rospatent, Case No. 14503/10 (Presidium of Supreme Arbitrazh Court, Mar. 1, 2011).)

The Civil Code of the Russian Federation requires that a party initiating a trademark–non-use action must pass the test of being an interested party. This case is important because it clarifies the test of showing legal interest in disputes involving early termination of a trademark registration as a result of its non-use.

Eugene A. Arievich

SERBIA

I.F. Famous and Well-Known Marks

In a recent decision, the Serbian IP Office recognized the trademark VOGUE of Les Publications Conde Nast S.A., of Paris, France, as famous in Serbia, and refused to register the trademark VOGUE for goods in Class 14 (watches) in the name of the Cypriote company Pentaflon Ltd. (Decision No. Z-2008-753/10, Feb. 22, 2011.)

In 2008, Pentaflon filed a trademark application for VOGUE (Application No. Z-753/08) for watches in Class 14. In Serbia, trademarks are ex officio examined on relative grounds, and in February 2009 the Serbian IP Office issued an official action, citing several international trademark registrations for VOGUE in the name of Les Publications Conde Nast S.A. as potential obstacles—for example, IR No. 158005 for VOGUE (word mark), IR No. 321685 for VOGUE (stylized), IR No. 597222 for VOGUE HOMMES and IR No. 227443 for VOGUE EUROPE. These trademarks covered goods in Class 14, among other classes.

As a defense, Pentaflon challenged the Conde Nast registrations in Class 14 on the basis of non-use. (The cancellation action is still pending.) Conde Nast then filed a notice of observation against Pentaflon’s trademark application for VOGUE, suggesting that the Serbian IP Office refuse protection on the ground that the applied-for mark was identical to Conde Nast’s trademark VOGUE, which, Conde Nast argued, was a trademark with a reputation in Serbia and as such enjoyed extended protection for goods not covered by the registration. Conde Nast submitted evidence of fame, including its worldwide trademark portfolio for VOGUE; information regarding the value of the trademark VOGUE and its date of origin; extensive proof of
advertising and marketing of VOGUE; and copies of decisions of relevant authorities in Costa Rica, France and the United States recognizing VOGUE as a famous trademark. As a result, the Serbian IP Office issued another official action, this time citing the famous trademark VOGUE as an obstacle. Pentaflon failed to respond.

Consequently, the Serbian IP Office refused Pentaflon’s trademark application for VOGUE, on the following grounds:

- Pentaflon’s VOGUE mark imitated the VOGUE trademarks owned by Conde Nast.
- VOGUE was a famous trademark of Conde Nast. Thus, if Pentaflon were allowed to register the applied-for mark VOGUE for watches, it would derive an unfair benefit from and dilute the reputation of Conde Nast’s trademark.

The Serbian IP Office also pointed out that the goods covered by Pentaflon’s mark were related to the goods covered by the trademarks registered in the name of Conde Nast (namely, fashion magazines), because these magazines advertise luxury goods, such as jewelry and watches. It further noted that the relevant public often associates those goods with the world of fashion and glamour, for which the famous trademark VOGUE stands.

Pentaflon did not appeal the decision, and it has become final.

Gordana Pavlovic

SINGAPORE

I.D.1. Similarity of Marks

Premium skin care product manufacturer Clinique Laboratories, LLC is the owner of the registered trade mark CLINIQUE (word mark), covering goods in Class 3 and services in Class 44, as well as numerous other marks that contain the word CLINIQUE (below, illustrations at top). Clinique brought an infringement action under the Trade Marks Act against Clinique Suisse Pte Ltd, the operator of a medical clinic, which was selling skin and body care products and providing skin care treatment services under its CLINIQUE SUISSE name and which had applied to register CLINIQUE SUISSE as a trade mark in Classes 3 and 44 (below, illustrations at bottom).
At trial before the High Court of Singapore, Clinique Suisse attempted to distinguish its products and services from those of Clinique by arguing that the products were available through different channels. In particular, it claimed that CLINIQUE SUISSE products were available only at the clinic after consultation with a medical practitioner in a confidential setting. Consequently, the defendant argued, they were distinguishable from CLINIQUE products, which were retail goods available at department stores.

The court observed, however, that CLINIQUE SUISSE products were, in fact, available to members of the public through its website without the necessity for a consultation with a medical doctor.

The High Court held that even though the plaintiff traded in cosmetics and the defendant operated a medical practice, the CLINIQUE SUISSE mark was confusingly similar to and infringed the well-known trade mark CLINIQUE. (Clinique Laboratories, LLC v. Clinique Suisse Pte Ltd & Another, [2010] 4 SLR 510 (High Ct., July 2, 2010).) The increasing convergence of the cosmetic skin care industry, on the one hand, and the pharmaceutical and medical industries, on the other hand, contributed to the likelihood of confusion. Cosmetic skin care companies such as Clinique were developing skin care products designed specifically for patients under a physician’s care, while doctors were starting their own skin care lines for retail sale. This convergence resulted in “cosmeceuticals.” Clinique’s consultants, while not medical professionals, were trained to provide beauty consultation services and recommend suitable products, similar to the services provided by the doctors of Clinique Suisse.

Clinique Suisse’s appeal was dismissed by the Singapore Court of Appeal on February 9, 2011.

This decision is important because it illustrates the difficulties in dealing with similar marks in different but related fields that are converging and how the distinction may become sufficiently blurred to lead to a likelihood of confusion.

Sheena Jacob

Nike International Ltd (NIL) and Campomar have been at loggerheads over the use of the mark NIKE in Class 3. The finale to this long saga was the recent decision of the Court of Appeal. (Campomar SL v. Nike International Ltd, (2011) SGCA 6 (Feb. 28, 2011).)

Nike sought to register the mark NIKE in Class 3 for, inter alia, “perfumery” and “essential oils.” The application was opposed by Campomar based on its earlier registration (registered with effect from 1986) for the mark NIKE in Class 3 for “perfumery with essential oils.” In a separate proceeding, Nike filed an
application to revoke the 1986 mark, and ultimately succeeded. In light of the revocation, the application filed by Nike was accepted for registration and published for opposition. Campomar opposed on the grounds that the subject mark was identical to an “earlier mark” (i.e., its own mark registered in 1986, despite the revocation of that mark) and that Nike’s application had been made in bad faith.

Campomar contended that its (now-revoked) mark constituted an “earlier mark” under Section 8(1) of the Trade Marks Act. While Section 8(1) stipulates that a trademark shall not be registered if it is identical to an earlier mark, it does not specify the relevant date. Section 2(1), which defines “earlier trade mark,” does not address the issue in express terms.

The Principal Assistant Registrar opined that Campomar’s mark did not constitute an “earlier mark” for the present purposes and allowed Nike’s application.

Campomar appealed to the High Court (HC). The HC observed that the time for determining whether a mark constituted an “earlier mark” under Section 8(1) was the time of the opposition proceedings. As Campomar’s mark had already been revoked at the time of the opposition proceedings, it would not constitute an “earlier mark.” Aggrieved, Campomar appealed.

The Court of Appeal adopted a very pragmatic view. It observed that when the Registrar determines whether a mark ought to be registered, the decision should reflect the circumstances prevailing on the day the Registrar considers the application. Further, while Campomar’s revoked mark was not on the register in 2009 (when the subject application for registration was considered), it was removed from the register only in 2002. The registration of Nike’s mark would take effect from 2001, that is, before the removal of Campomar’s mark. As this would cause confusion, the court held that it should not be allowed. Thus, Campomar’s opposition succeeded and Nike’s application to register the mark turned out to be unsuccessful.

The court opined that in cases where the Registrar is in the process of considering whether a mark can be granted protection, especially where an opposition has been filed, the Registrar ought to take into account the fact that the registration of the later mark would result in there being on the register two identical marks owned by different proprietors. Of course, the Registrar is also entitled to factor in other circumstances, including the revocation of an earlier identical registered mark.

The court also pointed out that determining whether a party should apply to oppose the registration of a mark or invalidate it would depend upon whether the subject mark is deemed registered at the time of the application. If the later mark is pending, an opposition ought to be filed. However, where the mark is already
registered, an invalidation proceeding would need to be instituted. Thus, it would be in the best interest of the trademark applicant to carry out a pre-filing search, in order to determine whether there exist one or more prior registrations or pending applications that might pose a significant threat to the registration of the mark. Based on the factual matrix and the outcome of the search, the applicant, before filing a trademark application, would then need to strategically contemplate whether to institute an invalidation action or oppose the registration of the other mark.

Denise Mirandah

SLOVENIA

I.A.4. Quantity and Quality of Use

Radenska, d.d., a Slovenian water and beverage company, registered the mark JULIJANA in 1996 for goods in Class 32 (beer; mineral and aerated waters and other nonalcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages). Voda Juliana, d.d., also a Slovenian water and beverage company, filed a non-use cancellation suit against Radenska.

The plaintiff, Voda Juliana, claimed that the defendant’s mark had not been seriously and effectively used as defined in the Slovenian Industrial Property Act. Specifically, Article 120.1 of the Act provides that any interested party may file an action with a court of competent jurisdiction requesting cancellation of a mark if, within a continuous period of five years from the date of entry of the right in the register, or the day on which the mark has been seriously and effectively used in the Republic of Slovenia for the last time, the owner without legitimate reasons fails to use the mark in connection with the goods or services in respect of which it is registered. In this case, the defendant, Radenska, sold 79,438 0.5-liter bottles to a wholesaler but failed to prove that this water actually reached end-consumers. Although this was the first sale of the goods marked with the trademark JULIJANA and normally such sales could be sufficient to prove genuine use, in the present case, the court established that because the goods never reached end-consumers, the mark failed to play the role of an identifier of origin.

The first and the second instance courts held that the mark JULIJANA be cancelled for non-use, because the use as shown by the defendant (that is, the sale of the goods to a wholesaler) did not qualify as serious and effective. The Supreme Court in its decision confirmed the view of the two lower courts and noted that the second instance court justifiably accepted the criteria set forth in the European Court of Justice judgment Ansul BV v. Ajax
Brandbeveiliging BV (Case C-40/01, [2003] ECR I-2439 (ECJ, Mar. 11, 2003)). According to the Supreme Court, to understand the matter, the following is the key issue: when the manufacturer sells branded goods to the wholesaler designated as the first of the links in the distribution chain, the question of genuine use of the mark does not arise because normally there is no doubt (about withheld assumption) that this chain works (if this is the case, there are no doubts that the wholesaler is an end-consumer). In this case, it was disputed whether the distribution chain actually worked. It was established that it did not, as the defendant failed to prove that the wholesaler sold the goods to retailers. The Supreme Court further noted that proving the actual sale of the goods to end-consumers is not a difficult task if actual sales of the goods in fact existed. Because the goods never reached end-consumers (i.e., the goods were not sold and/or exported), the mark failed to serve as an identifier of origin. Consequently, this kind of use did constitute serious and effective and use. (Voda Juliana, d.d. v. Radenska, d.d., Case No. III Ips 189/2008 (Slovenian Supreme Court, Sept. 7, 2010).)

Considering that the court practice in Slovenia in the field of trademarks is not extensive, this judgment is a particularly good one, as it is evident that the court considered all aspects of a serious and effective trademark use, as well as the initial role that a trademark must play to prove such use.

Eva Gostiša

I.D.1. Similarity of Marks

The plaintiff, British American Tobacco Italia S.p.A, an Italian subsidiary of British American Tobacco plc, had registered the CTM MS (illustrated at right, below), a device mark covering goods in Class 34 (tobacco, smoker’s articles, matches). In 2005, Aleksander Jereb sought to register as a national trademark the device mark MTS (illustrated at left, below), covering, inter alia, goods in Class 34 (tobacco, smoker’s articles, matches)—goods identical to those goods covered by the plaintiff’s mark. British American Tobacco Italia opposed Aleksander Jereb’s application.
The Slovenian Intellectual Property Office (SIPO) found the opposition grounded. Upon an administrative appeal filed by the applicant, the decision was rejected by the Administrative Court and the matter was returned to the SIPO for reconsideration.

In its second decision the SIPO stated that the marks were both device marks, with the word part as the dominant component in each. The visual analysis showed that the marks differed in one letter only—that is, the applied-for mark included the letter “T” between the “M” and the “S.” The letter “T,” therefore, represents the element of diversity compared with the plaintiff’s mark MS. Because both words were short, each letter should count. Regarding the graphical representation of the two marks, the SIPO noted that although the word parts of the marks were stylized slightly differently, they still gave the impression of being variations of the same mark—that is, there was a visual resemblance between them. However, an average consumer in this case would be a smoker—a very attentive consumer. A smoker normally uses the same kind of tobacco and is always careful about receiving the correct product. Therefore, although the marks were slightly similar, this similarity was overruled by the fact that an average consumer of tobacco goods would be very attentive and even if a slight similarity existed between two marks covering tobacco products, this would not cause the consumer any confusion.

The opponent filed an administrative appeal. The Administrative Court affirmed the second ruling of the SIPO and noted that even if the products covered by the marks were unintentionally exchanged when phonetically ordering them (e.g., in a pub), a smoker, as an attentive consumer, would not mistake one brand for another. (British American Tobacco Italia S.p.A. v. Slovenian Intellectual Property Office, Case No. I U 1297/2010 (Slovenian Administrative Court, Sept. 22, 2010).)

The decision illustrates the practice of the SIPO in cases in which it considers the typical consumers of certain goods, such as tobacco products. In these cases, a higher degree of similarity between the marks is allowed as a result of the increased attention these consumers pay to these trademarks.

Eva Gostiša

REPUBLIC OF SOUTH AFRICA

II.C.1.d. Geographical Names

In Groupe LFE (SA) (Pty) Ltd v. Swartland Winery Ltd and the Registrar of Trade Marks (Case No. 467/09, [2011] ZASCA 4 (Mar. 4, 2011)), the Supreme Court of Appeal (SCA) considered the
registrability of the mark SWARTLAND (Trademark No. 2004/22804) in Class 33 for, inter alia, wines.

During infringement proceedings (see III.D.2.a below), Swartland Winery declared that its trademark was registrable, and Groupe LFE brought a counterclaim seeking cancellation of the registration.

Section 10(2)(b) of the Trade Marks Act No. 194 of 1993 provides, inter alia, that a mark may not be registered as a trademark or, if registered, is liable to be removed from the register if it “consists exclusively of a sign or an indication which may serve, in trade, to designate the . . . geographical origin of the goods.” This provision was the subject of a detailed analysis by the SCA in Century City Apartments Property Services CC v. Century City Property Owners, Case No. 57/09, [2009] ZASCA 157; 2010 (3) SA 1 (SCA); [2010] 2 All SA 409 (SCA) (Nov. 27, 2009) (100 TMR 629 (2010)).

Swartland had, since 1975, been defined as a wine-producing region in terms of the “wine of origin” concept established by the Wine, Other Fermented Beverages and Spirits Act 25 of 1957. The Court stated that SWARTLAND was no doubt a mark that might serve to indicate the geographical origin of wines and the mark was, accordingly, prima facie, subject to revocation. The real issue in the case was whether the proviso to Section 10 could save the mark. The proviso states that a mark is not liable to be removed from the register by virtue of the provisions of Section 10(2) if at the date for the removal from the register it has in fact become capable of distinguishing as a result of use made of the mark. The evidence established that Swartland had been using SWARTLAND as a trademark in South Africa since 1948 and that it was a prominent name in the wine industry, with the winery being one of South Africa’s leading wineries, producing about two million 9-litre cases per annum. Having found that Swartland Wineries wines had been known for many decades by no other name than “Swartland Wines” and that no other wine had been sold under that name, the Court held that SWARTLAND had, in fact, become capable of distinguishing wines, despite its geographical meaning, and dismissed the cancellation claim.

The obvious comparison must be drawn between this case and the Century City case referred to above. While the interpretation of the law was identical, Swartland Winery was able to save its registration by proving that its trademark had, in fact, become capable of distinguishing, despite its geographical meaning.

Charles E. Webster
III.A.2. Passing Off

In *Alliance Property Group (Pty) Ltd v. Alliance Group Ltd and Auction Alliance KwaZulu-Natal (Pty) Ltd* (Case No. 252/10, [2011] ZASCA 14 (Mar. 14, 2011)), the SCA considered the issue of secondary meaning for a descriptive term in passing-off proceedings. The SCA first confirmed that the elements of the wrong of passing-off are the “classical trinity” of reputation (or goodwill), misrepresentation, and damage.

Since 1997, the appellant had provided property services under the name “Alliance Property Group.” The portfolio of commercial and industrial properties managed by it comprised 54 buildings with turnover of approximately US $12.5 million. The SCA found that the appellant had acquired a reputation in its name “Alliance Property Group” although the reputation was limited to the two geographical areas where it traded, namely KwaZulu-Natal and the Eastern Cape. To the extent that the name is descriptive, the SCA found that it had acquired a secondary meaning in the minds of the public as a result of the close and distinctive association between it and the business the appellant carried on.

Prior to 2007, the respondents traded as “Auction Alliance” and concentrated on selling property by way of public auction. At that stage, the only common factor in the names of the appellant and the respondents was the descriptive word “alliance,” and the Court stated that to the extent that this had the potential to cause confusion, it was a risk that the appellant and the respondents bore, but the remainder of the respective names (auction and property group) was sufficient to distinguish them from each other in the minds of the public.

In September 2007, when the respondents dropped the word “auction” from their name, they expanded their services into the property field to include more than property auctions, and called themselves “Alliance Group Ltd.” The Court found that the effect of this was to remove important features that distinguish the business of the appellant from that of the respondents, made the respondents’ business look more like the appellant’s businesses from a functional point of view and made their name look strikingly similar to that of the appellant.

This case is important because while the courts are generally reluctant to grant rights in a descriptive term such as “alliance,” the common law of passing-off depends on the facts, and the judgment illustrates that what appeared to be an innocuous change from “Auction Alliance” to “Alliance Group” was sufficient to tip the scales from lawful trading to unlawful passing-off.

*Charles E. Webster*
III.D.2.a. Fair Use

In Groupe LFE (SA) (Pty) Ltd v. Swartland Winery Ltd and the Registrar of Trade Marks (Case No. 467/09, [2011] ZASCA 4 (Mar. 4, 2011)), Swartland alleged that Groupe LFE was infringing its trademark SWARTLAND (Trademark No. 2004/22804) in Class 33 in respect of, inter alia, wines. Groupe LFE’s wines were labeled with the name “Swartland.” The only issue in the trademark infringement proceedings was Groupe LFE’s defense based on the provisions of Section 34(2)(b) of the Trade Marks Act No. 194 of 1993, which provides that a registered trademark is not infringed by the use of any bona fide description or indication of the geographical origin of the goods or services if the use is consistent with fair practice. Groupe LFE also launched a counterclaim seeking cancellation of the Swartland registration, which failed (see II.C.1.d above.).

Groupe LFE’s submitted that it had used the name “Swartland” as a geographical indication (as it is entitled to do) and not as a trademark, and its wines were actually sold as no-name brands. The SCA found that this submission was without any merit, observing that the label around the neck of the bottle is black and contains in white capitals the name “Swartland” together with a rather indistinct gold medallion with the inscription “wine of origin Swartland.” The main label is also black with a prominent “Swartland,” 6-mm high, in white capital letters. The court found that this use conveys to the average purchaser two things: the trademark is SWARTLAND and that it is a wine of origin.

In rejecting the defense and finding trademark infringement, the court concluded that Groupe LFE was not genuinely, and in good faith, using the mark SWARTLAND to indicate the geographical origin of its wines but, instead, was using the mark as a trademark.

This case is a good illustration of the relevance of the precise manner in which a mark is used. While the use of “Swartland” in the phrase “wine of origin Swartland” was not infringing use, the much more prominent and nondescriptive use of “Swartland” elsewhere was infringing use.

Charles E. Webster

SOUTH KOREA

III.A.8. Parallel Imports/Gray Marketing

The Seoul Central District Court held that when it comes to advertisements, a parallel importer is not allowed to use the ® symbol or the phrase “directly imported from . . .” unless it actually
imported the goods from that particular country (Case No. 2010Gahap75695, Sept. 17, 2010).

In this case, the plaintiff is the exclusive licensee of the mark PORTMEIRION in Korea and has an agreement with Portmeirion Group UK Limited for the exclusive importation and distribution of PORTMEIRION products in Korea. The defendant, which operates a large discount store under the name “Lotte Mart,” sold PORTMEIRION products that it had imported from a different source. In its advertisement for these items the defendant stated, “This is an opportunity to purchase Portmeirion’s Botanic Garden Set directly imported from the UK at a reasonable price.” The advertisement also included “PORTMEIRION®.” Based on this ad, the plaintiff filed an action against the defendant for infringement of the right of exclusive licensee and unfair competition.

While the court acknowledged that the defendant’s PORTMEIRION products were manufactured in the United Kingdom and thus had the same quality as the plaintiff’s goods, it found that there was no trademark infringement or illegal activity behind the sale of such parallel imported goods. The court also pointed out that the defendant had the right to actively advertise its parallel imported goods as long as such advertisements did not tarnish the trademark’s function as a source identifier or lead to consumer confusion as to the source and quality of the products.

However, the court held that the defendant went beyond its permissible scope by using the ® symbol instead of simply using the mark PORTMEIRION to advertise its goods, because the ® symbol would mislead consumers into believing that the defendant was the rightful trademark owner or the exclusive licensee. Thus, the court found infringement of the right of exclusive licensee. Further, the court recognized that the PORTMEIRION mark was well known in Korea. It then found that the defendant’s use of the phrase “directly imported from the UK” violated unfair competition laws, because the defendant, a large discount store selling various brands and goods, was considered to be using the PORTMEIRION mark to indicate one of its businesses, which would lead to consumer confusion that the defendant was the official local branch that imported goods directly from the United Kingdom. (There was also evidence indicating that the defendant’s goods came through a different country, and not directly from Portmeirion Group UK Limited.)

As a result, the defendant was ordered not to use the ® symbol with the mark PORTMEIRION or PORTMEIRION in Korean transliteration in its advertisements and to destroy all the remaining advertisements that contained the phrase “directly imported from the UK.”

This decision is in line with an earlier Supreme Court decision (Case No. 99Da42322, Sept. 24, 2002), where a parallel importer’s
use of a mark on a name card or signboard outside of a store was held to cause consumer confusion with the official distributor of the trademark owner. In light of the present case, which provides additional limitations on a parallel importer’s use of a trademark, trademark owners and their licensees may wish to take a further look at the specific use of the ® symbol and the typical phrase “directly imported from . . .” in advertisements for parallel-imported goods.

Nayoung Kim

SWEDEN

I.D.1. Similarity of Marks

Golden State Vintners (GSV) filed an action requesting the cancellation of trademark registrations for CALIFORNIA RED and CALIFORNIA WHITE owned by V&S Vin och Sprit AB (V&S), claiming that the trademarks lacked distinctiveness for alcoholic beverages in Class 33, for which they had been registered. The District Court of Södertörn as well as the Svea Court of Appeal found that the trademarks lacked inherent distinctiveness but had acquired distinctiveness through use, and the cancellation action was therefore rejected. (Golden State Vintners v. V&S Vin och Sprit AB, Case No. T 572-11 (Svea Court of Appeal, June 30, 2011), unreported.)

In 1989, V&S launched a red wine under the trademark CALIFORNIA RED in Sweden. In 1990, V&S launched a similar white wine called CALIFORNIA WHITE. GSV and V&S had a business relationship from the early 1990s until the early 2000s, during which GSV delivered white wine in bulk to V&S sold under the trademark CALIFORNIA WHITE. The red wine sold under CALIFORNIA RED was delivered by another manufacturer, and both wines were bottled and labelled by V&S. The labels of the wines were amended in 1996 when a picture of the Golden Gate Bridge in San Francisco, California, was added to the word marks. In 1996, V&S also filed its first trademark applications for CALIFORNIA RED and CALIFORNIA WHITE. Both trademarks depicted the Golden Gate Bridge together with the word marks. During their business relationship, GSV and V&S also agreed that V&S could sell a wine, bought from GSV, under the trademark GOLDEN GATE and that the trademark would be used under license from GSV.

V&S applied to register the trademark GOLDEN GATE, and the trademark was registered in 2000. However, in 2006, the registration was cancelled after an action brought by GSV. After the cancellation of the GOLDEN GATE registration, V&S again started using the word marks CALIFORNIA WHITE and
CALIFORNIA RED. In 2006, V&S applied for registration of the word marks CALIFORNIA WHITE and CALIFORNIA RED for alcoholic beverages (except beers) in Class 33.

During its ex officio examination, the Swedish Patent and Registration Office (SPRO) first made the assessment that the word marks did not meet the requirements of distinctiveness. After proof of extensive use, sales figures, etc., the trademarks were considered to have acquired distinctiveness and were registered.

GSV brought actions against the registrations of CALIFORNIA WHITE and CALIFORNIA RED, claiming that the trademarks lacked both inherent and acquired distinctiveness.

Both the District Court and the Court of Appeal dismissed GSV’s actions. The District Court stated that the word marks lacked inherent distinctive character, as the word “California” indicated geographical origin and the words “white” and “red,” respectively, indicated the nature of the goods. The District Court then, however, found that V&S had, through the evidence shown in the case (i.e., market surveys and sales figures) and demonstration of the fact that both wines had been sold for about twenty years, shown that the trademarks had acquired distinctiveness.

Like the District Court, the Court of Appeal found that the trademarks lacked inherent distinctiveness. The Court of Appeal thereafter evaluated whether or not the trademarks had acquired distinctiveness.

GSV had objected that consumers would not pay as much attention to trademarks used on low-priced goods as trademarks used on high-end products. The Court of Appeal noted, however, that, in this context, a trademark’s distinctiveness must be assessed in view of the goods or services covered by the registration. Average consumers’ ability to pay attention to and identify a trademark should be assessed primarily in light of the category of goods covered by the registration.

The market surveys presented by V&S showed that the public was widely aware of the trademarks in question. However, it could not be clearly concluded from the surveys that the consumers recognized the trademarks as a means of identification for the goods in question. According to the Court of Appeal, the fact that the products sold under the trademarks had differed over the years (the wine had had different origins/producers) had no significance for the evaluation of whether or not the trademarks had acquired distinctiveness. Taking into account the long-time of use of the trademarks, their market share, etc., the Court of Appeal found that the trademarks had acquired distinctiveness and dismissed GSV’s claims for cancellation.

Håkan Borgehäll
I.D.3. Conflict Between Trademarks and Corporate Names

The company behind the famous trademark GUCCI and the device mark GG, Guccio Gucci S.p.A. (Gucci), applied to register two GG device marks for goods in Classes 9, 18, and 25. The SPRO cited the company name GG Sömnadsindustri (in English, “sewing industry”) as a bar against Gucci’s applications. On appeal, the Supreme Administrative Court, on March 11, 2011, overruled the decisions of the lower instances and found that as a result of the limited scope of protection for two-letter marks, there was no likelihood of confusion between the company and the two trademarks. (Guccio Gucci, S.p.A., Case Nos. 256109 and 2562-09 (Supreme Administrative Court, Mar. 11, 2011), unreported.)

Through two international registrations designating Sweden, Gucci applied for registration of the two device marks depicted below.

![Gucci's IR No. 776197](image1)

![Gucci's IR No. 778094](image2)

Through its ex officio examination of the GG international registrations, the SPRO found the already existing company name, GG Sömnadsindustri, which was registered for “manufacture and sale of clothes and textiles.” Gucci argued that it is only in the combination of the two letters and the word SÖMNADSINDUSTRI that the company has distinctiveness. Two-letter company names are not, as such, registrable. In view hereof, the company GG Sömnadsindustri must be considered to have a very limited distinctiveness and scope of protection, and no risk of confusion would exist between the company and the two international device marks.

The SPRO rejected protection of the two international registrations in Sweden. The Court of Patent Appeals confirmed the rejections without any comments.
Gucci appealed to the Supreme Administrative Court, and leave to appeal was granted. The Court initially reviewed the relevant parts of the Swedish Trademark Act, the preparatory works and case law. Thereafter the Court concluded that a two-letter combination has a limited scope of protection. The company name was furthermore considered visually different from the figurative elements of the trademarks, which made the trademarks look like monograms. In an overall assessment, the Court found that it would not be likely that the public would believe that goods from the applicant and from GG Sömnadsindustri, respectively, had originated from the same company. In view hereof, the trademarks were not considered confusingly similar to the company name GG Sömnadsindustri. Consequently, the case was referred back to the SPRO for further processing.

Håkan Borgehäll

Tropicana Products, Inc. applied to register the trademark TROPICANA. The SPRO cited five earlier company names as bars and rejected the application. Under appeal, the Court of Patent Appeals affirmed the decision of the SPRO despite the fact that the applicant, Tropicana, was the owner of a trademark registration predating the cited company name. (Tropicana Products Inc., Case No. 10-072 (Court of Patent Appeals, May 17, 2011), unreported.)

Tropicana's application for TROPICANA was filed for goods in Class 29 (fruit-based snacks, yogurt), Class 30 (cereal-based snack bars) and Class 31 (fresh fruit). In Sweden, goods in Classes 29 through 32 are considered similar to restaurant services.

After the application for TROPICANA was rejected by the SPRO, Tropicana appealed. In connection with the appeal, Tropicana at first maintained the original list of goods and then later limited the list of goods to fruit-based snack products in Class 29.

The Court of Patent Appeals chose to assess the likelihood of confusion between the trademark and only one of the cited company names, namely the one that was identical to the trademark in question and that was registered for restaurant and pub services.

Tropicana had an earlier registration for the word TROPICANA (for goods in Class 32) that predated the cited company name. As the trademark and the company name were identical, the court found that a likelihood of confusion existed. The fact that the applicant had an earlier registration that predated the cited company name and also included goods considered similar to restaurant service supported this conclusion. In this context, the court referred to the ruling of the Supreme Administrative Court (RÅ 2006 ref. 75 PIZZA PAPA JOHN’S).
Following this practice, it could be noted that right holders who have a prior registration predating a registration that is being cited against the right holder’s current application have no other option than to act against the intermediate registration through a cancellation action if consent is not a possibility.

Håkan Borgehäll

II.C.1.g. Two- and Three-Dimensional Marks

In 1997, SmithKline Beecham p.l.c. (SmithKline) applied for registration of a trademark comprising a hologram for, *inter alia*, toothpaste in Class 3 and toothbrushes in Class 21. In 2004, the application was rejected by the SPRO. The Court of Patent Appeals affirmed the decision of the SPRO, and the appeal court’s decision was, on May 12, 2010, affirmed by the Supreme Administrative Court. (*SmithKline Beecham p.l.c.*, Case No. 1658-08 (Supreme Administrative Court, May 12, 2010), unreported.)

The trademark application related to a figurative trademark (“a black rectangular frame within which a large number of geometric figures are arranged”) and was described in the application as “a hologram in the form of a kaleidoscopic image with varying colours depending on the light.”

Swedish Application No. 1997/01171

According to the judgment of the Court of Patent Appeals dated December 28, 2007 (Case No. 04-313), marks “in the form of holograms are registrable as trademarks provided that they can be reproduced graphically.” Such reproduction must be “clear, exact, complete, easily accessible, distinct, permanent and objective” (cf. *Sieckmann v. German Patent Office*, Case No. C-273/00 (ECJ, Dec. 12, 2002), regarding registration of an olfactory mark).

The Court of Patent Appeals defined a hologram as a three-dimensional reproduction of an object that can be varied within given limits depending on the orientation of light in relation to the picture. Accordingly, each image comprising the hologram can be reproduced graphically, but this may be difficult in practice in the case of holograms comprising a large number of images.
The Court of Patent Appeals found that the requirement of graphic reproduction was not met in the application, because the application depicted only one of the several images contained within the hologram, and the written description did not alter this assessment. Accordingly, the trademark was not considered registrable.

In the Supreme Administrative Court, the applicant argued that the physical copy of the hologram submitted with the application clearly demonstrated that the mark varied only in respect of the intensity and color of the individual “pieces of the mirror.” However, the geometric structure as such and the overall impression of the mark did not change appreciably.

Regardless, the Supreme Administrative Court affirmed the decision of the Patent Court of Appeal without any further reasoning.

Håkan Borgehäll

II.C.1.k. Nontraditional Marks

Henkel AG & Co KGaA owns an international trademark consisting of a photograph of a man hanging upside down in an arranged position (illustrated below). In July 2006, Henkel applied to extend its international registration of the mark to Sweden, and protection was sought for stapling products in Class 16. The designation was rejected because the trademark lacked distinctiveness. (Henkel AG & Co KGaA, Case No. 08-194 (Court of Patent Appeals, Sept. 30, 2010), unreported.)

During its ex officio examination, the SPRO rejected registration because it considered the trademark to lack distinctiveness. Henkel appealed but the Court of Patent Appeals affirmed the ruling of the SPRO. In its judgment, the court stated that it was not possible to disregard the fact that the relevant public did not
normally regard photographs in general as marks. Also taking into account the composition of the image, the court held that the mark as such was not liable to be perceived as a mark and therefore lacked distinctiveness.

Håkan Borgehäll

Kvibergs Marknad AB (Kvibergs) applied to register three trademarks comprising reduced reproductions of known works of art. The applications were rejected by the SPRO because the trademarks were considered to lack distinctiveness. On appeal, the decisions of the SPRO were affirmed by the Court of Patent Appeals for two of the three trademarks. (Kvibergs Marknad AB, consolidated Case Nos. 08-005, 08-007, and 08-050 (Court of Patent Appeals, Sept. 30, 2010), unreported.)

In three national trademark applications, Kvibergs sought to register three trademarks comprising reduced reproductions of known works of art, including the following: Norwegian-Danish painter Peter Kröyer’s painting *Hip, Hip, Hurra!* for, *inter alia*, garments in Class 25, chocolate in Class 30, and alcoholic beverages in Class 33; the Swedish painter Alexander Roslin’s painting *Damen med slöjan* (in English, *Lady with the Veil*) for, *inter alia*, chocolate in Class 30 and alcoholic beverages in Class 33; and the Austrian painter Gustav Klimt’s painting *Idyll*, together with the wording IDYLLE for goods in Class 30. After the SPRO had issued remarks against the applications, Kvibergs requested amendment of the trademarks by inclusion of the wordings “Chocolate Assortment,” “Chardonnay Pinot Noir,” and “Pinot Gris White Wine,” respectively. The SPRO did not accept the requests for amendment because the amendments were considered to alter the trademarks too extensively. The applications were finally rejected by the SPRO as a result of lack of distinctiveness.

Kvibergs appealed, and the Court of Patent Appeals discussed, in its judgment, the difficulty of perceiving certain trademarks as marks for goods and services.

It is in the nature of things that a mark which consists of or contains elements which appear as something other than a means of individualisation may be difficult to perceive as a mark for goods or services. This of course is even more true if the element of the mark is known in a capacity other than that of a mark. [. . .] images in the form of paintings do not normally serve as a basis for association with a commercial origin.

The Patent Court of Appeals found that the figurative elements of the trademarks appeared as nothing more than reduced reproductions of artistic works and therefore were most
likely to be perceived as decorative elements on the products in question. Accordingly, the trademarks were deemed to lack distinctiveness. As for the trademark comprising a reduced reproduction of the Austrian painter Gustav Klimt’s painting *Idyll* together with the wording IDYLLE, the court found that the wording IDYLLE was merely suggestive for the goods in question (coffee, tea, etc.) and therefore stated that the trademark was registrable as such with a disclaimer for the painting.

Håkan Borgehäll

**III.F.1. Non-use**

In 2007, the plaintiff, AA Teamwork AB (AA Teamwork), brought a cancellation action against the defendant, Teamwork Technology International AB (Teamwork Technology), claiming that Teamwork Technology had not used their word mark TEAMWORK, which had been registered in 1995, for a period exceeding five years. The Stockholm District Court found in favor of the defendant, holding that the trademark had been in genuine use. On June 24, 2010, the Svea Court of Appeal delivered a partial judgment on the issue of genuine use of the trademark in this case. The Svea Court of Appeal affirmed the judgment of the District Court without adding any reasons of its own. ([AA Teamwork AB v. Teamwork Technology International AB, Case No. T 2959-09 (Svea Court of Appeal, June 24, 2010), unreported.](#)

The word mark TEAMWORK was registered in 1995 by the SPRO. In 2001, the defendant, Teamwork Technology, obtained consent from the proprietor to use the trademark, and in 2006 Teamwork Technology acquired the trademark rights to the word mark TEAMWORK.

In 2007, the plaintiff, AA Teamwork, brought an action against Teamwork Technology, claiming, *inter alia*, that the trademark TEAMWORK should be cancelled because it had not been in genuine use for the past five years. The defendant claimed that the trademark had been used on a website as domain name and also orally and therefore had been in genuine use and accordingly should not be cancelled.

Teamwork Technology had used the word “Teamwork” by itself on the company’s website and in certain promotional materials in a magazine. The court considered the use on the company’s website to be use as a business name, and not as a trademark, because “Teamwork” was primarily a short form of the company’s name. In contrast, the use in the promotional material was considered genuine use, because “Teamwork” was used in direct conjunction with a description of the services in question.

Relying on testimony of a former employee, Teamwork Technology was able to prove that the employee, in principle, used
nothing but the word “Teamwork” in marketing by telephone and at seminars and meetings. The court held that the oral use constituted genuine use.

The defendant had also argued that the use of “Teamwork Technology,” together with a pictorial element, on the company’s website, on invoices, and in advertisements should be deemed genuine use. Despite the fact that this did not reflect the trademark as registered, the court agreed, finding that the word “Teamwork” had been distinguished from the word “Technology” both in size and color, making “Teamwork” clearly dominant and “Technology” appearing at most as an addition serving to inform about the type of services offered.

Regarding the use of a trademark as a domain name, the court stated that even if a domain name has a different function from that of a trademark, it may, under certain circumstances, also fulfil the function of a trademark. However, in the present case, this was not supported by the materials on file.

In the end, the court had to evaluate whether or not the use had been sufficiently extensive to qualify as genuine use. In this evaluation, the relevant factor was the purpose of the use. The purpose is determined by taking into account all facts and circumstances supporting an actual commercial use. Any use with no other objective than to preserve the trademark rights is deemed not to constitute genuine use (cf. ECJ decisions in Wellness case, Case No. C-495/07 (ECJ, Jan. 15, 2009), and the Nasdaq case, C-320/07 (ECJ, Mar. 12, 2009)). The court found sufficient reason to conclude that the use of “Teamwork” had been extensive enough to constitute genuine use. In addition, the use of “Teamwork” in combination with “Technology” had already been agreed by AA Teamwork to constitute genuine use.

Having ascertained that the use related to the registered services in Class 35, the court dismissed AA Teamwork’s action for cancellation of the TEAMWORK trademark.

AA Teamwork appealed to the Supreme Court, but no leave to appeal was granted.

The decision emphasizes the importance of using trademarks in a conscious manner. The distinction between use as trademark and use as a business name is not entirely clear. What is clear, however, is that the use of a trademark that is also the proprietor’s business name will not automatically qualify as trademark use. The decisive factor is whether the use fulfills the basic function of a trademark—to reflect a commercial origin. In other words, the trademark must be used as a mark for the goods and/or services for which it has been registered. In the TEAMWORK case, this requirement was found to be fulfilled only when the mark was used in direct connection with the services offered under the
trademark. Of particular interest is the fact that the court accepted oral use.

Håkan Borgehäll

**SWITZERLAND**

*I.B.2. Merely Descriptive*

U.S. applicant Ophthonix Inc. had filed a trademark application for WOW (word) for services in Class 44, namely, optometric services. The Federal Institute of Intellectual Property (Federal Institute) rejected the application finding that WOW was a well-known expression in the English language, and that it was also known in Switzerland. The expression is used for great astonishment or success.


The court held that optometric services addressed the average consumer. Therefore, the average consumer’s view was relevant in judging distinctiveness of the trademark. The applicant had shown that WOW was not only a well-known English expression of astonishment or surprise, but that it also had a number of additional meanings, including abbreviations for words such as World of Warcraft, Wonders of the World, etc. The applicant, however, failed to explain why the average consumer would understand the trademark WOW to be one of those meanings or abbreviations. The applicant argued that without an explanation mark, the expression WOW would not be recognized in its traditional meaning. The court found that this made no difference and that the average consumer would recognize such meaning. In a second step, it confirmed that the term was laudatory for any given services, including services of an optometrist. As a laudatory term, it would have no distinctiveness. The fact that the same mark was protected under the Community Trademark system for the same services had no influence on the court’s decision. For all these reasons, the rejection was upheld and the application refused.

This case shows once more how strict Swiss practice is when it comes to the issue of descriptiveness/distinctiveness.

Peter E. Wild

*I.B.2. Merely Descriptive*

Applicant Bindella Terra Vite Vita SA filed an application (No. 54082/2006) for the mark TERROIR (in script, illustrated below)
for foodstuff and beverages in Classes 29, 30, 31, 32 and 33. The 
Federal Institute rejected the mark as being descriptive. The 
Federal Supreme Court affirmed on appeal. The applicant 
appealed to the Federal Supreme Court, which affirmed the two 
prior decisions and rejected the application request (Case No. 4A- 
907ff (TERROIR)).

The Federal Supreme Court confirmed that *terroir* is a well- 
own word in the field of food and beverages. It is a French word 
that is understood by the average Swiss consumer to refer to goods 
or products that come from a very specific region and that 
represent qualities and characteristics of that region. The term has 
become quite fashionable over the past years to differentiate food 
and beverage and general agricultural products from “industrial 
food products.” As such, the mark is descriptive for all the claimed 
goods and it lacks distinctiveness.

The specific graphic features of the mark are not strong 
enough to generate distinctiveness, because the handwriting is 
common. This form of a rather old-fashioned handwriting, in the 
Supreme Court’s view, even supports the traditional and old- 
fashioned meaning of *terroir*.

As a consequence, the Supreme Court rejected the mark and 
the application was cancelled.

*Peter E. Wild*

**I.B.4. Geographically Primarily**

**Descriptive/Deceptively Descriptive**

Hansen Beverage Company, USA had filed a word mark 
application (No. 55089/2006) for JAVA MONSTER for goods 
covered in Class 32. The application was rejected by the Federal 
Institute. The Federal Administrative Court upheld the rejection 
on appeal (Case No. B-102/2008, Federal Administrative Court, 

The Federal Institute’s rejection of the mark was based on the 
element JAVA, because it is known in Switzerland as the name of 
an island in Indonesia. Under standard practice, the Institute 
found that the average Swiss consumer would expect the goods 
with the trademark element JAVA to come from Indonesia. The 
applicant refused to amend the list of goods with a limitation of 
goods coming from Indonesia and appealed.
The Federal Administrative Court affirmed the Federal Institute’s decision. According to Article 2(c) of the Swiss Trademark Act, deceptive trademarks are excluded from trademark registration. An inaccurate geographic indication leads to the danger of deceit. The court also agreed that the average Swiss consumer would expect that goods with the element JAVA in a trademark would mean that the product came from the island of Java or at least Indonesia, especially as Java is Indonesia’s most populated island and known for tourism.

The fact that Java also has a secondary meaning for “coffee” or as a modern dance of 1920 did not change how the term could be interpreted. The element MONSTER did not help to overcome this general impression.

The case confirms that Swiss trademark practice is very strict when the trademark contains a geographic indication.

Peter E. Wild

I.C.2. Acquired Distinctiveness

The Federal Administrative Court allowed the registration of the trademark GAP for goods covered in Class 28 (Case B-3458/2010, Feb. 15, 2011) and overturned the earlier decision of the Federal Institute refusing the trademark as merely descriptive.

The U.S. company Gap Inc. sought to register the trademark GAP for goods covered in Class 28, comprising games and playthings. The Federal Institute refused to register the mark because Gap is the name of a city in France with 40,000 inhabitants. The Institute stated that owing to the city’s geographical location and tourist attractions (e.g., the Tour de France went through Gap), it had to be assumed that the city of Gap was known to the Swiss population. As such, it was not only a direct geographical indication but also, if the goods did not originate from France, a deceptive mark.

Gap Inc. appealed the decision to the Federal Administrative Court. Among other arguments, the company maintained that the mark had acquired secondary meaning.

The court carefully analyzed the word “gap.” It agreed with the Federal Institute that Gap was indeed a city in France, but it went on to say that the city, although close to Switzerland, had little importance as a tourist destination and therefore was only known to a small part of the relevant consumers. However, the court noted, the word “gap” could be understood in various ways. It concluded that the English word “gap” (in the sense of a hole or space) was known to a much larger part of the relevant consumers. Furthermore, “gap” had several other meanings, such as an acronym for “Government Accountability Project” or “Great
Adventures People,” and also as a trademark of the appellant. Although the court did not answer the question of secondary meaning, it held that the mark was perceived as a coined trademark, as the majority would not associate it with the city of Gap. As such, it was considered distinctive and not deceptive.

Finally, the court assessed whether Gap, as a geographical indication, had to remain free for use by any third parties from the city of Gap. The court held, on the one hand, that Gap was not known as an industrial city and, on the other hand, that the GAP trademark was already registered in France and the European Union, so that there was no need for Switzerland to grant any further protection to third parties. Consequently, the appeal was successful and the trademark finally registered in Class 28 (the decision has since become final).

This decision once more shows that trademarks consisting of merely geographical indications are still highly disputed in Swiss practice. While the Federal Institute tends to assume that geographical names are generally known by the Swiss public (and therefore basically not registrable), the Administrative Court does not always share this view. Geographical places such as Bellagio (decision B-7411/2006), Park Avenue (decision B-2642/2008) or Victoria (decision B-6562/2008) were considered not to be known by the Swiss public.

I.D.1. Similarity of Marks

Turkish applicant Turk Hava Yollari Anonim Ortakligi (Turk Hava) filed an international registration for SKYLIFE (script) (IR No. 898322) with extension to Switzerland for transport services and travel services in Class 39, and for education and entertainment-related services in Class 41. British company British Sky Broadcasting Group Plc (British Sky) filed opposition against all claimed services in Class 41, based on their international registration of SKY (word) (IR No. 828572), which covered a wide range of services in Class 41. The Federal Institute granted the opposition for all services covered in Class 41, with the exception of “translation services,” finding that there was a sufficient danger of confusion between the marks and in relation to the similar services.


First, the court confirmed that the listed services covered in Class 41 were similar, with the exception of translation services. Then, regarding the similarity of the trademarks, the court
repeated the standard practice that the overall impression is essential. Phonetically, the marks at issue are similar because the element SKY is common to both marks. Further, from a visual and auditory point of view, there were insufficient indications to remove the phonetic similarity of the two marks. In the overall assessment, incorporation of the only element of the senior mark (SKY) at the prominent beginning of the junior mark, without very strong additional elements that would serve to remove the similarity between them, made the marks SKY and SKYLIFE (fig.) similar.

The Court did not accept the applicant's argument that the coexistence of 9 other trademarks that contained the element SKY would significantly limit the scope of protection of this element.

For all these reasons the appeal was rejected.

Peter E. Wild

I.D.1. Similarity of Marks

Swiss applicant ASAP had filed an application for a word and device mark (illustrated below) ;asap for services covered in Classes 38 and 42. German software giant SAP filed opposition based on its international registration (IR No. 726890), which has Switzerland as the designated party for goods covered in Classes 9 and 16, and services covered in Classes 35, 41, and 42.

;asap

The Federal Institute accepted the opposition and found that there was a danger of confusion. Applicant ASAP appealed and the Federal Administrative Court reversed the Institute's decision and registered the trademark for all claimed services (Case No. B-2844/2009, Federal Administrative Court, May 28, 2010, sic! 10/2010, 725 (;asap)).

The court first confirmed that the claimed services were similar, as they all related very closely to software, software development, and telecommunication software. However, it held that there was no similarity between the marks. Again, the court instructed that the overall impression of the marks on the relevant consumer is decisive. In the phonetic analysis, the court recognized a significant difference between the marks because of the dissimilar beginning and number of syllables. This was especially true because there was a certain probability that both marks were being pronounced as acronyms S-A-P and A-S-A-P. In addition, the
minor graphic element ;asap in the trademark contributed nothing to similarity. The court did not recognize a similar graphic or meaning of the marks sufficient to influence the danger of confusion. However, it repeated the rule that the addition to or deletion from one single element an older trademark was not usually sufficient to avoid a danger of confusion. It also made clear that this rule did not always apply, especially when the marks in question were acronyms and the additional element was added at the beginning of the mark as a strong vowel.

The opponent claimed that its mark SAP was well-known or even famous (which may well be the case in Switzerland). Nevertheless, this did not strengthen its case because the court did not recognize any similarity of the marks.

For these reasons, the appeal was upheld and the trademark ;asap was registered.

Peter E. Wild

II.C.1.k. Nontraditional Marks

The Swiss Federal Administrative Court has upheld the Swiss Federal Institute’s decision rejecting protection for a smell mark of roasted almonds.

The applicant sought to register a smell mark that was described as a “recipe for the production of the smell of roasted almonds in a conventional kitchen,” with the addition of vanilla, cinnamon and sugar. The mark itself contained the exact ingredients in the form of a recipe and the way to prepare the scent. However, the Federal Institute refused to register the mark, as it was depicted only as an image; the smell itself was not depicted. Based on the guidelines of the Institute, currently there is no method for a graphical depiction of smells that satisfies the legal requirements. However, the admission of smell marks is generally not excluded. In this case, owing to lack of representability, the Federal Institute held that the description of a recipe would not be precise enough to describe the mark.

The owner appealed the decision to the Swiss Federal Administrative Court. While the court reiterated that the Federal Institute as a matter of principle accepted smell marks, it denied protection on the ground of lack of graphical representability. The court stressed that the trademark register may fulfill its publicity function only if the object of protection is clearly and unambiguously defined. In addition, it referred to the European Court of Justice’s decision in Sieckmann (Case C-273/00), according to which a description of the smell is not precise enough to protect it. Even if some jurisdictions, such as Benelux or OHIM, allow the registration of such marks, their practice is not binding on or decisive for Switzerland.
This decision highlights the difficulty in precisely formulating a smell mark. Until there are exact means to describe a scent, registration of such marks will be rejected in Switzerland. The decision (B4818/2010, May 23, 2011), which has since become final, is available online in German.

Marco Bundi

II.C.5. Certification Marks

The Swiss Hotel Association (SHA), an intertrade organization of the Swiss hotel sector, has used stars for the classification of affiliated hotels beginning in 1979. Since November 2004, SHA has also offered its classification to nonmembers, but only upon payment of an additional fee. In 2005, it filed for registration of five Swiss certification trademarks (Nos. 531266–531269 and 531250). The only difference among the marks is the number of stars.

GastroSuisse is also constituted as an intertrade organization in the hotel and gastronomic sector. Since 2003, GastroSuisse and SHA had engaged in discussions regarding how to classify smaller and medium-size hotels; however, they could not reach an agreement. In 2005, GastroSuisse filed applications for ten device marks (Nos. 541117–541126) in order to create its own classification system.

In 2005, SHA successfully filed for interim measures to prohibit GastroSuisse from using stars as a classification system for hotels. However, the subsequent complaint at the Commercial Court in Zurich was dismissed and the prohibition cancelled. The court noted that the use of stars for a classification system of hotels belonged to the public domain. Moreover, stars were in use already before SHA used them, and, as such, they had been associated with the quality of hotels for a long time. Therefore, the court concluded that these stars could not be monopolized even if SHA made them famous. Furthermore, the differences in the graphical elements in the trademarks were sufficient to exclude a likelihood of confusion. The court even held that the SHA’s trademarks bore only a very limited scope of protection, as they consisted mainly of elements belonging to the public domain.

The Swiss Federal Supreme Court affirmed the decision of the Commercial Court and also qualified the use of stars as belonging to the public domain. It also held that the stars could not—under any circumstances—be monopolized by a single entity, even if a certification mark was open to users who fulfilled certain conditions. (Decision No. 4A_385/2010 (Jan. 12, 2011).)

This is an interesting decision after about five years of “star wars” in the hotel sector. It shows that a certification mark, being open to any users meeting certain conditions, may also conflict...
with the issue of monopolization. As such, it remains to be seen whether GastroSuisse will succeed with its own system and whether there will indeed be a confusion of stars among tourists or not.

Marco Bundi

II.D.1. Immoral or Scandalous

The German company TMS Trademark-Schutzrechtsverwertungsgesellschaft mbH (TMS) is the owner of an International Registration (IR No. 855013) for the trademark MADONNA. This registration claims various goods covered in Classes 3, 9, 14, 18, 20, 21, 24, 25, 26, and 28.

TMS also applied for trademark protection in Switzerland. However, the Swiss Federal Institute of Intellectual Property rejected the trademark as contrary to morality. The Institute stated that Christians used “Madonna” to refer to Saint Mary, and registration of the mark would offend their religious sentiments.

Subsequently, the case was brought to the Swiss Administrative Court (Case B-2419/2008, Apr. 12, 2010). The Court affirmed that especially the Italian-speaking part of Switzerland typically used “Madonna” to refer to Saint Mary, and consequently, registration of the mark would be contrary to the Swiss Trademarks Act. Other interpretations for the word Madonna were dismissed by the Court. The owner appealed the decision, but the Swiss Supreme Court dismissed the appeal (Case 4A_302/2010, Sept. 22, 2010). It held that the question of morality did not refer just to the relevant consumers of the trademark in question, but rather to the Swiss population in general or part thereof. Therefore, the understanding of the trademark by the Italian-speaking part of Switzerland was decisive.

The Supreme Court fully agreed with the Administrative Court in its findings and interpreted the understanding of the trademark in the very same way. The use of the word Madonna plays a significant role in Christianity. A commercial use would be apt to offend Christians. That a famous singer also bore the name Madonna was irrelevant, as it was sufficient that the mark was offensive in just one meaning. The argument that the mark was registered in countries such as Italy, Portugal and Spain, in which the population was, according to TMS, even more devout than in Switzerland, was also dismissed. The Court held that in cases of morality, foreign decisions could rarely be considered, as every country needs broad discretion in order to consider local sentiments.

Decisions regarding morality are rather rare in Switzerland. Previously, the former Board of Appeal (now the Administrative Court) allowed the trademark BIN LADIN for various products
(registered before September 2001) but denied the registration of SIDDHARTA. The present decision appears in line with the strict Swiss jurisprudence on absolute grounds of exclusion.

Marco Bundi

TAIWAN

I.D.1. Similarity of Marks

The Taiwan Intellectual Property Office (TIPO) rejected So-Do International Business Co., Ltd.’s trademark application for BOBO YOUNG & Sheep Device (illustrated below, at left), based on the prior registration of the mark BUTTER LION & Device (illustrated below, at right). Used in connection with dairy products for over twenty years, So-Do’s “sheep device” had gained popularity with the younger generation. In the TIPO’s view, the facial portion of the “sheep device” was identical to the BUTTER LION trademark, resulting in a likelihood of confusion. So-Do filed an administrative action in the Intellectual Property Court (IPC) against the decision of the TIPO, as its appeal filed before the Ministry of Economic Affairs (MOEA) was rejected.

So-Do claimed that the “Sheep device” consisted only of the head portion of a sheep in abstract form, whereas the trademark BUTTER LION consisted of the full body of a lion with a tail. Further, yellow was the main color design of the BUTTER LION mark, and the clothing was in orange stripes. Hence, the two marks, viewed as a whole, could be easily distinguished by the consumers.

The panel of judges pointed out that there was a likelihood of confusion between the marks, as the designs of the two animals were personified into cartoon characters. If the designs of the marks had used realistic portraits of the head of a lion or a sheep as the distinctive portion of the marks, there would not be a likelihood of confusion. Further, the panel considered that the heads of the sheep and the lion, respectively, were the distinctive
portions of the marks. Both head portions were made of oval shapes with wavy lines encircling on the outer side. The two designs were highly similar, and both marks were used on products produced by the same manufacturer. The material, purpose, and function of the products were identical. The finished products also shared similar sales channels. In consideration of the aforementioned factors, the panel of judges rejected the administrative action filed by So-Do International Business Co., Ltd. (IPC, decision on Administrative Lawsuit, Apr. 7, 2011.)

Dano Yi

I.D.1. Similarity of Marks

In order to promote fresh seasonal fruits and vegetables, the famous logistics company President Transnet Corporation cooperated with municipal governments and the Farmers’ Association. Two years ago, the firm collaborated with the Tainan County government for the purpose of popularizing Irwin mangoes, and it filed an application for the registration of the trademark SUMMER RUBY & Design for use on vegetables and fruits. The trademark shows a combination of the Chinese characters SUMMER RUBY and a green leaf design.

The TIPO rejected the application in light of a prior registration for RUBY belonging to Chang, a fruit merchant. From the TIPO’s point of view, the applied-for mark was confusingly similar to Chang’s prior registration for RUBY in terms of concept and words. Moreover, the two marks were designated for use on the same goods. Hence, the TIPO found that they were very likely to cause confusion among the relevant consumers in the market.

After receiving the TIPO’s decision of rejection, President Transnet Corporation filed an appeal with the Ministry of Economic Affairs. The appeal was dismissed, and the company filed an administrative action with the IPC.

After the investigation, the panel of judges found that even though there was, indeed, a likelihood of confusion between the marks, the trademark RUBY was registered in September 2000 and had already expired in September 2010. The trademark owner did not request renewal of its registration; thus, its trademark rights were extinguished, in accordance with Article 39 of the Trademark Act. The IPC therefore concluded that President Transnet Corporation’s trademark application for SUMMER RUBY should be granted by the TIPO.

In this decision, the Taiwanese court took an approach different from that taken by Singapore’s Court of Appeal in Campomar SL v. Nike International Ltd (as reported in the INTA Bulletin Vol. 66 No. 12, July 1, 2011). In the Singapore case, it was held that because Campomar’s mark was registered at the filing
date of Nike’s application, the application could not be accepted—
despite the subsequent removal of Campomar’s mark from the
register.

Tina Tsai

II.D.2. Deceptive

The Federation of the Swiss Watch Industry FH (SWI), an
organization of Swiss watch and clock manufacturers, opposed the
registration of the mark K-SWISS & Shield Device (illustrated
below) in the name of the U.S. company K-Swiss Inc. (KSI), for
clocks and watches in Class 14. The IPC, on re-examination,
confirmed the dismissal of the opposition by the TIPO, finding no
likelihood of deception concerning the origin of the products.

Defendant’s Contested Mark

SWI opposed the registration of K-SWISS & Shield Device
for violation of Article 23, Paragraph 1, Items 11, 12, 13, and 14 of
the Trademark Act, which provide as follows:

A trademark application shall be rejected if the proposed
trademark satisfies any of the following:

... 11. One that is likely to mislead the public with
respect to the nature, quality, or place of origin of the
designated goods or services;

12. One that is identical or similar to another person’s
well-known trademark or mark and hence is likely to
confuse the relevant public or likely to dilute the
distinctiveness or reputation of the said well-known
trademark or mark. However, the aforementioned shall not
apply to an application filed with consent from the owner of
the said well-known trademark or mark;

13. One that is identical or similar to a registered
trademark or a proposed trademark of a preceding
application that is designated for use on identical or similar
goods or services thereof and hence likely to cause confusion
to relevant consumers. However, except in the case where
such trademarks and their designated use on goods or
services of both parties are identical, the aforementioned
shall not apply to an application filed with consent from the
owner of the said registered trademark or a proposed trademark;

14. One that is identical or similar to a trademark that has been used prior by another person on the identical or similar goods or services, and the applicant thereof is aware of the existence of the said trademark through contractual, geographical, or business connections, or any other relationship with the said person. However, the aforementioned shall not apply to an application filed with consent from the said person.

By citing Swiss regulation on the use of the terms SWISS MADE and SWISS for horological products and the Trade-Related Aspects of Intellectual Property Rights (TRIPs) regulation on Geographical Indications, SWI claimed that the use of SWISS in the mark K-SWISS & Shield Device could cause deception of general consumers concerning the origin of the trademarked products. The TPO rejected the opposition. SWI appealed the decision to the IPC, which revoked the TIPO’s decision. (98-Shien-Sun-Su-18, IPC, June 11, 2009.) Dissatisfied with the IPC’s decision, KSI filed suit with the Supreme Administrative Court (SAC), which then remanded the case to the IPC for re-examination. (99-Pan-1324, SAC, Dec. 16, 2010.)

After re-examination, the IPC ruled in favor of KSI based on the following findings (100-Shien-Sun-Gen(1)-2, IPC, June 30, 2011):

1. In general, a trademark should be examined in its entirety unless a certain element of it is prominent enough to be considered as well. The word part of the subject trademark K-SWISS, being the name of the registrant, constitutes an inseparable element of the mark and conveys a different message to general consumers from what the words SWISS or SWISS MADE would intend to convey.

2. Supported by proof of sales, advertisement, and trademark registrations worldwide, including in Taiwan, the contested trademark had attained the status of a well-known mark, which should be accorded broader protection to include not only identical or similar products/services, but also those of relevancy. As a result, it is more likely that a general consumer would associate the trademark with the registrant rather than with the geographical origin of SWISS.

3. SWI argued that the contested trademark was famous for shoe products only, thus the use of the trademark containing SWISS on clocks and watches might still deceive consumers concerning the nature, quality, or origin of the subject trademarked products. The IPC denied such
probability based on a consumer’s recognition being based more on familiarity with the registrant than on an association, upon seeing the mark in its entirety, with a geographical origin.

4. SWI argued that, based on the Criteria in the Examination of Likelihood of Confusion, the use of the trademark, which contains the term SWISS, might confuse consumers with regard to the origin of the products because the registrant was a U.S. company. The IPC refused the application of the Criteria on the grounds that the Criteria applies only in the cases where there are two marks in comparison, which is the situation that Article 23, Paragraph 1, Item 12 of the Trademark Act intends to regulate. In the instant case, SWI appealed only against the decision on Item 11 of the said provision, while abandoning the other items of the provision originally cited in the opposition, including Item 12.

In this case, the IPC clarified the application of the Criteria in the Examination of Likelihood of Confusion and enumerated the factors to be considered in the application of the deception clause (Article 23, Paragraph 1, Item 11 of the Trademark Act).

Joseph S. Yang

THAILAND

I.D.1. Similarity of Marks

Mikuni Corporation applied to register the mark iBEat (illustrated below, on left), covering goods that include fuel injectors for internal combustion engines for cars and for motorcycles in Class 12. Honda Motor Co., Ltd is the owner of prior registrations for the trademark BEAT (illustrated below, on right), covering goods including cars, buses, trains, airplanes, motorcycles, trucks, bicycles, etc. in Class 12.

On April 28, 2005, Mikuni Corporation applied to register the mark iBEat (Application No. 588900) for the following goods: “Propulsion mechanisms for land vehicles; propulsion mechanisms for motorcycles; internal combustion engines for land vehicles; fuel injectors for internal combustion engines for boats; cars; fuel injectors for internal combustion engines for cars; snowmobiles; fuel injectors for internal combustion engines for snowmobiles; motorcycles; and fuel injectors for internal combustion engines for motorcycles” in Class 12. The Trademark Registrar rejected Mikuni’s trademark application because it was deemed to be confusingly similar to the prior registered trademark BEAT, in Class 12 (Application No./Registration No. 444761/TM136916 and Application No./Registration No. 462787/TM152519).
Mikuni submitted a request to modify the list of goods covered under the application in Class 12, so that it would read as follows: “fuel injectors for internal combustion engines for cars and for motorcycles.” Along with this request, the plaintiff submitted an appeal to Thailand’s Board of Trademarks, disagreeing with the initial decision of the Registrar. After reviewing the appeal, the Board of Trademarks affirmed the Registrar’s decision.

Mikuni filed a complaint with the Central Intellectual Property and International Trade Court (IP&IT Court), claiming that the Board’s decision was incorrect and unlawful for the following reasons:

1. The parties’ marks were different;
2. Both parties’ products were expensive, and thus consumers would exercise significant consideration before purchasing the products;
3. The groups of consumers for the parties’ products were different;
4. Both parties’ marks were concurrently registered in other countries for the goods in Class 12;
5. The owner of the prior registered mark had used the word “Beat” only as a model name for its motorcycle under the Honda brand; and
6. The owner of the prior registered trademark no longer produced or sold motorcycles under the model “Beat.” Mikuni’s use of its trademark with its products would not cause confusion among consumers, and therefore the Mikuni’s mark iBEat should be declared registrable.
The IP&IT Court ruled in the plaintiff’s favor and ordered the withdrawal of the earlier decisions of the Registrar and the Board that had rejected the plaintiff’s trademark application.

The Supreme Court affirmed the IP&IT Court’s decision, and agreed that the decisions by the Registrar and the Board were incorrect. (*Mikuni Corporation v. The Department of Intellectual Property et al.* (Supreme Court Case No. 5406/2553 dated July 6, 2010).)

The Supreme Court found that:

1. Both parties’ marks were different in that the first syllable of the plaintiff’s mark was different from the prior registered trademark;
2. The plaintiff’s customers would generally be automobile manufacturers, while the owner of the prior registered trademark’s customers would be the general public;
3. Mikuni had used iBEat as a trademark alone, while the owner of the prior registered mark had used BEAT as a model name for its one of its products, together with the house mark HONDA;
4. “Beat,” being a word found in the dictionary, could also be used as a mark, provided the mark was different from other registered marks.

Based on the findings listed above, the Supreme Court held that the plaintiff’s mark was different from the prior registered mark and would not cause confusion among the public. Therefore, the IP&IT Court’s decision to withdraw the decisions of the Trademark Registrar and the Board of Trademarks was lawful.

It is interesting to note that the IP&IT Court and the Supreme Court seem to have adopted a broader perspective in considering the similarity of the mark and the likelihood that it may cause confusion. Also, the Court tends to avoid monopoly rights in regard to use of general words and words that can be found in the dictionary.

*Parichart Monaiyakul*

**TURKEY**

**I.D.1. Similarity of Marks**

Unilever N.V. instituted an action against Yildiz Holding Anonim Sirketi requesting the cancellation of the defendant’s MAXIO trademark No. 2007 14791, registered in Classes 29, 30 and 32, on the grounds of likelihood of confusion due to similarity to the plaintiff’s MAX trademarks registered in Classes 29 and 30, notoriety of the plaintiff’s trademark, and bad faith of the defendant. (*Unilever N.V. v. Yildiz Holding Anonim Sirketi, Case*
Unilever claimed that: (1) there was supporting evidence that MAX was a well-known trademark; (2) the defendant’s creation of the MAXIO mark by the addition of two letters to the plaintiff’s well-known MAX trademark created confusingly similar trademarks; (3) both of the trademarks were being used for similar consumer products meant for frequent consumption and marketed to children and young people who pay less attention and spend less time than the average consumer when making purchasing decisions for these products; and (4) the defendant acted in bad faith with the aim of taking unfair advantage of the reputation of the plaintiff’s trademarks by choosing such a similar trademark. Therefore, Unilever requested the cancellation of the defendant’s trademark registration for MAXIO.

The defendant claimed that: (1) the MAXIO mark was not confusingly similar to the plaintiff’s MAX trademark because the additional letters in the defendant’s trademark differentiated the trademarks; (2) the plaintiff should not be allowed to monopolize the term MAX when referring to the term MAXIMUM; and (3) the MAX mark lacked distinctive character and therefore should not be registered as a trademark. Consequently, the defendant requested rejection of the court action.

In light of the evidence submitted by the parties and the expert report in the plaintiff’s favor, the court determined the following: (1) the high level of notoriety of the plaintiff’s trademark should be accepted; (2) the defendant had not acted as a prudent businessman in accordance with Article 20/2 of Turkish Commercial Law and intended to take unfair advantage of the reputation of the plaintiff’s well-known MAX trademark series; (3) the MAX and MAXIO marks were confusingly similar because the essential part of MAXIO was MAX; (4) the products on which the trademarks were used were not products where consumers pay close attention when making purchasing decisions, especially when the target consumer groups of both of the trademarks were children and young people whose attention level is less than the average consumer; and (5) the goods in Class 32 were meant for frequent consumption. Therefore, the court found that the use of MAXIO for these goods would lead to confusion and to a false impression that MAXIO belonged to the MAX trademark series.

The court was convinced that the MAXIO trademark was not a newly created word mark and was not sufficiently distinctive from
the MAX mark. Therefore, the court ruled to: cancel the defendant’s MAXIO trademark, delete the related record from the trademark registry, prevent the use of this trademark after the finalization of the cancellation, and order the defendant to pay all litigation costs. This decision is important because the court acknowledged the high level of distinctiveness and notoriety of MAX as a trademark rather than as an abbreviation of the word MAXIMUM.

M.N. Aydin Deriş

In a second case involving Unilever, Uniliver N.V. instituted an action against Ani Bisküvi Gida Sanayi ve Ticaret Anonim Sirketi requesting the cancellation of the defendant’s MAXIS trademark No. 2006 01127 and ANI MAXIS Device No. 2008 02772, registered in Classes 29, 30 and 32, on the grounds of likelihood of confusion due to similarity to the plaintiff’s MAX trademarks registered in Classes 29 and 30, notoriety of the plaintiff’s trademark, and bad faith of the defendant. (Unilever N.V. v. Ani Bisküvi Gida Sanayi ve Ticaret Anonim Sirketi, Case No. 2009/75, Decision No. 2010/49 (Beyoğlu Court of Intellectual and Industrial Rights, Sept. 28, 2010)).

Unilever claimed that: (1) there was supporting evidence that MAX was a well-known trademark; (2) the defendant’s creation of the MAXIS trademarks by the addition of two letters to the plaintiff’s well-known MAX trademark created confusingly similar trademarks; (3) both of the trademarks were being used for similar consumer products meant for frequent consumption and marketed to children and young people who pay less attention and spend less time than the average consumer when making purchasing decisions for these products; and (4) the defendant acted in bad faith with the aim of taking unfair advantage of the reputation of the plaintiff’s trademarks by choosing such a similar trademark. Therefore, Unilever requested the cancellation of the defendant’s trademark registrations for MAXIS and ANI MAXIS Device.

The defendant claimed that: (1) the MAXIS trademarks were not confusingly similar to the plaintiff’s MAX trademark because the additional letters at the end as well as the ANI element differentiated the trademarks; (2) the plaintiff should not be allowed to monopolize the term MAX when referring to the term
MAXIMUM; and (3) the MAX mark lacked distinctive character and therefore should not be registered as a trademark. Consequently, the defendant requested rejection of the court action. In light of the evidence submitted by the parties and the expert report in the plaintiff’s favor, the court determined the following: (1) the high level of notoriety of the plaintiff’s trademark should be accepted; (2) the defendant had not acted as a prudent businessperson in accordance with Article 20/2 of Turkish Commercial Law and intended to take unfair advantage of the reputation of the plaintiff’s well-known MAX trademark series; (3) the MAX and MAXIS marks were confusingly similar because the essential part of MAXIS was MAX; and (4) the products on which the trademarks were used were not products where consumers pay close attention when making purchasing decisions, especially when the target consumer groups of both of the trademarks were children and young people whose attention level is less than the average consumer. Therefore, the court found that the use of MAXIS for these goods would lead to confusion and to a false impression that MAXIS belonged to the MAX trademark series.

The court was convinced that the MAXIS trademarks were not newly created word marks and were not sufficiently distinctive from the MAX mark, even with the addition of the ANA Device. Therefore, the court ruled to: cancel the defendant’s MAXIS and ANA MAXIS Device trademarks, delete the related records from the trademark registry, prevent the use of the trademarks after the finalization of the cancellation, and order the defendant to pay all litigation costs. This decision is important because the court acknowledged the high level of distinctiveness and notoriety of MAX as a trademark rather than as an abbreviation of the word MAXIMUM.

M.N. Aydin Deriş

In a third case involving Unilever, Uniliver N.V. instituted an action against Gida Ihtiyaç Maddeleri Imalat ve Pazarlama Limited Şirketi requesting the cancellation of the defendant’s DORES Device No. 2006 14261, registered in Classes 3 and 21, on the grounds of likelihood of confusion due to similarity to the plaintiff’s DOVE trademarks registered in Classes 29 and 30, notoriety of the plaintiff’s trademark, and bad faith of the defendant. (Unilever N.V. v. Erpaz Gida Ihtiyaç Maddeleri Imalat ve Pazarlama Limited Şirketi, Case No. 2009/107, Decision No. 2010/54 (Beyoglu Court of Intellectual and Industrial Rights, Sept. 30, 2010)).
Unilever claimed that: (1) the DOVE trademark was a well-known trademark registered on the well-known trademark registry of the Turkish Patent Institute; (2) the defendant’s use of specialized script that was very similar and reminiscent of the well-known specialized script used in the DOVE trademark and use of the similar word element DORES created confusingly similar trademarks; (3) both of the trademarks were being used for similar consumer products meant for frequent consumption and marketed to consumers who pay less attention and spend less time when making purchasing decisions for these products; and (4) the defendant acted in bad faith with the aim of taking unfair advantage of the reputation of the plaintiff’s trademarks by choosing such a similar trademark and device/script element. Therefore, Unilever requested the cancellation of the defendant’s trademark registration for DORES Device.

The defendant claimed that: (1) they owned a prior trademark registration for DORES registered in Class 16; (2) the trademark DORES was not confusingly similar to the plaintiff’s DOVE trademark because the DORES Device was sufficiently distinguished by two different letters, color elements, and device; and (3) the risk of confusion between the trademarks was prevented by the different packaging of the products on which the subject trademarks were used. Consequently, the defendant requested rejection of the court action.

In the light of the evidence submitted by the parties and the expert report in the plaintiff’s favor, the court determined the following: (1) the plaintiff’s trademark was a well-known trademark; (2) the defendant had not acted as a prudent businessperson and acted in bad faith with the intent of taking unfair advantage of the reputation of the plaintiff’s well-known DOVE trademark series; (3) the first letters of the DOVE and DORES trademarks were identical and had more importance with respect to the first impression appearing in consumers’ minds; (4) the specialized script of the letter D in both marks was identical; (5) both of the trademarks had similar script/device elements and therefore the trademarks DOVE and DORES were confusingly similar; and (6) both of the trademarks were registered for personal care products in Classes 3 and 21 meant for frequent consumption and marketed to consumers who pay less attention and spend less time when making purchasing decisions for these products, thereby increasing the risk of confusion between the products.

The court was convinced that the DORES Device trademark was not a newly created word mark and was not sufficiently distinctive from the DOVE mark, even with different letter, color and packaging elements. Therefore, the court ruled to: cancel the defendant’s DORES Device trademark, delete the related record
from the trademark registry, prevent the use of the trademarks after the finalization of the cancellation, and order the defendant to pay all litigation costs.

M.N. Aydin Deriş

Zorluteks Tekstil Tic. ve San. A.S., owner of the LINENS and TAÇ LINEN trademarks registered in Classes 23, 24, 25 and 26, opposed S.C. Johnson & Son Inc.’s CLEAN LINEN trademark application for goods in Classes 4 and 5 on the basis of likelihood of confusion. The Turkish Patent Institute Trademark Department rejected the plaintiff’s opposition and the plaintiff filed an objection against the refusal decision before the Higher Council (second defendant). The Higher Counsel upheld the decision of the Trademark Department on the ground that, even if the trademarks TAC LINEN – LINENS / CLEAN LINEN seemed similar, the similarity between the trademarks would not cause any consumer confusion because the covered goods and the scope of businesses were quite different. The plaintiff then brought a court action based on the Higher Council’s refusal. (Zorluteks Tekstil Tic. ve San. A.S. v. S.C. Johnson & Son Inc. and Turkish Patent Institute, Case No. 2010/200, Decision No. 2010/423 (October 11, 2010)).

The court upheld the Higher Council decision that the trademarks were not confusingly similar and determined the following:

- Even if the trademarks seemed similar, the covered goods as well as the relevant markets of the same were quite different.
- The LINEN element of the plaintiff’s trademarks was descriptive with respect to goods in Classes 24 and 25; therefore, the marks were weak. On the other hand, the S.C. Johnson’s applied-for trademark was well
distinguished with respect to the goods covered. Accordingly, the notoriety of plaintiff’s trademarks had no effect when evaluating the similarity between the trademarks.

This decision is important because it establishes that likelihood of confusion should be evaluated with respect to the similarity between the covered goods, rather than the similarity between the trademarks, despite the notoriety of the prior trademarks.

M.N. Aydin Deriş

I.F. Famous and Well-Known Marks

Dole Food Company, Inc. applied for the DOLE trademark in Classes 29, 30, and 31 (Application No. 2004 37359). The Turkish Patent Institute (TPI) rejected the application and the Higher Council affirmed this decision. Dole Food Company then initiated a court action against the TPI, the defendant Ersa Sakiz Sekerleme ve Gida Sanayi Ticaret Limited Sirketi, owner of the DOLE trademark registered in Classes 29, 30, and 32 (Registration No. 2003 34924), and the defendant Hurmet Cikolata Sekerleme Gida Sanayi ve Ticaret Limited Sirketi, owner of the HURMET DOLE trademark registered in Class 30 (Registration No. 2003 11042). (Dole Food Company, Inc. v. Turkish Patent Institute, Hurmet Cikolata Sekerleme Gida Sanayi ve Ticaret Limited Sirketi & Ersa Sakiz Sekerleme ve Gida Sanayi Ticaret Limited Sirketi, Docket No. 2010/61, Decision No. 2010/252 (Ankara Second Civil Court of Intellectual and Industrial Property Rights).

The plaintiff claimed that:

- the TPI decision was invalid with regard to the removal of the applied-for goods in Classes 29, 30 and 32.
- the cited DOLE and HURMET DOLE trademarks were invalid.
- the defendants should be prevented from using the cited trademarks because they were identical to its trademark and trade name, which were well known in Turkey.

The court stated that the Higher Council decision was well grounded because the trademarks were identical in visual, phonetic and semantic aspects and they covered identical goods falling under the same sub-classes. Moreover, because the invalidation of the DOLE trademark in the name of Ersa Sakiz Sekerleme ve Gida Sanayi Ticaret Limited Sirketi was requested within a separate case before Ankara First Civil Court of Intellectual and Industrial Property Rights, the court did not give a verdict in this matter. Furthermore, the court declined the
invalidation request with regard to the HURMET DOLE trademark in the name of Hurmet Cikolata Sekerleme Gida Sanayi ve Ticaret Limited Sirketi because the trademark owner had a previous tail-series trademark that was expired upon non-renewal, but the latter HURMET DOLE trademark was registered within two years of the expiration of this trademark and was used with continuity.

This decision is important because it shows the significance of acquiring a trademark registration and how a later filed trademark may not be deemed to be registrable despite its well-known status and acquired distinctiveness.

M.N. Aydin Deriş

Abdullah Turgut applied for the JEEP trademark covering goods in Class 14 (Application No. 2006/44061). Under Articles 8/1(b) and 8/4 of Decree-Law No. 556 and Article 16.2 of TRIPS, Chrysler LLC opposed the application based on its JEEP trademark registered in Classes 7, 8, 9, 11, 12 and 37 (Registration No. 191258, Registration No. 206817 and Registration No. 90467). Accordingly, the Turkish Patent Institute (TPI) refused Abdullah Turgut’s application. Abdullah Turgut brought a suit against the TPI and Chrysler LLC. (Abdullah Turgut v. Chrysler LLC and Turkish Patent Institute, Case No. 2008/220, Decision No. 2010/460 (Ankara 4th Civil Court of Intellectual and Industrial Property Rights)).

The court found that the JEEP trademark was a well-known trademark in Turkey and worldwide. It determined that the plaintiff’s application for JEEP was identical to the cited well-known trademark and would absolutely cause consumer confusion. The court did not accept the plaintiff’s arguments that the difference between the goods and classes covered distinguished these trademarks and that the distinctive character of the JEEP trademark had been diluted. This decision is important because it establishes that the regulation provides protection to well-known trademarks against the registration and use of identical trademarks for different goods and/or services.

M.N. Aydin Deriş

UKRAINE

I.D.3. Conflict Between Trademarks and Corporate Names

The Solomyansky District Court of Kyiv ordered the cancellation of the trademark BALTIIKA, registered for Classes 29 (processed peanuts, prepared nuts, raisins, ground almond), 30 (peanut confectionery, confectionery, fried almond), and 39
The plaintiff, JSC Baltika Breweries (VAT “Pyovvarna Kompaniya ‘Baltika’”), brought an action against a natural person, seeking cancellation of the trademark BALTIFA (Trademark No. 43973, registered on Oct. 15, 2004). The plaintiff argued that the defendant’s mark was confusingly similar to the plaintiff’s internationally registered figurative mark of the same name (IR No. 696700) for Classes 32 (non-alcoholic beverages, beers) and 35 (advertising, updating of advertising documentation), as well as to the plaintiff’s well-known trade (corporate) name in Ukraine, VAT “Pyovvarna Kompaniya “Baltika.”

The defendant argued that their trademark and the plaintiff’s corporate trade name in question were different means of identification, and that the defendant acquired the right to use the mark by law, as a result of which either of the owners could use the marks without obtaining the other’s approval. The defendant also stressed that the two trademarks were not similar in all elements; the defendant also noted that the marks were registered for different classes and that beer, nuts, and confectionery were not homogeneous products.

The court agreed that the plaintiff’s corporate trade name (VAT “Pyovvarna Kompaniya ‘Baltika’”) was known in Ukraine on the date the defendant filed the application (September 12, 2002) for its registration of Trademark No. 43973. The court arrived at this conclusion after considering evidence (contracts, financial statements, etc.) submitted by the plaintiff and the information provided on the volume of sales and services, the duration of the trade name usage, the geographical area where the services were provided, and the degree of awareness among consumers about the interconnection between the trade name and its owner.

Following two expert investigations, the court reached the following conclusions. The goods in Class 32 (tea, coffee, non-alcoholic fruit juice beverages) were congeneric with the goods from Class 29 (processed peanuts, prepared nuts, raisins) and the goods from Class 30 (peanut confectionery, confectionery, fried almond). The goods from Classes 29 and 30 (processed peanuts, prepared nuts, raisins, peanut confectionery, confectionery fried
almond) were congeneric with beer from Class 32. Because of beer’s different tastes—from bitter to sweet—it would require snacks that would help combine the tastes with similar or opposite characteristics. The packaging of the goods from Class 39 was congeneric with the services from Class 35, namely, updating of advertising material. The court also reasoned that the defendant’s mark was likely to mislead the relevant public as to which company produced the goods or rendered the services. The court found that, on the date when the defendant filed the application (September 12, 2002) for the contested trademark, with regard to the goods and services for which it was registered in Classes 29 (especially with respect to ground almond), 30, and 39, this contested mark was similar to the plaintiff’s corporate trade name to such a degree that the two could be confused. Therefore, the court held that Trademark No. 43973 should be invalidated.

This case is important because it takes into consideration the issue of well-known trade names. Despite the legal regulation of this issue since 1927 by the Soviet decree “On Firms” and, later, by amendments to the legislation, the case law is still unconsolidated and sporadic with respect to the rulings on corporate trade names and proving that they are well known.

Yuriy Karlash

II.C.1.k. Nontraditional Marks

On January 19, 2011, the Supreme Economic Court of Ukraine, which considers commercial disputes (including those involving intellectual property), rejected an appeal (cassation request) by SOREMARTEK SA, which is part of the Italian chocolatier group Ferrero SpA. The Court had been asked to reverse the decision of the Economic Court of Kyiv that denied the trademark infringement liability of ZAO Landrin. The Supreme Economic Court put an end to (or perhaps closed a chapter in) a battle concerning trademark rights to a spherical or round configuration of coconut cream candy. The battle, which lasted several years, resulted in numerous decisions and reversals. The Supreme Economic Court also affirmed the Kyiv court’s decision granting Landrin’s counterclaim for invalidation of Ferrero’s International Registration (IR No. 798984) in Ukraine.

Surprisingly, the Ferrero-Landrin dispute, while well publicized in Ukraine and Russia, received little publicity in the international trademark community. This case, however, is noteworthy, as it apparently reflects certain trends in the registrability and protection of three-dimensional and shape marks in Europe. Trademark owners can learn several lessons from this decision.
Priority was not at issue in Ferrero-Landrín. Ferrero, the owner of brands such as FERRERO ROCHER, RAFFAELLO, and NUTELLA, has enjoyed tremendous success in Russia, Ukraine, and most—if not all—other countries of the former Soviet Union and worldwide. Landrin wanted similar success. It produced a virtually identical product—candies with coconut cream filling and almonds—and was selling such candies in Ukraine, among other countries.

Ferrero tried to stop Landrin's sales by enforcing its registration. Having become effective in Ukraine on February 20, 2003, Ferrero's mark (IR No. 798984) covers “pastry and confectionery, chocolate articles, ice creams” in Class 30 and specifies the colors white, off white, pink, and beige as features of the mark. In response, Landrin attacked the validity of Ferrero's registration under Ukrainian law.

The Supreme Economic Court found that the round configuration of candies and chocolates as a figurative design mark registered by Ferrero was not inherently distinctive and that Ferrero had not shown that the configuration had acquired sufficient distinctiveness through actual use in Ukraine at the time of filing of the application. The court cited rules issued by the Ukrainian Institute of Industrial Property (Gospatent). Under these rules, nondistinctive, unregistrable matter includes, in particular, the “realistic images of products, if an applicant submits such images as the drawing of the mark.” Ferrero did not dispute that its registration contained the realistic image of an actual product.

The Court did not expressly prohibit all three-dimensional, shape, and product configuration marks. It acknowledged a broad definition of a trademark under Ukrainian law, which apparently includes shape marks. Under Article 1 of the Law on Protection of Rights to Marks for Goods and Services (Law No. 3689-XII, Dec. 15, 1993), a trademark is a designation that can function as the source of a product and/or service. However, the Court's reliance on a technical provision in a relatively low-level regulation shows that “form over substance” still dominates enforcement practices in the countries of the former Soviet Union.

The Court's consideration of other factors was more convincing. It observed that the scope of IR No. 798984 did not match the reality—namely, Ferrero did not prove use of the mark in colors other than white, whereas the registration also specified the colors off white, pink, and beige. Also, according to the Court, Ferrero had not shown that the mark had been in use for the other goods identified by the registration (pastry and ice cream). Finally, the Court noted that the round configuration has been a common shape for chocolates and other sweets in Ukraine for decades.
As a practical matter, an applicant should not submit a photograph of a product as the drawing of the mark. Instead, the applicant should hire a drawing artist (draftsman) to prepare a formal (schematic) drawing of the product configuration that is to be registered as a shape mark. Also, the description of goods to be covered by the shape mark must be narrow and exact.

The Ferrero-Landrin battle was fought not just in the courts but in the media as well. Ferrero’s supporters tried to use this case as an example of rampant violation (or neglect) of intellectual property rights in Ukraine in general, and warned that a decision unfavorable to Ferrero would discourage foreign investment in Ukraine. (As an interesting side point, Ferrero succeeded against Landrin in Russia.)

From a Western legal perspective, the Supreme Economic Court’s decision as to invalidating the shape registration does not seem unreasonable, because the registration appears to cover a common and possibly functional product shape. For example, under U.S. law, a product configuration is not protectable as trade dress if it is functional. It is generally agreed that a feature is functional if it is essential to the use or purpose of the product or if it affects the cost or quality of the product. Moreover, a nonfunctional product configuration can be protectable trade dress only after it has acquired distinctiveness through extensive use.

The decision to deny Ferrero exclusive rights to a chocolate (candy) shape in Ukraine can also be seen as reluctance on the part of the trademark registration authorities and the judiciary in some European jurisdictions to protect three-dimensional and shape marks. Danish construction-toy manufacturer Lego Group (which tried to register its 2×4 stud brick) and other owners of shape marks, including the chocolate maker Lindt (which tried to register a chocolate bunny), were refused registration, and their appeals failed in the General Court of the European Union.

Some, however, consider the Ukrainian courts’ denial of Ferrero’s infringement claims dubious because of certain additional facts that were present. Because Ferrero was not entitled to registration of its product configuration, the courts concluded that it could not stop Landrin or other parties from exporting chocolates (candies) that looked curiously similar. Ukraine’s courts did not discuss the other circumstances (i.e., the parties’ use of word marks on packaging), and they failed to consider whether Landrin’s actions constituted unfair competition. In particular, Landrin apparently used similar overall packaging themes and mimicked other products of Ferrero. Neither court apparently discussed the fact that some Landrin personnel also had worked for Ferrero initially and then left to create a competing venture.

Maxim A. Voltchenko
II.C.1.l. Other Types of Marks

Celgene Corporation, a multinational biopharmaceutical company based in the United States, applied for an International Registration for the word mark THALIDOMIDE CELGENE, for goods in Class 5 (pharmaceutical preparations used to treat cancers and immune-related diseases), extending the registration to Ukraine, among other countries. (IR No. 982991, registered Oct. 23, 2008.) On October 29, 2009, the Ukrainian IP Office issued a provisional refusal of the registration, claiming that the applied-for trademark consists exclusively of signs that are commonly used as the signs for goods and services of a certain kind. (Article 6, p. 2 of the Law on Protection of Rights to Marks for Goods and Services, Dec. 15, 1993, as amended, provides that legal protection shall not be granted for marks that consist exclusively of marks that are commonly used as the marks of goods and services of a certain kind.)

On July 26, 2010, Celgene, through its representative, filed a response to the provisional refusal. As one of the arguments in support of registration, Celgene pointed out that it owns an International Registration for the mark CELGENE (covering goods in Class 5) which is valid and widely used in the countries of the European Economic Area, the United States, Ukraine, Russia, and other jurisdictions. Celgene explained that it was interested in protecting the applied-for trademark THALIDOMIDE CELGENE in order to distinguish its products from the products of other manufacturers of thalidomide and to protect itself from possible counterfeits. It emphasized that it had no intention to obtain an exclusive right to use THALIDOMIDE as a trademark.

In order to overcome the refusal, Celgene also decided to limit the list of goods to “pharmaceutical preparations containing thalidomide used to treat cancers and immune related diseases,” thus confirming its intent to cover only pharmaceutical preparations containing thalidomide with the trademark THALIDOMIDE CELGENE.

In addition, Celgene submitted the evidence of registration of THALIDOMIDE CELGENE with a disclaimer of THALIDOMIDE in other jurisdictions, including the United States, Great Britain, Norway, Ireland, Switzerland, Benelux, Australia, Turkey, Hungary, etc.

Furthermore, Celgene’s representative turned the attention of the Examiner to the provision of the Guidelines on the Use of International Nonproprietary Names (INNs) for Pharmaceutical Substances and Resolution WHA46.19, according to which “registration of an INN together with a firm’s name is perfectly acceptable, as long as it does not prevent another manufacturer from using the same approach.” Taking into account that the CELGENE part of the trademark was indeed part of the firm’s
name, it was emphasized that there was no reason why THALIDOMIDE CELGENE could not be registered with a disclaimer of THALIDOMIDE.

The examiner did not accept these arguments and upheld a provisional refusal. On October 6, 2010, Celgene filed an appeal before the Appellate Board of the Ukrainian IP Office, asking that the refusal issued by the examiner be reversed based on the same arguments.

The Appellate Board accepted the arguments and ruled in favor of the THALIDOMIDE CELGENE registration for a limited list of goods with a disclaimer of THALIDOMIDE. The Board's decision was confirmed by the order of the Ukrainian Institute of Industrial Property (No. 144-H, Dec. 30, 2010), and on January 25, 2011, the Institute sent a notification on the final decision to WIPO.

With this decision, the previously uncertain practice of the Ukrainian Institute of Industrial Property with regard to registration of trademarks containing INNs was clarified.

Dina Kryvoshei

III.A. Infringement and Other Forms of Unfair Competition

In June 2009, the Antimonopoly Committee of Ukraine ruled against the government-owned entity Pysarivskyi spyrtзавод, holding that its actions constituted unfair competition and were contrary to honest practices in industrial and commercial matters. Namely, the Antimonopoly Committee found that Pysarivskyi spyrtзавод used the trademark GRAFSKYI UZHGORODSKYI illegally, thus infringing the rights of the trademark UZHGOROD and creating a false indication of the origin of the products.

In August 2009, Pysarivskyi spyrtзавod filed a claim with the Commercial Court of Kiev, arguing that the Antimonopoly Committee’s decision was illegal and that the opinion issued failed to give the full explanation of the circumstances of the case. The grounds for the case were the permission/license (market authorization) to use the trademark GRAFSKYI UZHGORODSKYI in relation to brandy, obtained on the basis of a trademark application filed by the plaintiff in September 2007. The plaintiff also argued that the trademark GRAFSKYI UZHGORODSKYI could not be misleading as to the place of origin of the products and that it did not prove that Pysarivskyi spyrtзавод intended to take advantage of the business reputation of the owner of the trademark UZHGOROD, considering that the trademarks UZHGOROD and GRAFSKYI UZHGORODSKYI were not similar and the brandy produced by the plaintiff and the defendant was different in terms of their recipe composition.
The Antimonopoly Committee filed a counterclaim with the Commercial Court of Kiev requesting that its decision be upheld. The proprietor of the trademark UZHGOROD supported the Committee’s statements in the counterclaim. When the Commercial Court upheld the initial decision, thus rejecting Pysarivskyi spyrtszavod’s lawsuit, the case was appealed before the Court of Appeal, which issued an identical ruling.

Pysarivskyi spyrtszavod then brought the case before the Higher Commercial Court of Ukraine, which remitted the case for reconsideration, with the explanation that the Antimonopoly Committee failed to specify in its ruling which honest practices in industrial matters were breached by Pysarivskyi spyrtszavod.

After considering all the explanations and petitions of the parties, the Commercial Court of Ukraine issued a final decision on May 16, 2011, establishing that the plaintiff’s actions constituted unfair competition in accordance with the Law of Ukraine “On Protection against Unfair Competition” and Article 10bis of the Paris Convention. The Court explained that Pysarivskyi spyrtszavod had no legal basis to use the trademark GRAFSKYI UZHGORODSKYI during the production and commercialization of the brandy, and, moreover, gave a false indication of origin of UZHGORODSKYI, which would indicate that the brandy was produced in the region of the town of Uzhgorod. It found that such use pointed to the plaintiff’s intent to use the business reputation of the defendant. Because the brandy of the plaintiff was not produced in the region of the town of Uzhgorod, such indication was deceptive and misled the public as to the place of origin of the products.

This decision was not appealed. Production of the brandy under the trademark GRAFSKYI UZHGORODSKYI was stopped, and a fine of UAH 170,000 (EUR 16,717) was imposed on Pysarivskyi spyrtszavod.

This case clearly shows an example of unfair competition and unfair use of reputation by a competitor. In addition, it questions the consistency between trademark legislation and the legislation regulating the procedures for obtaining market authorization for alcoholic beverages.

Elena Zubenko

UNITED KINGDOM

II.F.3. Foreign Registrations

On July 27, 2011, the Supreme Court of the United Kingdom gave judgment in a battle between Lucasfilm, the company behind the Star Wars films, and Ainsworth, a prop maker who worked on

The Supreme Court had to deal with two issues. First, it agreed with the High Court and the Court of Appeal that a “storm trooper” helmet created for the Star Wars films was not a “sculpture” within the meaning of the U.K. Copyright, Designs and Patents Act 1988 (UK CDPA). Second, in a landmark ruling, the Court held that, in appropriate circumstances, claims for infringement of overseas intellectual property rights (from countries outside the EU) can be heard and determined by the courts of the United Kingdom where they have jurisdiction over the defendant concerned.

Provisions of the UK CDPA govern copyright protection for artistic works and provide for certain limitations on protection. For anything other than an artistic work, it is not an infringement of copyright in a design document or model to make an article according to that design. In addition, subject to the facts of each case, if an artistic work (other than a sculpture) is exploited by mass production of certain articles (more than 50) that are copies of that work, a limited period of copyright applies in relation to its use on the articles.

In this case, Lucasfilm needed to show that the “storm trooper” helmet from the Star Wars films was a “work of artistic craftsmanship” or a “sculpture” (and so was an “artistic work”) to avoid the operation of these limitations on copyright protection. The Supreme Court’s judgment and the lower courts’ decisions provide an in-depth analysis of the meaning of “sculpture” in this context (Lucasfilm dropped its reliance on “work of artistic craftsmanship” after the first instance decision). On the facts, the Supreme Court held that the helmet was not a sculpture but was essentially utilitarian, being a mixture of costume and prop for the film. Therefore, Lucasfilm could not rely on its U.K. copyright to prevent copying of the helmet and resale of such copies in the United Kingdom.
This decision reinforces an important practice point for rights owners who place value on three-dimensional marks and product shapes. Where possible, the owner should seek to obtain trademark protection (at least in the United Kingdom) for its distinctive shapes, to obtain a right that would continue to subsist should copyright cease to be enforceable, as in this case.

The Supreme Court had to determine whether the English courts may exercise jurisdiction in a claim against persons domiciled in England for infringement (in this case) of copyright committed outside the EU, in breach of the copyright laws of the United States. The Court of Appeal had followed case law that dictated that except as provided for in relevant legislation, where property was situated in another country, the English courts could not hear proceedings in relation to such property.

The Supreme Court noted that, in the EU, the Brussels I Regulation (Regulation EC No. 44/2001) provides for exclusive jurisdiction of the courts of the country where the intellectual property rights have been granted only where the proceedings concern the registration or validity of the right at issue. Other U.K. legislation has also reduced the effect of the case law on which the Court of Appeal based its decision. The Supreme Court accepted that where validity of the underlying IP right was put in issue (in particular, citing the example of a challenge to the validity of a patent), the court should decline jurisdiction.

However, the view of the Supreme Court was that “there is no doubt that the modern trend is in favor of the enforcement of foreign intellectual property rights,” and it determined that there were no issues of policy that militated against the enforcement of foreign copyright in the United Kingdom. Accordingly, the Court ruled that, provided there is a basis for personal jurisdiction over the defendant, a claim for infringement of foreign copyright is a claim over which the English courts can exercise jurisdiction.

The Supreme Court acknowledged that, in appropriate cases, the courts may grant injunctive relief to prevent a U.K.-based defendant from committing acts that result in infringement of the relevant IP right in the other country. Such an injunction would be limited appropriately, but the Court’s view is that there is no objection in principle to such a remedy’s being granted.

In the first instance decision, the judge had refused to enforce a default judgment obtained in the United States against Ainsworth to the value of some US $10 million for copyright infringement (because Ainsworth had not submitted to the jurisdiction of the court). Now that the Supreme Court has confirmed that such copyright infringement is justiciable in England, it will be interesting to see whether an English court assesses the amount of damages payable under U.S. or U.K. principles.
Although this case concerned a claim for infringement of U.S. copyright, the principle set by the Supreme Court’s decision is potentially of wider application. Where a U.K. court has personal jurisdiction over a potential defendant and where issues of validity of the right at issue are not put in question, the U.K. courts now have a “green light” to exercise jurisdiction for infringement of overseas intellectual property rights. This could include, in particular, unregistered trademark rights as well as infringements of other IP rights. Such cases are likely to emerge where, as in this case, a defendant is based in the United Kingdom but is committing acts that result in infringement of the relevant rights in the other country.

Charters Macdonald-Brown
John Colbourn

III.A.7. Advertising

In Kingspan Group Plc v. Rockwool Ltd. ([2011] EWHC 250 (Feb. 21, 2011)), the High Court examined the scope of permissible comparative advertising and, in particular, how misleading statements can deprive a defendant of a potentially valuable defense to trademark infringement.

Rockwool manufactures mineral wool used in insulation and fire protection. In 2007, Rockwool developed a range of promotional materials that emphasized the fire-resistant nature of its goods compared with other products made with plastic foams.

Rockwool arranged for its products and those of Kingspan to be lab tested, with the aim of comparing the performance of Rockwool’s incombustible “fire safe” products and Kingspan’s combustible products (some, but not all, of which were labeled “fire safe” in accordance with applicable EU and local-law requirements for its products). These test results were shown to potential customers at road shows in two forms: (1) in a video identifying Kingspan’s products by reference to Kingspan’s U.K. and Community trademarks and (2) in another video that did not refer to Kingspan’s trademarks but did use footage showing a product that could be recognized as one of Kingspan’s products. These videos all showed Kingspan’s products catching fire rapidly, while Rockwool’s products performed significantly better.

Kingspan objected to the ads and brought an action for trademark infringement. Rockwool relied on the permission to advertise comparatively provided by European Directive 2006/114/EC. For a party to avail itself of this defense under the Directive, the comparison cannot be misleading.

Having heard expert evidence, the High Court found that the test and the specific Kingspan products used in the test gave a misleading impression of the risks in a fire. Therefore, Rockwood’s
advertising was not permissible under the Directive. Further, Rockwool had made misleading statements. Accordingly, the court found trademark infringement and held that the use of the trademarks was without due cause and took unfair advantage of, or was detrimental to, the distinctive character or repute of the marks, contrary to Article 5(2) of the European Trade Marks Directive and Article 9(1)(c) of the CTM Regulation.

Notwithstanding the judgment of the Court of Justice in Intel Corp. Inc. v. CPM United Kingdom Limited (Case C-252/07 (Nov. 27, 2008) (requiring evidence of a change in the economic behavior of the average consumer to support a claim that detriment to distinctiveness or repute has occurred)), the High Court found that Kingspan did not need to demonstrate “actual and present injury; it is enough that the proprietor . . . demonstrates that there is a serious risk that such injury will occur in the future.” This therefore lowers the test to arguments based on risk of harm, rather than requiring an identifiable change in economic behavior for a claim to be successful.

James Tumbridge

URUGUAY

I.J. Coexistence Agreements

Pramer S.C.A. filed an application for the word mark ELGOURMET.COM to cover all goods in Class 16. Kimberly-Clark Worldwide, Inc. (KCWW) filed a third-party opposition against Pramer’s application on the grounds of the prior registration of its label mark GOURMET and word mark SCOTT GOURMET to cover only “paper towels and napkins” in Class 16. For its part, the Uruguayan patent and trademark office, the National Directorate of Industrial Property (NDIP), raised an ex officio objection against Pramer’s application based on the prior existence in the register of the word mark GOURMET, which was registered by Advance Magazine Publishers, Inc. (AMPI) to distinguish only “magazines” in Class 16. As a result of KCWW’s opposition, Pramer and KCWW executed an agreement whereby Pramer excluded “paper towels, paper wipes for cleaning, paper napkins, facial paper tissues, and toilet paper” from its application in exchange for KCWW’s withdrawing its opposition.

The NDIP rejected the application for ELGOURMET.COM (Decision of Mar. 26, 2008). The decision was based on the following: likelihood of confusion given the marks’ graphic, phonetic, and even conceptual similarities; Pramer’s failure to exclude “magazines”—the products covered by AMPI’s mark GOURMET—from its application when limiting its coverage; and the fact that coexistence agreements are binding only on the
parties to the agreement, their successors, licensees, assignees, and related companies, but not on consumers, whose protection is entrusted by law to governmental authorities.

On appeal, the Board of Appeals in Trademark Matters confirmed the NDIP’s decision (Decision of Mar. 18, 2009). This ruling was based on arguments similar to those used by the NDIP.

Pramer then filed a claim with the High Administrative Court—the highest body in Uruguay with jurisdiction over administrative decisions issued by governmental bodies—seeking the annulment of the NDIP’s resolution that rejected its application for ELGOURMET.COM. Pramer’s action was based mainly on the following: the coexistence agreement executed abroad by and between Pramer and AMPI; the coexistence of both marks in the Panamanian and Argentine registries; the coexistence of said signs in the markets of various countries, including Uruguay; the existing differences between the marks in question; and the notoriety of both marks, which were well-known by the consumer public.

The judges of the High Administrative Court unanimously ruled to annul the contested act, stressing that while certain similarities between the marks in conflict could be observed, it was also true that there were obvious differences between the two. Moreover, the agreement executed by the owners of the two marks was the greatest guarantee possible that these marks were not liable to be confused. That assurance of unlikelihood of confusion stems from the fact that it is the owners of famous marks—as was the case here—who are most interested in preventing their marks from being confused with the marks of others. In sum, while the two marks bore certain similarities because they were word marks and shared a common root, the agreement executed by the owners was reason enough to believe that there would be no likelihood of confusion among consumers. Thus, the above circumstances rendered the ex officio objection raised by the defendant on the basis of a preregistered trademark groundless, as the trademarks were not identical and their owners had executed a coexistence agreement that was a strong indication that consumers would not be misled. (Pramer S.C.A. v. Ministry of Industry, Energy and Mining, Ruling No. 478 (High Administrative Court, June 7, 2011).)

This decision is of the utmost importance, as the court took into account a private agreement executed by the owners of the marks to such an extent that it was the main argument on which the ruling body based its annulling judgment. This is especially significant in view of the fact that private agreements are traditionally not taken into account by the NDIP or the Board of Appeals when deciding a case. This is also highly uncommon in the
High Administrative Court, which in previous occasions has even expressly rejected such consideration in cases brought before it.

Juan A. Pittaluga