

ONLINE TRADEMARK USE*

Country	Is availability of goods over the internet considered use of the trademark? If yes,	Must goods available over the internet be purchased in the country	Must goods available over the internet be directed towards consumers in the country	Is it necessary to lead evidence of actual purchase of goods available over the internet	Does mere advertising of a trademark over the internet without presence of goods or services in your country constitute use of trademark?	Must the advertising of goods over the internet be directed towards consumers in the country	Does having a website constitute advertising (as opposed to only paid advertising)	Is it possible to initiate an action for passing off / unfair competition purely on the basis of internet use?	Can internet use establish initial use to entitle registration (relevant for countries like the US where use is required for registration)?	Can internet use form a basis of protecting a registration from non-use	Can internet use be sufficient to claim secondary meaning of a trademark and entitle it to registration?
Argentina	Yes ¹	Yes ²	Yes	Yes	No ³	Yes ⁴	No	Yes ⁵	N/A	Yes ⁶	N/A
Australia	Yes ⁷	No ⁸	Yes ⁹	No ¹⁰	Yes ¹¹	Yes	Yes	Yes ¹²	N/A	Yes ¹³	Yes ¹⁴
Benelux	Yes ¹⁵	No ¹⁶	Yes ¹⁷	No ¹⁸	Yes ¹⁹	Yes ²⁰	Yes ²¹	Yes ²²	N/A ²³	Yes ²⁴	Yes ²⁵
Brazil	Yes	Yes ²⁶	Yes	No ²⁷	No ²⁸	Yes	Yes	Yes	N/A	Yes ²⁹	N/A ³⁰
Canada	Yes ³¹	No ³²	Yes	No ³³	No ³⁴	Yes	Yes	Yes ³⁵	Yes ³⁶	Yes ³⁷	Yes
China	Yes ³⁸	No ³⁹	Yes ⁴⁰	No	No ⁴¹	Yes ⁴²	Yes ⁴³	No ⁴⁴	N/A	No ⁴⁵	No ⁴⁶
EU⁴⁷	Yes ^{48 49}	No ⁵⁰	Yes ⁵¹	No ⁵²	Yes ⁵³	Yes ⁵⁴	Yes ⁵⁵	Yes ⁵⁶	N/A ⁵⁷	Yes ⁵⁸	Yes
Finland	Yes ⁵⁹	No ⁶⁰	Yes ⁶¹	No	Yes ⁶²	Yes ⁶³	Yes ⁶⁴	Yes ⁶⁵	N/A	Yes ⁶⁶	Yes ⁶⁷

*This chart provides general information only and is based on information obtained during 2009 and 2010. The information should not be regarded or relied upon as legal advice or opinion. Specific advice should be obtained concerning the issues addressed in the chart.

Country	Is availability of goods over the internet considered use of the trademark? If yes,	Must goods available over the internet be purchased in the country	Must goods available over the internet be directed towards consumers in the country	Is it necessary to lead evidence of actual purchase of goods available over the internet	Does mere advertising of a trademark over the internet without presence of goods or services in your country constitute use of trademark?	Must the advertising of goods over the internet be directed towards consumers in the country	Does having a website constitute advertising (as opposed to only paid advertising)	Is it possible to initiate an action for passing off / unfair competition purely on the basis of internet use?	Can internet use establish initial use to entitle registration (relevant for countries like the US where use is required for registration)?	Can internet use form a basis of protecting a registration from non-use	Can internet use be sufficient to claim secondary meaning of a trademark and entitle it to registration?
France	Yes ⁶⁸	No	Yes	No	No ⁶⁹	Yes	Yes	Yes ⁷⁰	N/A	Yes ⁷¹	Yes ⁷²
Germany	Yes ⁷³	No ⁷⁴	Yes ⁷⁵	No ⁷⁶	Yes ⁷⁷	Yes	Yes ⁷⁸	Yes	N/A	Yes ⁷⁹	Yes ⁸⁰
Hong Kong	Yes ⁸¹	No ⁸²	No ⁸³	No ⁸⁴	No ⁸⁵	Yes ⁸⁶	Yes ⁸⁷	Yes ⁸⁸	N/A ⁸⁹	Yes ⁹⁰	Yes ⁹¹
India	Yes ⁹²	No ⁹³	Yes ⁹⁴	No	Yes ⁹⁵	No	Yes ⁹⁶	Yes ⁹⁷	Yes	Yes ⁹⁸	Yes ⁹⁹
Israel	No ¹⁰⁰	No ¹⁰¹	N/A	N/A	No ¹⁰²	N/A	Yes ¹⁰³	Yes ¹⁰⁴	N/A ¹⁰⁵	Yes ¹⁰⁶	No ¹⁰⁷
Ireland	Yes ¹⁰⁸	No ¹⁰⁹	Yes	No ¹¹⁰	Yes ¹¹¹	Yes	Yes ¹¹²	Yes ¹¹³	N/A	Yes ¹¹⁴	Yes
Italy	Yes	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Japan	Yes ¹¹⁵	No	Yes ¹¹⁶	No ¹¹⁷	Yes ¹¹⁸	Yes ¹¹⁹	Yes	Yes	N/A	Yes	Yes
Korea	Yes ¹²⁰	No ¹²¹	Yes	No ¹²²	Yes ¹²³	Yes	No	Yes	N/A ¹²⁴	Yes ¹²⁵	Yes ¹²⁶
Malaysia	Yes ¹²⁷	No ¹²⁸	Yes ¹²⁹	No ¹³⁰	No ¹³¹	Yes ¹³²	Yes ¹³³	Yes ¹³⁴	N/A ¹³⁵	Yes ¹³⁶	Yes ¹³⁷
Russia	Yes ¹³⁸	Yes ¹³⁹	Yes ¹⁴⁰	No ¹⁴¹	Yes ¹⁴²	Yes ¹⁴³	Yes	No ¹⁴⁴	N/A	Yes ¹⁴⁵	N/A
Singapore	Yes ¹⁴⁶	No ¹⁴⁷	Yes ¹⁴⁸	No	Yes ¹⁴⁹	Yes	Yes ¹⁵⁰	Yes ¹⁵¹	N/A ¹⁵²	Yes ¹⁵³	Yes ¹⁵⁴

Country	Is availability of goods over the internet considered use of the trademark? If yes,	Must goods available over the internet be purchased in the country	Must goods available over the internet be directed towards consumers in the country	Is it necessary to lead evidence of actual purchase of goods available over the internet	Does mere advertising of a trademark over the internet without presence of goods or services in your country constitute use of trademark?	Must the advertising of goods over the internet be directed towards consumers in the country	Does having a website constitute advertising (as opposed to only paid advertising)	Is it possible to initiate an action for passing off / unfair competition purely on the basis of internet use?	Can internet use establish initial use to entitle registration (relevant for countries like the US where use is required for registration)?	Can internet use form a basis of protecting a registration from non-use	Can internet use be sufficient to claim secondary meaning of a trademark and entitle it to registration?
South Africa¹⁵⁵	Yes ¹⁵⁶	No ¹⁵⁷	No ¹⁵⁸	No ¹⁵⁹	Yes ¹⁶⁰	No ¹⁶¹	Yes	Yes ¹⁶²	Yes N/A	Yes ¹⁶³	Unclear ¹⁶⁴
Sweden	Yes	No	Yes ¹⁶⁵	No	Yes	Yes ¹⁶⁶	Yes	Yes	N/A	Yes	Yes ¹⁶⁷
Ukraine	Yes ¹⁶⁸	Yes ¹⁶⁹	N/A ¹⁷⁰	No ¹⁷¹	Yes ¹⁷²	Yes ¹⁷³	Yes ¹⁷⁴	No ¹⁷⁵	N/A	Yes ¹⁷⁶	Yes ¹⁷⁷
UK	Yes ¹⁷⁸	No ¹⁷⁹	Yes ¹⁸⁰	No ¹⁸¹	Yes ¹⁸²	Yes	Yes	Yes ¹⁸³	N/A	Yes ¹⁸⁴	Yes ¹⁸⁵
USA	Yes ¹⁸⁶	No ¹⁸⁷	Yes ¹⁸⁸	No ¹⁸⁹	No ¹⁹⁰	Yes	Yes ¹⁹¹	Yes ¹⁹²	Yes ¹⁹³	Yes ¹⁹⁴	Yes

Argentina

¹ If in fact we are speaking about advertising of goods and if this advertising is directed to the Argentine market, and if it can be shown that sales were made, it is expected that it will be considered trademark use. There are no court precedents.

² If the goods have never been purchased in the country, it may mean that they were not intended to be sold in the Argentine market. Use will be harder to prove.

³ It will be very hard to prove that this is use in the Argentine market.

⁴ The best proof of it will be the existence of buyers.

⁵ Provided it can be proved that there is competition which means that the products are being sold in Argentina.

⁶ But refer to the explanations on use provided in relation to previous questions.

Australia

⁷ The general availability of goods over the Internet can be considered use of the trademark, if the Internet site is specifically directed or targeted at Australian customers. It is not sufficient that the goods can be purchased in Australia – the website must be specifically directed or targeted at Australian customers, as opposed to the world at large. See *Ward Group Ltd v Brodie & Stone Plc* [2005] FCA 471 for example. Being 'specifically directed or targeted at Australian customers' requires an element beyond being able to purchase the goods from Australia, or the acceptance, or option of display, of Australian currency.

⁸ Need not have actually been purchased in Australia, however if there has been no purchases in Australia then the website must be specifically directed or targeted at Australian customers.

⁹ Although if a website is not specifically targeted at Australian customers, once there has been actual purchase in Australia (excluding trap purchases) then the sale in Australia can still be considered use of the trademark.

¹⁰ As long as the website was specifically directed or targeted at Australian customers. Although it would be easier to prove that the website was targeted/directed at Australian consumers if products/services had been purchased by Australian consumers. If the website is directed at the world at large then use in Australia of a mark will only be found once goods have been purchased in Australia (excluding trap purchases).

¹¹ As long as advertising/website is specifically targeted or directed to Australian customers, as opposed to the world at large, then it can constitute use. Mere advertising over the Internet to the world at large is unlikely to constitute use, and as such use may only be found once goods had actually been purchased and shipped to Australian customers (excluding trap purchases). (Generally in Australia (in cases involving non-Internet use), trademark use includes use in an advertisement in Australia offering for sale of the goods, even prior to any actual trade or dealing in the goods under that mark: *Moorgate Tobacco Co Limited v Philip Morris Limited (No 2)* (1984) 156 CLR 414, *Malibu Boats West Inc v Cantonese* (2000) 180 ALR 110)).

¹² Yes, as long as the misrepresentation was made in Australia, specifically targeted to Australian consumers and the reputation existed in Australia. Requirement for actual or probable damage also necessary, and if unlikely any Australian customers would purchase the products via the Internet then damage may be difficult to prove. See for example *Ward Group Ltd v Brodie & Stone Plc* [2005] FCA 471.

¹³ Yes, use on the Internet is sufficient to protect a registration from non-use, as long as that use is directed or targeted at Australian customers, or sale in Australia had resulted from the website. The websites therefore should contain specific details regarding Australia, eg an Australian contact phone number, specific reference to being available to Australian customers, a specific "Australia" webpage etc. One would have difficulty in proving use if the website is directed to the world at large, unless Australian customers had actually purchased the goods from Australia.

¹⁴ Yes, again as long as that use has been as a trademark, and directed or targeted at Australian customers, or there has been sales in Australia.

Benelux

¹⁵ When goods are offered on the internet this will be a strong indication that the trademark is being used in a this country. However, there are other factors that influence the assessment whether a trademark is being used in a specific country through use on the internet. Such factors include, accessibility of websites from the country where the trademark is registered, the top-level domain name that is being used for a website (for example .nl, .de or .uk), whether the website includes the price of products in the local currency or mentions a local bank account and whether after-sale services are offered in the country where the trademark is registered.

¹⁶ If goods that are being offered on the internet can be purchased in the country, this is a strong indication that a trademark is being infringed. However, other factors also play a role (see question 1).

¹⁷ Benelux case law has considered a similar issue in the past. That case concerned the distribution of international magazines in which trademarks were being used. The impression with the relevant public in the Netherlands that the magazine was also aimed at them was decisive for the determination that the trademark was being used. For the internet, it is considered that the use of a trademark must be particularly aimed at one of the countries of the Benelux or whether consumers in the Benelux have the impression that the website where the trademark is being used is directed to them.

¹⁸ For websites whereby the actual website is the product, such as www.google.com, it is already sufficient that the trademark is being used in the Benelux. It is therefore not necessary that an actual purchase of goods takes place or that evidence of actual purchase of goods needs to be gathered. However, for websites that offer goods bearing a trademark, it will be an extra argument for trademark infringement if the goods have actually been sold to customers over the internet.

¹⁹ The actual presence of the goods in the Benelux is not required for use of a trademark. It is decisive whether the advertisement is specifically aimed at consumers in the Benelux.

²⁰ If the advertising is not directed towards consumers in the country, the use of the trademark will probably not constitute use for the purposes of Benelux trademark law.

²¹ Having a website may constitute advertising. Whether this is so depends on the question whether goods or services are being publicly advertised. The advertising does not need to be paid advertising

²² Benelux trademark law only recognises registered trademarks. Therefore, an unfair competition action is not possible for unregistered trademarks. However, it is possible to initiate an unfair competition action against imitation of trade names, domain names, domain name grabbing, catchphrases, advertising, logos and corporate identity.

²³ In the Benelux, initial use is not required to entitle registration. After registration of the trademark, the trademark proprietor has a period of five years during which his trademark is protected from a non-use claim.

²⁴ The use of a trademark on the internet can protect a Benelux registration from non-use. However, the trademark should be used on the internet with the intention to create or maintain a market for selling goods or providing services. It is important to take into account the standard practices in the specific branch, the nature of the goods or services concerned, the characteristics of the markets concerned and the frequency by which the trademark is being used.

²⁵ Although internet use may be sufficient to claim secondary meaning, there are also other factors, such as market share and duration and intensity of use, that determine whether a trademark benefits from secondary meaning.

Brazil

²⁶ Or at least available for local consumers

²⁷ If one can prove that the products are directed to and available for local consumers, it will not be necessary to lead evidence of actual purchase of goods available over the internet.

²⁸ There must be evidence of commercialization of goods in the country

²⁹ But there must be evidence of actual use on products and services directed to local consumers

³⁰ Brazil does not provide the possibility of registration over descriptive marks based on secondary meaning. The secondary meaning doctrine has been recently evolving in local courts, but based on the unfair competition theory.

Canada

³¹ A trade-mark is deemed to be used in Canada in association with wares if, at the time of the transfer of the property of the wares in the normal course of trade it is associated with the wares such that notice of the association is then given to the person to whom the property is transferred. Accordingly, online sales to consumers in Canada in association with the trade-mark used to distinguish the source of the wares will constitute use of the trade-mark in Canada. (*Trade-marks Act*, s. 2 (Trade-mark, Use), s. 4(1)).

³² Export of products marked with a trade-mark from Canada constitutes use of the trade-mark in Canada (*Trade-marks Act*, s. 4(3)). However, absent marking of the trade-mark on the wares or their packaging prior to export, use of a trade-mark on the Internet in association with wares exported from Canada will generally not constitute use in association with the wares in Canada.

³³ Trade-mark rights may be asserted under the *Trade-marks Act* or the common law in Canada. While use is relevant, common law rights do not require “use” as defined under the *Trade-marks Act* and reputation may be asserted through a passing off action whether or not there has been actual purchase of goods in Canada. However, a declaration of use or evidence of actual purchase of goods available over the internet in Canada may be required in order to obtain or maintain a registration of the trade-mark. (*Trade-marks Act*, s. 40(2), s. 45)

³⁴ Generally, mere advertising use of a mark (without selling or exporting goods or rendering services in Canada) is not sufficient to constitute trade-mark use. See *Pro-C Ltd. v. Computer City Inc.* (2001), 14 C.P.R. (4th) 441 (O.C.A.). However, Canadian Courts have recognized the provision of ancillary services connected to services provided abroad as constituting provision of the broader services *Venice Simplon-Orient-Express, Inc. v. Société Nationale de Chemin de fer Français SNCF* (2000), 9 C.P.R. (4th) 443 (FCTD). It may also be noted that advertising of services over the internet may be sufficient to constitute use even if the services have never actually been sold in Canada so long as they are available. *Wenward (Canada) Ltd. v. Dynaturf Co.* (1976), 28 C.P.R. (2d) 20 (TMOB). Further, as noted, mere advertising may support a common law claim for passing off.

³⁵ An action for passing off may be instituted in any circumstances where it can be shown that a trader has a reputation in a trade-mark, that consumers in Canada are being deceived through the use of the trade-mark or a confusing trade-mark by another and damage has been caused to the owner of the reputation.

³⁶ Internet use can establish use to entitle registration in respect of wares if there has been a transfer in property or possession of the wares, and in respect of services so long as the services are available in Canada.

³⁷ Internet use may form a basis of protecting a registration from non-use if it can be established that the trade-mark was associated with the wares at the time of transfer of property in the wares through an internet purchase where there has been a transfer of property or possession in the wares in Canada; and in respect of services if the mark is associated with services that are available in Canada. Further internet use may constitute actual use of services in Canada for internet services so long as the services may be utilized by consumers in Canada.

China

³⁸ Provided that these goods are for genuine commercial sale available in China. According to Article 44(4) of China Trademark Law, if a registered trademark is ceased for use for three consecutive years, the CTMO shall cancel the said registration upon the request by a third party. In the non-use cancellation the registrant shall provide the valid proof of use of the said mark occurred within the specified period of time. Please kindly note that per the current practice of the

CTMO, the use via Internet (including advertising, either the goods can be purchased, direct towards the consumers or not) can not be taken as the valid proof of use in mainland China. That is to say it is hard to overcome the non-use cancellation if the registrant of the registered trademark only provides the proof of use via Internet. However such use may be helpful if it is supplemental to conventional use.

³⁹ Mere application of the trademark on the goods for genuine commercial sale (without actual sale/ purchase) is generally considered sufficient use.

⁴⁰ Use is only considered valid if made in China, hence such goods as offered on the internet should be made available/ directed to consumers in China and better still in the Chinese language.

⁴¹ In theory **yes** but in practice no, since it would be very difficult, if not impossible, to prove the advertising over the internet was received by consumers within China.

⁴² Advertising may be considered valid use provided that it has a certain association with or coverage over the Chinese population, and be directed to consumers in China and typically in the Chinese language.

⁴³ Advertising on one's own website is counted but subject to comments above.

⁴⁴ In theory **yes**, provided that the internet use has been substantially and extensively made so that the trademark in question has become particularly well-known / influential in China. In practice this on its own will be extremely difficult to establish reputation, except for some services provided over the internet only. It will not be considered as persuasive evidence to prove that a trademark has gained reputation, or secondary meaning or becomes a well-known trademark in China if the client just provides the evidence of use via Internet.

⁴⁵ **No** except for services relating to or provided over the internet. Otherwise, it will not work on its own, and should be accompanied by documentary proof of use in the Chinese market. When applied, such internet use should constitute genuine commercial use of the mark, i.e. showing use of the mark on the goods/ services concerned. Please kindly note that per the current practice of the CTMO, the use via Internet (including advertising, either the goods can be purchased, direct towards the consumers or not) can not be taken as the valid proof of use in mainland China. That is to say it is hard to overcome the non-use cancellation if the registrant of the registered trademark just provides the proof of use via Internet.

⁴⁶ It will not be considered as the persuasive evidence to prove that a trademark has gained reputation, or secondary meaning or becomes a well-known trademark in China if the client just provides the evidence of use via Internet. Exception for services relating to or provided over the internet.

EU

⁴⁷ Under harmonized European trademark law as interpreted by the German courts (decisions in other member states may vary).

⁴⁸ Provided that the use on the internet has a commercial effect in the EU. Regarding infringing use, cp. German FCJ, decision of Oct. 13, 2004, file no. I ZR 163/02 - *HOTEL MARITIME*; regarding genuine use, cp. URC Munich, decision of June 16, 2005, file no. 29 U 5456/04 - *800-FLOWERS* EU [2000] FSR 697, affirmed [2001] EWCA Civ 721.

⁴⁹ Under German case law, the commercial effect can depend on, i., whether domestic language and currency is used on a web site, whether domestic payment methods are accepted, whether domestic addresses and phone and fax numbers are mentioned, whether goods are actually delivered to the domestic market and whether the web site contains disclaimers.

⁵⁰ Provided that the use on the internet has a commercial effect in the EU. Regarding infringing use, cp. German FCJ, decision of Jan. 19, 1989, file no. I ZR 217/86 - *KRONENTHALER*; regarding genuine use, cp. German FPC, decision of Apr. 18, 2000, file no. 24 W (pat) 185/99 - *Warenvertrieb im Internet*.

⁵¹ Regarding infringing use, cp. German FCJ, decision of Oct. 13, 2004, file no. I ZR 163/02 - *HOTEL MARITIME*; regarding genuine use, cp. URC Munich, decision of June 16, 2005, file no. 29 U 5456/04 - *800-FLOWERS* EU [2000] FSR 697, affirmed [2001] EWCA Civ 721..

⁵² Provided that the use on the internet has a commercial effect in the EU. Regarding infringing use, cp. German FCJ, decision of Jan. 19, 1989, file no. I ZR 217/86 - *KRONENTHALER*. Regarding genuine use, cp. German FPC, decision of Apr. 18, 2000, file no. 24 W (pat) 185/99 - *Warenvertrieb im Internet*.

⁵³ Provided that the use on the internet has a commercial effect in the EU. Regarding infringing use, cp. German FCJ, decision of Jan. 19, 1989, file no. I ZR 217/86 - *KRONENTHALER*; regarding genuine use, cp. German FPC, decision of Apr. 18, 2000, file no. 24 W (pat) 185/99 - *Warenvertrieb im Internet*.

⁵⁴ Regarding infringing use, cp. German FCJ, decision of Oct. 13, 2004, file no. I ZR 163/02 - *HOTEL MARITIME*; regarding genuine use, cp. URC Munich, decision of June 16, 2005, file no. 29 U 5456/04 - *800-FLOWERS* EU [2000] FSR 697, affirmed [2001] EWCA Civ 721.

⁵⁵ Regarding infringing use, cp. German FCJ, decision of Oct. 13, 2004, file no. I ZR 163/02 - *HOTEL MARITIME*; regarding genuine use, cp. German FPC, decision of Apr. 18, 2000, file no. 24 W (pat) 185/99 - *Warenvertrieb im Internet*.

⁵⁶ This is a matter of misleading and comparative advertisement, which is to be implemented by the national countries in accordance with the Directive 2006/114/EG. The availability of such action depends on the implementation of the Directive in the particular EU countries.

⁵⁷ Use of a designation as a domain name can result in company name rights based on use, cp. German FCJ, decision of Feb. 24, 2005, file no. I ZR 161/02 - *Seicom*

⁵⁸ Under harmonized European trademark law as interpreted by the European and German courts (decisions in other member states may vary). Cp. German FPC, decision of Apr. 18, 2000, file no. 24 W (pat) 185/99 - *Warenvertrieb im Internet*

Finland

⁵⁹ Yes, provided that the goods are made available in a manner that can be considered as commercial activity, and that the goods are offered to, and can be purchased by Finnish customers, or that the website by some other means has a real and genuine connection to Finland in such a manner that the site genuinely attracts attention of the Finnish public. As examples, use of a .fi -domain name on the website address and/or the use of either the Finnish or Swedish language (the official languages in Finland) on the website are very likely to constitute a sufficient indication of the fact that Finnish customers are targeted; Advertising in English will in most cases require additional evidence of such intent.

⁶⁰ Provided that goods are offered to, and can be purchased by Finnish customers, it is not decisive whether such goods are in fact purchased in Finland.

⁶¹ Goods and the purchase opportunity must be directed towards potential customers in Finland, i.e. not limited to consumers. For indications of such intent, see note above in relation to Question 1.

⁶² According to Section 4 of the Trademarks Act, advertising may constitute infringing use of the trademark “regardless of whether the goods are offered or intended to be offered for sale in Finland or abroad, or are imported into the Finnish territory to be used, kept or stored for business purposes or to be forwarded to a third country.” However, the mere advertising of goods on website without any indication on that the advertising is targeted towards potential customers in Finland (see note above) is not likely to constitute use of trademark in Finland.

⁶³ Advertising must be directed towards potential customers, i.e. not limited to consumers. For indications of such intent, see note above.

⁶⁴ Yes, provided that the website has content that can be considered as having commercial intent.

⁶⁵ Yes, in two Finnish Market Court rulings (332/08 19.8.2008 and 5/1999 1.11.1999) internet use has been found to violate the general clause concerning unfair competition, as set out in section 1 of the Finnish Unfair Business Practices Act.

⁶⁶ Yes, provided that use of the trademark has a commercial effect in Finland. No Supreme Court rulings on the matter, but Helsinki Court of Appeals (Helsingin hovioikeus 7.9.2005/2819 [S 03/2303]) found that a commercial effect could be derived from the fact that the defendant's website had been visited from several Finnish IP addresses, as well as from the fact that company through its website had attracted potential new Finnish customers. However, using the sign solely as part of a domain name is in general not considered as genuine use of the trademark (however, the interpretation may be different if the domain name only contains a very minor and descriptive element in addition to the trademark – such interpretation will have to be made in casu, and there has to be a commercial effect in Finland on the website the domain name points to).

⁶⁷ Yes, provided that the criteria laid down in Section 2(3) of the Finnish Trademarks Act ("A trade symbol shall be considered established if it has become generally known in the appropriate business or consumer circles in Finland as a symbol specific to its proprietor's goods.") is fulfilled.

France

⁶⁸ Yes, provided the website can be proven to be directed at French consumers (French language, delivery to France, products have to be available in France, etc – see decision of French Supreme Court "Cour de Cassation" of January 11, 2005). The mere fact that the website is in French is not sufficient.

⁶⁹ No, the goods have to be available on the French market, whether physically or virtually on Internet (except if your mark designates advertising services and is advertised for them).

⁷⁰ Probably yes, in the conditions described in footnote 68 above, but I am not aware of any caselaw in this field.

⁷¹ Same comments noted in footnote 70 above.

⁷² Yes, in the above conditions ([see Note 68](#)) and provided this is substantial use and other business data (including sale figures) can support broad diffusion and reputation. Internet use only would likely not be deemed sufficient.

Germany

⁷³ The use of a trademark in the Internet can be considered as use of the trademark in Germany if that use has a commercial effect in Germany (German Court of Justice [BGH], published in GRUR 2005, 431, 432 "HOTEL MARITIME"), for example if goods or services can be purchased online and are considered to be offered to German trade circles. Section 14(2) in connection with section 14(3) lit. 2 German Trademark Act provides that offering goods, or putting them on the market or stocking them for these purposes under the sign" is sufficient to constitute trademark infringement in Germany. Of course, trademark protection in Germany is necessary.

⁷⁴ It is not decisive whether goods infringing trademark rights in Germany are, in fact, purchased in Germany, but that those are offered for German consumers and could be purchased by German consumer (cf. marginal note 30.)

⁷⁵ Cf. footnote 73.

⁷⁶ Cf. footnote 73.

⁷⁷ Generally, mere advertising of a trademark is suitable for constituting a trademark use if there is a similarity of goods and services between the trademark and the used sign, section. 14(2) lit. 1 and 2 German Trademark Act. However, the advertising has to refer to an offer in Germany for German trade circles, cf. footnote 73.

⁷⁸ Only in specific cases, the domain name to which a website is connected, can itself be regarded as a trademark infringement. This requires that the domain name itself is used e.g. as a trademark by connecting it with a certain website. Also, all general requirements such as similarity of goods/services, similarity of signs, use in trade etc. have to be met.

⁷⁹ Cf. footnote 73.

⁸⁰ Cf. footnote 73.

Hong Kong

⁸¹ Following the resumption of Chinese sovereignty over Hong Kong on 1 July 1997, decisions of the English and European courts are not binding on Hong Kong. However, Hong Kong's intellectual property laws are based on UK law and English and ECJ decisions do remain highly persuasive.

When considering the meaning of genuine use in the context of an action for revocation, the Hong Kong Registrar of Trade Marks has applied the UK judgments of *Ansul BV v Ajax Brandveiliging BV* [2003] RPC 40 and *La Mer Technology Inc v Laboratoires Goemar* [2004] FSR 38, which hold that:

- Genuine use of a mark must entail use of the mark on the market for the goods or service protected by that mark and not just token or internal use by the undertaking;
- Use of the mark must relate to goods or services already marketed, or about to be marketed, and for which preparations have been made by the undertaking to secure customers;
- Use of the mark must relate to the commercial exploitation of the mark and its use is to maintain or create a share in the market for the goods or services protected by the mark;
- Use of the mark by a single client who imports the product for which the mark is registered can be sufficient to demonstrate that such use is genuine.

The mere use of a trademark on websites which are accessible by the public in Hong Kong may not, in itself, be sufficient to constitute genuine use of the mark in Hong Kong. According to the UK cases *800 Flowers Trade Mark* [2000] FSR 697 and *Euromarket Designs Inc v Peters* [2000] FSR 20, use of a trademark on a website which can be accessed anywhere in the world does not mean that the mark has been used everywhere in the world. The court must consider all the circumstances, particularly the intention of the website owner and what the reader will understand if he accesses the site.

Therefore, the fact that goods bearing a trademark are available on the internet, should not be regarded as use of the mark in Hong Kong if the website does not target Hong Kong. Relevant considerations to ascertain whether the website owner genuinely wishes to conduct trade in Hong Kong will include whether:

- the site contains any information in the local language or any local points of contact;
- the users in Hong Kong can make inquiries about a product or order the product online;
- the products are denominated in the local currency;
- the payment methods allow for products ordered online to be paid for from Hong Kong;
- shipping to a foreign address is accepted;
- there is a local domain name/website.

However, the use must still be "genuine" and not merely token. "Genuine use" must involve what a trader or consumer would regard as a real or genuine trade in Hong Kong. Therefore, a one-off advertisement, if it is done for the sole purpose of meeting the use requirement, will not be sufficient.

⁸² The most important factor is the intention of the proprietor and whether the online use of the mark is to maintain or create a share in the market for the goods or services protected by the mark. Therefore, it is likely that the goods should be available for purchase by customers in Hong Kong. However, provided that the trademark serves a genuine commercial purpose, it is possible that genuine use of a trademark can be established even without actual sales of the goods.

⁸³ use of the mark does not have to be directed towards the *ultimate consumers* of the goods. In *Laboratoire De La Mer* [2006] FSR 5, it was held that once the mark is communicated to a third party in such a way as can be said to be “consistent with the essential function of a trademark...genuine use of the mark can be established.” Therefore, goods may be directed towards wholesalers or consumers in Hong Kong.

⁸⁴ Not necessarily. Please see previous comments in relation to goods being purchased. However, any evidence of actual sales will obviously be important.

⁸⁵ Mere advertising, without some additional active steps by the trademark proprietor to target Hong Kong customers, is unlikely to be sufficient. Please see the answers to the questions above. There must be an inquiry as to the purpose and effect of the advertisement in question.

⁸⁶ Mere use of a trademark on a website does not necessarily constitute use of the mark in the course of trade if users in Hong Kong do not regard the website as directed at them. Please see above.

⁸⁷ Advertising is not defined in the Trade Marks Ordinance. However, it is likely that a website does serve as an advertisement as it must be intended to attract buyers for a product or service.

⁸⁸ In order to establish passing off, it is necessary to show that:

- the plaintiff has a reputation or goodwill in Hong Kong such that the plaintiff's trademark, name, product, goods or services are recognised by the public;
- a misrepresentation is made by the defendant, in the course of trade or business, which will confuse the public into believing that his business or his goods and services are those of the plaintiff's, or that they are somehow associated; and
- that this has damaged, or is likely to cause damage to, the reputation or goodwill of the registered trademark owner.

The most usual case of passing off involves the defendant making a misrepresentation that the goods or services of the defendant are those of the plaintiff. This is usually done by imitating the distinguishing features of the plaintiff's business such as its name, trademark or packaging. The defendant's representation must give rise to confusion in the minds of the relevant public. It is sufficient if there was an overall impression that the defendant's business is related to the plaintiff's business. This will include believing that the plaintiff has approved or licensed the defendant, or its products or services, in some way. The relevant misrepresentation can be made on the internet since it is a medium for communicating to the public and trade or business is increasingly conducted online.

It is also possible that a mere registration of a domain name could give rise to liability for passing off. According to the leading UK case, *British Telecommunications Plc v One in a Million Limited & Others* [1999] FSR 1, the registration of a domain name, incorporating a name of a well-known company, may constitute an instrument of deception or fraud which can lead to damage and liability for passing off.

Please note that Hong Kong does not have unfair competition law.

⁸⁹ Initial use of the mark is not required for the purpose of trademark registration in Hong Kong.

⁹⁰ Internet use of a trademark may form a basis of protecting a registration from non-use if the use constitutes genuine use of the mark as explained above.

⁹¹ In Hong Kong, if an applicant can establish that a mark has acquired a distinctive character as a result of the use made of it before the date of the application for registration, the mark may be accepted for registration even if it is devoid of distinctive character.

Subject to our comments above, use of a trademark on the internet can be used to support a claim that the primary meaning of a mark has been displaced. However, there must be an intention to use the mark on filing and the evidence of internet use must still satisfy the requirements that the mark has been used and promoted as a trademark, that the trademark is operating in the market place as an indicator of origin and that the trademark does in fact denote the applicant's goods or services and serves to distinguish them. Proof of extensive use or promotion alone may not be sufficient if the mark is highly descriptive or common place. Additional evidence of public or trade recognition will be required.

India

⁹² If goods can be purchased in the country or directed towards consumers in India, it would be extremely useful to establish use and reputation of a trademark. In *Ishi Khosla v Anil Aggarwal* [2007(34) PTC 370] the Delhi High Court observed that "in a modern world where information is a key factor and the information is available with the click of a mouse on a computer from the internet, it's an era of expansion. In today's world an 'idea' which may be unique and 'out of box' can click and become popular overnight and within no time." The court made these observations in the context of the trademark WHOLE FOOD acquiring a secondary meaning a short span of time and the owner of the mark selling and advertising the mark on its website. In *Acqua Minerals Ltd. v Pramod Borse* [2001(1) PTC 619(Del)] the Delhi High Court while deciding a domain name dispute, once again stressed on the need to protect domain names "since the services rendered in the internet are crucial for any business". In *Tata Sons Ltd. v Manu Kosuri* [2001(21) PTC 432] the court described the internet "like a market place where people buy and sell. Trade and commerce is carried on through the internet". In *George V. Records, SARL v Kiran Jogani* [2004(28) PTC 347] the court specifically took into account the internet sales of the BUDDHA BAR albums being sold through the medium of the internet.

⁹³ Although these are not essential pre-requisites for establishing use and goodwill in the country, it is a relevant requirement if this information is used to establish jurisdiction of a particular court in India. India has several States and Districts and it is important to make a determination as to which particular State or District Court will have jurisdiction over a particular matter. Under the provisions of Section 20(c) of the Civil Procedure Code of India it is possible to file an action in a court where the cause of action or part of the cause of action arises within the jurisdiction of that court. Often plaintiffs would use the access to website as being a ground for the cause of action to have arisen within that court. In the recent decision of *Banyan Tree Holdings Pvt. Ltd. v. A. Murl Krishna Reddy* reported as 2010(42) PTC 361 the court summarized the questions and its findings as follows :

"We summarize our findings on the questions referred for our opinion as under:

Question (i): *For the purposes of a passing off action, or an infringement action where the Plaintiff is not carrying on business within the jurisdiction of a court, in what circumstances can it be said that the hosting of a universally accessible website by the Defendants lends jurisdiction to such Court where such suit is filed ("the forum court")?*

Answer: For the purposes of a passing off action, or an infringement action where the Plaintiff is not carrying on business within the jurisdiction of a court, and in the absence of a long-arm statute, in order to satisfy the forum court that it has jurisdiction to entertain the suit, the Plaintiff would have to show that the Defendant "purposefully availed" itself of the jurisdiction of the forum court. For this it would have to be prima facie shown that the nature of the activity indulged in by the Defendant by the use of the website was with an intention to conclude a commercial transaction with the website user and that the **specific targeting** of the forum state by the Defendant resulted in an injury or harm to the Plaintiff within the forum state.

Question (ii): *In a passing off or infringement action, where the defendant is sought to be sued on the basis that its website is accessible in the forum state, what is the extent of the burden on the Plaintiff to prima facie establish that the forum court has jurisdiction to entertain the suit?*

Answer: For the purposes of Section 20(c) CPC, in order to show that some part of the cause of action has arisen in the forum state by the use of the internet by the Defendant the Plaintiff will have to show prima facie that the said website, whether euphemistically termed as "passive plus" or "interactive", was specifically targeted at viewers in the forum state for commercial transactions. The Plaintiff would have to plead this and produce material to prima facie show that some commercial transaction using the website was entered into by the Defendant with a user of its website within the forum state resulting in an injury or harm to the Plaintiff within the forum state.

Question (iii): *Is it permissible for the Plaintiff to establish such prima facie case through "trap orders" or "trap transactions"?*

Answer: The commercial transaction entered into by the Defendant with an internet user located within the jurisdiction of the forum court cannot possibly be a solitary trap transaction since that would not be an instance of “purposeful” availment by the Defendant. It would have to be a real commercial transaction that the Defendant has with someone not set up by the Plaintiff itself. If the only evidence is in the form of a series of trap transactions, they have to be shown as having been obtained using fair means. The Plaintiff seeking to establish jurisdiction on the basis of such trap transactions would have to aver unambiguously in the plaint, and also place along with it supporting material, to prima facie show that the trap transactions relied upon satisfy the above test.”

⁹⁴ Yes, but see footnote 93.

⁹⁵ Advertising on the internet whether it directed towards consumers in India or not, constitutes advertising of the mark in India. Under the Trade Marks Act, use of a trademark includes use in advertising and promotion of the mark. Hence, presence of the mark on the internet constitutes use of the mark. This includes mere presence whether it is paid advertising or just on a host website.

⁹⁶ With the globalization and commercialization of the Internet, domain names have taken on a new significance as business identifiers. The very creation of a website requires payment of a sum of money to acquire a domain name which needs to be maintained from time to time. The contents of a website attract a prospective client. Therefore, having a website does constitute advertising. Even the Bar Council of India - Rule 36 Section IV considers having a website as advertisement of services (which earlier prohibited the legal fraternity from advertising their services).

As held in *Satyam Infoway Ltd v. Sifynet Solutions Pvt. Ltd* AIR 2004 SC 3540 - “The original role of a domain name was no doubt to provide an address for computers on the Internet. But the Internet has developed from a mere means of communication to a mode of carrying on commercial activity. With the increase of commercial activity on the Internet, a domain name is also used as a business identifier. Therefore, the domain name not only serves as an address for Internet communication but also identifies the specific Internet site. In the commercial field, each domain-name owner provides information/services which are associated with such domain name.”

⁹⁷ Yes, trans-border reputation is now firmly established in India and use on the internet would certainly be sufficient to establish a protectable reputation and goodwill in India on the basis of which an action for passing off and unfair competition can be initiated. In *Mattel, Inc. and Ors v. Mr. Jayant Aggarwala and Ors* 2008 (38) PTC 416 (Del), one of the popular board games SCRABBLE was the Trademark of the plaintiff, which was being used as an online game application by the Trademark of SCRABULOUS on a social networking website called Facebook.com. The defendants by using such a deceptively similar Trademark to that of the plaintiffs were diverting internet traffic to their website, thereby causing deception in the minds on the internet users. The defendants’ mark SCRABULOUS was held to be too close, phonetically and semantically to the plaintiffs’ mark, to be an original inventive term. The defendants were restrained from infringing the registered Trademark SCARABBLE of the plaintiffs and using it in any form. This was a case decided by the High Court of Delhi in which dual issues of copyright and trademark rights of the plaintiff were raised. The adverse copyright finding is currently under appeal before a Division Bench of the High Court of Delhi.

In another case law of *Tata Sons Ltd. v. Manu Kishori* 90(2001)DLT659-, the defendants were passing off goods of the plaintiff on the internet through various deceptively similar websites such as jrdtata.com; ratantata.com, etc. The Delhi High Court passed an order of a permanent injunction in favour of the plaintiffs, restraining the defendants from using the Trademark TATA in any form on the internet or otherwise.

⁹⁸ Yes, such internet use can be used to defend a non use action. In fact, the Supreme Court of India in *Hardie Trading Ltd. v Addison Paint and Chemicals Ltd.* reported in 2003(27) PTC 241 (decided on September 12, 2003), while deciding a cancellation action has categorically stated that ‘use’ of a trademark as understood under Indian law may not necessarily be use upon or in physical relation to goods. The court has held that to constitute use there is no requirement for the goods bearing the mark to be physically present and made available in India. The court has held that the presence of the mark in advertisements, in invoices and in orders also constitutes use of the trademark. While citing with approval the English decision in *Bon Matin Trade Mark* (1989 RPC 536), the court held that even the presence of the mark on price lists and promotional literature constitutes use.

On the question of cancellation of a trademark, the court held that mere continuous non-use of the trademark for 5 years is not sufficient. To succeed in such a cancellation action “an intent not to resume use of the mark is to be proved.” An actual intention to abandon is an essential component.

⁹⁹ Internet usage is sufficient to claim secondary meaning of a Trademark and entitle it to registration. In *(India TV) Independent News Service Pvt. Limited v. India Broadcast Live LLC and Ors.* 2007(35) PTC 177(Del) it was held: “Generic as well as descriptive names may be granted protection where the same has assumed a secondary meaning which identifies it either with particular goods or services or as being from a particular source”.

Also, in the case of *Info Edge (India) (P) Ltd. v. Shailesh Gupta*, (2001) 24 PTC 355 (Del) Plaintiff adopted the domain name 'NAUKRI.COM' on 27 Mar 1997. The defendants had subsequently registered a domain name by the name of NAUKARI.COM. A suit for infringement was filed by the plaintiffs. The main line of defense for the defendant was that NAUKRI.COM is generic and hence, incapable of achieving the trademark significance or secondary meaning. It was further contended that in case NAUKRI.COM has attained secondary meaning, same has to be proved. After considering the material and evidence on record, the Court held that distinctiveness can be attributed to the domain name of the plaintiff. On this finding, the Court rejected the defendant's contention that the NAUKRI.COM is a generic and/or descriptive word and hence, incapable of any trademark protection. A case of temporary injunction was made out and the Court restrained the defendant from using NAUKARI.COM till the disposal of the suit.

Israel

¹⁰⁰ Not by itself. In order to constitute "use", goods/services must be available online to the Israeli consumer, i.e. that they can be purchased by Israeli consumers via the website and shipped to Israel. However, there is very little case law in Israel on this subject.

This issue was not directly dealt with by the Trademarks' registrar. However according to one of his recent decisions (Request for cancellation of trademark reg. no. 101663_ *Vampum Ltd. v. Gigiesse Confezioni S.p.A* (from 21.1.08)) it can be inferred that availability of goods over the internet, by itself, will not suffice in order to demonstrate use of the trademark. In *Vampum*, the Trademarks' Registrar ruled that a website owned by Applicant is not considered use of the trademark seeing as internet pages may exist and be available for viewing long after the entity behind them ceased to exist or have lost interest in them. Thus, the Registrar ruled that the existence of a webpage, *per se*, in a specific date does not prove that there was any other form of activity (i.e. use) in the mark. In addition, the trademark Registrar pointed out that web pages are available for viewing worldwide whether they propose any kind of commercial activity or not.

To another opinion, voiced by the former Trademarks' Registrar see request for cancellation of trademark registration no. 102733 *Roots Canada Ltd. V. Angel Jeronimo Agullo Esclapez* (from 5.9.99). In this decision the Registrar mentioned that in order to prove a trademark became a "well known trademark" via an internet website one must prove that the website is a focal point of a lot of activity which generates recognition and esteem in respect of the trademarks. The registrar stated that in order for this kind of prove to have any meaning one needs, at the very least, to also prove the number of hits generated by Israeli web surfers.

In any event even in cases where online use of a trademark was recognized as "use" it was only when the trademark was used in connection with the goods/services for which it was requested (see Trademarks' Registrar's decision in Request for cancellation of trademark reg. no. 138834 *Migdor Lrd. v. Boris Gayle et al.* from 16.7.07).

The Registrar also mentioned, in another decision, that online publication and marketing activities could give an indication as to the how much the public is exposed to a specific trademark (see the Registrar's ruling in competing trademark applications nos. 183948 and 191785 *Yuval Yarin the dead sea Ltd. v. Ana Lotan Ltd.* from 14.8.08). However, it should be noted that any use of a trademark will not be credited as use in favour of Applicant when said use causes, amongst others, dilution of another trademark (reference is made to the Registrar decision regarding competing trademarks applications nos. 164609 and 166869 "Kirtung" (from 11.12.2006)).

¹⁰¹ However, in many of the Registrar's decisions it was stated time and time again that use of a trademark is examined first and foremost in Israel. In addition, according to the Registrar's rulings, demonstrating acquired reputation in a trademark (which is a basis for many legal arguments such as: demonstrating a well known mark, passing of etc.) which was not used in Israel or is only minimally used (even if Israeli public is exposed to the trademark abroad) is a very difficult task (see for example Request for cancellation of trademark registration no. 102733 *Roots Canada Ltd. v. Angel Jeronimo Agullo Esclapez* from 5.9.99) and will require demonstrating the reputation of the business bearing the trademark has acquired an international reputation going beyond the borders of the countries where the goods bearing the trademark are actually sold and advertised (see, for example, decision in opposition for the registration of trademark application no. 127648 "FREE" (from 4.1.205)).

¹⁰² No. There was no direct debate in this matter. However, as mentioned in the response to question 2., use of a trademark is initially and mainly examined in Israel itself. It is doubtful if online advertising on its own will constitute use of a trademark in Israel in cases where the goods bearing the trademark may not be purchased in the country. However, evidence of actual purchase of goods can help to establish genuine commercial use of the mark.

¹⁰³ According to Trademark Registrar's decision of January 21, 2008 in the matter of *Wampum Ltd. v. Gigiesse Cingezioni S.p.A.* (petition for the cancellation of Israeli trademark registration No. 101,663), a website that merely provides information is considered as advertising, and does not constitute use.

¹⁰⁴ There is no direct decision in this respect. However, passing of claims based, amongst others, on use of a trademark online have been made before the courts and no ruling was made according to which online use of a trademark does not suffice in order to lay the foundations for a passing off / unfair competition claims.

¹⁰⁵ Use of a trademark is not a preliminary condition for its registration in Israel

¹⁰⁶ Yes but not as a sole basis for protection. In this regard see aforementioned Registrar's decision in *Vampung Ltd. v. Gigiesse Confezioni S.p.A.* (from 21.1.08) where it was ruled that a website owned of Applicant is not considered use of the trademark. According to this decision it can be inferred that if online use of a trademark, on its own, does not constitute use of the trademark then said use would not be able to serve as a sole basis for protection from non-use.

¹⁰⁷ According to the Trademarks' Registrar, a website containing the trademark does not *a priori* transform the trademark to a "well known" mark, even if said website has thousands of hits (see Opposition for registrations of trademarks nos. 165333 and 165334 *Glaxo Smithkline (Israel) Ltd. v. Dr. Amnon Mosk* (from 2.2.06)). Accordingly, it may be safe to assume that same will apply insofar as acquiring secondary meaning based on the use of a trademark on a internet website alone.

Ireland

¹⁰⁸ This matter has yet to be formally ruled on in this jurisdiction (Ireland) either by way of case law or legislation. The common perception, following the line of thought in the case *Euromarket Designs Inc. –v- Peters* case in the UK (UK decisions are of persuasive authority in Ireland) is that to constitute genuine use the trader must be trying to sell goods into the country in question.

¹⁰⁹ I would say it is probably more correct to say only if the goods can be purchased from the country rather than in the country.

¹¹⁰ Probably not but again bear in mind there has been no actual cases in Ireland on this.

¹¹¹ In general yes but there would be a few caveats to this. To quote the Judge in the *Euromarket Design Inc.* case, "The right question, I think is to ask whether a reasonable trader would regard the use concerned as "in the course of trading relation to goods" within the Member State of the EU concerned. Thus if a trader from State X is trying to sell goods or services into State Y, most people would regard that as having sufficient links with State Y to be "in the course of trade" there. But if the trader is merely carrying on business in X, and an advertisement slips over the border into Y, no businessman would regard that fact as meaning that he was trading in Y. This would especially be so if the advertisement was for a local business such as a shop or local service rather than for goods.

¹¹² Again there is no direct authority on this but there is no reason why a website cannot constitute advertising.

¹¹³ The recent U.K. case of *Hotel Cipriani SRL v Cipriani (Grosvenor Street) Ltd.* [2010] Ewca civ 110 may have persuasive effect in Ireland in this regard.

¹¹⁴ Yes most likely although no decision on this.

Japan

¹¹⁵ Japanese Trademark Law, Art.2, Para.1, Item. (viii) to display or distribute advertisement materials, price lists or transaction documents relating to goods or services to which a mark is affixed, or to provide information on such content, to which a mark is affixed by an electromagnetic device.

¹¹⁶ The website, order sheet, delivery information or the like should be written in Japanese.

¹¹⁷ If use of trademark over the Internet can be proved as advertisement of the goods/services, such a use of trademark constitutes use of trademark.

¹¹⁸ Japanese Trademark Law, Art.2, Para.1, Item. (viii) to display or distribute advertisement materials, price lists or transaction documents relating to goods or services to which a mark is affixed, or to provide information on such content, to which a mark is affixed by an electromagnetic device. However, it would be necessary to indicate that a trademark is linked to goods or services.

¹¹⁹ The advertisement should be written in Japanese.

Korea

¹²⁰ Availability of goods over the Internet may be considered use of the trademark as long as the contents of the relevant website are written in Korean so that Korean consumers can easily access them.

¹²¹ A web site at issue should be targeted and directed to Korean consumers, and Korean consumers should be easily able to access to the web site. Further, a purchase of the goods from the web site should be easily achieved. Therefore, if the web site is composed in English, it would not constitute use of the trademark in Korea for the simple reason that purchase from the web site is not easily possible for Korean consumers. In other words, in order to be considered use of the trademark over the internet, we are of the opinion that the web site should be composed in Korean..

¹²² Advertisement over the Internet may be regarded as use of the trademark if the requirements of Article 2 of the *Korean Trademark Act*, which is as follows, are satisfied.

(vi) "use of a mark" means any of the following acts:

- a) applying trademarks on goods or their packing;
- b) selling or delivering goods or their packaging on which marks have been applied or displaying, exporting or importing such goods or their packaging for the purposes of selling or delivering;
- c) indicating the trademark on advertisement, price lists, business papers, signboards or labels and displaying or distributing them.

Therefore, in order for the genuine use of a mark to be established, goods available over the internet should be manufactured, advertised, sold (purchased), displayed and so on as above in Korea.

In addition advertising must be accompanied by the actual or planned distribution of goods in Korea.

¹²³ Since advertising and displaying for the purpose of sale may also be considered as use of the trademark under the *Korean Trademark Act*, evidence of actual purchase would not be necessary. However the advertisement of goods over the Internet should be for the purpose of sale. Further, token use e.g., mere advertisement of goods only for the purpose of avoiding cancellation of a mark based on non-use, is not considered as genuine use of a mark.

¹²⁴ Use is not required to obtain registration in Korea.

¹²⁵ Internet use can protect a trademark registration from a challenge based on non-use, assuming the use is directed to Korean consumers.

¹²⁶ Use of a trademark over the internet can also form a basis of protecting a registration from non-use, the same as off-line use. However, it should also meet the general requirements of use of the trademark as mentioned above.

Malaysia

¹²⁷ Provided that the goods would be available to customers or potential customers in Malaysia. Please refer to the following decision in the Malaysian High Court case of *Abercrombie & Fitch Co v Fashion Factory Outlet KL Sdn Bhd* [2008] 7 CLJ 413 where the Honourable Judge, Ramly Ali J said at 436-7:

"The plaintiff's products including articles of clothing bearing the 2nd plaintiff's Registered Trade Marks are available for purchase over the Internet. At all material times, the plaintiffs maintained and continue to maintain, inter alia, that the following websites which offer for sale the plaintiff's products bearing, the "ABERCROMBIE & FITCH" and "ABERCROMBIE" trademarks: www.abercrombie.com and www.abercrombiekids.com. All these websites are accessible to all

customers who have access to the Internet including customers and/or potential customers in Malaysia. The plaintiffs have in fact sold and shipped products bearing the 2nd plaintiff's Registered Trade Marks to Malaysia[n] customers in Malaysia...Sale of goods bearing a trademark over the internet or via a website has been recognised as a use of the trademark.

...From the above case; '1-800 - Flowers', it appears that the court took into account the intention and purpose for putting up the website. If the website is intended to be used to seek worldwide trade with a view towards commercial gain, (as in the present case), its activities fall squarely within the category of 'doing business over the internet' and may constitute 'use' for the purpose of trademark proceedings (see also: Jeremy Phillips & Hanah Simon (Eds) *Trade Mark Use* (Oxford University Press, 2005) pp. 276-277)."

Apart from the foregoing decision, there is a dearth of authority in Malaysia on this issue. Guidance may be obtained from the decisions in other common law jurisdictions such as Australia, United Kingdom and Singapore.

¹²⁸ Based on the foregoing decision (*Abercrombie & Fitch Co v Fashion Factory Outlet KL Sdn Bhd* [2008] 7 CLJ 413), it does not appear that the goods must actually be purchased by customers in Malaysia. However, it seems that goods could be purchased by the Malaysian public if they choose to do so.

¹²⁹ There should be active websites, as opposed to passive websites (namely websites that merely intended to be accessed by users to acquaint themselves with more information about the owner of the website and its business).

¹³⁰ It is not necessary but it would definitely assist to demonstrate the extent of goodwill and reputation in the trademark in order to successfully sustain a passing off action in Malaysia.

¹³¹ It appears that mere access of a website which carries a particular trademark within Malaysia may not be sufficient to constitute use of that mark in that country. There must be some "additional steps" taken by the trademark owner in order to establish use in Malaysia. What these additional steps are, will depend on the circumstances of each case. Thus, if Malaysian consumers accessing the website may order the goods as a result of the advertisement on the website, such transaction is likely to be considered as use of the trademark in Malaysia.

¹³² While a use of a mark in an advertisement will be considered a use of that mark in relation to the goods advertised, such goods must be made available to the consumers in that country.

¹³³ Provided the website is targeted and directed towards Malaysian consumers and the goods would be available for purchase by Malaysian public if they so choose.

¹³⁴ Provided all the elements of a passing off action subsist.

Please refer to the Malaysian case of *Pakai Industries Bhd v Chen Yew Industries Sdn Bhd*, [1991] 3 CLJ (Rep) 383 where Zakaria Yatim J stated at 385, applying the principles enunciated by Lord Diplock in the House of Lords in *Erven Warnink B.V. & Anor. v. J. Townsend & Sons (Hull) Ltd. & Anor.* [1989] RPC 31 at 93:

"In order to establish a valid cause of action for passing-off, the applicant has to satisfy five requirements: These are: (1) misrepresentation (2) made by a trader in the course of trade. (3) to prospective customers of his or ultimate consumers of goods or services supplied by him, (4) which is calculated to injure the business and goodwill of the trader by whom the action is brought."

It may be essential to demonstrate that some online sales generated to Malaysian customers in Malaysia.

However, if the trademark owner is unable to establish internet use in Malaysia for reasons explained above, the trademark owner may be able to rely on the provisions of protection of well-known trademarks in Malaysia under Section 70B of the Malaysian Trade Marks Act 1976 and Regulation 13B of the Trade Marks Regulations 1997, which read as follows:

70B. Protection of well-known trademarks

(1) The proprietor of a trademark which is entitled to protection under the Paris Convention or the TRIPS Agreement as a well-known trademark is entitled to restrain by injunction the use in Malaysia in the course of trade and without the proprietor's consent of the trademark which, or the essential part of which, is identical with or nearly resembles the proprietor's mark, in respect of the same goods or services, where the use is likely to deceive or cause confusion....

(3) In this section, references to a trademark which is entitled to protection under Article 6bis of the Paris Convention or Article 16 of the TRIPS Agreement as a well-known trademark are to a mark which is well-known in Malaysia as being the mark of a person whether or not that person carries on business, or has any goodwill in Malaysia, and references to the proprietor of such a mark shall be construed accordingly”

13B. Criteria of well-known mark

In determining whether a mark is well-known or not, the following criteria may be taken into account:

- (a) degree of knowledge or recognition of the mark in the relevant sector of the public;
- (b) the duration, extent and geographical area of any use of the mark;
- (c) the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at any fairs or exhibitions, of the goods or services to which the mark applies;
- (d) the duration and geographical area of any registrations, or any applications for registration, of the mark to the extent that they reflect use or recognition of the mark;
- (e) the record of successful enforcement of rights in the mark, in particular, the extent to which the mark was recognized as well-known by competent authorities;
- (f) the value associated with the mark.”

¹³⁵ Unlike the US and other countries with similar provision or in circumstances where the Registrar requires proof of use to establish evidence of factual distinctiveness or justification for a wide claim of goods or services, Malaysian trademark laws do not require evidence of use to be filed as part of the application process before the trademark registration is granted. Section 25 of the Malaysian Trade Marks Act 1976 provides that “any person claiming to be the proprietor of a trademark *used or proposed to be used* by him may make application to the Registrar for the registration of that mark in the Register in the prescribed manner”.

¹³⁶ Although there is no case law on point, there is no reason the concept of use for other purposes should be treated any differently than that in forming a basis of protecting a registration from non-use. In fact, Section 46 of the Trade Marks Act 1976 provides that “*the Court may, on application by a person aggrieved, order a trade mark to be removed from the Register...*”. This has been taken to mean that the court is furnished with judicial discretion to determine whether to rectify the Register in light of the circumstances of the case, even if the Applicant has proven the ground for rectification. Public interest is to be taken into account when determining whether to grant the order for rectification. It is believed that the court is unlikely to remove a registration on the basis of non-use if the registered proprietor is able to establish internet use of the mark in question.

¹³⁷ Evidence of internet use should be regarded as any other evidence of use to prove factual distinctiveness of a trademark including the fact that the mark has acquired a secondary meaning or secondary signification.

Russia

¹³⁸ If they are available to consumers residing in the territory of the Russian Federation and can be legally purchased by them

¹³⁹ They must be either purchased or be physically available for purchase for consumers residing in the territory of the Russian Federation.

¹⁴⁰ There should be an indication that goods could be ordered and delivered to the consumers in Russia

¹⁴¹ It is necessary to show documents that the goods are available and can be legally purchased by consumers in Russia; however, evidence of actual purchase of goods would be a plus.

¹⁴² This would constitute use (indirect one) provided there are reasons beyond trademark owner control not allowing him to use the trademark with respect to goods or services being present in the territory of the Russian Federation.

¹⁴³ There should be an indication that goods could be ordered and delivered to the consumers in Russia.

¹⁴⁴ Goods and services bearing the trademark must be available in the Russian market.

¹⁴⁵ Provided the relevant goods/services are available in Russia or there are reasons beyond trademark owner control not allowing him to use the trademark with respect to goods or services being present in the territory of the Russian Federation.

Singapore

¹⁴⁶ Provided that there is some other "active step" that goes beyond the passive offering of goods at a website, as discussed by the Singapore court in the case of *Weir Warman Ltd v. Research & Development Pty Ltd* [2007] 2 SLR 1073; [2007] SGHC 59 ("Weir Warman Case"), where the issue had to be considered in the context of a revocation action for nonuse of a registered trademark. In that case, the registered proprietor's separate fax communication offering goods bearing the registered trademark to a prospective customer and the occurrence of a meeting where the trademark was communicated to a third party as a badge of origin, were held to be sufficient to constitute such "active step" as to establish genuine use of the mark.

¹⁴⁷ The purchase of goods is not mandatory for genuine use of a trademark to be established. As stated in the Weir Warman Case, "it now seems fairly settled that genuine use can be established even if there is no evidence of actual sales being made".

¹⁴⁸ Bearing in mind that genuine use of a trademark must be that "in the course of trade *in Singapore*", the requisite "active step" (see question 1 above) is determined on the basis of all available evidence of use. To this extent, where the offer of goods over the internet is directed towards consumers in the country, it would aid in meeting the requirements for genuine use of the mark, but would not be necessarily critical where other evidence of use constituting the required "active step" is available subject to what was stated in the answer to question 144, the availability of goods over the internet may be considered "use" of a trademark.

¹⁴⁹ As discussed at question 2 above, the actual supply of goods (and hence of services as well) is not itself necessary to establish genuine use of a trademark. The court in the Weir Warman Case made it clear that once the mark was communicated to a third party in such a way as can be said to be "consistent with the essential function of a trademark" (*ie* as a badge of origin), that would be "genuine use" of the trademark.

¹⁵⁰ To the extent that the website contains material advertising goods or services under a trademark, it can constitute relevant evidence of use of the trademark. In that sense, it is no different from paid advertising, depending on the contents and circumstances in question.

However, advertising goods and services under a trademark at one's own website would not be measurable in terms of the advertising dollar expended, in the way that paid advertising can be measured in dollar value terms as an indication of the extent of use and the investments made in the promotion of the trademark.

¹⁵¹ In the case of *Amanresorts Limited and Another v. Novelty Pte Ltd* [2008] 2 SLR 32; [2007] SGHC 201 ("Amanresorts Case"), the Singapore court held in favour of the plaintiff in an action for passing off of its trademark "AMANUSA" in relation to resorts, although the plaintiff did not have any resorts in Singapore. In doing so, the court relied on the extensive goodwill and reputation in the trademark in Singapore, as established by the plaintiff through, *inter alia*, promotional materials to travel agents, collaboration with airlines and credit card companies in targeting high-net-worth individuals, its newsletters to customers in Singapore, the numerous accolades and features it earned in international and regional magazines and newspapers in Singapore and elsewhere as well as its *Internet websites*, in respect of which the plaintiff held more than 20 domain names. Although the plaintiff's internet use was relevant in the court's finding of the requisite goodwill and reputation to support the passing off action in the Amanresorts Case, it clearly was not pivotal. The defendant's appeal in *Novelty Pte Ltd v. Amanresorts Limited and Another* [2009] 3 SLR 216; [2009] SGCA 13, against the court's decision in the Amanresorts Case, was dismissed, thereby endorsing the relevance of online use of the trade mark in question. However, the Court of Appeal was careful to point out that the "Internet's power of exposure is only a potential power" and "although the Internet has the potential to be used for giving goods, services and businesses instant exposure across the entire world, it does not follow that any small, dinky business can set up a website and then claim that it has gained worldwide recognition", reiterating the need for the "active step" mentioned earlier.

To-date, there has been no reported case in which the Singapore courts have addressed a passing off action in which goodwill or reputation is claimed purely on the basis of internet use, although it is imagined that it would be conceivable to do so, provided such use is qualitatively sufficient for purposes of establishing the requisite goodwill and reputation in the trademark in question, to support a passing off action.

¹⁵² Proof of initial use is not required for registration of a trademark in Singapore since it is possible to obtain registration on the alternative basis of a genuine intention to use the trademark (as opposed to actual use). Where a trademark is not considered to be inherently distinctive, and registration for such mark is sought on the basis of its having acquired *de facto* distinctiveness or secondary meaning by virtue of long and extensive use of the mark, evidence of such use may include internet use. However, it remains a factual determination in each case whether the internet use *per se* would be sufficient to prove the requisite long and extensive use.

¹⁵³ The Weir Warman Case (see question 1 above) dealt squarely with the revocation of a registered mark on the ground of non-use, in respect of which the court clarified that internet use by way of a passive offering of goods at a website would not be sufficient to establish genuine use in the absence of some "active step". Hence, while internet use can form a basis for protecting a trademark registration from nonuse, the "active step" of the nature discussed in the Weir Warman Case would be additionally necessary.

¹⁵⁴ Where a trademark is not considered to be inherently distinctive, and registration for such mark is sought on the basis of its having acquired *de facto* distinctiveness or secondary meaning by virtue of long and extensive use of the mark, evidence of such use may include internet use. However, it remains a factual determination in each case whether the internet use *per se* would be sufficient to prove the requisite long and extensive use.

South Africa

¹⁵⁵ The legal position regarding online use of a trademark is uncertain in South Africa. One contributor advised that in broad terms, the online use of a trademark can assist in establishing both use and reputation of a trademark in South Africa provided that it can be shown that the goods would have been available for purchase by a South African consumer. If the goods were not available for purchase in and delivery to South Africa, then the mere fact that the particular site was accessible to a South African would not be sufficient to prove use. This would also apply where the trademark proprietor wishes to prevent the infringement of his mark. Having said this, if the goods are not available for purchase in South Africa, it could still be possible to obtain an order preventing the future sale of goods into South Africa on the basis of a reasonable apprehension of future infringement. Of course, evidence of the intended future use, sufficient to justify a reasonable apprehension, would need to be led to support this argument. With respect to defending an attack for non-use, the proprietor would also need to prove actual sales into South Africa. The fact that the goods were simply available for purchase by a South African would not be sufficient to defend such an application.

On the other hand, another contributor advised that the use of a trademark in relation to goods is defined in the Trade Marks Act no. 194 of 1993 as use upon or in physical or other relation to, such goods. Use in relation to services means use in any relation to the performance of such services. The only case which has, to some extent, dealt with the issue of online use of a trademark is that of *Central Africa Hotels (Pty) Limited v Choice Hotels International Inc and The Registrar of Trade Marks* 2002 BIP 116 (T) ("Choice Hotels"). In the Choice Hotels case, the services in question were both hotel services and hotel reservation services. The hotel group, Choice Hotels International, did not have a hotel in South Africa, although it was possible to make reservations at one of its hotels over the internet. The Court held that, by promoting its services under its trademark in a different country, a hotel uses its trademark. This was held to be the position in relation to both hotel reservation services (available in South Africa) and hotel services themselves (not available in South Africa). The contributor has reservations about the correctness of this decision in relation to hotel services. It is also important to note that this decision dealt with services and not goods. The online use of a trademark could, therefore, possibly assist in establishing both use and reputation of a trademark in South Africa, depending on the circumstances. UK case law has strong persuasive value in South Africa. In this regard, South African Courts will probably follow the principles laid down in *1-800 Flowers Inc v Phonenames Ltd and Euromarket Designs Inc v Peter & Another* [2000] FSR 697, [2002] FSR 91 that regard should be had to the intentions of the website owner and what the user will understand if he accesses the site. It is submitted that this argument is logical and should find support under South African law. This approach is to be preferred over the reasoning of the Court in the Choice Hotels decision.

¹⁵⁶ Subject to the uncertainty noted above and provided that the goods are available for purchase in South Africa. See the answer to question 10, however, with respect to non use.

¹⁵⁷ Except in the case of a non-use cancellation.

¹⁵⁸ Subject to the uncertainty noted above, all that is required is that the goods are available for purchase in South Africa. However, it was noted that the UK case *Euromarket Designs Inc v Peter & Another* [2000] ETMR 1025 required that the website be directed towards UK consumers. The facts of that case were correctly considered having regard to the surrounding circumstances and such an *ad hoc* approach may also be followed in South Africa.

¹⁵⁹ Except in a case of a non-use cancellation although evidence of actual purchase of goods will certainly strengthen the argument.

¹⁶⁰ Subject to the uncertainty noted above, and provided the goods are available for purchase in South Africa.

¹⁶¹ All that is required is that the goods are available for purchase in South Africa but arguably there must at least be an intention from the website owner's side to supply to South Africa.

¹⁶² Provided that there is sufficient evidence to establish the requisite reputation in South Africa. The presence of a website can help to establish both use and reputation but would most likely not be sufficient in itself. It would also be necessary to prove the renown of the trademark to target consumers.

¹⁶³ One contributor provided an affirmative answer provided that actual sales also took place. Another contributor suggested that use should at least be directed to South African consumers but that actual sales may not be required.

¹⁶⁴ Subject to the uncertainty noted above, one contributor stated that Internet use could be one factor in establishing secondary meaning, but it would probably not be sufficient in itself. There would need to be additional evidence of the acquired renown and reputation of the mark. Another contributor did not agree and indicated that Internet use may be sufficient to claim secondary meaning provided that one could show that it has, in fact, acquired a secondary meaning among South African consumers.

Sweden

¹⁶⁵ Offering of goods or services must be directed to potential costumers in the country. Not limited only to consumers preferably the offering should be done in Swedish but offering it in English will do.

¹⁶⁶ Offering of goods or services must be directed to potential costumers in the country. Not limited only to consumers preferably the offering should be done in Swedish but offering it in English will do.

¹⁶⁷ The presence of a use of a website in itself is not sufficient to claim a secondary meaning. It has to be supported by sales figures and knowledge among the potential costumers. Having said that, it is possible to obtain such rights by only conducting sales over the Internet.

Ukraine

¹⁶⁸ There is a general notice in the Ukrainian Trademark Law that the trademark holder has a right to authorize use of the trademark in the Internet. The above right will be relevant to the goods and services covered by the trademark. Thus, the availability of goods over the Internet marked with by the trademark could be considered as use of the trademark.

¹⁶⁹ There is no clear legal position in Ukraine in relation to this question. However, the use of the trademark should be somehow relevant to Ukraine, usually the trademark should be used on the web site with the domain name registered in Ukraine.

¹⁷⁰ There is no clear legal position in Ukraine in relation to this question, but the website should be presented in the Ukrainian language.

¹⁷¹ There is no need to purchase the trademarked goods from the website. The use of the trademark on the website without authorization constitute the trademark infringement.

¹⁷² Any advertising of the trademark over the Internet will constitute the trademark use.

¹⁷³ There is no clear legal position in Ukraine in relation to this question, however such advertising should be somehow relevant to Ukraine, usually it should be present on Ukrainian websites.

¹⁷⁴ In Ukraine having a website could constitute advertising. There is no requirement that advertising should be only for payment.

¹⁷⁵ In most cases it is impossible to initiate an action for passing off/unfair competition on the basis of the Internet use only. However, there is potential exception for trademarks used as domain names.

¹⁷⁶ Internet use could form basis of protection from non-use. However, in many cases the court could require offline evidence as well.

¹⁷⁷ It is possible to attempt to rely on secondary meaning acquired through use on the Internet provided that it can be established that such use took place over an extended period of time and that a large number of consumers had access to the respective source on the Internet, which resulted in the trademark in question becoming associated with a certain manufacturer or service provider. To date, there are no precedents in the Trade-marks Office or the Courts on this issue.

UK

¹⁷⁸ Yes, availability of goods over the Internet is considered use of the trademark. However, it is important to be aware of the intentions of the website owner and what the user will understand if he accesses the site. If the intention of the business is clearly to sell to its local market, then use of the mark on its website does not constitute use in every country of the world simply because the internet is available globally. See *1-800 Flowers Inc. v. Phonenames Ltd.* [2000] FSR 697 affirmed [2002] FSR 191 and *Euromarket Designs Inc v Peter & Another* [2000] ETMR 1025.

¹⁷⁹ It is not necessary for the goods to be *purchased* in the UK, however, the goods must be *available* for purchase by UK customers. Use of a trademark has to be *'in the course of trade within the member state concerned'*. See *Euromarket Designs Inc v Peter & Another* [2000] ETMR 1025 where it was held that the defendant was simply advertising its store in Dublin using the internet and was not actually seeking to do business in the UK or sell its goods there.

¹⁸⁰ For there to be trademark use in the UK it is important for the website to be directed towards UK consumers. *Euromarket Designs Inc v Peter & Another* [2000] ETMR 1025. Having the website in English (or having an English page); quoting prices in pounds sterling; and advertising, for example, products with manuals available in English, will all support a finding that the website is offering goods for sale in the UK and is therefore use of the trademark in the UK. See *KK Sony Computer Entertainment v. Pacific Game Technology (Holding) Limited* [2006] EWHC 2509 (Pat).

¹⁸¹ No, although it would be easier to prove that the website was directed at UK consumers if products/services had actually been purchased by UK consumers.

¹⁸² Provided that the advertising/website is directed towards UK customers. Jacob J used the example of Amazon.com in *Euromarket*, which although based in the US, has *"actively gone out to seek world-wide trade, not just by use of the name on the internet but by advertising its business here (in the UK) and offering and operating a real supply of books to this country"*. By advertising a trademark over the internet and directing the advertising towards UK consumers, even without the presence of goods or services in the UK, this will still be use of that trademark. *Euromarket Designs Inc v Peter & Another* [2000] ETMR 1025.

¹⁸³ An action for passing off may be brought in any circumstances where a trademark has established a goodwill within the UK and a misrepresentation has occurred, causing damage to the owner's goodwill. If the misrepresentation occurred through the use of an identical or similar trademark on the internet, and there is evidence of commercial activity in the UK in relation to that mark, an action for passing off can be initiated. In the recent decision of the Court of Appeal in *Hotel Cipriani Srl v. Cipriani (Grosvenor Street) Ltd.* [2010] EWCA Civ 110 it was found that a foreign owner of a trademark who did not actively trade in the U.K. had protectable goodwill and was able to prevent a U.K. user of the mark.

¹⁸⁴ Yes, internet use can form a basis of protecting a registration from non-use, as long as the website is clearly directed towards UK consumers. The website should make it clear that it is aimed at UK customers by providing English contact details or having a specific web page purely for English users. If it is not clear that the site is directed at UK users, then it may be difficult to prove use.

¹⁸⁵ Yes, as long as the site that uses the trademark has been directed at and visited by UK consumers.

USA

¹⁸⁶ If goods or services are for sale over the Internet and can be purchased online in the US and shipped to or provided in the US, the goods or services are considered available in the US, and this is considered use of the trademark.

¹⁸⁷ No, but see footnote 189 & 190.

¹⁸⁸ Yes, but see footnote 189.

¹⁸⁹ While the United States Patent and Trademark Office (“USPTO”) does not require the applicant to submit documentary evidence of Internet purchases, it does require the following. “In an application based on use in commerce under §1(a) of the Trademark Act, 15 U.S.C. §1051(a), the applicant must use the mark in commerce on or in connection with all the goods and services listed in the application as of the application filing date. See 37 C.F.R. §2.34(a)(1)(i). The application must include a statement that the mark is in use in commerce, verified in an affidavit or declaration under 37 C.F.R. §2.20. If the verification is not filed with the original application, it must also allege that the mark was in use in commerce on or in connection with the goods or services listed in the application as of the application filing date. 37 C.F.R. §2.34(a)(1)(i). See TMEP §§804 et seq. regarding verification.” Trademark Manual of Examining Procedure (“TMEP”) § 901 Use in commerce sufficient to establish ownership does not necessarily require a sale. For example, in *Planetary Motion, Inc. v. Techsplosion, Inc.*, the distribution of trademarked software over the Internet, even absent any sales, was sufficient to establish ownership in the mark. 261 F.3d 1188, 1194 (11th Cir. 2001). The Court stated that “the existence of sales or lack thereof does not by itself determine whether a user of a mark has established ownership rights therein.” *Id.* at 1196. Although a sale may not be required, the goods or services available over the internet must be directed toward US consumers.

¹⁹⁰ The U.S. recognizes the territoriality principle, namely, the general rule that a mark must be used in the United States to acquire trademark rights in the United States. *Person’s Co. v. Christman*, 900 F. 2d 1565 (Fed. Cir. 1990). The 4th Circuit appears to have the most liberal definition of “use,” as it held that merely advertising in the United States combined with rendering of services to American customers in a foreign country constituted “use” for the purpose of establishing trademark rights in the U.S. See *Int’l Bancorp LLC v. Societe des Bains de Mer et du Cercle des Etrangers a Monaco*, 329 F.3d 359 (4th Cir. 2003) (commonly referenced as the “Monte Carlo Casino” case, the foreign mark owner’s advertising in the U.S. included “trade show participation, advertising campaigns, charity partnerships, direct mail solicitation, telephone marketing, and solicitation of media coverage”).

The 2nd Circuit treats the Monte Carlo Casino case as an anomaly, indicating that the facts there were not sufficient to constitute “use” for purposes of establishing rights under the *Lanham Act*. *ITC Ltd. v. Punchgini Inc.*, 482 F.3d 135 (2d Cir. 2007). The ITC court, however, focused on the Famous Marks doctrine, an exception to the territoriality principle that was approved in dicta by the 9th Circuit (*Grupo Gigante S.A. de C.V. v. Dallo & Co. Inc.*, 391 F.3d 1088 (9th Cir. 2004)). The ITC did not recognize that doctrine, but if it had, the plaintiff could have asserted rights in the U.S. based on its mark’s international fame although it rendered goods and services in a foreign country and not in the U.S. The ITC court did note, however, that although the Lanham Act does not include the Famous Marks doctrine, the plaintiff foreign mark owner could assert N.Y. state law unfair competition claims.

The 2nd Circuit also refused to recognize any U.S. rights in a foreign mark owner who promoted his restaurant in Italy “during visits to the United States by distributing ‘literally thousands of T-shirts, cards, and key chains with the [Milan] Fashion Cafe name and logo to persons associated with the modeling and fashion industry which entitled them to free meals’ at the *Fashion Café*.” *Buti v. Impresa Perosa S.R.L.*, 139 F.3d 98 (2d Cir. 1998). The Buti court held that the foreign mark owner’s “[promotional] activities in the United States were insufficient to establish ‘use in commerce’ of the [mark] absent proof that [it] offered any restaurant services in United States commerce.”

Thus, it appears the answer to this question in the 4th Circuit can be yes, if the advertising and promotion in the U.S. is coupled with rendering of services to American customers abroad, while the answer in the 2nd Circuit is likely no, although the ITC court’s position on this issue was arguably dicta, as there was no direct evidence that the foreign mark owner advertised in the U.S.. However, as recognized in the ITC decision, a foreign mark owner may have state law unfair competition claims based on advertising in the U.S. We are unaware of other circuit cases on point.

¹⁹¹ See footnote 193.

¹⁹² US caselaw has been addressing Internet infringement issues for more than a decade. The caselaw in some circuits is fairly well established. By way of example, in *Internet Specialties West, Inc. v. Milon-DiGiorgio Enterprises, Inc.*, 559 F.3d 985, 989 (9th Cir. 2009), the Ninth Circuit stated that the law in its Circuit “places greater import on the ‘Internet Troika’ factors in internet cases *Interstellar Starship Svcs., Ltd. v. Epix, Inc.*, 304 F.3d 936, 942 (9th Cir.2002); *GoTo.com, Inc. v. Walt Disney Co.*, 202 F.3d 1199, 1205 (9th Cir.2000).” In *Internet Specialties West, Inc.*, the Ninth Circuit upheld the following jury instruction as valid in a claim under § 43(a) of the Lanham Act:

In an Internet case such as this one, the law considers three of these factors to be of greatest importance: (i) similarity of plaintiff's and defendant's mark; (ii) relatedness of services; and (iii) simultaneous use of the Internet as a marketing channel.

Therefore, if you find that the names "ISWest" and "ISPWest" are confusingly similar, and that the services offered by the plaintiff and defendant are related, and that both the plaintiff and the defendant use the Internet as a marketing channel, then you should find that the plaintiff has proven there is a likelihood of confusion as I have instructed you unless you find that the remaining factors weigh strongly in the defendant's favor.

See also, *Brookfield Communications, Inc. v. West Coast Entertainment Corp.*, 174 F.3d 1036, 1053 (9th Cir.1999).

¹⁹³ In the US, sufficient use for purposes of registration of a trademark used on the internet was changed significantly following the December 2009 decision of the Federal Circuit. The new requirements are addressed in TMEP § 904.03(i) as follows.

Electronic Displays

A website page that displays a product, and provides a means of ordering the product, can constitute a "display associated with the goods," as long as the mark appears on the web page in a manner in which the mark is associated with the goods, and the web page provides a means for ordering the goods. See *In re Sones*, 590 F.3d 1282, 93 USPQ2d 1118, (Fed. Cir. Dec. 23, 2009). Web pages that display the trademarks in association with a picture of the goods or a sufficient description of them to understand what they are, and provide for online ordering of such goods are, in fact, electronic displays associated with the goods. In *Sones*, the Federal Circuit held that although a visual depiction of the goods "is an important consideration in determining whether a submitted specimen sufficiently associates a mark with the source of the goods," a picture of the goods on the web page is not mandatory. *Id.* at 590 F.3d at 1288, 93 USPQ2d at 1123. A textual description may suffice where "the actual features or inherent characteristics of the goods are recognizable from the textual description, given that the more standard the product is, the less comprehensive the textual description need be." *Id.* at 590 F.3d at 1289, 93 USPQ2d at 1124.

Such web pages are not merely advertising, because in addition to showing or describing the goods, they provide a link for ordering the goods. In effect, the website is an electronic retail store, and the web page is a shelf-talker or banner which encourages the consumer to buy the product. A consumer using the link on the web page to purchase the goods is the equivalent of a consumer seeing a shelf-talker and taking the item to the cashier in a store to purchase it. The web page is, thus, a point-of-sale display by which an actual sale is made. *In re Dell Inc.*, 71 USPQ2d 1725 (TTAB 2004).

However, an Internet web page that merely provides information about the goods, but does not provide a means of ordering them, is viewed as promotional material, which is not acceptable to show trademark use on goods. See *In re Genitope Corp.*, 78 USPQ2d 1819,1822 (TTAB 2006) ("[T]he company name, address and phone number that appears at the end of the web page indicates only location information about applicant; it does not constitute a means to order goods through the mail or by telephone, in the way that a catalog sales form provides a means for one to fill out a sales form or call in a purchase by phone."). Merely providing a link to the websites of online distributors is not sufficient. There must be a means of ordering the goods directly from the applicant's web page, such as a telephone number for placing orders or an online ordering process. *In re Osterberg*, 83 USPQ2d 1220 (TTAB 2007).

The mark must also be displayed on the web page in a manner in which customers will easily recognize it as a mark. *In re Morganroth*, 208 USPQ 284 (TTAB 1980). *In Osterberg*, supra, the Board found that CONDOMTOY CONDOM was not displayed so prominently that consumers would recognize it as a trademark for condoms.

It is important to consider whether the goods are specialized in nature when determining whether web page specimens constitute a display associated with the goods. The Board found a web page containing a link to an online catalog, along with a toll free number and links to customer service and technical support, to be an acceptable specimen, where the goods (industrial tools) were specialized industrial goods, and the record contained declaration evidence that purchase of the goods requires careful calculation and technical knowledge, and that the online phone numbers were in fact used to order the goods. *In re Valenite Inc.*, 84 USPQ2d 1346, 1349 (TTAB 2007) ("[A]pplicant's website, in addition to showing pictures of the goods, provides an on-line catalog, technical information apparently intended to further the prospective purchaser's determination of which particular product to consider, an online calculator and both a link to, and phone number for, customer service representatives. Therefore, applicant's website provides the prospective purchaser with sufficient information that the customer can select a product and call customer service to confirm the correctness of the selection and place an order.").

The *Valenite* decision should not be interpreted as a broad-reaching change in USPTO practice regarding the determination of whether a website page constitutes a “display associated with the goods.” If it appears that the web page merely provides information about the goods, but does not provide a means of ordering the goods directly from the applicant’s web page, it should be viewed as promotional material and a refusal should be issued. Pursuant to *Valenite*, the applicant may overcome the refusal by submitting additional extrinsic evidence that: (1) the specialized, industrial nature of the goods is such that they cannot simply be ordered from a web page by adding the product to a “shopping cart;” (2) the practice in the industry is for customers to seek technical assistance prior to placing an order; and (3) the telephone number shown on the specimen is used by customers for customer service or technical support and to place orders. However, given the narrow range of scenarios to which this decision applies, examining attorneys generally should avoid suggesting reliance on *Valenite* to overcome a specimen refusal.

Properly associating the trademark with the goods on the web page is another hurdle. The trademark must be sufficiently prominent on the web page and the mark depicted must function as a trademark, that is, be perceived by the public as a source indicator. Use of the mark embedded in the web address below the address line on business letterhead and on the business message board did not constitute trademark use but instead functioned to indicate the business’ location on the internet *In Re Vicki Roberts*, (TTAB 2008).

Finally, although a website page may be acceptable proof of use of a trademark for purposes of registration, an applicant must still provide sufficient evidence that the mark is distinctive or has acquired secondary meaning to obtain registration. See *In re Council on Certification of Nurse Anesthetists*, (TTAB 2007).

¹⁹⁴ To date, there are no decisions coming from the US Trademark Trial and Appeal Board (TTAB) challenging the validity of trademark registrations through a cancellation action based upon internet use of the trademark. However, it is likely that use sufficient to satisfy the registration requirements, as set out in FN 190, would be sufficient to defeat a challenge of non-use.