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The Seventeenth Yearly Review of International Trademark Jurisprudence

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

The IAR is organized in alphabetical order by country or jurisdiction, and, within each country or jurisdiction, by subject and topic. To ensure continuity, if a particular subject or topic is not covered in this issue, its absence will be noted in the Table of Contents by an asterisk (*).

The Board of Editors wishes to thank those members of the Task Force who have contributed, as well as those who continue to monitor developments in their country or jurisdiction.
Members of the IAR Task Force are listed below. Where a member is responsible for coverage of multiple jurisdictions, all jurisdictions covered are listed.

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ARGENTINA

I.B.5. Suggestive

Massalin Particulares S.A. filed a trademark application for LE MANS FRESH, to cover all goods in Class 34. British American Tobacco Brands Inc. opposed the application on the basis of its trademark KENT FRESH, registered for all goods in the same class. Massalin then filed a court action seeking the withdrawal of British American Tobacco’s opposition.

The Court of First Instance admitted the complaint and declared that the opposition was ill founded. Even though the marks at issue shared the word FRESH, the court ruled that there was no risk of confusion among consumers because the most relevant components of the trademarks were LE MANS and KENT, which are well-known cigarette brands.

Division I of the Federal Court of Appeals upheld the first instance decision.1 It held that the opponent could not monopolize the word “fresh,” particularly because that word was suggestive of the quality of the product. The court referred to a previous case involving the same parties, in which Massalin had opposed British American Tobacco’s KENT FRESH application on descriptiveness grounds. In deciding that case, the court ruled that “fresh” was not a descriptive but a suggestive term and, as such, could enjoy trademark protection; it considered that the Argentine Trademark Law does not prohibit the registration of suggestive terms, especially when they are accompanied by fanciful word elements that give distinctiveness to the trademark.2 In this case, the court further ruled that consumers identified the products by the elements LE MANS and KENT, which were the mot vedette (i.e., the distinctive term) of the trademarks concerned.

This decision follows the line of Federal Court of Appeals decisions regarding the registration of trademarks that are formed by suggestive terms.

II.C.1.b. Personal Names

The plaintiffs in this case had filed an application to register the mark BARBARA PELLERITI, for all goods in Class 14. Barbara Pelleriti was the name of the six-year-old daughter of one


of the applicants, Fabián Pelleriti. The Argentine Trademark Office rejected the registration because the applicants did not file the corresponding authorization to register the name as a trademark, as required by local trademark law. In response, the applicants filed a court action against the Trademark Office seeking the reversal of its rejection.

The Court of First Instance rejected the complaint. It held that a personal name is a characteristic ascribed to the person and that it is an inalienable right that cannot be traded by a minor or by his or her legal representative.

Division II of the Federal Court of Appeals upheld the first instance decision. It ruled that the applicant’s daughter, who was a minor and therefore lacked the legal capacity to contract, was not entitled to provide the applicants with the necessary authorization to use her name as a trademark. Moreover, her father could not have his daughter’s personality attributes at his disposal, as they were not aspects to be commercially exploited in favor of her progenitor. Finally, the Court of Appeals concluded that parental power, which is the right that the law grants to parents over the property of their children until they are emancipated, was conceived for the protection of the minors and not for the benefit of the parents.

This decision is significant in that it addresses the issue of whether a third party can register a minor’s name as a trademark, regardless of his or her authorization.

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

The International Federation of Association Football, commonly known as FIFA (Fédération Internationale de Football Association), is the owner of the trade name FIFA and the trademarks WORLD CUP, FIFA WORLD CUP, and 2002 KOREA JAPAN. It also owns a figurative mark consisting of the design of the World Cup, as well as other intellectual property rights regarding the cup.

FIFA filed a complaint against Carrefour Argentina S.A. demanding that the defendant stop using its trademarks and trade name, as well as the word mundial (“world”), all of which were used on soccer balls and shirts sold by Carrefour. (The Spanish term mundial de fútbol is commonly used to refer to the FIFA World Cup.) The plaintiff also sought to recover damages.

The Court of First Instance ordered the defendant to stop using the plaintiff’s trade name and awarded FIFA damages of A $20,000 (around U.S. $5,260). However, the petition to

discontinue use of the plaintiff’s trademarks became moot, because, at the time the decision was rendered, five years had passed since the 2002 FIFA World Cup was held.

Division III of the Federal Court of Appeals reversed the lower court’s decision regarding the plaintiff’s petition, and ordered that the defendant’s use of FIFA’s trademarks be discontinued. It ruled that Carrefour had infringed the trademarks despite the time that had elapsed since the end of the 2002 FIFA World Cup competition.4

The court did not, however, order that Carrefour also discontinue its use of *mundial*, because FIFA did not prove that it had any trademark right in that word, which, the court considered, was a commonly used descriptive term. Indeed, as the court pointed out, many worldwide sport competitions could be identified by the term *mundial* that the plaintiff intended to monopolize.

Finally, the Federal Court of Appeals significantly increased the amount awarded for damages, to A $712,000 (around U.S. $187,300), based on the fact that Carrefour had deliberately used FIFA’s trademarks to increase its sales and improve its position in the market without paying the corresponding royalties. The calculation of the amount awarded for damages took into account not only the income derived from the sale of the infringing products but also the defendant’s behavior in previous FIFA World Cups, as it was proved that Carrefour had sold soccer balls with FIFA’s trademarks without authorization in 1994 and 1998, and in both instances, upon receiving FIFA’s claim, Carrefour had undertaken not to sell products bearing the FIFA trademarks.

Carrefour appealed the decision to the Supreme Court, but the appeal was dismissed by the Federal Court of Appeals. It then filed a direct appeal to the Supreme Court, which was also dismissed.

The amount awarded for damages by the Federal Court of Appeals was the largest ever in a trademark infringement case in Argentina. Argentine courts usually limit the award for damages to the profit of the infringer, so awards tend to be less than the actual damages suffered.

### III.A.7. Advertising

Laboratorios Bagó S.A. is the owner of the trademark GLIOTEM in Class 5. Bristol-Myers Squibb Argentina S.A. (BMS) owns the trademarks VESALION and KINFIL, also in that class. All three marks are used in connection with pharmaceutical products containing the drug enalapril.

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BMS had made a promotional advertisement, addressed exclusively to physicians, in which it compared the prices of its VESALION and KINFIL products with those of its competitors’ products, including, among others, Bagó’s GLIOTEM. Bagó brought an infringement action against BMS seeking that use of its trademark GLIOTEM be discontinued.

The Court of First Instance dismissed the complaint. It held that no violation of the Argentine Drug Authority’s rules on advertisement of pharmaceutical products had taken place.

Division II of the Federal Court of Appeals upheld the lower court’s decision. It held that comparative advertising may be admissible provided it respects the principles of fair trade without causing an illegitimate prejudice to third parties and no unauthorized use of someone else’s trademark takes place.

The appellate court found that because the promotional brochures made by BMS were aimed exclusively at professionals in the medical field, who had a high level of education, the relevant consumers would not be deceived by the phrase “the best enalapril,” for that sort of expression was a commonly used in advertising. Therefore, such use could not be regarded as derogatory or considered to be an act of unfair competition.

In addition, the court found that the use of a chart comparing the different prices of the defendant’s and its competitors’ products was acceptable if such information was objective and accurate and did not degrade third parties’ trademarks.

This decision is significant, for it marks the first time that an Argentine court has ever considered and expressly admitted the use of a comparative chart of prices as an advertising technique.

III.A.8. Parallel Imports/Gray Marketing

Bardahl Lubricantes Argentina S.A. is the owner of the trademark NO-SMOKE in Class 4.

Bardahl filed an infringement action against Lubimport S.A. seeking that its use of the name Bardahl, jointly with the trademark NO-SMOKE, be discontinued in connection with additives for motor engines. The products sold by the defendant were identical to those of the plaintiff and had been legally acquired from the U.S. company Bardahl Manufacturing Corporation, owner of the U.S. trademark NO-SMOKE.

The Court of First Instance admitted the complaint on the basis that the plaintiff was the owner of the Argentine trademark NO-SMOKE and had continuously and peacefully used the name Bardahl.

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Division II of the Federal Court of Appeals upheld the first instance decision. It took into account that trademark law is essentially territorial. Therefore, and considering that there was no relationship between Bardahl Lubricantes Argentina S.A. and Bardahl Manufacturing Corporation, the court found that Lubimport's importation and unauthorized marketing of goods bearing the trademark NO-SMOKE, as well as the plaintiff's company name Bardahl, violated the plaintiff's trademark rights.

This is an important decision, because the Argentine Trademark Law does not include a specific provision regarding gray market importation.

III.A.9. Infringement of Unregistered Trademarks

Bagley Argentina S.A. filed an application for a figurative mark consisting of a cookie in the shape of a smiling face, to cover only cookies in Class 30 (below, illustration at top). It has been selling these smiling-face cookies under the registered trademark SONRISAS (“smiles”) for many years (below, illustration at middle). Dilexis S.A., the defendant in this case, sells an identical cookie under the mark DALE ALEGRIA (“give happiness”) (below, illustration at bottom).

Bagley filed a petition for a preliminary injunction under Article 50 of the TRIPS Agreement (provisional measures against possible infringement) to prevent Dilexis from using and/or selling its DALE ALEGRIA cookies, on the basis that their design was identical to that of the SONRISAS cookies manufactured and sold by Bagley.

Plaintiff's Figurative Mark

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The Court of First Instance dismissed the plaintiff's request because registration of the applied-for mark was pending when the petition for injunctive relief was filed.

Division II of the Federal Court of Appeals reversed the first instance decision and granted the injunction. It found that the shape and trade dress of the plaintiff's SONRISAS cookies had been publicly and continuously used long enough to be well known in the local market, and that consequently the plaintiff had an established clientele and had acquired goodwill in the cookie design. Therefore, and even though the plaintiff's figurative mark was not registered with the Argentine Trademark Office, the court ruled that the cookie design should be afforded protection until a final decision on the case was reached.

The Argentine Trademark Law provides that the ownership of a trademark and the right to its exclusive use are obtained by registration with the Trademark Office. Consequently, only the owners of registered trademarks can apply for injunctive relief to protect their marks against infringement. The court acknowledged, however, that unregistered trademarks are legitimate and deserve

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legal protection when the owner has developed a licit commercial activity and established a clientele.

This decision follows the line of the Federal Court of Appeals decisions providing protection to unregistered trademarks.

III.E.1. Injunction

Nike International Ltd. is the owner of the well-known trademarks NIKE, covering products in several international classes.

Nike filed a petition for a preliminary injunction against Mercado Libre S.A. under Article 50 of the TRIPS Agreement, seeking the temporary cessation of use of its trademarks on the defendant’s website, www.mercadolibre.com.ar, one of the most popular online auction sites in Argentina. The plaintiff also sought the suspension of all listings offering goods under those marks, whether for bid or for direct sale, until all sellers could be properly identified.

The Court of First Instance admitted Nike’s request and granted the requested injunction.

Division II of the Federal Court of Appeals ruled that the requirements for a preliminary injunction were met *prima facie*. However, it held that the lower court’s decision was excessive because it did not distinguish between counterfeit and genuine or legally marketed goods.

Therefore, the appellate court amended the injunction and ordered Mercado Libre to (1) provide Nike with a complete identification of every seller that offers NIKE products, including the seller’s full name, company registration details, address, email address, telephone number, and tax identification number, whenever an infringement case was reported by Nike; (2) inform sellers that their personal data might be provided to Nike; and (3) warn sellers about the consequences of providing false registration information.

The court further ruled that the first instance decision should be upheld until the defendant informed the court that it was technologically capable of complying with the injunction.

This decision sets some requirements for seller information that should be retained by auction websites.

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9. Mercado Libre provides trademark owners with the possibility of requesting the removal of listings that are advertising infringing products. In the event that the infringer continues offering products in violation of any intellectual property right, the owner of the right is entitled to request the cancellation of the auction and the suspension of the user’s account. However, Mercado Libre is not able to disclose the true identity of the infringer, for such information may be adulterated at the time of registration.
III.F. Loss of Trademark Rights

D. Jacobson & Sons Ltd. is the owner of the trademark GOLA, registered in the United Kingdom and more than 50 other countries. When Jacobson filed an application in Argentina to register the trademark GOLA for all goods in Class 25, the Trademark Office cited the trademark GOLA BLANCO, registered in the name of Isabel Elida Chanteiro and covering all goods in the same class. No opposition was filed against the applied-for mark.

Jacobson thereupon brought suit, asking that Chanteiro’s trademark GOLA BLANCO be assigned in its favor, on the basis that, given its similarity to Jacobson’s well-known trademark GOLA, said mark had been registered in bad faith. In addition, the plaintiff requested the cancellation of the defendant’s mark on grounds of non-use and bad faith.

The Court of First Instance declared the cancellation of the trademark GOLA BLANCO on grounds of non-use. However, the court dismissed Jacobson’s request for the assignment of the trademark, as such claim could not be admitted in cases where the plaintiff did not have a trademark registration in the country or use the trademark in the local market.

Division I of the Federal Court of Appeals reversed the lower court’s decision and ordered the assignment of the trademark GOLA BLANCO to the plaintiff, despite the fact that the registration for said mark had expired without being renewed by the time the appellate court’s decision was rendered.10

The appellate court held that even though Jacobson’s mark could not be considered well known in Argentina, the fact that it had been extensively used worldwide should be taken into account. It further held that there was no reasonable explanation for the similarities between the trademark GOLA BLANCO, registered in Class 25, and the trademark GOLA, which was used worldwide in connection with footwear. Therefore, the court considered that there were strong indicia that the defendant had intended to tread on the plaintiff’s mark GOLA.

It is rare for Argentine courts to order the assignment of trademarks that have been registered in bad faith. In such cases, courts generally declare the cancellation of the mark. Furthermore, this case is particularly unusual, because the Federal Court of Appeals ordered the assignment of a trademark whose registration had expired without being renewed by the time the court handed down its decision.

III.F.1. Non-Use

Juan Salierno is the owner of the trademark CITROVITA & Design (see below), covering “fruit juices in general, with the express exclusion of rice, flour or cereal based juices” in Class 32. Citrovita Agro Industrial Ltda. filed a trademark application for CITROVITA, to cover “fruit juices and non alcoholic beverages, namely, non alcoholic beverages, fruit beverages, fruit juices, fruit flavored beverages, non alcoholic fruit flavored beverages, fruit juice concentrates, fruit nectar, bottled water, aerated waters, table waters, mineral waters” in the same class.

When Salierno opposed the application, Citrovita filed a court action seeking the withdrawal of the opposition and requesting the cancellation of the opposing mark on grounds of non-use.

The Court of First Instance admitted the complaint, cancelled the trademark CITROVITA & Design, and declared the opposition unfounded.

Division III of the Federal Court of Appeals affirmed the lower court’s decision. The court noted that under Section 26 of the Argentine Trademark Law, in order to avoid its cancellation for non-use, a trademark must be used within five years prior to the commencement of the mandatory pre-trial mediation proceedings.

The appellate court also held that the use of a trademark must be clear and serious, so as to show the trademark owner’s intention to market the products or render the services designated by the trademark. Therefore, the evidence of use offered by the defendant, consisting of (1) a request for authorization for the marketing of CITROVITA products, filed with the administrative authorities, (2) the execution of a contract for the insertion of bar codes in the packaging of its products, and (3) a trademark license agreement entered into with a pharmaceutical laboratory,


12. Law on Trademarks and Designations (Law No. 22362, Dec. 26, 1980). Section 26 provides:

On request, a trademark shall be declared to have lapsed if it has not been used in the country within five years preceding the date on which the action was instituted, except where reasons of force majeure prevented such use.

A trademark registered and not used in one class shall not lapse if the same trademark has been used in the marketing of a product or provision of a service included in other classes, or if it forms part of the designation of an activity.
reflected preliminary acts that were not sufficient to prove use of the mark.

The Argentine Trademark Law does not establish parameters for determining sufficient use of a trademark in order to avoid cancellation for non-use. However, this ruling provides some guidelines as to the sort of evidence that is useful in proving trademark use.

AUSTRALIA

I.D. Likelihood of Confusion

In the most recent decision in the protracted litigation involving E & J Gallo Winery and Lion Nathan Australia, the Full Federal Court allowed Gallo’s appeal on the issue of infringement. The court reversed the trial judge’s finding, holding that Lion Nathan had infringed Gallo’s registered trade mark BAREFOOT by selling beer under the mark BAREFOOT RADLER. This determination was based on the conclusion that the marks were deceptively similar and that the goods, namely Lion Nathan’s beer and Gallo’s wine, constituted “goods of the same description” for purposes of infringement under Section 120(2)(a) of the Trade Marks Act.13

The Full Federal Court placed weight on the fact that the beer produced by Lion Nathan was intended to be an appealing alternative to wine and, in developing its product, Lion Nathan deliberately set out to attract people who drank wine instead of beer. That circumstance—and other arguments made by Gallo—led the court to conclude that Lion Nathan’s beer and wine were goods of the same description.

The appellate court further considered that notwithstanding the inclusion of the word RADLER in the Lion Nathan trade mark, the word BAREFOOT remained prominent. That being so, the court concluded that there was an obvious and clear link between that word and an imperfect recollection of Gallo’s registered mark such that a likelihood of confusion existed. On that basis, the court ruled that Lion Nathan’s use of its mark RADLER BAREFOOT infringed Gallo’s mark BAREFOOT.14

13. Trade Marks Act 1995, Act No. 119 of 1995, as amended. Section 120(2)(a) provides: “A person infringes a registered trade mark if the person uses as a trade mark a sign that is substantially identical with, or deceptively similar to, the trade mark in relation to: . . . goods of the same description as that of goods . . . in respect of which the trade mark is registered. . . .”

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

Chocolaterie Guylian NV is a manufacturer of boxed chocolates. The company is particularly well known for its collection of seashell chocolates, which includes the shapes of different types of shells, shellfish, a prawn, and a seahorse. Guylian obtained an International Registration for its chocolate seahorse shape pursuant to the Madrid Protocol and applied to extend that trade mark registration to Australia. The Registrar of Trade Marks, however, refused to register the seahorse shape as a trade mark on the ground that the shape was not capable of distinguishing Guylian’s goods. Guylian appealed that decision.

The Federal Court of Australia agreed with the Registrar’s finding that the seahorse shape was not capable of distinguishing Guylian’s goods, and dismissed Guylian’s appeal. In his judgment, Judge Sundberg considered two preliminary issues of general relevance to the registrability of marks under Australian trade marks legislation.

The first of these issues was the presumption of registrability that is mandated by the Trade Marks Act. When it came into operation on January 1, 1996, the new Act purported to introduce a presumption that a trade mark is registrable unless the Registrar is satisfied that grounds for rejecting it exist. In the present case, the judge agreed with the Registrar that the applicant Guylian’s seahorse shape was not capable of distinguishing the company’s goods. Consequently, the Registrar contended that the presumption of registrability was no longer applicable and the onus was on Guylian to satisfy the court that the shape mark did or would distinguish Guylian’s chocolates. Judge Sundberg agreed. The presumption of registrability applies only to those trade marks that are capable of distinguishing an applicant’s goods or services.

The second issue of general relevance to trade marks is the standard of proof required in considering an appeal from a decision of the Registrar to the Federal Court. For some years, judges of the

16. Section 33(1) of the Trade Marks Act provides:
   The Registrar must, after the examination, accept the application unless he or she is satisfied that:
   (a) the application has not been made in accordance with this Act; or
   (b) there are grounds under this Act for rejecting it.
17. Section 41(3) of the Trade Marks Act provides: “In deciding the question whether or not a trade mark is capable of distinguishing the designated goods or services from the goods or services of other persons, the Registrar must first take into account the extent to which the trade mark is inherently adapted to distinguish the designated goods or services from the goods or services of other persons.”
Federal Court have expressed differing opinions as to the relevant standard to be applied. In some Federal Court judgments, it was contended that a refusal to register a trade mark should be upheld only if the court is satisfied that the mark should clearly not be registered. Having considered a number of Federal Court judgments, Judge Sundberg concluded that there was nothing in the relevant sections of the Trade Marks Act that supported a requirement that the court be clearly satisfied. Rather, the standard prescribed under the Act is that the court be satisfied on the balance of probabilities and that no higher standard need be demonstrated.  

Having disposed of these preliminary issues, Judge Sundberg went on to consider the substantive question of whether Guylian’s seahorse shape satisfied the distinctiveness requirements of the Act. According to Guylian’s evidence, the seashell range of chocolates had been sold in Australia for nearly 30 years. Annual sales and marketing expenditures in Australia between 1988 and 2004 were tens of millions of dollars, as well as very substantial marketing and advertising activities in that same period. Based on this evidence, Guylian contended that the seahorse shape was capable of distinguishing its chocolates from those of other traders. As part of its evidence, Guylian tendered the results of a market survey, which indicated that 40.6 percent of the respondents associated the seahorse shape with Guylian and that the level of recognition was “very high.”

In response, the Registrar tendered evidence of the use of chocolates in the shape of seashells and seahorses by other traders in Australia. This evidence postdated the filing date of Guylian’s trade mark application.

While the judge accepted that the application filing date is the relevant date for assessing whether a trade mark is capable of distinguishing the goods, he opined that evidence of events taking place after the filing date may be relevant to whether the mark sought to be registered is capable of distinguishing an applicant’s goods. In the present case, the evidence showed that chocolates in the shape of seashells were being sold by other traders in Australia since at least the mid-1990s. With other traders already selling seashell chocolates, the judge considered that it was reasonable to expect that, at the priority date, other traders might have wished to make chocolates in the shape of a seahorse as well as other marine creatures. Consequently, the judge concluded that the seahorse shape was not sufficiently distinctive to proceed to registration.

18. Chocolaterie Guylian NV v. Registrar of Trade Marks, supra note 15, para. 27.
19. Id. para. 48(a).
Nevertheless, the judge was satisfied that, at the priority date, there was at least some degree of inherent adaptability in the shape to distinguish Guylian’s chocolates. On that basis, the judge turned to consider the registrability of the seahorse shape in terms of Section 41(5) of the Trade Marks Act.\textsuperscript{20} That section permits the registration of trade marks that are not, by virtue of their inherent qualities, sufficiently adapted to distinguish but are shown by evidence to have a capability to distinguish as a result of use and other circumstances. In other words, Section 41(5) recognises that marks that are insufficiently adapted to distinguish may nevertheless by their use become distinctive in the minds of consumers so that they will be able to “do the job of distinguishing” the applicant’s goods and serve as a badge or an indicator of origin. However, a crucial feature of the evidence relied upon by an applicant in meeting the statutory requirements is that the use be use as a trade mark.

Relying on a recent judgment by the Full Federal Court,\textsuperscript{21} the judge determined that evidence of promotion and use of a trade mark does not, without more, demonstrate distinctiveness. The mere fact that consumers associate a mark, whether a shape or a colour or a word, with an applicant does not mean that use of the mark constitutes use as a trade mark. Even assuming that there was a clear association of the seahorse-shaped chocolates with Guylian, the judge noted that the anterior question was whether the association was referable to Guylian’s having used the shape as a trade mark. Considering the evidence as a whole, the judge

\begin{footnotesize}
\begin{enumerate}
\item Section 41(5) provides:

\begin{enumerate}
\item If the Registrar finds that the trade mark is to some extent inherently adapted to distinguish the designated goods or services from the goods or services of other persons but is unable to decide, on that basis alone, that the trade mark is capable of so distinguishing the designated goods or services:

\begin{enumerate}
\item the Registrar is to consider whether, because of the combined effect of the following:

\begin{enumerate}
\item the extent to which the trade mark is inherently adapted to distinguish the designated goods or services;
\item the use, or intended use, of the trade mark by the applicant;
\item any other circumstances;
\end{enumerate}

the trade mark does or will distinguish the designated goods or services as being those of the applicant; and

\item if the Registrar is then satisfied that the trade mark does or will so distinguish the designated goods or services—the trade mark is taken to be capable of distinguishing the applicant’s goods or services from the goods or services of other persons; and

\item if the Registrar is not satisfied that the trade mark does or will so distinguish the designated goods or services—the trade mark is taken not to be capable of distinguishing the applicant’s goods or services from the goods or services of other persons.
\end{enumerate}
\end{enumerate}
\end{enumerate}

was not satisfied that Guylian had educated the public to recognise the seahorse shape as a badge of origin. While members of the public might recognise the shape and associate it with Guylian, the judge concluded that the public did not interpret the shape as a trade mark.

Having regard to Guylian’s use of the seahorse-shaped chocolate and the limited extent to which the shape was inherently adapted to distinguish, the judge was not satisfied that the shape did or would distinguish Guylian’s chocolates from those of other traders. On that basis, the judge ruled that the seahorse shape was not capable of distinguishing the goods, and therefore, the application for registration of the trade mark was refused.

III.F.1. Non-Use

In *E & J Gallo Winery v. Lion Nathan Australia Pty Ltd.*,22 the Full Federal Court dismissed Gallo’s appeal on the issue of non-use. It confirmed the trial judge’s finding that there had been no use of the registered trade mark BAREFOOT by Gallo in Australia and ordered that the trade mark be cancelled on the ground of non-use.

The appellate court did not accept Gallo’s argument that so long as a trade mark owner continues to “use” its mark, its awareness of the use is irrelevant, no matter where the goods end up in the world. Agreeing with the trial judge, the court found no authority to support the contention that inadvertent, unknown, and unintended use of a registered owner’s mark on goods that are imported into Australia by a third party constitutes adequate use of a trade mark in this country. According to the court, there must be a consciousness on the part of the person claiming to be the owner of the trade mark to target the Australian market. Therefore, the trial judge was correct in concluding that Gallo’s trade mark BAREFOOT had not been used in Australia during the prescribed period and that it should be removed from the register.

AUSTRIA

I.E. Bad Faith

The plaintiff, Watkins Manufacturing Corporation, was the owner of 46 foreign trademarks containing the word HOTSPRING, registered for goods in Classes 11 and 19. The defendant, RFT Handels GmbH, was the owner of the junior Austrian trademark HOTSPRING, covering goods in Classes 11, 19, and 28.

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Since 1991, the plaintiff’s goods had been distributed in Austria by a company whose manager, Max Kuchler, was also the manager of another company, for which latter firm he filed in 1999 an Austrian trademark application for HOTSpring. In 2000, this trademark was assigned to the defendant in a transaction where Mr. Kuchler acted for both the assignor and the assignee.

The plaintiff brought an action on bad faith grounds for the assignment of the Austrian trademark or, in the alternative, for the mark’s cancellation. In response, the defendant argued that it did not act in bad faith when applying for the trademark because it had no agency relationship with the plaintiff. However, the Nullity Division of the Austrian Patent Office held, and the Supreme Patent and Trademark Board affirmed, that a confidential relationship is created not only by a principal-agent relationship but also by other circumstances (here, the personal involvement of Mr. Kuchler). In any case, such an association carries with it the obligation to look after the business interests of the other party. Therefore, the trademark was assigned to the plaintiff.23

This decision makes it clear that if a trademark is acquired in breach of the obligation to respect someone’s interests, the injured party may request the assignment of the mark even if it has meanwhile been transferred to a third party. An unencumbered acquisition in good faith is alien to trademark law.

II.C.1.j. Slogans

The mark ALLES WAS RECHT IST (“everything that’s right”) was rejected for registration by the Austrian Patent Office with respect to certain services, including advertising, business management, business administration, office functions (Class 35); insurance, financial affairs, real estate affairs (Class 36); and legal services (Class 42, now Class 45), on grounds of lack of distinctiveness. The applicant, Dr. Wilfried Wetzl, appealed the decision, but he failed as well at the Administrative Court, which held that the phrase in question was very common in Austria and therefore would not be regarded as an indication of origin. The relevant trade would regard it only as referring to the type of services offered by any law office or company.24

Decisions of the Administrative Court in trademark matters are very seldom encountered. As was demonstrated in this case,


the Austrian authorities are very strict with respect to the registrability of advertising phrases or slogans as trademarks.

III.A.2. Passing Off

Puma AG Rudolf Dassler Sport owns four international trademark registrations, designating Austria and covering “footwear, in particular sports and leisure footwear” in Class 25, that consist of the design of a form-strip (the “Puma form-strip”) attached to the side of a shoe (below, illustration at left). Ferdinand Richter GmbH sold shoes with a decoration allegedly similar to the Puma form-strip (below, illustration at right).

In provisional proceedings, the first and second instance courts (the Provincial Court of Linz and Upper Provincial Court of Linz, respectively) granted Puma an interim injunction on the basis of similarity between the registered design and the decoration.

The Austrian Supreme Court disagreed. It found that the Puma form-strip was curved, whereas Richter's appliquéd ornament was hooked. As the defendant produces high-quality children's shoes under the brand name RICHTER, the Supreme Court held that the trade involved would regard the ornament as decoration, not as a trademark.

In addition, the Supreme Court held that even if the PUMA trademarks were well known, no dilution or exploitation of reputation had occurred because there was no similarity. Furthermore, because the ornament on the RICHTER shoe and the Puma form-strip were only faintly similar, it denied any bad faith on the part of the defendant. Therefore, the Court dismissed Puma's action.26

This case was an outgrowth of the RED DRAGON case27 in that in its decision the Supreme Court sought to balance the

25. E.g., IR No. 426712, filed Nov. 4, 1975, registered Nov. 19, 1976.
27. Red Bull GmbH v. Prima Gida Sanayi ve Ticaret Ltd Sirketi, Case No. 4 Ob 122/05b, ÖBl 2006, 44 (Supreme Court, Nov. 29, 2005), reported at 98 TMR 333 (2008).
interest of the owner of a well-known trademark and the interests of other market participants.

III.A.5. Domain Names

The Austrian trademarks AMADÉ and SPORTWELT AMADÉ had been registered since 1998 by the plaintiff, “Zauchensee” Liftgesellschaft Benedikt Scheffer GmbH, for “advertising” (Class 35) and “services for providing food and drink, temporary accommodation and hotel reservation” (Class 43). The defendant, Peter Url, had owned the domain name amade.at since 1999 and had used it since 2005 as a platform for arranging and booking hotel accommodations in the Province of Salzburg.

In a prior case involving the same parties that went back to 2001, the plaintiff’s claims of domain grabbing and infringement of its rights in the name “Amadé” were denied by the Supreme Court. At that time, the domain name was used for a website offering real estate; therefore, any claims based on senior trademark rights were also denied, the Court finding that there was no risk of confusion.

In the present case, which began in 2005, the first instance court (Provincial Court of Salzburg) granted the plaintiff’s demand for cancellation of the domain name; the second instance court (Upper Provincial Court of Linz) affirmed the lower court’s holding and declared the defendant’s ordinary appeal for revision (i.e., an appeal to the Supreme Court) inadmissible.

The Supreme Court, however, accepted an extraordinary appeal and dismissed the prior judgments. It held that the mere registration of a designation as a domain name is never use of a trademark in a trademark law sense. Additionally, as the domain name at issue might rightfully also be used in a non-infringing way, the plaintiff’s demand for its removal pursuant to trademark law did not include a demand for the defendant’s consent to the cancellation of the domain name.28

In this case, the Supreme Court held, for the first time, that a demand for consent to the cancellation of a domain name cannot succeed as long as use of that domain name cannot be prohibited completely.

The plaintiff is the owner of the Community trade mark (CTM) PERSONAL SHOP,29 having a priority date of 24 October 2001, for services in Classes 35 and 39, and the domain name personalshop.net, used for online shops for, among other things,

clothing and household articles. The defendant had owned the
domain name personalshop.de since November 2000. Its website
provided links to several providers.

In provisional proceedings, the first and second instance courts
(respectively, the Provincial Court and Upper Provincial Court of
Innsbruck) dismissed the plaintiff’s claim for a temporary
injunction to restrain the defendant’s further use of its domain
name. The Supreme Court, however, granted the injunction, on the
following grounds:

- Temporary injunctions fall under the responsibility of the
court at the place of effect, irrespective of whether an
Austrian trademark or a CTM is concerned. The court of
first instance in the main proceedings, however, will be the
Commercial Court of Vienna, acting as the CTM court of
first instance.

- At the first instance, the defendant proved only the date of
the registration of its domain name but not the date on
which it began using the website in a commercial manner,
which was crucial for the determination of priority under
German law. (The defendant, a German company, had
alleged that its use of the website started in Germany.)

The Supreme Court found that the plaintiff’s trademark had
the earlier priority date. Given the similarity between the
trademark and the defendant’s domain name, the Court granted
the temporary injunction.30

This case marks the first time that national temporary
injunction measures based on a CTM were considered in view of
overlapping national and Community regulations.

III.A.5.b. Typosquatting

The plaintiff owned several trademarks containing the letters
ÖWD (the abbreviation for Österreichischer Wachdienst, “Austrian
watching (or security) service”), as well as the domain names
oewd.at and owd.at, all for custody and protection services in Class
45. In provisional proceedings, the plaintiff sought a temporary
injunction to restrain the defendant’s use of the domain name
öwd.at, owned by a third party, to divert the plaintiff’s customers
to its own website; whenever a prospective customer entered
öwd.at instead of oewd.at or owd.at, he was directed from the third
party’s website to the defendant’s website, which ran under the
domain name t*****.de.

At first instance (Provincial Court of Salzburg), the plaintiff’s
application was dismissed. On appeal, however, the second

30. Case No. 17 Ob 22/07w, ÖBl 2008, 139, GRUR Int. 2009, 74 (Supreme Court, Dec.
instance court (Upper Provincial Court of Linz) reversed, and granted the injunction.

The defendant appealed to the Supreme Court, denying any influence on the third party. However, the Court held that the defendant was to be regarded as an accomplice because it did not establish that it had ever acted against the third party to stop the automatic link to its website. Therefore, the Court confirmed the second instance decision.31

With this decision, the Supreme Court extended its previous rulings on domain grabbing: now, the intention of an act can be assumed from circumstantial evidence. If the plaintiff certifies a statement of affairs, which applies to the physical elements of complicity by the defendant, it is incumbent on the defendant, in accordance with the principles of loyalty and good faith, to provide exonerating evidence.

III.A.9. Infringement of Unregistered Trademarks

The plaintiff, Interhospitaltransfer GmbH, is the owner of an Austrian trademark registration for NIEDERÖSTERREICH INTERHOSPITALTRANSFER & Device (“Lower Austria interhospital transfer”), covering services in Classes 39 and 44. The defendant, Verein “Grünes Kreuz,” had used the designations “Rund um die Uhr Grünes Kreuz Interhospitaltransfer von Arzt zu Arzt” (“around-the-clock Green Cross interhospital transfer, from doctor to doctor”) and “Grünes Kreuz Interhospitaltransfer” for transfer of patients between hospitals in Vienna and Lower Austria.

The plaintiff or its predecessor had used the designation “Interhospitaltransfer Niederösterreich” for transportation of patients between hospitals in Vienna and Lower Austria since 1997 and got the above-mentioned trademark registered in 2006. The allocation of the designation to the plaintiff was attested. The defendant was in business contact with the predecessor and started on its own with such transportation after May 2006.

At first instance (Provincial Court of St. Pölten), the court granted a temporary injunction to prevent the defendant from using its designations. This decision was finally approved by the Supreme Court. However, it was based not on trademark law but on the Law Against Unfair Competition. Given that Interhospitaltransfer is a generic term, the Supreme Court held that the plaintiff’s predecessor had acquired for its designation in Vienna and Lower Austria a local protection right, which

constituted the basis for a temporary injunction restricted to that area of Austria.\textsuperscript{32}

It was made clear that the owner of a trademark or designation may rely on its predecessor’s acquired distinctiveness as long as it continues the business.

\textbf{III.B. Procedure}

Manpower Inc. requested the partial cancellation of PDV Beteiligungs GmbH’s Austrian trademark MANPOWER ARBEIT NACH MASS, registered for goods and services in Classes 6, 9, 13, 16, 18, 21, 26, 28, 32, 34, 35, 36, 37, 38, 41, and 42. The Nullity Division of the Austrian Patent Office ordered the partial cancellation, as no counter-writ was filed by the defendant.

Thereupon the defendant applied for reinstatement of the term for filing a counter-writ. It argued that it had ordered a patent attorney to file that writ but the order letter got lost.

The reinstatement request was dismissed by the Nullity Division. The Supreme Patent and Trademark Board confirmed this decision, holding that not filing within a given term or asking for confirmation of receipt of an order letter evidenced more than a slight degree of negligence on the part of the defendant.\textsuperscript{33}

The Board pointed out that misplacing or forgetting an official letter hinders reinstatement, especially when the party concerned is an enterprise.

\textbf{III.E.1. Injunction}

The plaintiff, Motopress Werbe- und Verlagsgesellschaft mbH, is the owner of the Austrian trademark BUZZ!, registered for “computer hardware, software and data carriers” (Class 9) since 2001. The defendant has distributed gaming consoles with a computer game (music quiz) named “BUZZ!” since 2005.

In provisional proceedings for trademark infringement, an interim injunction was granted based on the registered goods and services of the plaintiff’s trademark, because at that time the trademark was still within the five-year grace period for use.\textsuperscript{34}

After the expiration of the five-year grace period, the defendant requested annulment of the interim injunction. It


\textsuperscript{34} Case No. 4 Ob 134/06v, ÖBl 2007, 176 (Supreme Court, Sept. 28, 2006), reported at 99 TMR 377 (2009).
argued that the mark had not been the subject of a right preserving use (i.e., a “serious” or genuine use that excludes cancellation on the ground of non-use), so that the plaintiff no longer had a rightful cease and desist claim against the defendant. The court of first instance (Commercial Court of Vienna) dismissed the annulment request, but the court of second instance (Upper Provincial Court of Vienna) remitted the case to the first instance court for supplemental proceedings, to take evidence on the question of genuine use.

Against this decision the plaintiff filed an appeal to the Supreme Court (court of third instance). The Court, after discussing the controversial judgments handed down in similar cases, dismissed the appeal and confirmed the remittance decision of the Upper Provincial Court of Vienna. It held that a request for annulment of an interim injunction may rightly be filed even before a claim for injunctive relief has been finally denied in the main proceedings and that the use of a trademark always has to be certified or proved by the trademark owner.35

**III. E.2. Damages**

The plaintiff, Canon Kabushiki Kaisha, owns an Austrian trademark registration for CANON (stylized).

In December 2003, the Supreme Court upheld the grant of a temporary injunction against the defendant for purchasing, as a wholesale merchant, CANON products designated for the U.S. market in Southeast Asia, storing them in an Austrian duty-free storehouse, and selling them afterward to non-EEA (European Economic Area) member states.36 At that time the Supreme Court held that the merchant had violated the domestic trademark law. In September 2005, the merchant was sentenced by the second instance court for professional trademark infringement.37

Subsequently the European Court of Justice (ECJ) clarified that the parallel importation of original goods that are stored only in a European Union duty-free storehouse does not constitute use of the trademark and thus cannot be considered a violation of trademark law.38 Thereupon the merchant was acquitted of criminal infringement and the intermediate injunction was

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36. Case No. 4 Ob 213/03g, ÖBl 2004, 124 (Supreme Court, Dec. 12, 2003), reported at 96 TMR 296 (2006).
37. Case No. 21 Bs 102/05m, ÖBl 2006, 78 (Upper District Court of Vienna, Sept. 2, 2005), reported at 98 TMR 340 (2008).
The defendant based its claim on the ground that the temporary injunction would not have had to be released by the Supreme Court in 2003 if the preliminary ruling of the ECJ had existed at that time. The court of first instance (Provincial Court of Wiener Neustadt) dismissed the damage claim. This decision was ultimately confirmed by the Supreme Court, which held that its decision on the temporary injunction had become final, even though the later judgment of the ECJ had counteracted the grounds of that decision. As a preliminary ruling by the ECJ cannot question any judgment by a national court that has become final, the statement of grounds by the defendant had to be rejected.39

With that ruling the Supreme Court made clear the priority of final national decisions over later preliminary rulings by the ECJ.

III.F.1. Non-Use

Powerserv Personalservice GmbH, an Austrian company, brought an action against the Academy of Motion Picture Arts & Sciences, a U.S. body, seeking the cancellation of the defendant’s Austrian trademark registration for OSCAR, covering film and video recordings of movie award ceremonies (Class 9) and the awarding of performances with respect to movies and the lending out of recordings for promotion of movie art (Class 41). Cancellation was based on non-use of the mark in Austria and on loss of distinctiveness.

The plaintiff argued that the movie award ceremonies took place outside Austria and therefore did not constitute a right preserving domestic use. It further contended that OSCAR had become a common designation (in combination with any subject) for outstanding performances or qualities.

The Nullity Division of the Austrian Patent Office dismissed the cancellation claim. The Supreme Patent and Trademark Board confirmed that decision. It held that a right preserving use of an Austrian trademark for services does not mean that the services are offered only domestically. Broadcasting of the ceremonies in Austria by a licensee, as well as distribution of videos, DVDs, etc., of such ceremonies, is proof of a serious use.40


With respect to the claimed loss of distinctiveness, however, the Supreme Patent and Trademark Board converted the argument into development into a generic term. Such a development was denied on the ground that there are many designations available that cover the awarding of performances—that is, such services are not restricted to the word/name “Oscar.” The question of whether under Austrian law another loss of distinctiveness may occur is, therefore, still unanswered.

This was the first time that the Patent Office held that for a right preserving use of an Austrian service mark there is no requirement that the services be rendered solely domestically.

**III.F.5. Nullification**

The plaintiff in this case was sued by the defendant for infringement of its Community registrations for trademarks containing the expression WE WILL ROCK YOU (see below). As a reaction thereto the plaintiff sued for nullification of the trademarks. The defendant had requested suspension of the proceedings and an order to the plaintiff to file the nullification action with OHIM.

The Commercial Court of Vienna, sitting as national CTM court, dismissed that claim on the ground that the possibility of remitting the case to OHIM was but an exceptional provision and that the trademark owner had no enforceable right to such a remittal. The second instance court (Upper Provincial Court of Vienna) rendered partial judgment for the plaintiff. On further appeal, the Supreme Court rejected the suit in full scope. It held that an average European consumer would not regard the trademarks as nondistinctive or descriptive.


This was the first time that the Supreme Court, as the CTM court of third instance, had to rule on a counteraction for nullification of a CTM. Its decision in this case is binding throughout the European Union.

BENELUX

I.A. Use

The plaintiff, Ragdoll Productions (UK) Ltd, owned Community trade mark (CTM) registrations for the word mark TELETUBBIES\textsuperscript{43} and a figurative mark with the word TELETUBBIES (see below),\textsuperscript{44} registered for goods and services in Classes 9, 16, 25, 28, and 41. The defendant, John Aroenkumar Jadnanansing, owned a Benelux trademark registration for TELETUBBIES (word mark), registered for goods and services in Classes 4, 5, 20, 24, 27, 29, 32, 35, and 45 on August 28, 1998.

Ragdoll brought suit against Jadnanansing in the District Court of The Hague, requesting the cancellation of the defendant’s trademark registration and an injunction based on trademark infringement. Because use in connection with the merchandising of articles is regarded as trademark use and the TELETUBBIES trademark was considered well known, infringement in respect of nonsimilar products was also assumed.

The court held the view that the use of the mark in the merchandising of goods did not constitute use as a trademark to distinguish the products or services. It ruled that there had been no infringement and that the trademark was invalid only for a number of similar products and services. Ragdoll filed an appeal against that judgment.

The Court of Appeal of The Hague concluded from, \textit{inter alia}, the European Court of Justice’s (ECJ’s) judgments in

\begin{footnotesize}
\begin{itemize}
\item \textsuperscript{43} CTM No. 000750539, filed Feb. 18, 1998, registered Oct. 14, 1999.
\item \textsuperscript{44} CTM No. 000638585, filed Sept. 25, 1997, registered Apr. 29, 1999.
\end{itemize}
\end{footnotesize}
Arsenal/Reed\textsuperscript{45} and Céline\textsuperscript{46} that it was relevant whether the identity of the origin of the products as represented by the trademark was guaranteed toward consumers. It found that if a trademark is used on consumer products, that use will, in principle, constitute use to distinguish those products if it creates the impression that there is a material connection in commerce between the product and the trademark owner. That is not the case only in exceptional circumstances—for instance, in the situation that was the subject of the Opel/Autec case, the object was regarded as an imitation car to scale, and consequently the trademark on the car was regarded as an identification of an imitation to scale.\textsuperscript{47} Thus, both the use by Ragdoll and the use (whether or not imminent) by Jadnanansing constituted trademark use to distinguish products or services.

The appellate court ruled, moreover, that as a result of the television program of the same name, the word “Teletubbies” and the characters of the program were well known, and that because Ragdoll used the trademarks as trademarks, those trademarks were also known among the relevant public. Therefore, it granted the injunction on infringement for nonsimilar products on the basis of Article 2.20(1)(c) of the Benelux Convention on Intellectual Property (the “Convention”).\textsuperscript{48}

After the closing speeches in 2006, it took the Court of Appeal three years to rule that use of a trademark in connection with the merchandising of articles nevertheless constitutes use of the trademark to distinguish its products and services. The public awareness of the trademark was, furthermore, assumed as a result of the use of that name for a television series.

\textbf{II.C.1.g. Two- and Three-Dimensional Marks}

This case relates to the application of the response to questions submitted to the ECJ regarding the essential nature of the product. On the basis of the responses provided, the

\begin{itemize}
\item \textsuperscript{45} Arsenal Football Club plc v. Reed, Case C-206/01, [2002] ECR I-10273 (ECJ, Nov. 12, 2002).
\item \textsuperscript{46} Céline SARL v. Céline SA, Case C-17/06, [2007] ECR I-7041 (ECJ, Sept. 11, 2007).
\item \textsuperscript{47} Adam Opel AG v. Autec AG, Case C-48/05, [2007] ECR I-1017 (ECJ, Jan. 25, 2007).
\end{itemize}

Article 2.20(1)(c) provides: “1. A registered trademark shall provide its owner with an exclusive right. Without prejudice to the possible application of ordinary law in matters of civil liability, the exclusive right to a trademark shall permit the owner to prevent any third party, without its consent, from: . . . using in business a sign which is identical or similar to the trademark for goods or services which are not similar to those for which the trademark is registered, where the trademark enjoys a reputation in the Benelux territory and where use of the sign without due cause would take unfair advantage of or be detrimental to the distinctive character or the repute of the trademark. . . .”
Netherlands Supreme Court ruled that the referring Court of Appeal should not perform a new examination.

G-Star International B.V., a company based in the Netherlands, manufactures and sells apparel, in particular jeans. G-Star owns two three-dimensional trademarks, registered for clothing in Class 25. The first of these, registered on August 7, 1997, has the following distinctive elements: “inclined stitching from hip level to crotch seam, knee patches, patch on the seat of the trousers, horizontal stitching at knee level on the back, band on the back at the bottom of the trouser leg in a contrasting color or different type of material, the above used in combination.” The registration shows a drawing of the front and back of a pair of trousers with these elements (below, illustration at left). The second trademark, registered on November 24, 1999, has the following distinctive elements: “the shape, seams, stitching and indentations of the knee patch of the trousers; slightly baggy knee patch.” The registration shows pictures of the front and side of the trademark (below, illustration at center).

On May 25, 2000, G-Star brought an action before the Amsterdam District Court against the Italian company Benetton Group SpA, seeking, among other things, a declaratory judgment that Benetton had infringed its trademarks by manufacturing and marketing, under the BENETTON trademark, trousers with an oval knee patch and two lines of inclined stitching from hip level to crotch level (below, illustration at right). Benetton, in a cross-action, counterclaimed for a declaration of invalidity and cancellation of G-Star’s registrations based on Article 1 of the Benelux Trademarks Law, which prohibits the registration of shapes that result from the nature of the goods or substantially affect their value. The court largely allowed the claims in the principal action and disallowed the claims in the cross-action.

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49. Uniform Benelux Law on Trade Marks, Mar. 19, 1962. Article 1 provides, in pertinent part, that “shapes which result from the nature of the goods themselves, or which affect the substantial value of the goods, or which produce a result at a technical level may not be registered as trade marks.”
Both parties lodged appeals with the Amsterdam Court of Appeal. That court found that through its extensive advertising G-Star had drawn consumers’ attention to the distinctive characteristics of its trousers and knee patch, and that the lower court had correctly determined that the trousers’ reputation was largely attributable not to the aesthetic attractiveness of their shape but to the attractiveness linked to the public’s recognition of the shape as a trademark. Accordingly, it accepted G-Star’s appeal and dismissed Benetton’s application.

Benetton lodged a further appeal with the Supreme Court against the Court of Appeal’s decision. In response, the Supreme Court submitted the following question to the ECJ:

Should Article 3(1)(e), third bullet point, [of the EC Trademarks Directive50] be interpreted to mean that the prohibition contained therein permanently prevents the registration of a shape as a trade mark where the nature of the product is such that its appearance and shaping determine its market value entirely or substantially as a result of their beauty or original character, or does the prohibition not apply where, prior to the application for registration, the attractiveness of the relevant shape to the public has been determined predominantly by the recognition of it as a distinctive sign?

The ECJ’s answer was that Article 3(1)(e) “is to be interpreted as meaning that the shape of a product which gives substantial value to that product can nevertheless constitute a trade mark under Article 3(3) of th[e] Directive where, prior to the application for registration, it acquired attractiveness as a result of [public] recognition of it as a distinctive sign following advertising

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50. First Directive 89/104/EEC of the Council, of 21 December 1988, to Approximate the Laws of the Member States Relating to Trade Marks. Article 3 provides, in pertinent part:

1. The following shall not be registered or if registered shall be liable to be declared invalid:

   . . .

   e. signs which consist exclusively of:

   • the shape which results from the nature of the goods themselves, or
   • the shape of goods which is necessary to obtain a technical result, or
   • the shape which gives substantial value to the goods. . . .

   . . .

3. A trade mark shall not be refused registration or be declared invalid in accordance with paragraph 1 (b), (c) or (d) if, before the date of application for registration and following the use which has been made of it, it has acquired a distinctive character. Any Member State may in addition provide that this provision shall also apply where the distinctive character was acquired after the date of application for registration or after the date of registration.
campaigns presenting the specific characteristics of the product in question.”

The Netherlands Supreme Court ruled that in the grounds for its appeal Benetton rightly complained that the ECJ had wrongly interpreted Article 2.1.2 of the Convention (corresponding to Article 3(1)(e) of the Directive), as it follows from the answer given by the ECJ that that article does not allow for the possibility that a shape of a product that gives a substantial value to the product can nevertheless be registered as a trademark if the shape acquired recognition before the registration as a result of its attractiveness to the public as a distinctive mark. Accordingly, the Supreme Court quashed the contested judgment and referred the case to a different Court of Appeal.52 Benetton’s petition to have G-Star’s trademarks declared invalid will have to be reassessed there. In doing so the Court of Appeal cannot perform a new examination, as according to the ECJ it is irrelevant whether the public finds the G-Star trousers attractive because of their external characteristics or because the public attaches value to that shape because it is a trademark. The time of the assessment by the Court if the mark falls under Article 3(1)(e) is therefore also irrelevant.

In its judgment the ECJ confirmed that the old case law of the Benelux Court of Justice has been overridden by Philips/Remington53 with regard to the trademark law’s per se prohibition of registration of shapes that give a substantial value to the product. A mark that has been refused registration on the grounds of Article 3(1)(e) can never become distinctive under Article 3(3) as a result of the use made of it.

II.E. Examination and Objection

Jtekt Corporation Limited is the owner of two figurative trademarks consisting of the word KOYO, for goods in Classes 7, 9, 11, and 12 (below, illustrations at left and center).54 On August 1, 2006, Jtekt filed an objection under the then-applicable Benelux Trademarks Act against the registration by Jacobs Trading S.A. of

a figurative mark consisting of the word KOYA and covering goods and services in Classes 6, 12, and 37 (below, illustration at right).\textsuperscript{55}

On August 17, 2006, the Benelux Trademarks Office stated that the objection was definitely admissible. The parties jointly requested suspension of the proceedings, as they were negotiating a possible settlement. The Benelux Office for Intellectual Property (BOIP), successor to the Benelux Trademarks Office, confirmed the suspension in writing and stated that the objecting party (Jtekt) could file documents and arguments to support the objection up until February 11, 2007, at the latest. On February 27, 2007, the BOIP informed Jtekt that its objection would not be dealt with because it had not filed documents and arguments to support the objection.

Jtekt filed an appeal against the BOIP’s decision with the Court of Appeal in Brussels. Contrary to the regulations of Article 2.17.1 of the Convention, it did not do so in the form of a petition, but instead summoned not only Jacobs but also the BOIP. This gave rise, among other things, to the following questions of the Court of Appeal in Brussels to the Benelux Court of Justice, which is the court that exercises on references for preliminary rulings with regard to laws and treaties that cover the Benelux:

2 and 3: Is Article 1.17.c of the Implementing Regulations of the Convention compatible with Article 2.16.1 of the Convention?\textsuperscript{56}

4: Is the decision not to deal with the objection a decision against which an appeal may be filed in accordance with Article 2.17.1 of the Convention?\textsuperscript{57}

6: Should Article 2.17.1 of the Convention be interpreted to mean that in a claim [in appeal] to dismiss the [decision] of the

\textsuperscript{55} Trademark No. 1101552, registered Jan. 24, 2006.

\textsuperscript{56} Article 2.16.1 provides: “The Office shall deal with an objection within a reasonable timeframe in accordance with the provisions laid down in the Implementing Regulations and shall respect the rule that both sides should be heard.”

\textsuperscript{57} Article 2.17.1 provides: “Within two months following a decision on an objection in accordance with Article 2.16(4), the parties may submit a petition to the Court of Appeal in Brussels, the Gerechtshof [Court of Appeal] in the Hague or the Court of Appeal in Luxembourg with a view to obtaining an order cancelling the Office’s decision.”
Office, the Court of Appeal, after a possible cancellation, merely reconsiders without a new decision or must itself deal with the objection?

With respect to Questions 2 and 3, Article 1.17.c provides that the objecting party has two months from the notification of commencement of the action in which to support the objection with arguments and documents, failing which the objection will not be dealt with. This manner of handling an objection is not stated in the Convention, which refers only to “dealing with” or “suspension,” or to declaring the objection grounded or ungrounded. According to Attorney General Leclercq, it follows from Article 2.16.1 of the Convention, under which the objection must be decided in accordance with the Implementing Regulations, that the BOIP must perform an examination on the basis of grounds and supporting documents. The Benelux Court of Justice agreed with the Attorney General and ruled that the provisions were compatible.

As regards Question 4, the Attorney General opined that Article 2.17.1 applies only if judgment has been passed in accordance with Article 2.16.4 of the Convention—that is, after the examination of the objection is complete and it has been declared grounded or ungrounded. That is not the case if the objection is not dealt with, and therefore no appeal can be filed against that decision under Article 2.17.1. The Benelux Court of Justice disagreed. It ruled that not dealing with an objection must be put on a par with completion of the examination.

Concerning Question 6, Attorney General Leclercq’s view was that in the absence of a procedure for referral, to ensure that this procedure runs parallel to the refusal procedure and for reasons of procedural economy, the Court of Appeal can assess the objection to its fullest extent. The Benelux Court of Justice agreed with the Attorney General and added that the Court of Appeal can give the objecting party the opportunity to provide information to further substantiate its case.

In this case, the Benelux Court of Justice made it clear that the objecting party must provide the necessary information in its objection and that an appeal may be filed against the decision not to deal with the objection. The Benelux Courts of Appeal must themselves handle a negative decision of the BOIP; if they cancel

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58. Article 2.16.4 provides: “After examination of the objection is complete, the Office shall reach a decision as soon as possible. If the objection is held to be justified, the Office shall refuse to register the trademark in whole or in part. Otherwise, the objection shall be rejected. The Office’s decision shall only become final when it is no longer subject to appeal or, where appropriate, the ruling of the appeal court is no longer open to referral to a high court of appeal.”

the BOIP's decision, they must make a new decision on the objection.

III.E.2. Damages

The plaintiff, Ondeo Nalco Netherlands B.V., successor-in-interest of IWC Chemische Produkten B.V. (IWC), and the defendant, M. Michel Company Inc., had operated a joint venture whereby the fertilizer manufactured by IWC was distributed by Michel in the United States under Michel's trademark CORBLOK and IWC sold the product in other markets under that mark with Michel's consent.

IWC obtained a Benelux trademark registration for CORBLOK, covering goods in Class 1, on June 24, 1992. Michel registered the same trademark in Benelux, for the same goods in the same class, on January 15, 1997. Subsequently, IWC ended the business relationship, and a dispute arose as to which firm owned the rights in the trademark.

In 1999, the District Court cancelled IWC's trademark registration for CORBLOK on grounds of bad faith, holding that IWC had to know, as a result of its business relationship with Michel, that Michel was already using the mark in other jurisdictions. In addition, the court issued an injunction against IWC for trademark infringement. In connection with said infringement, Michel claimed damages and remittance of profits by IWC in new proceedings. (Claiming remittance of profits is possible only in the case of use in bad faith; if this is stated, the claimant can choose between damages and remittance.)

Both the District Court and the Court of Appeal found in favor of Michel. The latter court held that IWC should have considered the possibility that it would ultimately be accused of trademark infringement, given that it had ended the business relationship, as well as the possibility of proceedings in which remittance of profits might be sought.

On appeal by IWC, the Supreme Court of the Netherlands requested that the Benelux Court of Justice provide clarification as to what is meant by “use in bad faith.” Should there be evidence of willful infringement (piracy), or can there be other circumstances allowing for a profit remittance order?

The Benelux Court of Justice is clear on this point. Although the law provides for remittance of profits as a means of combating and preventing trademark piracy, it does not follow that its application is restricted to those circumstances. This does mean, however, that the question of “use in bad faith” arises only where there is a question of willful or intentional infringement. This is the case if the infringing party was “aware” of the infringing nature of the use at the time of such use, and it must be assumed that a party acting in a professional or business capacity had
knowledge of the Trademark Registry. The Benelux Court of Justice considers that there is no “awareness” if the defense to the infringement allegation cannot in principle be qualified as worthless in advance.

In its ruling, the Supreme Court summarized the Benelux Court of Justice’s answers as implying that, for the term “in bad faith” to apply, there must be “willful infringement.” That is not the case when the use of a trademark is afterward ruled to be an infringing use; in other words, the infringing party must have been aware of its infringement at the time of the use. If the infringer has contested its alleged infringement and its defense is not deemed worthless in advance, it is not considered to have had been aware of the infringement.60

The Supreme Court did not consider that IWC had acted consciously, given the company’s defense that it and Michel had been operating a joint venture for many years, that their business relationship had been terminated, and that the dispute centered on the question of who was the rightful owner of the CORBLOK trademark.

Use in bad faith requires willful infringement. What constitutes “use in bad faith” must, the Supreme Court ruled, be determined in further proceedings. Damages of a nature other than lost profits related to the sale of products covered by the infringement can be granted in addition to the profits earned as a result of the infringement. The choice between damages and remittance of profits lies with the rightful owner of the trademark.

**BRAZIL**

**I.B.1. Generic**

EMS Indústria Farmacêutica Ltda. filed with the Brazilian Patent and Trademark Office (BPTO) an application for registration of the word mark PRATOSS in Brazilian Class 05.11/14, for “medicines acting on the central and peripheral nervous systems; medicines acting on the respiratory system.”61

Les Laboratoires Servier filed an opposition against EMS’s application62 based on likelihood of confusion and citing its pending registration for the word mark PROTOS, for “immunosuppressant, anti-inflammatory, antiallergic,
hyposensitizing and antitoxic medicines” in Brazilian Class 05.19.63. The opponent argued that the application should be rejected because the mark was intended to cover medicines, and therefore any event of confusion by consumers related to the referenced marks could result in health damage and even death.

In its rebuttal to the opposition, EMS argued in favor of the coexistence of the marks because of (1) the differences in their use, which would lessen any risk of confusion by the medical professionals who prescribed the designated medicines for their patients; (2) the sufficient distinctiveness of the other elements of EMS’s mark; and (3) the fact that Servier’s mark already coexisted with other, similar marks filed in International Class 5 or related Brazilian classes.

The BPTO rejected EMS’s application. Its decision was based not on Servier’s arguments but on the BPTO’s understanding that the opposed mark PRATOSS was generic, necessary, common, usual, or simply descriptive in nature when related to the products to be distinguished. PRA is the contraction of the word PARA (“for” in Portuguese), and TOSS is pronounced almost like TOSSE (Portuguese for “cough”). Therefore, the opposed mark could be understood as meaning “for cough.”

As no appeal was filed against the BPTO’s decision, EMS’s application was officially shelved.

Midway International Labs Ltda. filed a precautionary measure with the 39th Federal Court of Rio de Janeiro against the BPTO and Nutrilatina Laboratórios Ltda., seeking (1) a court order to have the BPTO hold in abeyance several registrations and applications by Nutrilatina for trademarks containing the expression DIET SHAKE until a final decision was rendered in a

64. Published in BPTO Official Bulletin No. 1940, Mar. 11, 2008.
67. Application No. 817835482 for the mark DIETSHAKE in International Class 5; Registration No. 817856048 for the mark DIETSHAKE in Brazilian Class 31.10; Application No. 818827840 for the mark DIETSHAKE ORIGINAL in Brazilian Class 31.10/28; Application No. 818827831 for the mark DIETSHAKE ORIGINAL in Brazilian Class 05.18; Application No. 818842610 for the mark DIET SHAKE in Brazilian Class 05.18; Registration No. 818842628 for the mark DIET SHAKE in Brazilian Class 05.10; Application No. 819472573 for the mark TOPDIETSHAKE in International Class 5; Application No. 819472581 for the mark TOPDIETSHAKE in Brazilian Class 31.10/20; Application No. 819472590 for the mark TOPDIETSHAKE in Brazilian Class 35.10/20; Application No. 819631485 for the mark DIET SHAKE in Brazilian Class 05.50; Application No. 819605891 for the mark DIET SHAKE in Brazilian Class 31.10/20; Application No. 819605948 for the mark DIET SHAKE in Brazilian Class 35.10/20; Registration No. 819605956 for the mark DIET SHAKE SPORT FITNESS in International Class 32; Application No. 820158372 for the mark DIET SHAKE in Brazilian Class 05.18; Application No. 820158402 for the mark DIET SHAKE in Brazilian Class 31.10/20; Application No.
lawsuit, which was to be filed, questioning Nutrilatina’s exclusive rights over the terms “diet” and “shake,” used separately, and (2) to prevent Nutrilatina from filing any complaint against Midway’s use of its DIET WAY trademarks. The court accepted Midway’s arguments and granted the requested preliminary injunction.

Three months later, Midway brought a lawsuit, at the same court, seeking the nullity of Nutrilatina’s DIET SHAKE trademark registrations and the rejection of all of Nutrilatina’s pending applications for marks containing that expression. Midway’s main argument was that the terms “diet” and “shake” were generic, and therefore no party should be entitled to hold exclusive rights over them.

In response, Nutrilatina filed a cross-complaint against Midway. It argued that (1) Midway’s use of the unapplied-for marks SHAKE DIET WAY and DIET WAY SHAKE should be deemed a crime of unfair competition and a crime against trademarks because of the likelihood of confusion between the parties’ trademarks and the products’ trade dress, and (2) Midway’s registrations for the DIET WAY mark should be cancelled based on non-use, because the marks were registered in Brazilian Classes 33.10/20 (for sweets, sugar, and sweeteners) and 35.10/20 (for beverages, syrups, and beverage preparations) but were being used in Brazilian Class 05.50 (for diet shakes).

The court confirmed the preliminary injunction granted in the court records related to the precautionary measure. In addition, it partially granted Midway’s pleas raised in the lawsuit, upholding the validity of Nutrilatina’s trademark registrations but ordering the BPTO to publish a disclaimer on all marks, whether currently granted or to be granted in the future, declaring the absence of exclusive rights over the terms “diet” and “shake” used separately. Finally, the court dismissed Nutrilatina’s cross-complaint.

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820854751 for the mark DIET SHAKE in Brazilian Class 33.10/20; Application No. 820854743 for the mark DIET SHAKE in Brazilian Class 33.10/20.

Brazil adopted the International Classification System of Nice on January 3, 2000. Previously, Brazil had its own classification of goods and services. New applications are filed under the Nice classification, but some current trademark registrations were filed using the old classification, and when they are renewed the old Brazilian classification is retained.

68. Registration No. 818662379 in Brazilian Class 33.10/20; Registration No. 818662387 in Brazilian Class 35.10/20.

69. Published in Official Court Gazette, Dec. 11, 2002.


Both parties appealed to the Federal Court of Appeals for the Second Region,\(^73\) but the appellate court affirmed the lower court’s decision on the same grounds.\(^74\)

### I.B.5. Suggestive

Gazzoni 1907 Srl, Sandoz Nutrition Ltd, and Novartis Nutrition Ltda. brought suit against Slim Produtos Dietéticos Ltda. and the BPTO before the 30th Federal Court of Rio de Janeiro. The plaintiffs sought the nullity of Slim’s registrations for the mark DIETOREC,\(^75\) or, alternatively, the mark’s adjudication. They asked that the defendant be enjoined from using this mark and be ordered to cancel the respective product registrations filed with the Brazilian Ministry of Public Health.\(^76\) They further requested a preliminary injunction, which was later denied, suspending the effects of the defendant’s trademark registration.

The plaintiffs based their claims on their ownership of the international trademarks DIETORELLE,\(^77\) DIETOR,\(^78\) and DIETOREL,\(^79\) which, they argued, should be considered as impeditive to the defendant’s mark and were entitled to the special protection afforded well-known marks by the Paris Convention and the Brazilian Industrial Property Law.

Slim contended that the plaintiffs’ marks should not be considered well known in Brazil. It further argued that the sole common element in the marks at issue was the word DIET, which characterized a certain type of food product and therefore was widely used in the food trade; as a result, its DIETOREC marks were sufficiently distinctive to permit their coexistence with the plaintiffs’ marks without any risk of consumer confusion.

The court partially granted the plaintiffs’ request for a declaration of the nullity of the defendant’s trademark registrations for DIETOREC. It held that the plaintiffs’ marks

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\(74\). Published in Official Court Gazette, Dec. 19, 2008, at 19–63.

\(75\). Registration No. 815779232 in Brazilian Class 33.10/20, granted Oct. 22, 1990; Registration No. 815226012 in Brazilian Class 33.10/20, granted Nov. 27, 1989; Registration No. 815226039 in Brazilian Class 05.50, granted Nov. 27, 1989; Registration No. 815226047 in Brazilian Class 35.10/20, granted Nov. 27, 1989; Registration No. 815226020 in Brazilian Class 31.10/20/30, granted Nov. 11, 1989.

\(76\). Lawsuit No. 97.00.061477, filed Mar. 24, 1997.

\(77\). IR No. 479373 in International Classes 5 and 30, granted Sept. 26, 1983.

\(78\). Registration granted June 10, 1986 by the World Intellectual Property Organization.

should be considered impeditive and were entitled to the aforementioned special protection.80

The BPTO filed an appeal before the Federal Court of Appeals for the Second Region against the lower court’s decision, reaffirming the arguments raised in its defense motion.81

The appellate court sustained the appeal and reversed the lower court’s decision. It held that although the plaintiffs’ marks were widely known abroad, the plaintiffs failed to evidence such notoriety in Brazil, which hindered the court’s ability to afford these marks such special protection. In addition, the court found that the word DIET, included in the marks in question, evoked a particular characteristic of the products they identified; therefore, it held that marks containing such an element should be considered weak marks and bear the burden of coexisting with other marks that included that word.82

Gipsita S.A. Mineração Ind. Com. filed a lawsuit before the 38th Federal Court of Rio de Janeiro against the BPTO,83 seeking the nullity of the BPTO’s decision that granted registration of its composite mark GYPSUM for “gypsum plate and fillers, non-metallic lining for construction”84 in International Class 19 without exclusive rights over the word element and therefore limited the mark’s protection. The plaintiff also requested a preliminary injunction suspending the effects of the BPTO’s decision, thereby affording it exclusive rights over its mark until a final decision was rendered on the merits of the suit, because, it claimed, a third party was using its mark to identify the same products covered by its registration.

The lower court denied the plaintiff’s preliminary injunction request, holding that the matter lacked the urgency required for that type of plea.85 Against this decision the plaintiff filed an interlocutory appeal before the Federal Court of Appeals of the Second Region.86

The appellate court reversed the lower court’s decision and granted the requested preliminary injunction.87 It found that the urgency requirement had been met as a result of the third party’s infringement of the plaintiff’s mark. The BPTO’s prior grant of

82. Published in Official Court Gazette, Dec. 19, 2008, at 19, 63.
83. Lawsuit No. 2008.51.01.801599-0, filed Feb. 21, 2008.
85. Published in Official Court Gazette, May 28, 2008, at 51.
87. Published in Official Court Gazette, Dec. 3, 2008, at 34.
three other registrations for the GYPSUM mark to the plaintiff\textsuperscript{88} and of registrations for marks containing the word GYPSUM to third parties in other classes,\textsuperscript{89} all of them without a limitation on the exclusive rights over their word elements, hindered the BPTO from limiting the protection afforded by the disputed registration without prejudice to the mark’s entitlement to protection and the logical criteria for granting trademark registrations.

In addition, the appellate court held that the trademark GYPSUM did not suggest the Portuguese translation of the product covered by the plaintiff’s mark—that is, \textit{gesso} (gypsum). The court understood that the Brazilian general population would not be able to make an association with both expressions, one in English and the other in Portuguese, on account of their graphic and phonetic distinctions.

\textbf{I.C. Distinctiveness}

In April 2006, Renaissance Hotel Holdings, Inc. brought suit before the 35th Federal Court of Rio de Janeiro against Realizações Turísticas Rio Copa Ltda. and the BPTO.\textsuperscript{90} Renaissance asked, first, that the court declare the nullity of the BPTO’s administrative decision that rejected its application for the registration of a device mark (below, illustration at left),\textsuperscript{91} in which the BPTO cited Rio Copa’s registration for a composite mark (below, illustration at right),\textsuperscript{92} and, second, that the application be allowed to proceed to registration. Renaissance further sought a preliminary injunction suspending the effects of the BPTO’s rejection decision.

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\end{center}

\begin{flushright}
\textbf{Renaissance’s Mark} \hspace{1cm} \textbf{Rio Copa’s Mark}
\end{flushright}

\textsuperscript{88}. Registration No. 780151976 (word mark) in Brazilian Class 19.10; Registration No. 814420842 (composite mark) in Brazilian Class 19.10; Registration No. 824548264 (composite mark) in International Class 6.

\textsuperscript{89}. Registration No. 819349364 for the mark GYPSUM in International Class 6 in the name of Lafarge Plaetres; Registration No. 814576290 for the mark GYPSUMBORD – MK in Brazilian Class 19.10 in the name of Gypsum - Gesso e Aluminio; Registration No. 814987761 for the mark NEO–GYPSUM in Brazilian Class 05.50 in the name of Johnson & Johnson; Registration No. 823233693 for the mark RG RANGEL GYPSUM in International Class 37 in the name of Rangel Gypsum Montadora Ltda Me.

\textsuperscript{90}. Lawsuit No. 2006.51.01.504918-8, filed Apr. 7, 2006.

\textsuperscript{91}. Application No. 818267160, filed Mar. 3, 1995.

\textsuperscript{92}. Registration No. 815415869, granted Mar. 30, 2004.
The plaintiff’s main arguments were: (1) its mark was the main distinctive sign of its worldwide chain of hotels, and had been used to advertise them since the early 1980s; (2) the mark was already registered in several countries to specify hotels and restaurant services; (3) the BPTO had already granted protection for this same mark in related classes; (4) the BPTO’s rejection decision was inconsistent with its decisions denying Rio Copa’s request to nullify other registrations owned by Renaissance; and (5) the mark should be afforded the Paris Convention protection granted by the international principle of “Telle Quelle,” as it was already registered in other countries of the Paris Union and had been in use for over 20 years, which facts established the plaintiff’s good faith in applying for registration in this case.

The court denied Renaissance’s preliminary injunction request. It took the view that there was a lack of urgency because the suit was brought almost two years after the BPTO’s rejection decision.

Rio Copa’s main arguments were based on likelihood of consumer confusion. The company also asserted that it was incorporated in 1968 and its mark identified its luxurious hotel in Copacabana. The BPTO argued that its decisions allowing the registration of the other two marks applied for by Renaissance for related services were not inconsistent because of the differences between the services they covered and those covered by the rejected mark.

In February 2008, the lower court rendered a decision on the merits. It affirmed the arguments presented by Renaissance, but also found that the trademark protection afforded the marks at issue should be limited to the elements as filed, because both were weak marks.

Rio Copa and the BPTO filed appeals before the Federal Court of Appeals for the Second Region, ratifying the arguments presented in their defense motions. With regard to the lower court’s finding that the marks were weak, the BPTO argued that its rejection decision should be sustained because their coexistence would nevertheless be capable of inducing consumers into error.

The Federal Court of Appeals for the Second Region unanimously upheld the lower court’s decision and ordered the BPTO to publish the allowance of registration of Renaissance’s mark. The appellate court’s decision was based on the absence of

97. Published in Official Court Gazette, Feb. 6, 2009, at 61–68.
likelihood of confusion between the marks and the fact that such marks have coexisted in Brazil since 1995.

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

Instituto Brasileiro de Opinião Pública e Estatística Ltda. (IBOPE) brought suit before the 35th Federal Court of Rio de Janeiro against the BPTO and Instituto Brasileiro de Estudos Políticos (IBEP). The plaintiff sought (1) the nullity of defendant IBEP’s registration for the word mark IBEP in International Class 40,\(^{98}\) (2) a court order enjoining IBEP from using its mark, and (3) the exclusion of IBEP’s initials from its corporate name. IBOPE based its claims on the issue of likelihood of confusion, citing its registration for the word mark IBOPE in Brazilian Class 40.36.\(^ {99}\)

In its defense motion, IBEP alleged the sufficient distinctiveness of its mark, which identified different types of services, and noted that both marks were formed by the owner’s initials. The BPTO endorsed IBEP’s arguments and added that the marks in question were phonetically distinct, which reduced any risk of consumer confusion.

The lower court partially granted the plaintiff’s claim. It declared the nullity of IBEP’s registration in Brazilian Class 40.36 and enjoined the defendant from using the IBEP mark for services related to market and opinion polls, but it dismissed the plaintiff’s plea for nullification of the registration in Brazilian Class 40.31 and the exclusion of IBEP’s initials from its corporate name.\(^ {100}\)

IBEP appealed the lower court’s decision before the Federal Court of Appeals for the Second Region, reaffirming the arguments raised in its defense motion.\(^ {101}\) In addition, IBOPE filed an appeal seeking the nullity of IBEP’s registration in Brazilian Class 40.31;\(^ {102}\) it argued that the IBOPE mark was well known and therefore entitled to the special protection afforded by the Brazilian Industrial Property Law, that is, in all classes, irrespective of its registration therein.

In a unanimous decision, the appellate court dismissed IBOPE’s and granted IBEP’s appeal. It held that the issue of likelihood of confusion was not applicable in this case because of the sufficient distinctiveness of the marks, which were graphically and phonetically different and were formed by the initials of their respective owners’ corporate names.\(^ {103}\)

\(^{98}\) Registration No. 817210059, granted July 2, 1996.


\(^{100}\) Published in Official Court Gazette, July 29, 2004, at 80–81.

\(^{101}\) Appeal No. 2001.51.01.524031-0, filed July 5, 2005.

\(^{102}\) Id.

\(^{103}\) Published in Official Court Gazette, Dec. 19, 2008, at 19–63.
Arrow Farmacêutica Ltda. filed before the BPTO an application for registration of the word mark FARMIDON, for “pain relievers and anesthetic” in International Class 5. The application was published for opposition purposes.

A notice of opposition was filed by Pharmacia & Upjohn S.p.A. against this application. The opposition was based on likelihood of confusion and cited the opponent’s registration for the word mark FARMIDONE, covering “pain relievers” in the same class.

The BPTO rejected Arrow’s trademark application for FARMIDON, affirming the arguments presented in the opposition. As the applicant failed to lodge an appeal against the rejection decision, the application was deemed abandoned.

Divcom Pharma Comércio e Atacado Ltda. applied to register the word mark DIVFLAN for “medicines for human use” in International Class 5. The application was published for opposition purposes.

Two years later Les Laboratoires Servier filed an opposition against the application, based on likelihood of confusion and citing its registration for the word mark DAFLON, covering “medicines for vascular and veined diseases” in the same class. The opponent argued that coexistence of the marks would cause consumer confusion and result in damage to its reputation and market.

The BPTO rejected Divcom’s trademark application, based not on the opponent’s registration but on the likelihood of confusion with the mark DIFLAN, registered in International Class 5 for “anti-inflammatory medicine” by Instituto Biochimico Ltda.

As the applicant failed to lodge an appeal against the rejection decision, the BPTO published the abandonment of the DIVFLAN trademark application.

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107. Registration No. 002657287, granted Nov. 13, 1951.
H B Farma Laboratórios Ltda. filed before the BPTO an application for registration of the word mark DORGINEX, to cover “medicines for human use” in International Class 5. The application was published for opposition purposes.

Pharmacia Italia S.p.A. filed an opposition against the application based on likelihood of confusion and citing its registration for the word mark DOSTINEX, in the same class, for “medicines that act on the endocrine functions and on the metabolism, as well as medicines that act on the nervous system.” The opponent further argued that any consumer confusion could also result in health damage because the medicines were used for different therapeutic needs.

The BPTO rejected HB’s trademark application based not on the opponent’s registration but on the likelihood of confusion with the mark DORGEX, registered in International Class 5 by Greenpharma Química e Farmacêutica Ltda. and covering “medicines in general, products and medicines for human medicine, among which [are] products with analgesic, anesthetic and anti-inflammatory actions.”

The applicant did not lodge an appeal against the BPTO’s rejection decision. Consequently, the DORGINEX trademark application was deemed abandoned.

Renascença Praia Hotel Ltda. filed before the BPTO an application for the word mark HOTEL RENASCENÇA, to cover “hotel services” in International Class 42.

An opposition was filed by Renaissance Hotel Holdings, Inc. against the application based on likelihood of confusion and citing the opponent’s registration for the word mark RENAISSANCE in Brazilian Class 41.10/20/40, for “teaching and educational services of any kind and level; amusement, entertainment and auxiliary services; services related to the organization of fairs, expositions, conventions, shows, sporting and cultural events.” The opponent further claimed protection over its corporate name and asserted the notoriety of its mark, citing

118. Published in BPTO Official Bulletin No. 1639, June 4, 2002.
legal provisions from both the Brazilian Industrial Property Law and the Paris Convention.

The applicant claimed that its application had been properly filed and it had been using the mark since 1968. Therefore, it countered that it should be entitled to the protection of Article 129 of the Brazilian Industrial Property Law, which deals with the good-faith prior user.

Notwithstanding the above, the BPTO rejected the application. Its decision was based on likelihood of confusion, but the BPTO cited a third-party registration for the composite mark RRRENASCENÇA in Brazilian Class 38.30, for “transportation of passengers, travel and tourism services.”

As the applicant failed to lodge an appeal against the rejection decision, the BPTO deemed its trademark application abandoned.

Vallée S/A applied for registration of the word mark PROTENIUM, for “medicines for veterinary use” in International Class 5. The application was published for opposition purposes.

Les Laboratoires Servier filed an opposition against Vallée’s application based on likelihood of confusion. The opponent cited its registration for the word mark PROTELIUM in International Class 5, for “pharmaceutical preparations, namely: cardiovascular preparations.” Servier further argued that the filing of the PROTENIUM mark also constituted an act of unfair competition.

No rebuttal to the opposition was filed by the applicant. Therefore, the BPTO rejected the application, affirming the opponent’s arguments.

As Vallée failed to lodge an appeal against the BPTO’s rejection decision, its trademark application for PROTENIUM was deemed abandoned.

Sigma Pharma Ltda. filed applications for registration of the word marks MICRON, OMICRON, SIGMA-MICRON, and SIGMA-OMICRON, all in International Class 5, for “pharmaceutical products for human use, such as: antibiotics and chemotherapy

that operate in central and peripheral nervous system, the cardiovascular system, on the respiratory system, on digestive system and glands attached, blood and hematopoietic organs, urinary system; endocrine functions and on the metabolism; immunosuppressive; anti-inflammatory; anti-allergic; detoxifying, skin, eye, ear, related substances and products for defense and protection of health; homeopathic medicines, veterinary medicines and dental products; all included in this class.”

Les Laboratoires Servier filed oppositions against Sigma Pharma’s applications based on likelihood of confusion and citing its trademark registration for the word mark DIAMICRON in Brazilian Class 05.18, for “pharmaceutical products indicated as anti-diabetic.” The opponent argued that the rejection of the opposed applications was necessary because the applicant’s filings constituted an act of unfair competition and especially because the applied-for marks were intended to cover medicines, and consequently any consumer confusion could result in health damage.

Sigma Pharma filed no rebuttal to the oppositions. The BPTO therefore rejected its applications, based, however, not on the opponent’s arguments but on the likelihood of confusion with the prior-registered marks MICRON and OMICRON.

As the applicant failed to lodge an appeal against the rejection decision, the BPTO published the abandonment of the MICRON and OMICRON trademark applications.

Brim Jeans Indústria e Comércio de Confeções Ltda. filed an application for the composite mark 1 VLANGER, in Brazilian Class 25.10, for “clothes and clothing accessories of common use.”

The BPTO published a notice of an opposition filed by Wrangler Apparel Corporation against this application, based on

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141. Registration No. 819765686, filed in Brazilian Class 05.20 by Alcon, Inc., granted Aug. 22, 2006.
142. Registration No. 821749471, filed in Brazilian Class 05.10/11.13 by Laboratório Americano de Farmacoterpia S/A, granted Feb. 6, 2008.
likelihood of confusion and citing its registrations for the mark WRANGLER, filed for the same and related products.\footnote{146}{Registration Nos. 811202810, 813421985, 790251930, 816890951, 816202630, 770158501, 816542295, 003031985, 006716334, 006716342, 818021950, 800297733, and 816202648.}

The BPTO rejected the application, affirming the arguments presented in the opposition.\footnote{147}{Published in BPTO Official Bulletin, Feb. 10, 2009.}

As the applicant failed to lodge an appeal against the rejection decision, the BPTO considered its trademark applications abandoned.\footnote{148}{Published in BPTO Official Bulletin No. 2003, May 26, 2009.}

**II.C.1.d. Geographical Names**

On April 7, 2005, Agropecuária Guatambu Ltda. sent a cease and desist letter to Estância Guatambu claiming trademark infringement of its trademark GUATAMBU,\footnote{149}{Registration No. 821075012 in International Class 42, granted May 14, 2002.} which was filed before the BPTO in 1998, and asking it to refrain from using that mark.

Despite its receipt of the aforementioned letter, on January 23, 2006, Estância Guatambu filed three trademark applications for the word mark GUATAMBU\footnote{150}{Application Nos. 828.150.710, 828.150.737, and 828.150.745, in International Classes 31, 35, and 42, respectively, filed Jan. 23, 2006.} before the BPTO, which were later opposed by Agropecuária Guatambu.\footnote{151}{Published in BPTO Official Bulletin No. 1858, Aug. 15, 2006.}

On March 3, 2006, Agropecuária Guatambu brought suit against Estância Guatambu before the 35th Federal Court of Rio de Janeiro, seeking a court order to stop Estância Guatambu from using the GUATAMBU mark.\footnote{152}{Lawsuit No. 2006.51.01.518602-7, filed Mar. 3, 2006.}

In response thereto, Estância Guatambu brought an action against Agropecuária Guatambu and the BPTO before the 35th Federal Court of Rio de Janeiro, seeking the nullity of Agropecuária Guatambu’s trademark registration or, alternatively, its adjudication, based on the argument of bona fide prior use.\footnote{153}{Article 129 Paragraph 1 of the Brazilian Industrial Property Law (Law No. 9279/96) provides: “Any person who, in good faith, at the date of priority or at the date of application, has been using, in good faith, an identical or similar mark for at least 6 (six) months in the Country to distinguish or certify an identical, similar or related product or service, shall have preferential rights to registration.”}

Estância Guatambu alleged that the name ESTÂNCIA GUATAMBU identified a well-known rural and cattle establishment located in the State of Rio Grande do Sul, and that it had been using the name GUATAMBU in good faith since 1958.
While the BPTO argued in its defense motion that only one document attached to Estância Guatambu’s complaint evidenced the use of the GUATAMBU mark before the filing of Agropecuária Guatambu’s applications, Agropecuária Guatambu’s main argument was based on its understanding that the legal bona fide prior user exception could be raised only at the administrative level, by means of the filing of an opposition, because, according to the respective legal provision, the bona fide prior user shall have the right of preference in registering the mark. Therefore, if the BPTO has already granted a trademark registration to a third party, the bona fide prior user can no longer claim that special protection.

The lower court dismissed Estância Guatambu’s complaint. It held that Estância Guatambu could no longer claim any privilege over its use of the GUATAMBU mark because it neglected to regularize its situation and defend its mark for over 40 years, even though it was acting in good faith.154

Estância Guatambu filed an appeal against the lower court’s decision before the Federal Court of Appeals of the Second Region reaffirming the arguments it raised before the lower court.155

The appellate court granted Estância Guatambu’s appeal and declared Agropecuária Guatambu’s trademark registration null.156 However, the appellate court based its decision not on the bona fide prior use argument but on its understanding that the word mark GUATAMBU was not registrable as a trademark because it constituted the name of a Brazilian city and therefore no one should have exclusive rights over that name.

II.C.1.e. Letters and Numbers

Consitex S.A., a Swiss company, filed before the BPTO an application for the device mark Z (below, illustration at left), in International Class 35, for “commercial and promotional assistance to retailers and franchisees of the franchise and retail systems, and related services.”157

Zurich Insurance Company filed an opposition158 against Consitex’s trademark application based on likelihood of confusion and citing its registrations for the device mark Z159 (below,

156. Published in Official Court Gazette, Mar. 3, 2008, at 40–42.
illustration at right) and Article 6bis of the Paris Convention, which grants protection to well-known marks, as Zurich’s trademark was registered in several countries around the world. The opponent further argued that the rejection of the opposed application was necessary because its filing constituted an act of unfair competition.

Although the opposition was later withdrawn by Zurich owing to the negotiation of a coexistence agreement between the parties, the BPTO rejected Consitex’s trademark application based on the provision in the Brazilian Industrial Property Law that prohibits the registration as trademarks of an individual letter, number or date, isolatedly, except when sufficiently distinctive.”

The applicant did not lodge an appeal against the BPTO’s rejection decision. Consequently, its trademark application was deemed abandoned.

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

In February 1998, Conexão Informática Ltda. brought a non-use cancellation action before the BPTO against the registration for the word mark FLEXTRONIC, in International Class 9, for “electric, scientific, electronic devices, for common use, accurate or not,” in the name of Truffi S.A. Indústria e Comércio, alleging that Truffi had not been using its mark in Brazil for more than five years. Conexão’s standing to initiate the aforementioned administrative proceeding was based on the fact that the BPTO had rejected its application for the composite mark FLEXTRONICS INTERNATIONAL based on Truffi’s registration.

In June 1998, Truffi responded to the non-use cancellation action and proved that its trademark was being used for automobile antennas by attaching to the case records advertising

161. Brazilian Industrial Property Law, art. 124, II.
166. Published in BPTO Official Bulletin No. 1854, July 18, 2006.
materials thereon. As a consequence thereof, the BPTO rejected the action.167

In October 2001, Flextronics International Ltd. (Flextronics), which had acquired Conexão’s rights over its FLEXTRONICS INTERNATIONAL mark, filed an appeal against the BPTO’s rejection of the non-use cancellation action, seeking a partial cancellation of that mark, since Truffi did not present evidence of the mark’s use for products other than “automobile antennas,” which were also covered by the respective trademark registration.

Four years later, the BPTO granted Flextronics’ appeal and limited the products covered by that registration to “antennas, parts and their components.”168

The BPTO published the extinction of Truffi’s registration owing to the expiration of its term of duration.169

***B. Procedure

B2W – Companhia Global do Varejo170 brought suit before the 39th Federal Court of Rio de Janeiro against Jóias Relógios e Presentes AIWA Ltda. and the BPTO.171 The plaintiff sought the nullity of the BPTO’s decision that rejected its application for the composite mark SHOP TIME172 and the consequent grant of registration for the mark.

The BPTO and the other defendant argued that the administrative decision should be affirmed by the court based on the defendant’s prior registrations for marks formed by the expression SHOPPING TIME,173 which were cited by the BPTO at the administrative level.

The lower court granted the plaintiff’s request and ordered the BPTO to publish the grant of its mark’s registration. It held that the parties’ marks were both weak, as they were formed by common elements that evoked the products and services they identified, and therefore the analysis of likelihood of confusion should be more flexible.174 In its analysis, the lower court found no

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170. New corporate name of TV Sky Shop S.A.
173. Registration No. 814502326, for the word mark SHOPPING TIME in International Class 21; Registration No. 814502350 for the word mark SHOPPING TIME in Brazilian Class 14.10/30; Registration No. 814502369 for the word mark SHOPPING TIME in Brazilian Class 09.05; Registration No. 815143222 for the composite mark SHOPPING TIME in Brazilian Class 20.20/25; Registration No. 815143230 for the composite mark SHOPPING TIME in Brazilian Class 14.10/30.
likelihood of consumer confusion because the plaintiff’s mark was filed in a different class and was formed by design elements that differentiated it from the defendant’s marks.

Against the aforementioned decision, the BPTO filed an appeal before the Federal Court of Appeals of the Second Region reinforcing the arguments raised in its defense motion.175

The appellate court partially granted the BPTO’s appeal and ordered the BPTO to reexamine the plaintiff’s application in light of the court’s holding that the defendant’s marks should not be considered as impeditive to it.176 The appellate court understood that the judiciary could not oblige the BPTO, an agency of the Federal Administration, to publish the grant of the plaintiff’s registration because the BPTO was the competent authority to proceed with its registrability analysis and, in the end, grant the plaintiff’s mark or reject it on other grounds.

III.D.5. Prior Use

The English corporation Harrods Limited (HL) filed a lawsuit against Harrods Buenos Aires Limited (HBAL), which previously was one of its affiliates, before the British courts, based on breach of contract and of fiduciary relationship as a result of HBAL’s unauthorized use of the HARRODS mark, as HBAL had undertaken to cancel its English trademark registrations and no longer use the mark on its documents or merchandise.

The British court rejected HL’s demand, reasoning that the companies had entered into a regional agreement for the use of the mark HARRODS and agreed that while HBAL would use this mark in South America, HL would use it in the European market.

However, HL filed before the South American trademark registry institutes proceedings to nullify or adjudicate for itself HBAL’s trademark applications filed therein.

In Brazil, the BPTO granted HL’s administrative request.177 In response, HBAL filed a lawsuit178 against the BPTO and HL seeking (1) the nullification of the BPTO’s decision that nullified its trademark registrations,179 (2) the nullification of HL’s trademark registrations for HARRODS KNIGHTSBRIDGE,180 and

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176. Published in Official Court Gazette, Dec. 12, 2008, at 42.
179. Registration Nos. 812227751 and 812227786 for the mark HARRODS in Brazilian Classes 03.20 and 28.10, respectively.
180. Registration No. 819993670 in International Class 24; Registration No. 819993689 in International Class 25; Registration No. 819993697 in International Class 28;
In its complaint, HBAL argued that (1) it was created in 1913 by HL to act in South America; (2) both companies’ marks had been coexisting peacefully for more than 90 years; (3) despite the absence of a formal agreement between the companies, HL’s authorization to HBAL to file for trademark registrations in Brazil was implied by the fact that it was HL’s affiliate; and (4) the British court had already decided in favor of HBAL in the English lawsuit.

HL filed a cross-complaint asking (1) to maintain the nullity of HBAL’s trademark registrations and (2) that HBAL be refrained from filing new applications for registration of the mark HARRODS or similar marks in Brazil.

The lower court partially granted HBAL’s pleadings. It declared HL’s registrations null and HBAL’s registrations valid and in force, but it denied HBAL’s plea that the court determine HL’s trademark applications to be abandoned as that issue would first have to be analyzed by the BPTO.

HL filed an appeal before the Federal Court of Appeals of Rio de Janeiro, arguing that (1) the previous commercial relationship between the companies did not entitle HBAL to use the HARRODS mark in Brazil, (2) the British court’s decision should not be considered in this case because it did not reach the merits of which company was entitled to the HARRODS marks in Brazil, and (3) HL’s HARRODS mark was well known and famous, and therefore should be protected in Brazil.

The appellate court rejected HL’s argument but granted HL’s appeal. It held that although HBAL has been authorized to use the word Harrods in its corporate name, engage in activities in South America under that name, and, impliedly, apply for trademark registrations in Brazil, the fact that we currently live in a globalized world meant that the geographic limitation agreed by the parties in the beginning of their relationship could no longer survive without harming consumers. The appellate court understood that, despite HBAL’s good faith, the companies were now independent and owned confusingly similar marks. Therefore, because HL was the owner of the first trademark registration filed in Brazil, a first-to-file country, it was the party entitled to have exclusive rights over the HARRODS mark.

Registration No. 819993700 in International Class 39; Registration No. 819993794 in International Class 35; Registration No. 820002305 in International Class 20.

182. Published in Official Court Gazette, Mar. 30, 2005, at 131–34.
III.F.5. Nullification

Farmoquímica S.A. brought an action against Farmaquímica Industrial Ltda. and the BPTO before the 37th Federal Court of Rio de Janeiro, seeking the nullification of the first defendant’s trademark registrations for the word mark FARMAQUÍMICA in International Classes 1 and 35. The plaintiff claimed protection of its corporate name, used since 1932, and cited its trademark registration for the word mark FARMOQUÍMICA in International Class 35. It further requested a preliminary injunction suspending the effects of the defendant’s registrations, and asked that the defendant be enjoined from using its FARMAQUÍMICA mark until a final decision was rendered on the merits.

Farmaquímica argued that the validity of its trademark registrations should be sustained, on the following grounds: (1) its registrations were not opposed by the plaintiff; (2) the parties were not engaged in the same business activity, and therefore there would be no issue of unfair competition; and (3) there would be no risk of association between the parties’ marks, as the products and services covered by them would be distinct.

The lower court rejected the plaintiff’s preliminary injunction request. It held that (1) the defendant’s registrations were not opposed by the plaintiff and were granted five years before the lawsuit was filed, and (2) a decision on a demand to suspend the effects of a registration depends on extensive persuasion, and therefore it was not compatible with a preliminary injunction request.

Consequently, the plaintiff filed an interlocutory appeal before the Court of Appeals of the Second Region against the rejection decision. The appellate court partially reversed the lower court’s decision and granted the requested preliminary injunction to suspend the effects of the defendant’s trademark registrations; however, it did not consider itself the proper venue to examine a request for cessation of use of the defendant’s mark, as the mark was identical to the main element of the defendant’s corporate name and such a request should be filed before the state courts.

On the merits, the lower court followed the appellate court’s understanding and declared the defendant’s registrations null, but it did not examine the plaintiff’s request related to the cessation of

186. Registration No. 824403541 in Class 35; Registration No. 824403568 in Class 1.
187. Registration No. 824937945.
use by the defendant of its mark, as it did not consider itself the
proper venue to appreciate that plea.\footnote{Published in Official Court Gazette, Mar. 24, 2009, at 44–46.}

An appeal against this decision was filed by the defendant
before the Federal Court of Appeals for the Second Region.\footnote{Appeal No. 2007.51.01.808692-9, filed Apr. 15, 2009.} The
appeal is still pending.

\section*{CANADA}

\subsection*{I.B.2. Merely Descriptive}

decision that a significant portion of the Canadian public did not
associate the island of Java with coffee products, Shell argued that
the Court was wrong to reject its evidence of French-language
dictionary definitions of “java” published prior to the filing of Sari’s
application (January 15, 1998). Had the Registrar been apprised of
the fact that the word “java” in the French language was also
understood to refer to an island known for producing coffee, she
would have asked whether the mark JAVACAFE was, to an
average French-speaking Canadian as a matter of first impression,
descriptive of a place that produces coffee. The Registrar would
have answered that question in the affirmative because the
combination of the words JAVA and CAFE lent itself to no other
conclusion. While the word “java,” when used in isolation, could
evoke more than one meaning in the French language on first
impression, no such issue arose when the word was used together
with “cafe.” Although the trademark was not two separate
words—JAVA and CAFE—but instead the single coined word
JAVACAFE, this distinction was lost when the trademark was
sounded in the French language. As such, the trademark was
effectively two words, namely, JAVA and CAFE. No survey was
required to establish this point, as the proposed mark could not be
sounded otherwise in French. Moreover, the trademark was not
distinctive of Sari’s coffee products, given that it was clearly
descriptive of the character, quality, or place of origin of the
associated goods. As the trademark was clearly descriptive in the
French language, it was not necessary to consider whether it was clearly descriptive in the English language.

In *Glenora Distillers International Ltd. v. Scotch Whisky Association*,195 the Federal Court of Appeal reversed the Federal Court’s holding196 that Glenora, based in the Canadian province of Nova Scotia, was not entitled to register the trademark GLEN BRETON for whisky on the basis that it was a mark prohibited by Section 10 of the Trade-marks Act.197 The Federal Court was wrong when it (1) found that the word “glen” had become recognized in Canada as designating whisky originating from Scotland and (2) failed to consider whether the word “glen”—having previously been used only as *part of* various registered trademarks for whisky—was in fact a “mark” within the meaning of Section 10. This argument had been put before the Federal Court but was not addressed in the reasons. While it was true that a mark need not necessarily be a trademark for Section 10 to apply, there was no authority for the proposition that a segment of a trademark can stand alone as a mark; numerous authorities hold that trademarks generally should not be dissected and analyzed syllable by syllable. It would be improper to segment the previously registered marks or GLEN BRETON. The word “glen,” being a common word and forming part of numerous registered trademarks, was at best a weakly distinctive component of those trademarks. To consider GLEN as a mark on its own would be to afford stronger trade protection to that word than was due. Even where a particular word is prohibited under Section 10, if it is used in combination with a distinctive element such that the prohibited word does not dominate, the trademark will still be registrable. In the context at hand, even if GLEN could be considered a mark and was prohibited, it did not dominate GLEN BRETON when that trademark was considered as a whole.

The Court of Appeal noted that in all of the relevant Section 10 cases (1) the words in question had been inherently descriptive of the character or quality of the products being sold and (2) Section 10 was found to prevent a single trader from having a monopoly over a mark that was common to the trade and well


197. R.S.C. 1985 c. T-13. Section 10 provides: “Where any mark has by ordinary and *bona fide* commercial usage become recognized in Canada as designating the kind, quality, quantity, destination, value, place of origin or date of production of any wares or services, no person shall adopt it as a trade-mark in association with such wares or services or others of the same general class or use it in a way likely to mislead, nor shall any person so adopt or so use any mark so nearly resembling that mark as to be likely to be mistaken therefor.”

Unless stated otherwise, all references to sections are to the Trade-marks Act.
understood as designating a particular quality of goods or services. In contrast, the Scotch Whisky Association was essentially seeking to establish a monopoly over a word that was not inherently descriptive, for a group of traders (namely, its members), when it was not clear that any of the Association’s members incorporated the word into their trademarks for the purpose of designating their whiskies as being from Scotland. The Court of Appeal rejected the Association’s argument that even if a GLEN-prefixed mark was prohibited by Section 10, its own members would be entitled to continue using their own GLEN-prefixed marks as indicative of distilled Scotch whiskies. Such an argument was “completely contrary” to the plain wording of Section 10, which states that “no person” shall adopt a prohibited mark as a trademark. The Association’s success in this appeal would jeopardize the trademarks of its members, which could not be the correct result, and was not true to the spirit and purpose of Section 10.

I.C. Distinctiveness

Fairmont Resort Properties Ltd. (Resort) failed in its attempt to cancel the registrations by Fairmont Hotel Management, L.P. (Hotel) for the word mark FAIRMONT and two design marks containing that name (see below) (collectively, the Hotel Marks), which were registered in 2000 for hotel services associated with a chain of luxury hotels.198

Resort was incorporated as a numbered company (200959 Holdings Ltd.) in 1979 for the purpose of marketing timeshare units constructed by Fairmont Hot Springs Resort Ltd. (Hot Springs). In 1985, its name was changed to Fairmont Resort Properties Ltd. with the consent of Hot Springs, which was under common ownership and control at that time. By 1996, Resort was independently owned.

Starting in 1979, Hot Springs—and, later, Resort—developed timeshare resort properties in proximity to Fairmont Hot Springs, British Columbia, known as “Fairmont Vacation Villas at Mountainside,” “Fairmont Vacation Villas at Riverside,” “Fairmount Vacation Villas at Hillside,” and “Fairmont Vacation

Villas at Riverview.” Since 2005, Resort had owned and managed the last three such properties in association with the unregistered trademarks FAIRMONT VILLAS and FAIRMONT VACATION VILLAS and the trade name Fairmont Resort Properties Ltd. Hotels was North America’s largest luxury hotel management company, with headquarters in Toronto, Ontario. In 2000, Hot Springs transferred to Hotels’ predecessor Hot Springs’ right, title, and interest in its trademarks comprising FAIRMONT. Hot Springs also agreed to discontinue its opposition to the registration of the Hotel Marks. In return, Hotel’s predecessor granted Hot Springs a license in respect of all of the assigned marks. Resort commenced the cancellation proceedings four years and 364 days after the Hotel Marks were registered, that is, one day before Section 17(2) would have taken effect. 199

The application for cancellation was dismissed because Resort was not a “person interested” and therefore was not entitled to bring the action under Section 57. 200 Resort had not acted as if it perceived itself to be a person affected, or a person or entity that reasonably apprehended that it might be affected by the entry of the Hotel Marks on the register or, indeed, by the use of “Fairmont,” at least until quite recently, by any other business operating in the same geographical region. Any fear Resort may have actually possessed or any apprehension it may have had was of Hotel’s possible entry into the timeshare business in Canada. There was no evidence that such fear was well grounded, nor was there any reason to conclude that whether or not the Hotel Marks remained on the register, Resort’s situation would have been altered. The presence of the Hotel Marks on the register did not diminish or limit in any way the rights of Resort, nor would its rights have been strengthened if the Hotel Marks had been struck.

The Federal Court rejected Resort’s argument that the Hotel Marks were not registrable given the notoriety of the geographic location called Fairmont Hot Springs, a British Columbian tourism destination with associated accommodation and recreational services extending back at least as far as the dates of registration of the Hotel Marks. It found that the Hotel Marks were registrable pursuant to Section 14(1)(b). 201 The “not without distinctive

199. Section 17(2) provides: “In proceedings commenced after the expiration of five years from the date of registration of a trade-mark . . . , no registration shall be expunged or amended or held invalid on the ground of the previous use or making known referred to in subsection (1), unless it is established that the person who adopted the registered trade-mark in Canada did so with knowledge of that previous use or making known.”

200. Section 57(1) provides: “The Federal Court has exclusive original jurisdiction, on the application of the Registrar or of any person interested, to order that any entry in the register be struck out or amended on the ground that at the date of the application the entry as it appears on the register does not accurately express or define the existing rights of the person appearing to be the registered owner of the mark.”

201. Section 14(1) provides:
character” test established a very low threshold. Regardless of whether the Hotel Marks (1) were registrable pursuant to Section 12(1)(b)\(^\text{202}\) and (2) had become distinctive at the dates of filing, Resort failed to establish that the Hotel Marks had not been duly registered in Hotel’s country of origin and that the marks were devoid of distinctive character.

The court also refused to find that the Hotel Marks lacked distinctiveness. The reality of the proximate operations of Resort and Hot Springs on a “live and let live” basis had effectively destroyed any opportunity for Resort to rely on the similarity of the channels of trade of Resort and Hotel in its argument on the issue of distinctiveness. Trademarks incorporating an original design—such as the two Hotel Marks that were design marks—are inherently distinctive and considered to be strong marks. Resort failed to negate the distinctiveness of the word mark FAIRMONT because the evidence of confusion as to the source of Hotel’s luxury hotel and resort services and as to Hotel’s involvement in Resort’s line of business was insufficient to discharge the evidentiary burden on Resort on the issue of distinctiveness. Despite Resort’s evidence that, at least in British Columbia and Alberta, the word mark FAIRMONT was not distinctive of Hotel’s services, the following contradictory evidence was determinative in Hotel’s favor: (1) Resort had never used the single word “Fairmont” as a trademark; (2) Resort never pursued its interest in protecting its interest in the FAIRMONT trademarks against Hot Springs; and (3) Resort did not oppose the registration of the word mark FAIRMONT and only belatedly commenced cancellation proceedings.

The court also rejected Resort’s argument that the registrations for the Hotel Marks should be cancelled in view of Resort’s prior use of the unregistered trademarks and trade names containing FAIRMONT because the parties’ marks were “simply not confusing.” In any event, Hotel was the first user of the

\(^{202}\) Section 12(1)(b) provides: “Subject to section 13, a trade-mark is registrable if it is not . . . whether depicted, written or sounded, either clearly descriptive or deceptively misdescriptive in the English or French language of the character or quality of the wares or services in association with which it is used or proposed to be used or of the conditions of or the persons employed in their production or of their place of origin.”
FAIRMONT mark in Canada as between itself and Resort, considering the assignment from Hot Springs to Hotel’s predecessor of Hot Springs’ trademark rights.

I.D.1. Similarity of Marks

NPS Pharmaceuticals, Inc. v. Biofarma, Société par Actions Simplifiée\(^{203}\) involved NPS’s appeal of the Registrar’s decision allowing Biofarma’s opposition to NPS’s application to register the mark PREOS for use in association with pharmaceutical preparations for the prevention or treatment of osteoporosis. The Registrar had found that NPS’s PREOS mark was likely to be confused with Biofarma’s PROTOS mark, which was the subject of a previously filed application based on proposed use in association with essentially identical goods. Biofarma’s PROTOS application had been allowed, but the mark was not registered because marketing of the associated product in Canada had not yet been authorized by the Minister of Health, although a New Drug Submission had been submitted to Health Canada to obtain such authorization; the submission presumably was based on clinical trial results in Europe, where the product was authorized to be marketed through Biofarma’s subsidiary under the name PROTELOS.

Because the new evidence filed by NPS on appeal could not have affected the Registrar’s decision, the deferential standard of reasonableness applied. The court characterized the case as unique in that the opposing marks were not actually in use in Canada because neither party’s drug had been authorized for sale by Health Canada. Accordingly, the first two enumerated factors in Section 6(5)\(^{204}\) were neutral because each proposed mark was distinctive, neither having any meaning as a whole, and there was no evidence they had become known in Canada as there was no evidence of promotion. As to the second factor (length of time in use), there had not yet been any use. The Registrar did not commit any error in concluding that Biofarma might choose PROTOS or


\(^{204}\) Section 6(5) provides:

In determining whether trade-marks or trade-names are confusing, the court or the Registrar, as the case may be, shall have regard to all the surrounding circumstances including

(a) the inherent distinctiveness of the trade-marks or trade-names and the extent to which they have become known;
(b) the length of time the trade-marks or trade-names have been in use;
(c) the nature of the wares, services or business;
(d) the nature of the trade; and
(e) the degree of resemblance between the trade-marks or trade-names in appearance or sound or in the ideas suggested by them.
PROTELOS as a brand when it started commercializing its product in Canada, but that did not affect the opposition because the PROTOS trademark application was still in good standing. The Registrar was correct to compare NPS’s statement of goods in its trademark application for PREOS with Biofarma’s statement of goods in its application for PROTOS, as opposed to how a patient would differentiate between an injector pen (PREOS) and an oral suspension (PROTOS). The court rejected NPS’s argument that the Registrar did not take into account the principle that purchasers exercise particular care where the goods are prescription drugs, thus lessening the likelihood of confusion. In fact, in the mix of factors that she was required to balance, the Registrar did consider the reaction of physicians and pharmacists, which led to her determination as a matter of first impression and imperfect recollection that, on a balance of probabilities, there was no reasonable likelihood of confusion as to the source of the parties’ goods. Taken as a whole, the Registrar’s decision was reasonable and was defensible both in fact and in law. Accordingly, the appeal was dismissed.

**I.D.2. Similarity of Goods or Services**

Masterpiece Inc. failed to cancel Alavida Lifestyle Inc.’s trademark registration for MASTERPIECE LIVING, which was granted in 2007 for the development and operation of retirement residences. Masterpiece claimed to have been using trademarks containing MASTERPIECE in association with the operation of retirement residences since before Alavida applied to register the mark MASTERPIECE LIVING. It further claimed to have used the word “Masterpiece”—alone and with other words (e.g., “Masterpiece the Art of Living,” and “Masterpiece the Art of Retirement Living”)—since 2001 in advertisements, in its dealings with suppliers and customers, and in trade shows.

The court identified two issues: (1) Did Masterpiece use its trademarks before Alavida applied to register the trademark MASTERPIECE LIVING? (2) If so, was Alavida’s trademark likely to be confused with Masterpiece’s marks?

In accordance with Section 16(3)(a), the analysis of confusion was made as of December 1, 2005, the date on which Alavida applied to register the trademark MASTERPIECE

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206. Section 16(3)(a) provides: “Any applicant who has filed an application in accordance with section 30 for registration of a proposed trade-mark that is registrable is entitled, subject to sections 38 and 40, to secure its registration in respect of the wares or services specified in the application, unless at the date of filing of the application it was confusing with ... a trade-mark that had been previously used in Canada or made known in Canada by any other person....”
LIVING. Accordingly, the court confined itself to evidence and events relating to potential confusion and dated prior to Alavida’s filing date, namely: (1) business documents and invoices; (2) brochures of a related company (called Club Sierra) with the words “Masterpiece – The Art of Living” on the back; (3) a building sign saying “Dedicated to the Seniors of Medicine Hat by Medican and Masterpiece”; (4) two newspaper articles; (5) an article posted on Masterpiece’s website (www.clubsierra.ca) referring to “Masterpiece – The Art of Living”; and (6) brochures containing the words “Masterpiece – The Art of Retirement Living.” The court concluded that little of this evidence supported the use of the word “Masterpiece” or its variants with respect to the performance of services or the advertising of those services. Still, Masterpiece had shown some use of its trade name and marks in connection with its services prior to December 1, 2005.

Regarding the factor in Section 6(5)(a), there was some distinctiveness in the use of the word “Masterpiece” in association with retirement residences. Although “Masterpiece” was a common word in wide use in the naming or describing of goods and services available to the public, its use in relation to the particular services at issue was somewhat distinctive. There was no evidence regarding the extent to which the trademarks had become known. Regarding the nature of the business, both companies operated in the area of expensive retirement residences and services. People generally take considerable care in choosing a residence, so such consumers could be presumed to be less susceptible to confusion about the source of the goods or services they are seeking because they are unlikely to make choices based on first impressions. While there were differences between the parties’ services and client base, there was overlap. Nevertheless, people seeking a retirement residence could be expected to research carefully the characteristics of and services associated with the properties in which they were interested and to become knowledgeable about the properties’ service providers. While there was “obviously a degree of resemblance” between the parties’ marks and names, as part of the overall circumstances, Alavida’s use of the trademark MASTERPIECE LIVING had been in the nature of a slogan accompanying its corporate identity. In contrast, Masterpiece used “Masterpiece” to identify the company itself, along with various other words and phrases of far lesser prominence, alongside a distinctive butterfly logo. These differences helped reduce the likelihood of confusion.

Looking at all of the circumstances, the court was not satisfied that Masterpiece had established there was a likelihood of confusion between its trade name and marks and Alavida’s

207. See supra note 204.
registered trademark. Accordingly, Masterpiece’s application for cancellation was dismissed.

An application for cancellation was also dismissed in *Kamsut, Inc. v. Jaymei Enterprises Inc.*208 Kamsut sought to cancel Jaymei’s registration for the trademark KAMA SUTRA as it related to chocolates and chocolate truffles. It claimed to have been using the trademark KAMA SUTRA in Canada in association with chocolate-flavored body soufflé, chocolate body paints, and chocolate body oil since at least 1988. Kamsut alleged that Jaymei’s registration was invalid on two bases: (1) pursuant to Sections 18(1)209 and 16(1)(a),210 Jaymei was not entitled to secure its registration because at the date of its application for registration (February 19, 2002) and on the date of Jaymei’s first use in association with chocolates or chocolate truffles (ca. July 1994), its KAMA SUTRA mark was confusingly similar to Kamsut’s KAMA SUTRA trademark, which had been previously used in association with Kamsut’s KAMA SUTRA chocolate products; and (2) at the date of the commencement of the cancellation proceedings, Jaymei’s KAMA SUTRA mark was not distinctive of Jaymei’s goods.

It was not sufficient for Kamsut simply to assert that sales of its KAMA SUTRA chocolate products had been taking place in Canada at least since 1990 or since before Jaymei’s first use in 1994. Kamsut’s obligation was to establish such sales by detailed and specific evidence of use that would meet the requirement of Section 4.211 Section 16(1)(a) set up a two-part test that Kamsut was required to meet: (1) establish prior use in Canada; and (2) establish confusion. The following materials submitted by Kamsut were not evidence of use of KAMA SUTRA: a photograph of Kamsut’s packaging; a 1988 blank order form; and a notice of price increase. The packaging was undated and reflected the current packaging and labels; the 1988 order card did not list all of


209. Section 18(1) provides: “The registration of a trade-mark . . . is invalid if the applicant for registration was not the person entitled to secure the registration.”

210. Section 16(1)(a) provides: “Any applicant who has filed an application in accordance with section 30 for registration of a trade-mark that is registrable and that he or his predecessor in title has used in Canada or made known in Canada in association with wares or services is entitled, subject to section 38, to secure its registration in respect of those wares or services, unless at the date on which he or his predecessor in title first so used it or made it known it was confusing with a trade-mark that had been previously used in Canada or made known in Canada by any other person.”

211. Section 4(1) provides: “A trade-mark is deemed to be used in association with wares if, at the time of the transfer of the property in or possession of the wares, in the normal course of trade, it is marked on the wares themselves or on the packages in which they are distributed or it is in any other manner so associated with the wares that notice of the association is then given to the person to whom the property or possession is transferred.”
Kamsut’s chocolate-flavored products; the earliest invoice was dated October 23, 2002. The affidavit from Kamsut’s distributor was insufficient to repair these deficiencies because (1) the nature of the distributorship relationship was unclear; (2) no purchase orders or invoices were provided; and (3) there was no evidence regarding when, how, and at what point property or possession passed between Kamsut and the distributor.

The court dealt with the issue of confusion in case the conclusion that Kamsut had not established prior use was incorrect. The mark KAMA SUTRA was not inherently distinctive of chocolate products, and the evidence was insufficient for the court to conclude that KAMA SUTRA was a known trademark in Canada associated with Kamsut’s chocolate-flavored products. The parties’ products were dissimilar in that Kamsut’s chocolate products were oils or paints containing a chocolate flavor; they were not eaten. Unlike Jaymei’s chocolates, Kamsut’s chocolate-flavored oils and paints were sexual aids. Jaymei’s chocolates were sold directly to corporations and individuals and not to distributors or retailers for resale to consumers, which was the case with Kamsut’s products. A negative inference was drawn from the lack of such evidence of actual confusion. In conclusion, there was no likelihood of confusion between Kamsut’s chocolate-flavored products and Jaymei’s chocolates.

Jaymei’s market for its chocolates was local, like a restaurant or pastry shop serving mainly customers residing in an area. To be distinctive, a trademark need not distinguish the goods throughout Canada. It is sufficient if people within a particular area of Canada recognize the mark as representing the owner of the goods. In addition, to demonstrate distinctiveness, the owner need not show that it is the sole user of the mark. Through use, Jaymei’s KAMA SUTRA mark had acquired local distinctiveness with respect to chocolate. Individualized service such as direct sales to customers was a significant indicator that Jaymei’s KAMA SUTRA chocolates would be associated with Jaymei. The evidence produced by Kamsut to negate Jaymei’s local distinctiveness was lacking in specificity, and Kamsut’s evidence of lack of distinctiveness of Jaymei’s mark as a result of Kamsut’s mark’s use or reputation failed because (1) Kamsut’s advertisements were mainly in U.S. publications with a small Canadian circulation; (2) Kamsut’s sales figures were for all of its products, and sales in association with chocolate-flavored products appeared low; (3) Kamsut did not provide figures for sales for the Vancouver area; and (4) the parties’ goods were not similar. Accordingly, Kamsut failed to meet its burden to establish lack of distinctiveness in Jaymei’s trademark that would link Jaymei as the source of its product.
Salam Toronto Publications et al. v. Salam Toronto Inc. et al.\textsuperscript{212} involved an allegation of trademark infringement, passing off, and depreciation of goodwill contrary to Sections 7(b),\textsuperscript{213} 19,\textsuperscript{214} 20,\textsuperscript{215} and 22\textsuperscript{216} in connection with the defendants’ use of the marks SALAM TORONTO and SALAM TORONTO IMMIGRATION SERVICES in association with immigration and settlement services. Co-plaintiff Mohsen Seyed Taghavi, the sole proprietor of Salam Toronto Publications, owned a trademark registration for SALAM TORONTO in association with newspapers and magazines. Mr. Taghavi’s surname and that of co-defendant Kamran Naghavi, the administrator of Salam Toronto Inc., differed only in their capital letters in English and differed only slightly when written in Farsi.

The plaintiffs alleged that the defendants had infringed their trademark by using it (1) in the defendants’ domain names www.salamtoronto.com and www.salamtoronto.org and generally on websites, (2) on the www.salamtoronto.org website specifically in association with the heading “news,” (3) in the advertisements in newspapers published by the plaintiffs’ competitors, (4) in an email address, (5) on stationery, and (6) in a telephone directory. The defendants did not file a statement of defence and did not attend the trial.

Because this was a proceeding in default of defence, every allegation in the statement of claim was treated as if it had been denied and the plaintiffs were required to demonstrate, on a balance of probabilities, that their claims were made out. The court concluded that the domain names, email address, and website homepages used the defendants’ mark because they served a promotional function as well as playing a contact role, and because each of them was immediately linked to substantive information about the defendants’ services. However, the


\textsuperscript{213} Section 7(b) provides: “No person shall . . . direct public attention to his wares, services or business in such a way as to cause or be likely to cause confusion in Canada, at the time he commenced so to direct attention to them, between his wares, services or business and the wares, services or business of another. . . .”

\textsuperscript{214} Section 19 provides: “Subject to sections 21, 32 and 67, the registration of a trade-mark in respect of any wares or services, unless shown to be invalid, gives to the owner of the trade-mark the exclusive right to the use throughout Canada of the trade-mark in respect of those wares or services.”

\textsuperscript{215} Section 20(1) provides: “The right of the owner of a registered trade-mark to its exclusive use shall be deemed to be infringed by a person not entitled to its use under this Act who sells, distributes or advertises wares or services in association with a confusing trade-mark or trade-name. . . .”

\textsuperscript{216} Section 22(1) provides: “No person shall use a trade-mark registered by another person in a manner that is likely to have the effect of depreciating the value of the goodwill attaching thereto.”
stationery and the telephone directory were not used for promotion; rather, they simply contained contact information.

On the issue of confusion, it was noted that the mark SALAM TORONTO was not inherently distinctive. As it was a weak trademark, some confusion was unavoidable. However, the SALAM TORONTO mark was known and well regarded in Toronto’s Iranian community. The court could not reach any conclusion about how well known the defendants’ trade name might be. It was not prepared to find a likelihood of confusion because (1) the surnames Taghavi and Naghavi were slightly different; (2) there was no evidence of actual confusion; (3) the advertisements that were Mr. Naghavi’s primary contact with the public made it clear that the source of his services was not Mr. Taghavi; (4) Mr. Taghavi had such a distinctive stature as a publisher and journalist that the prospect that he had a separate, unrelated business in which he was a specialist was remote; and (5) Mr. Taghavi’s newspaper and Mr. Naghavi’s services were completely different products, the former being free or modestly priced and the latter involving relatively significant cost, extra attention, and personal contact. Accordingly, the infringement and passing-off actions were dismissed. As there was no evidence that the defendants’ use of the mark SALAM TORONTO had harmed the plaintiffs’ business or reputation, the Section 22 claim was also dismissed.

Advance Magazine Publishers Inc. v. Farleyco Marketing Inc.217 involved an appeal of the Registrar’s dismissal of Advance’s opposition to Farleyco’s proposed use application to register the mark GHOULISH GLAMOUR for Halloween cosmetics and eyelash accessories. Advance alleged confusion based on its long-standing trademark GLAMOUR, registered for use in association with a periodical magazine. Farleyco had been selling its GHOULISH GLAMOUR goods in drug, food, and mass merchandise outlets since September 2004. There had been no instances of confusion. Farleyco tendered evidence of (1) 31 third-party “Glamour” products in the fields of cosmetics, lingerie, jewellery, children’s wear, computer games, music, books, and toys and (2) 22 third-party registrations and applications for trademarks containing GLAMOUR on the register in Canada for goods and services in various fields, including cosmetics, fashion, and beauty.

The court agreed with the Registrar that there was no likelihood of confusion. The word “glamour” was descriptive of a whole industry of cultural and commercial endeavour; glamour was something a large segment of the public wished to acquire.

Within this general context, Advance had given its mark a certain distinctiveness in relation to magazines and related goods and services. However, Advance’s GLAMOUR mark was not associated with all goods and services that made up the glamour industry; its distinctiveness lay in products and services that contribute to a culture, an ambience, a forum, a form and mode of discourse that is known generally as the glamour industry. Advance did not compete with its own advertisers (e.g., with respect to cosmetics). There was a clear distinction in the materials between the culture and discourse created by Advance’s GLAMOUR products and services and that created by cosmetic products because (1) Advance had not licensed its GLAMOUR mark to product manufacturers and (2) there was no evidence of actual confusion. Even though cosmetics and magazines might be sold in the same stores, Advance’s GLAMOUR magazine and Farleyco’s products were sold and advertised, and were purchased and used, in very different ways. Consumers were repeatedly exposed to many GLAMOUR trademarks and to the constant use of the word “glamour” in the glamour industry and in the marketplace it spawned. It could be assumed that consumers had become extremely adept at distinguishing between goods and services sold and associated with the word “glamour,” either singly or in combination with other words, and that they were extremely unlikely to associate Farleyco’s GHOULISH GLAMOUR Halloween products with Advance’s GLAMOUR goods and services. Accordingly, Farleyco had discharged its burden of proving, on a balance of probabilities, that confusion between the marks was unlikely. Therefore, Advance’s appeal was dismissed.

II.C.1.b. Personal Names

In Matol Biotech Laboratories Ltd. v. Jurak Holdings Ltd., Matol appealed Jurak’s successful opposition to Matol’s application to register the mark KARL JURA K for use in association with minerals and vitamins for therapeutic purposes. Jurak’s primary basis of opposition was that, as a personal name, “Karl Jurak” was not registrable pursuant to Section 12(1)(a) and the mark had not become distinctive under Section 12(2). The parties agreed that Karl Jurak was the name of an individual who died in 1993.


219. Section 12(1)(a) provides: “Subject to section 13, a trade-mark is registrable if it is not a word that is primarily merely the name or the surname of an individual who is living or has died within the preceding thirty years. . . .”

220. Section 12(2) provides: “A trade-mark that is not registrable by reason of paragraph (1)(a) or (b) is registrable if it has been so used in Canada by the applicant or his predecessor in title as to have become distinctive at the date of filing an application for its registration.”
With one exception (confined to the application of Section 12(2)), the additional evidence filed by Matol on appeal was not of sufficient materiality to affect the Registrar’s findings of fact or to displace the standard of reasonableness. Jurak successfully discharged its initial evidentiary burden to show that Karl Jurak was an individual who had died within the last 30 years. It did not have a further evidentiary burden to adduce evidence demonstrating that the average Canadian would think that the mark KARL JURAK was primarily merely the name of an individual who had died within the last 30 years. It was Matol’s evidentiary and legal burden to demonstrate that the mark was something other than the name of an individual who had died within the last 30 years. Matol failed to discharge that burden.

For the following reasons, the court concluded that the evidence did not show use in Canada by Matol of the mark KARL JURAK such that it had become distinctive as at the date of filing of Matol’s trademark application: (1) it was unclear if, when, and to what extent the mark KARL JURAK was associated with Matol’s trademark MATOL on Matol’s premier product (in some cases, the Matol bottle contained no reference to Karl Jurak, and in other cases, his name was mentioned as the inventor in the story of the product exhibited on the label at the back); (2) even if the mark KARL JURAK always appeared in conjunction with the trademark MATOL and both marks were the same size and appearance, the sales and publicity figures put forward by Matol did not prove that the KARL JURAK mark was distinctive; and (3) the differences between two versions of the same affidavit submitted by Matol were not explained.

*Miranda Aluminum Inc. v. Miranda Windows & Doors Inc.*^{221} involved a dispute between the company owned by Antonio Miranda and the company owned by his son Tony Miranda over the use of their surname as a trademark. The father sought cancellation of the son’s registrations for the word mark MIRANDA and a design mark (see below), both for use in association with custom design and installation of windows, doors, porch enclosures, sunrooms, siding, soffits, fascia, eaves troughs (roof gutters), patios, garden doors, aluminum railings, and railings and for home renovation:

![Miranda Logo]

In 1976, the father incorporated a numbered company and carried on business using the unregistered trade name Miranda

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Aluminum. The numbered company became inactive when the father was imprisoned for cocaine trafficking in 1988; it was cancelled in 1990 while the father was still in prison. After his release on day parole later in 1990, the father worked for the son until 1994 as a commissioned salesman on a full-time basis. From 1994 until 2000, the father worked only sporadically for the son, in part because the father was also involved in the operation of his own new company, Miranda Home Improvements Ltd., which he incorporated in 1994 and sold in 1997 or 1998. Since 2000, when he incorporated his current company (the applicant in the court proceedings), the father had carried on business selling and installing aluminum windows and doors using both the corporate name Miranda Aluminum Inc. and the trade name Miranda Direct.

The son’s first company, called T.M. Renovations Inc., was incorporated in 1989. In 1990, the son registered the trade name Miranda Aluminum and Vinyl Products as a division of T.M. Renovations Inc. In 2005, the son’s company incorporated the father’s company, and since then it had carried on business selling and installing aluminum products. The applications that matured into the son’s registrations were filed in March 2007 based on use in Canada since 1991.

From the early 1970s until 1995, the father’s brother (the son’s uncle), John Miranda, carried on wholesale businesses using the corporate names Miranda Aluminum Products Limited and Miranda Aluminum Products Inc. In 1995, the brother/uncle changed the name Miranda Aluminum Products Limited to a numbered-company name; in 1999, Miranda Aluminum Products Inc. was changed to Miranda Vinyl Products Inc. These companies were in business when the cancellation application was heard. In 2008, the brother/uncle assigned to T.M. Renovations Inc. any trade name or trademark rights that he may have had in the name Miranda effective November 21, 1990.

The father alleged that the son’s registrations were invalid because (1) the son’s trademarks consisted of a word that was primarily merely the name or surname of an individual who was living or had died within the preceding 30 years; (2) the son was not the person entitled to register the marks, owing to the father’s prior use in association with the sale and installation of aluminum products; (3) the son’s trademarks falsely suggested a connection with a living individual, namely the father; (4) the son’s registrations falsely misrepresented the date of first use of the son’s trademarks; and (5) the son’s trademarks did not distinguish the son’s goods from those of the father and the brother/uncle.

The court determined that the son’s word mark MIRANDA was primarily merely a surname, and was therefore not registrable under Section 12(1)(a) absent proof of secondary meaning pursuant
to Section 12(2). It further concluded that the design mark had acquired distinctiveness by February 20, 2006, the material date. Customers identified the son’s goods and services with him personally, especially considering the following: (1) the son’s company received an award for “Home Improvement Company of the Year”; (2) photographs showed prominent use of the word and design marks on the son’s company’s mobile showroom, its fleet of trucks and trailers, its booths, its banners, and its promotional material at community events; and (3) the son’s company’s two English-language television commercials showed the son in connection with his company; and (4) the son introduced 30 testimonials from clients and others showing that the public associated the word and design marks with his products and services and his company. The son’s design mark was not disqualified under Section (12)(a) because the outline of the house with the chimney on the roof was sufficient to support a finding that the mark was not primarily merely a surname. In any event, the evidence supported a finding of acquired distinctiveness for the design mark.

The father’s evidence did not establish prior use of the name Miranda as either a trade name or a trademark. The evidence of use before 2000 was not credible and, even if the Miranda name had been used, it was twice abandoned. Further, between 2000 and 2004—when T.M. Renovations Inc. was dissolved—the father’s use of the MIRANDA in the design mark was calculated to confuse customers. This was not prior use that would have entitled the father’s company to the benefit of Section 17(1). The son did not adopt the name Miranda at a time when the public would falsely have made a connection with the father; rather, (1) the son adopted the name Miranda in 1990, when he registered Miranda Aluminum and Vinyl Products as a trade name of T.M. Renovations Inc., and at that time the father was working for the son as a salesman; (2) the father had been out of business since 1988; (3) the father’s numbered company had been cancelled; and (4) the father’s arrest and imprisonment were publicized. Regarding the incorrect date of first use in the son’s registrations, the fact that the first documentary evidence of use was dated two months after the claimed first use was not sufficient to justify cancelling the son’s registrations. On the issue of distinctiveness, the court was not convinced that the use of the name Miranda by

222. Section 17(1) provides: “No application for registration of a trade-mark that has been advertised in accordance with section 37 shall be refused and no registration of a trade-mark shall be expunged or amended or held invalid on the ground of any previous use or making known of a confusing trade-mark or trade-name by a person other than the applicant for that registration or his predecessor in title, except at the instance of that other person or his successor in title, and the burden lies on that other person or his successor to establish that he had not abandoned the confusing trade-mark or trade-name at the date of advertisement of the applicant’s application.”
the father and the brother/uncle was such that the son’s trademarks had lost the distinctiveness they had acquired by that date, because the father was carrying on business using altered versions of the son’s design mark. The father’s use of Miranda Direct was discounted in view of his statements that Miranda Direct was the same company as Miranda Windows & Doors Inc. This demonstrated that the father’s use of the name Miranda as early as 2006 was not intended to present the father’s company as a distinct company.

II.E. Examination and Opposition

In Simpson Strong-Tie Company, Inc. v. Peak Innovations Inc., the Federal Court of Appeal struck down an appeal from a decision of the Federal Court in which Justice Lemieux had refused to allow an amendment to a statement of opposition advancing a new ground of opposition not asserted before the Registrar. According to Justice Lemieux, leave to do so should be granted “only in the rarest of circumstances necessary to render justice.” The underlying proceeding in the Federal Court was an appeal from a decision of the Trade-marks Opposition Board dismissing Simpson’s opposition to Peak’s application to register the mark GREYISH GREEN DECK BOARD FASTENER in association with fastener brackets for attaching deck boards. The application had not yet reached the hearing stage. A prothonotary’s order denied leave to amend Simpson’s statement of opposition. On appeal, Simpson argued that the prothonotary erred in dismissing Simpson’s motion to amend its statement of opposition to specifically plead that Peak’s application did not conform to Section 30(h). In his decision dismissing Simpson’s appeal, Justice Lemieux said there was an inherent unfairness in allowing a litigant to “save up” new grounds on appeal. Simpson appealed Justice Lemieux’s decision.

Simpson based its appeal on Justice Lemieux’s statement that “the ‘new ground’ sought to be added by the proposed amendment ‘was vital to the final resolution’ of the matter.” Thus, the appellant maintained that the Federal Court’s judgment “determine[d] a final right.” The Federal Court of Appeal, however, struck Simpson’s notice of appeal on the ground that Justice Lemieux’s order was interlocutory in nature and that the notice of


225. Section 30(h) provides: “An applicant for the registration of a trade-mark shall file with the Registrar an application containing . . . unless the application is for the registration only of a word or words not depicted in a special form, a drawing of the trade-mark and such number of accurate representations of the trade-mark as may be prescribed. . . .”
appeal was filed beyond the 10-day period set out in Section 27(2)(a) of the Federal Courts Act. Justice Lemieux’s reference to “the final resolution of the matter” was relevant to his determination of the standard to be applied in reviewing the prothonotary’s decision, and nothing else. His decision refusing to amend the statement of opposition, like the earlier decision of the prothonotary to the same effect, was interlocutory in nature, as it did not determine the substantive rights of any of the parties. It followed that Simpson had to bring its appeal within 10 days from Justice Lemieux’s decision, which Simpson failed to do. Because Simpson made no attempt to demonstrate that the applicable criteria for extending the time limit were present, the notice of appeal was struck.

Parmalat Canada Inc. v. Sysco Corporation involved a judicial review application by Parmalat seeking to set aside the Registrar’s decision dismissing Parmalat’s application for leave to amend its statement of opposition to Sysco’s application to register the mark BLACK DIAMOND in association with kitchen utensils, chef’s apparel, and cooking pots and frying pans distributed to food service providers for use in serving food. Parmalat’s opposition was based primarily on confusion with Parmalat’s family of BLACK DIAMOND trademarks for cheese. Parmalat sought to add a new ground of opposition based on Section 30(i) in combination with Section 22(1), on the basis of the Supreme Court of Canada’s comments made in Veuve Clicquot Ponsardin, Maison Fondée en 1772 v. Boutiques Clicquot Ltée.

The court granted the judicial review and set aside the Registrar’s decision. The fundamental flaw made by the Registrar—which skewed the subsequent analysis—was a misstatement of the issue. The issue was not whether, on a stand-

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226. Section 27(2)(a) of the Federal Courts Act reads: “An appeal under this section shall be brought by filing a notice of appeal in the Registry of the Federal Court of Appeal, in the case of an interlocutory judgment, within 10 days after the pronouncement of the judgment or within any further time that a judge of the Federal Court of Appeal may fix or allow before or after the end of those 10 days. . . .”


229. Section 30(i) provides: “An applicant for the registration of a trade-mark shall file with the Registrar an application containing . . . a statement that the applicant is satisfied that he is entitled to use the trade-mark in Canada in association with the wares or services described in the application.”

230. Section 22(1) provides: “No person shall use a trade-mark registered by another person in a manner that is likely to have the effect of depreciating the value of the goodwill attaching thereto.”

alone basis, Section 22 could form a ground of opposition, but rather whether Section 30(i) could have resorted to Section 22 to sustain an opposition on the ground that the requirement of Section 30(i) was not respected. In support of the latter ground, Parmalat argued that Sysco could not have been satisfied that it was entitled to use the trademark in Canada because such use would be likely to depreciate the value of the goodwill attaching to Parmalat’s trademark, contrary to Section 22. Parmalat never put on the table the notion that Section 22 could by itself sustain an independent ground of opposition. Because of the error, the Registrar had ignored relevant jurisprudence as to the scope of Section 30(i) and its various applications. The error had also led the Registrar to take from the decision in *Veuve Clicquot* something that Parmalat did not urge upon the Registrar and to ignore the contribution of *Veuve Clicquot* to the law with respect to Section 22 that the application of that section was decoupled from a finding of confusion. The court declined to consider the matter *de novo* and instead referred Parmalat’s application for leave to amend its statement of opposition back to the Registrar for reconsideration.

**SC Prodal 94 SRL v. Spirits International B.V.** involved an application to cancel a registration that had been voluntarily withdrawn. After Spirits applied to the Federal Court to cancel Prodal’s trademark registration for STALINSKAYA in association with vodka, Prodal submitted a fresh application for the same mark and goods and voluntarily cancelled its registration. When Spirits’ cancellation application came on for hearing, Prodal’s registration was no longer on the register. Nevertheless, the applications judge allowed Spirits’ application and issued a declaration that the STALINSKAYA mark was not distinctive because it was confusingly similar to Spirits’ registered STOLICHNAYA trademarks for use in association with vodka. The applications judge ordered a stay of proceedings and permanent mandatory injunction prohibiting the Registrar from considering Prodal’s application. No reasons were given for the order. Prodal appealed.

In allowing Prodal’s appeal, the Federal Court of Appeal noted that what does not exist cannot be cancelled. Moreover, the applications judge’s stay of proceedings and permanent mandatory injunction regarding Prodal’s application could not be characterized as being ancillary to the relief requested in Spirits’


notice of application. There was no evidence before the applications judge that addressed the constituent elements of the test for obtaining a stay of proceedings, nor was there argument in this respect in Spirits’ memorandum of fact and law. There being no basis upon which to grant a stay of proceedings, the applications judge erred in doing so. In addition, a permanent mandatory injunction prohibiting the Registrar from considering Prodal’s application could not coexist with a stay of proceedings because the former required one to act positively and the latter entailed no action’s being taken. While Spirits did not include a request for a stay of proceedings, a mandatory injunction, or an order of prohibition in its notice of application, these forms of relief were requested in its memorandum of fact and law. The Court of Appeal rejected Spirits’ argument that the “basket clause” in its notice of application—wherein Spirits requested such other relief as counsel might advise and as the court might deem just—was sufficient to encompass the relief requested in its memorandum of fact and law.

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

Brouillette Kosie Prince v. Orange Cove-Sanger Citrus Association235 involved an appeal of the Registrar’s decision to maintain Orange’s trademark registration for POM-POM, which was granted in 1950 for fresh citrus fruit, in the face of summary non-use cancellation proceedings commenced by Brouillette pursuant to Section 45.236 Orange was a grower and packer of citrus fruits and a member of Sunkist Growers, an agricultural cooperative composed of growers and affiliated packing houses. The sales department of Sunkist assisted in the distribution of the products of its member-growers, including invoicing such products to the buyers on behalf of its members. The POM-POM mark was applied to packaging for fruit. Orange’s evidence of use included numerous invoices issued by Sunkist on behalf of Orange demonstrating that POM-POM fruits were shipped to various Canadian purchasers during the three-year period prior to June 25, 2003, the date on which Brouillette commenced the cancellation proceedings.


236. Section 45(1) provides: “The Registrar may at any time and, at the written request made after three years from the date of the registration of a trade-mark by any person who pays the prescribed fee shall, unless the Registrar sees good reason to the contrary, give notice to the registered owner of the trade-mark requiring the registered owner to furnish within three months an affidavit or a statutory declaration showing, with respect to each of the wares or services specified in the registration, whether the trade-mark was in use in Canada at any time during the three year period immediately preceding the date of the notice and, if not, the date when it was last so in use and the reason for the absence of such use since that date.”
On appeal, Brouillette argued that (1) Orange should have provided a photograph of a complete box or multiple boxes; (2) the inscriptions that appeared on the specimen carton were confusing and did not conclusively establish that the POM-POM mark was used by Orange; and (3) none of the invoices established a link between the POM-POM mark and Orange, but instead suggested that the mark was used by Sunkist. The Federal Court found that the Registrar’s decision was reasonable in all respects and stood up to a somewhat probing examination. Overall, the evidence before the Registrar and the additional evidence adduced before the court supported the Registrar’s conclusive findings that the POM-POM mark had been used in Canada during the relevant period in association with fresh citrus fruits. Photographs of a complete box or multiple boxes would have been helpful, but the lack of photographs was not determinative. The Registrar did not commit a reviewable error when it concluded that Sunkist was not the user of the trademark but acted merely as the registrant’s agent or distributor. The Registrar reasonably concluded that at the time of the transfer of the fruit to Orange’s Canadian purchasers, the POM-POM mark was linked to the goods in a manner satisfying the requirements of Section 4(1). Orange’s evidence went well beyond being a mere broad statement of use of the mark. That the packaging also referenced Sunkist did not negate the fact that the POM-POM mark was being used by Orange in association with fresh citrus fruits. In the absence of an error that warranted interference by the court, the Registrar’s decision was not varied or set aside.

In *Grapha-Holding AG v. Illinois Tool Works Inc.*, the Federal Court allowed Grapha’s appeal from the Registrar’s decision maintaining Illinois’ trademark registration for MULLER in association with packaging and processing machines, palletizing and conveying machines, and stretching and pre-stretching machines. In the Registrar’s Section 45 notice, issued October 30, 2003, Illinois was required to show it had used the MULLER mark in Canada during the three years preceding the notice. In response, Illinois’ licensee tendered (1) brochures for MULLER-branded goods, which brochures had been distributed in Canada during the relevant period; (2) a statement that MULLER was marked on the machines as shown in the brochures; and (3) a statement that sales in Canada of the goods sold in association with the MULLER mark during the relevant period had exceeded $10 million in 2000, 2001, 2002, and 2003. The Registrar decided to maintain the registration for most of the goods in the registration because it was apparent from the evidence that the

sales of the goods did occur. On appeal, Grapha argued that (1) there was no evidence to support a finding that the wares actually sold were marked with the subject mark and (2) there was no indication that the brochures accompanied the sale of the goods during the relevant period.

The Federal Court reversed the Registrar’s decision and ordered that the MULLER trademark registration be cancelled in its entirety. The Registrar did not have sufficient evidence to demonstrate use of the mark and was wrong to infer that sales of MULLER-branded goods had occurred. Illinois’ evidence established that the circulars had been distributed during the preceding five years; however, the relevant period was the preceding three years. The brochures showed where the mark was situated on Illinois’ goods, but there was no evidence that the brochures had been distributed at the time of transfer of the property in or possession of the goods. The allegations in Illinois’ affidavit were not sufficiently precise. Illinois’ registration was cancelled in its totality.

Promotions C.D. Inc. (CD), a Montreal-based clothing wholesaler, appealed the Registrar’s decision to cancel its trademark registration for PETER PAN for pantyhose pursuant to Section 45. The registration was originally granted to Les Promotions G.B. Inc. (GB). In 2004, in connection with its winding up, GB “distributed, ceded and remitted [to CD] all of its assets.” However, no amendment to this effect was made on the register until after the commencement of the Section 45 proceedings pursuant to the Registrar’s notice dated August 23, 2007. CD did not respond to the Registrar’s notice because it did not receive it. The Registrar cancelled the PETER PAN registration.

On appeal to the Federal Court, CD filed evidence of use. Considering the determinative nature of the additional evidence (i.e., color photocopies of packaging, invoices covering sales in Canada, and sales figures during the relevant period), the court heard the matter de novo on the basis of the standard of correctness. The fact that there was a change of owner of the PETER PAN mark within the relevant period allowed the court to consider, at the same time, evidence of use by both GB and CD.

The Federal Court allowed the appeal. CD’s evidence was determinative and conclusive regarding the use of the trademark PETER PAN.238

In Vêtement Multi-Wear Inc. v. Riches, Mckenzie & Herbert LLP,239 Multi-Wear sought to set aside the Registrar’s decision

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canceling the trademark registration for L’AMADEI for ladies’ clothing, namely, pants, vests, skirts, dresses, blouses, and sweaters. The Registrar’s Section 45 notice was issued on March 28, 2007. Multi-Wear consulted its attorney and claimed that by its own inadvertence it neglected to supply its attorney with all the information and documents required to respond to the Registrar’s notice. Because of Multi-Wear’s failure to file a timely response to the notice, the Registrar cancelled the L’AMADEI registration. Multi-Wear’s appeal of that decision was unopposed. On appeal, Multi-Wear filed evidence of use of the L’AMADEI mark involving significant sales of pants, skirts, dresses, and blouses, including invoices and hangtags. Multi-Wear acknowledged there had been no use of the mark in association with ladies’ vests and sweaters during the relevant period.

Because the Registrar’s decision was based on a failure to provide evidence of use, Multi-Wear’s new evidence of use had probative significance. Accordingly, the standard of review was correctness, and the Registrar’s decision warranted a de novo determination by the court of the issue on the merits based on the evidence before it. Because an applicant has, on an appeal of the Registrar’s decision, the same opportunity to file evidence as it had before the Registrar, the appeal court may take into consideration new evidence even where the applicant failed to file evidence before the Registrar. The court concluded that Multi-Wear’s affidavit evidence and invoices established that the L’AMADEI mark had been used in association with ladies’ pants, skirts, dresses, and blouses within the three-year period preceding the Section 45 notice. Accordingly, the Registrar’s decision cancelling the L’AMADEI registration was set aside, and the registration was maintained for ladies’ clothing, that is, pants, skirts, dresses, and blouses.

Michael Curb v. Smart & Biggar involved a summary non-use challenge to the CURB RECORDS trademark of Michael Curb, a well-known American record producer who represented such Country music artists as LeAnn Rimes, Tim McGraw, and Jo Dee Messina. Curb appealed the Registrar’s decision to cancel—pursuant to Section 45—his registration in respect of the goods (printed materials, namely posters; and clothing, namely T-shirts and caps) and services (entertainment services provided by prerecorded and live music; and the production, publishing, and distribution of audio and audiovisual recordings). The Registrar had found that the mark CURB RECORDS had been used in


Canada during the relevant period in association with audio and audiovisual recordings.

The new evidence filed on appeal established that the CURB RECORDS mark had been used in Canada in association with posters and with entertainment services provided by live music during the relevant period. Curb also submitted new evidence that Canadian residents could access his website, www.curb.com, and listen to prerecorded music and view videos. While acknowledging that “trans-border websites can create interesting problems,” the Federal Court was satisfied that Curb, through his company, with which he had an agreement, provided a service listened to in Canada, which was sufficient to maintain the registration for entertainment services provided by prerecorded music. A review of a more complete version of the distribution agreement between Curb Records (Curb’s company) and EMI Music Canada demonstrated Curb’s control over production, publishing, and distribution activities conducted in Canada. In addition, Curb Records produced a music video in Vancouver during the relevant period. Curb Records hired the company that filmed the video and approved all aspects of production, having ultimate control over the music video eventually produced. This was sufficient evidence of use of the trademark CURB RECORDS in association with the production of audio and audiovisual recordings. As there was no evidence of the use of the mark in association with T-shirts and caps, the registration was cancelled in respect of those goods only.

**III.A.2. Passing Off**

In *T-Rex Vehicles v. 6155235 Canada Inc.*, the Quebec Court of Appeal affirmed the lower court’s dismissal of a passing-off action involving the design of a three-wheeled vehicle. Since 2004, the appellant had held an exclusive license to manufacture, market, and sell the “T-Rex” vehicle, the body and chassis of which were designed by an industrial designer specializing in automobile bodies. In 2005, the respondent commenced manufacturing an almost identical vehicle under the name G-2, using the mold of a T-Rex. The G-2 was sold in parts, to be assembled by the purchaser, and did not include all the mechanical and electrical components. Unlike the G-2, the T-Rex vehicle was sold fully assembled and was licensed by Transport Canada and the corresponding Quebec authority. From 1994 through 2006, 332 T-Rex vehicles were sold throughout the world, including 113 in Quebec. The design of the T-Rex body was not registered as a distinguishing guise (get-up or trade dress).

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Justice Thibault, writing for the majority of the Quebec Court of Appeal, declared that the trial judge was wrong to conclude that the T-Rex drawing was too imprecise to allow competitors to ascertain what they were prohibited from copying. The reputation in a distinguishing guise not only protects the trader’s own interest but also aims to ensure that consumers will not be fraudulently induced to purchase products from the incorrect source. The trial judge wrongly denied protection for the T-Rex design on the basis that certain aspects were functional without assessing whether the design was wholly or primarily functional. The trial judge confused the T-Rex design’s functional aspects with its distinguishing aspects. The evidence did not establish that the design of, inter alia, the T-Rex’s roof, hood, and lights encompassed the optimal characteristics of any three-wheeled vehicle. The major obstacle to the design of an original and distinct body for the G-2 was financial. No expert evidence supported the trial judge’s finding that the T-Rex design was unregistrable because it unduly restricted development of the industry, and this could not be the subject of judicial notice. The development of a three-wheeled vehicle did not necessarily depend upon making exact copies of the chassis and body of the T-Rex. Public confusion must be assessed from the perspective of the likely consumer of the product at issue. It was not relevant that the G-2 was sold in parts. Nevertheless, there was no likelihood of confusion, considering the low sales volumes of the T-Rex. Where a product that bears a distinguishing guise is not known, the marketing and sale of identical merchandise cannot be assumed to result in confusion as to source.

Justice Chamberland concurred in the result, but wrote separate reasons. In his view, for the general design of a vehicle to be protected as an unregistered trade dress, it must satisfy conditions at least as strict as those applying to the registration as a distinguishing guise. The T-Rex distinguishing guise was insufficiently circumscribed by the appellant. In the absence of particulars of the trade dress, it would be very difficult for competitors to know exactly what they were facing. The trial judge was justified in applying the doctrine of functionality. The T-Rex design encompassed the components useful for the operation of any three-wheeled vehicle by responding to aerodynamic and safety imperatives that would be impossible to avoid without compromising vehicle stability. To grant a monopoly over the T-Rex trade dress would necessarily restrict development of the industry. The trial judge was justified in concluding that the distinguishing guise of the T-Rex was known and recognized by the public. However, there was no risk of confusion because (1) the T-Rex was targeted at a highly specialized clientele; (2) the T-Rex was sold road-ready; (3) the T-Rex cost three to four times more than the G-2; (4) not only were the products different, but the
marketing strategies and distribution channels were dissimilar; and (5) the respondent did not represent to consumers that the G-2 was, in fact, a T-Rex.

In *PharmaCommunications Holdings Inc. v. Avencia International Inc.*,242 PharmaCommunications appealed the application judge’s refusal243 to (1) declare that PharmaCommunications was the owner of the unregistered trademark PHARMACOMMUNICATIONS; (2) declare that Avencia had directed public attention to its services and business in such a way as to cause or be likely to cause confusion in Canada between its services and business and the services and business of PharmaCommunications, contrary to Section 7(b) (statutory passing off); (3) declare that Avencia’s business name PHARMACOMM was confusingly similar to PharmaCommunications’ PHARMACOMMUNICATIONS mark; and (4) enjoin Avencia from using PHARMACOMM. Both parties provided services to the pharmaceutical industry. The applications judge considered only whether Avencia was liable for statutory passing off and concluded that the application failed because PharmaCommunications had not adduced any evidence of actual or potential damage, a necessary element of a claim for statutory passing off. The applications judge therefore did not consider whether (1) PharmaCommunications had a valid trademark, (2) PharmaCommunications had established goodwill, (3) there had been deception of the public as a result of a misrepresentation, and (4) the test for granting an injunction had been met.

The Federal Court of Appeal dismissed the appeal. It held that as Section 7(b) is a codification of the common law of passing off; there are no longer any significant differences between the statute and the common law. A court is not entitled to presume damages where a likelihood of confusion has been demonstrated; rather, it is necessary to adduce evidence of actual or potential damage. As PharmaCommunications tendered no evidence of actual or potential damage, its claim for statutory passing off could not succeed.

**III.E.1. Injunction**

*Divine Pet Spa Ltd. v. Divine Doggies Spa & Boutique Inc.*244 is an example of the lower threshold for obtaining an interlocutory injunction (temporary restraining order) in the provincial courts as

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opposed to the Federal Court. In connection with its passing-off action, the plaintiff (Pet) sought an interlocutory injunction restraining the defendant (Doggies) from using the name Divine Doggies Spa in association with grooming services for dogs, which Doggies had been providing since June 2008 on its premises in Calgary, Alberta. Since November 2007, Pet had provided grooming services for dogs and cats, also in Calgary. There was evidence of actual confusion in the marketplace because of the similarity of the corporations’ names.

In granting the injunction, the Alberta court found that Pet had satisfied the three-part test in *RJR-MacDonald Inc. v. Canada (Attorney General)*,\textsuperscript{245} that is: (1) there is a serious issue to be tried; (2) the applicant will suffer irreparable harm if no injunction is granted; and (3) the balance of convenience favors the applicant. Regarding the first element, Pet was not required to prove its case on a balance of probabilities; rather, it was required merely to prove that its claim was not frivolous or vexatious. The following were triable issues: (1) whether the words “Divine Pet Spa” were distinctive; (2) whether Divine Pet Spa enjoyed goodwill in the Calgary marketplace; and (3) whether there was misrepresentation to or confusion of the public, especially considering the evidence of actual confusion. Because it would be difficult to quantify the damage to Pet’s potential loss of business with two businesses providing the same services with almost identical names, irreparable harm would occur if the injunction were not granted. Pet had spent a significant amount of time and money developing goodwill in the Calgary marketplace. Pet was relatively new to the grooming business. It would be seriously inconvenienced if an injunction were not granted. On the other hand, Doggies’ goodwill was based solely on the reputation of its groomer, who brought over 100 loyal clients with her. There would be little inconvenience to Doggies in granting the injunction and ordering it to change its business name. In the result, the application for an interlocutory injunction restraining Doggies from using the name Divine Doggies Spa was granted.

*Devinder Shory Campaign v. Richard*\textsuperscript{246} was a dispute between candidates for the Canadian federal election held on October 14, 2008. Shory was the official candidate of the Conservative Party of Canada (CPC) for the electoral district of Calgary North East. Richard was an independent candidate in the same district. Shory and the CPC were seeking an interlocutory injunction restraining Richard from acting in a manner that suggested he was an official candidate for the CPC. Shory and the

\textsuperscript{245} [1994] 1 S.C.R. 311.

\textsuperscript{246} [2008] 71 C.P.R. (4th) 89 (Alta. Q.B.).
CPC had commenced an action for trademark and copyright infringement, passing off, and negligent misrepresentation. In particular, they were objecting to Richard’s (1) use of the word “Conservative” (spelled with a capital “C”) on campaign brochures and signage and (2) depiction of “independent” in the small text (relative to “Conservative,” which was in the same font as that used by the CPC) on signage, together with the prominent use of white and blue with a splash of red (the CPC’s “official” colors). Richard’s brochure also contained the statement, “A vote for Mr. Richard is a vote for Stephen Harper [the leader of the CPC].” Shory and the CPC tendered evidence—albeit hearsay—of two instances of actual confusion. The hearing of the interlocutory injunction request was 15 days prior to the election.

The interlocutory injunction was granted. The court noted this was one of those rare situations in which an interlocutory injunction would go a long way toward determining the ultimate issue. Accordingly, it was incumbent upon the court to conduct a more thorough, extensive, and discerning consideration of the merits of the applicants’ claim. The CPC campaign materials appeared to meet the statutory test for copyright protection. That the Election Act was basically silent on misleading electoral practices did not mean the courts should not intervene and fill the gap by applying common law and equitable principles. The importance of the right to vote did not detract from the requirement for truth in advertising and in campaigning, which affected electoral fairness and the integrity of the political process. It did not debase democracy to acknowledge that there was branding and party loyalty in the marketplace of ideas. While the evidence of actual confusion was limited, the court was required to assess the probability that Richard’s signage and campaign materials were likely to induce an average person to be confused, taking into account the reasonable impact of the materials on persons of ordinary intelligence who are sensible members of a diverse public and who are knowledgeable about the role of political parties in the Canadian political practice. The statement “A vote for Mr. Richard is a vote for Stephen Harper” in Richard’s brochure suggested a direct link between how votes would count for Richard and what impact they might have on Mr. Harper’s becoming prime minister. The statement also suggested that Mr. Harper supported Richard. The appearance of the campaign signage was remarkably similar and amounted to a material misrepresentation. The overall impression was one of mimicking and copying. Intent to deceive was not important and was perhaps irrelevant. The confusion generated by Richard’s brochures and signage might induce an unintended choice regardless of the clarity of the ballot itself.
Accordingly, not only was there a serious issue to be tried, but Shory and the CPC had made out a strong *prima facie* case. The harm to Shory and the CPC as a result of the proliferation of potentially infringing signs and brochures—including effects on the CPC’s reputation and a possible loss of votes for Shory—was irreparable in that it could not be quantified in monetary terms. Regarding the balance of convenience, the inconvenience to Richard was limited and minimal because he could still campaign, raise funds, operate campaign headquarters, and express his political ideas freely with his constituents, provided he did not infringe the applicants’ copyright and trademark rights. Richard was enjoined from further distribution of the brochure and signage and was required to ask recipients of multiple copies of the brochure to return them to him. Infringing signage was ordered removed from public property. Members of the public who were displaying infringing signage were to be asked to return it to Richard.

### III.E.2. Damages

*Inform Cycle Ltd. et al. v. Rebound Inc. et al.*\(^{247}\) involved an assessment of damages after plaintiff Inform Cycle Ltd. was granted summary judgment against defendant Ryan Draper in passing off, defamation, and the intentional tort of knowingly and deliberately undertaking the registration and forwarding of the domain name informcycle.com. Inform was a high-end bicycle business based in Canmore, British Columbia. Inform operated a website at www.informcycle.ca. Draper was the manager of Rebound Inc., another bicycle business in Canmore, and a former employee of a business owned by the owners of Inform. Draper purchased the domain name informcycle.com on October 18, 2004, and registered it, initially, to Rebound. From October 18, 2004, to November 7, 2004, Draper caused “hits” on the informcycle.com domain name to be automatically forwarded or transferred to Rebound’s website. On November 7, 2004, Draper changed the forwarding address for informcycle.com from the Rebound website to a gay pornographic website. He then left for a two-week holiday in Costa Rica. On November 22, 2004, one of the owners of Rebound contacted Draper in Costa Rica and obtained the password permitting him to cancel the forwarding to the pornographic website. Draper verbally apologized to the owner of Inform, but he never provided a written apology or retraction. Inform declined to provide Draper with its accounting records or books or any other proof of actual losses incurred as a result of Draper’s actions. Draper’s excuse for his actions was that he

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believed Inform’s owners owed him money from his previous employment with them and he thought his actions would get their attention and lead to a resolution of the alleged debt. Inform sought general damages, aggravated damages, and punitive damages.

The court found that Draper’s evidence was at times contradictory and his excuse for his actions was incredulous and preposterous. In the absence of any sort of evidence as to Inform’s actual damages, and considering the presumption of damages flowing from passing-off actions, the court assessed general damages at $5,000 for passing off. Regarding general damages for defamation, Inform was just becoming established in its business and thus would be particularly vulnerable to defamatory comments. However, Draper’s defamatory “comments” (redirection of potential customers of Inform to the pornographic website) were not as serious as would be a direct comment that Inform was a front for an illegal or immoral activity. It was not known how many individuals actually thought that the referral to the pornographic site was deliberate rather than a computer or Internet glitch. Although Draper’s defamatory statement lasted for only 16 days, it was published to the world at large. The court noted the absence of any public retraction or apology. Draper’s motive smacked of malice. The true reason for Draper’s actions was to embarrass and harm Inform and its owners by attempting to link them to obscene material, thereby harming the goodwill that Inform was attempting to establish in its new business. The court ordered general damages of $5,000 for defamation. No additional damages were awarded for the intentional tort of knowingly and deliberately undertaking the registration and forwarding of the domain name informcycle.com, which the court had difficulty understanding or recognizing as a cause of action. The circumstances of this case and the malicious action of Draper warranted an award of punitive damages in the sum of $5,000, with a view to deterring people from similar conduct.


...demonstrates a willingness on the part of Canadian courts to deal harshly with parties that deal in counterfeit goods. The plaintiff, Louis Vuitton, owned a number of trademarks (including LOUIS VUITTON) related to fashion accessories, which marks had been registered in Canada since 1984. Louis Vuitton also owned copyrights in association with multicoloured monogram prints used on various products. The defendants operated retail stores in British Columbia. In 2004, Louis Vuitton executed an Anton Piller order at two of the defendants’ stores, where hundreds of articles

bearing Louis Vuitton's trademarks were seized. In 2005, Louis Vuitton and its Canadian subsidiary, which was a co-plaintiff, obtained a Federal Court judgment against three of the defendants for trademark infringement, with the court awarding $12,750 in damages against those defendants. An amount of $6,750 remained unpaid. In 2006, numerous counterfeit items bearing Louis Vuitton’s trademarks were purchased at two of the defendants’ stores. Also in 2006, one of the defendants entered into a settlement agreement with Louis Vuitton pursuant to which that defendant agreed to refrain from further sales of counterfeit Louis Vuitton merchandise and pay $6,000 to Louis Vuitton. The defendants continued to sell Louis Vuitton merchandise through 2008. Louis Vuitton sought (1) declarations that the defendants has infringed Louis Vuitton’s trademarks and copyright; (2) damages arising from the defendants’ breach of the settlement agreement executed in March 2006; and (3) general, punitive, and exemplary damages for infringement of Louis Vuitton’s trademarks and copyright.

After a summary trial, the British Columbia Supreme Court concluded that the defendants had, from 2004 to 2008, imported, advertised, offered for sale, and/or sold counterfeit items bearing the LOUIS VUITTON trademarks, all without Louis Vuitton's authority. These activities constituted a violation of Sections 7(b), 19, 20, and 22. The individual defendants were not permitted to hide behind the corporate defendants in an effort to avoid liability for the activities carried on at those stores. Adopting the approach in *Louis Vuitton Malletier S.A. v. Yang*, the Court agreed that the historical once-only nominal award of damages was inapplicable in the case of a group of defendants whose continuous and blatantly recidivist infringing activities had taken place over a period of three years since the Anton Piller order, and for a period of approximately six years in the case of one defendant. Otherwise, once a defendant was found liable for infringement, it would essentially be immune from liability for damages for all subsequent infringements. Each plaintiff was entitled to damages assessed under the “nominal” damages scale, as a defendant would be liable for damages to each plaintiff if each plaintiff had enforced its rights individually. Adopting a turnover rate of approximately three times a year (or every four months), and using $7,250 as a starting point for “nominal” damages, the total damages for trademark infringement committed by all the defendants were calculated at $580,500. Total damages awarded for copyright infringement were $80,000. The court set punitive and exemplary damages at $300,000, including $200,000 in respect of the individual defendant who (1) was the principal of the defendants’
enterprise, (2) was personally involved in the infringing activities taking place at four separate retail locations, and (3) was responsible for the importation and distribution of the counterfeit merchandise. The defendants’ previous and ongoing actions were clearly knowing, planned, and deliberate. The defendants had attempted to deliberately conceal their activities by placing counterfeit merchandise in hidden displays and drawers and by refusing to provide receipts.

III.F.6. Declaration of Invalidity

In Parfums de Coeur, Ltd. v. Asta,250 Parfums was seeking to cancel Asta’s trademark registration for BOD for a variety of hair care and body care products and cosmetics251 on the ground that the registration was void or invalid because it was obtained by means of a declaration of use that contained either a fraudulent misrepresentation or a materially false statement that was fundamental to the registration. Asta’s registration was granted from a proposed use application after Asta filed a declaration of use stating that he had commenced use of the trademark in Canada in association with all of the goods in the application as originally filed. After Parfums—which had been selling body spray in Canada in association with the mark BOD MAN since 2002—advised Asta of its intention to cancel Asta’s registration, Asta amended his registration to delete all of the goods except “hair care, namely shampoo, conditioner” to reflect his actual use of the mark. The Registrar had cited Asta’s amended registration as a bar to Parfums’ application to register the BOD MAN mark for men’s fragrances, namely, cologne, eau de toilette, aftershave, scented body sprays, and personal deodorants. Asta admitted that the original declaration of use contained a critical misstatement that arose from his lack of understanding of the trademark system. He believed that as long as he had used the verbal element BOD in relation to just one of the goods in the declaration of use, he could file the declaration of use.

The court said it was appropriate for Parfums not to push the issue of fraudulent statement that it originally claimed, as Asta’s misstatement, whether innocent or negligent, was not fraudulent. There was no question that (1) the identification of the goods was


251. The complete list of goods was: hair care, namely shampoo, conditioner, treatment, styling aids, hairsprays, hairpolish, perms, colours, lighteners, brushes; skin care, namely, bar soap, makeup removers, lotions, moisturizers, treatments, creme, toners, exfoliating scrub, masques, eye treatments and pads, essential oils; cosmetics, namely, makeup, eye shadow, powder, blush, concealer, neutralizer, mascara, colours, pencil, lip colour, nail colour, prime, finish, treatment; body care, namely, moisturizers, bars, exfoliators, body wash, bath oil, bath crystals, bubble bath, body sprays, perfumes.
fundamental to Asta’s registration and that (2) Asta’s registration contained material misstatements. However, if Asta’s claim of use as to shampoo and conditioner was accurate, it supported the registration as reflected in Asta’s amended registration. The court rejected Parfums’ assertion that Asta’s amended registration was secured by material misstatement; it also rejected Parfums’ attempt to import the U.S. doctrine of fraud on the Trademarks Office, which does not require real fraud. Under the U.S. doctrine, material misstatement is sufficient and any material misstatement in the processing of a registration renders the entire resulting registration void. Applied to the current case, Asta’s misstatement of use of the goods in the original application would render the amended registration void. The court said the law in Canada does not go as far as the law in the United States. While there was “something initially attractive” in the notion that a material misstatement in the trademark process should render the monopoly granted in the registration void, Parliament had not embraced that principle and, absent an amendment to the Act, the court would not do so. Although Asta’s evidence of use of BOD in association with shampoo and conditioner contained numerous flaws and deficiencies, on balance it was sufficient to show first use of that element on shampoo and conditioner in early 2001. While Asta’s excuse for his overly broad declaration of use was clearly wrong, it was an innocent (or potentially negligent) misstatement, and was not sufficient to make the mark unregistrable in relation to shampoo and conditioner. It was significant that Asta amended his registration prior to Parfums’ commencing cancellation proceedings. Canadian law was said to be more nuanced and balanced than the “draconian results” for even an innocent mistake under the U.S. model. Canadian law looks to substance—an intentional misstatement should and would void a registration. Having availed himself of the opportunity to amend his registration, Asta should not be deprived of his trademark with respect to shampoo and conditioner, to which he otherwise had a legitimate basis of right.

**CHILE**

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

Julia Freitas Urzua filed a trademark application for A’DORE TENDENCE, covering perfumes in Class 3. Parfums Christian Dior opposed the application on likelihood of confusion grounds based on its trademark J’ADORE DIOR, registered in Class 3 to identify perfumes and colognes. The Industrial Property Department upheld the opposition, finding that the ADORE and JADORE elements of the marks in conflict were sufficiently
similar, and the difference presented by the addition of the DIOR and TENDENCE elements of the marks was insufficient to alleviate the risk of confusion. The applicant did not appeal the Department’s decision.

Importadora y Exportadora Xinde Limitada, a Chilean company, sought to register the trademark COLONNE COLLECTION & Design, covering all products in Class 25 (below, illustration at top). Coach, Inc. filed an opposition to the application, claiming that the registration of the mark would cause a likelihood of confusion with its graphically similar CC & Design trademark, registered in various foreign countries in Class 25 (below, illustration at bottom).

Applicant’s Mark

Opponent’s Mark

The National Institute of Industrial Property upheld the opposition, stating that the applied-for mark was similar enough to the opponent’s famous and well-known foreign trademark registrations to cause a likelihood of confusion.253

The Industrial Property Court ratified the decision of the first instance court by also finding that the main graphic element of the applied-for mark was similar to the opponent’s trademark and would, thus, cause a likelihood of confusion.254

Drive Cine S.L., a Spanish company, filed an application for the mark SANTOS, covering films in Class 9. Cartier International N.V. filed an opposition to the application based on its trademark SANTOS DE CARTIER, registered in Classes 9, 14, and 16, citing a likelihood of confusion due to the similarity of the marks.

The National Institute of Industrial Property upheld the opposition, stating that the applied-for mark included the identical element SANTOS and that the absence of the DE CARTIER elements in the applied-for mark did not eliminate the risk of confusion.255

This decision confirmed that the National Institute could find a likelihood of confusion based on only a single common element between conflicting marks.

I.E. Bad Faith

Importadora USA Time S.A. filed an application for the registration of MION & Design, for clothing, shoes, and headgear in Class 25 (below). The Timberland Company filed an opposition based on its identical trademark MION & Design (below), registered abroad.

Timberland argued that (1) its famous trademark is widely registered abroad; and (2) the applicant acted in bad faith, pursuant to Article 20(k) of the Industrial Property Law,256 because the trademarks are both phonetically and graphically identical (below).

256. Article 20(k) of the Industrial Property Law provides:
The following may not be registered as trademarks: . . . Those [marks that are] contrary to moral codes, norms of good behavior and public order, including the principles of fair competition and business ethics.
The National Institute of Industrial Property upheld the opposition, stating that Timberland proved it was the owner of the same trademark registered in other countries for the same goods. Moreover, the applicant had imitated the opponent’s mark, which constituted an attack on the principles of fair competition and business ethics. Importadora USA Time did not appeal the administrative decision.

The decision of the National Institute of Industrial Property demonstrates the strong protection afforded famous foreign trademark registrations and illustrates how the trademark registration process can be used to prevent unfair competition.

I.F. Famous and Well-Known Marks

Tricot S.A., a Chilean company, applied to register the mark JOHN LOBB, covering clothes, underwear, sportswear, footwear, and headgear in Class 25. John Lobb S.A. filed an opposition based on its trademark JOHN LOBB, registered abroad for products in Class 25.

The opponent alleged that both trademarks were identical and that they covered the same goods. In addition, the opponent argued that JOHN LOBB was a trademark that was known

worldwide and could not be legitimately registered except by its true owner.

The National Institute of Industrial Property upheld the opposition, stating that: (1) several countries had identified John Lobb S.A. as the owner of the trademark JOHN LOBB in Class 25 and the owner of an international registration for the same mark; and (2) John Lobb S.A. had shown that its mark was so famous and well known that the registration of the JOHN LOBB mark by Tricot would lead to a likelihood of consumer confusion.258

This decision confirms that one cannot register trademarks identical or similar to famous and well-known trademarks previously registered in other countries.

II.C.1.b. Personal Names

Ms. Catalina Ferrari Klockmann sought to register the trademark FERRARI, covering optical glass, glasses, lenses, eyeglasses, hearing aids, and optical products in Class 9. Ferrari S.p.A. filed an opposition based on its trademark FERRARI, registered abroad for products in several classes, including Class 9. The opponent argued that FERRARI was a well-known trademark worldwide, which could not be ignored by the applicant, even though her surname was Ferrari.

The National Institute of Industrial Property upheld the opposition, stating that the opponent proved to be the owner of foreign trademark registrations for FERRARI in Class 9 and that the registered mark was identical to the applied-for mark.259 The applicant did not appeal this administrative decision.

This decision establishes that one cannot register his or her surname if that surname is already the subject of a foreign trademark registration for a famous mark.

III.C.1. International Conventions

In O’Neill v. Inmobiliaria Oasis Ltda., the Industrial Property Court resolved several important issues, including (1) the limited effects of Article 6bis of the Paris Convention and (2) the statute of limitations for a cancellation action of a trademark registration.

In 1989, Inmobiliaria Oasis Ltda. obtained a trademark registration for the mark O’NEILL & Design for all products included in Class 25.260 O’Neill, Inc. lodged a cancellation action before the Industrial Property Department with respect to the Inmobiliaria Oasis Ltda. registration, on the grounds that (1)
O’Neill, Inc. was the worldwide owner of the trademark O’NEILL for products in Class 25; (2) O’NEILL was a well-known and famous mark, registered and used before Inmobiliaria Oasis registered its mark; (3) Inmobiliaria Oasis registered an identical trademark in bad faith; and (4) under Article 6bis of the Paris Convention, if the defendant has acted in bad faith, the period for filing a cancellation action never expires.261

The Industrial Property Department rejected O’Neill’s cancellation request on the ground that Article 6bis of the Paris Convention did not apply to that request and the period for filing a cancellation action had expired prior to the filing of that request.262

On appeal, the Industrial Property Court upheld the decision of first instance. In the opinion of the court, Article 6bis of the Paris Convention (and, in particular, paragraph 3) can be cited only when the domestic law establishes the same provision or an analogue provision.263

Because the Industrial Property Law was not amended until 2005 to permit a cancellation request for marks registered in bad faith after five years, the court held that the Paris Convention was not applicable to O’Neill’s request, as the mark in question had been registered in 1989.264 Consequently, the period for filing a cancellation action with respect to the O’Neill trademark expired in 1994, regardless of whether the applicant had acted in bad faith.

The second instance court therefore concluded that the O’NEILL trademark registration could not be cancelled.265 The plaintiff filed a recourse of cassation before the Supreme Court, which is currently pending.

This decision reversed the prior case law in these matters. Indeed, there was no discussion with regard to the enforcement of Article 6bis of the Paris Convention since 1991, when it was approved by Congress. Moreover, even before the Paris Convention approval, numerous courts of first and second instance had decided that trademarks registered in bad faith were always susceptible to cancellation regardless of when the marks were registered.266

261. Article 6bis (3) of the Paris Convention provides: “No time limit shall be fixed for requesting the cancellation of marks registered in bad faith.”


263. Additional issues were addressed in both the first and the second instance decisions, including res judicata. These issues are beyond the scope of this discussion of the decision.

264. Article 27 of the Industrial Property Law provides:

The statute of limitations for a cancellation action of a trademark registration is five years from the date of registration. No statute of limitations is applicable regarding registrations obtained in bad faith.


266. This was decided, for example, in the cases involving the marks BIMBO (Industrial Property Court, Jan. 26, 1996), HÄAGEN DAZS (Decision No. 8026, Industrial Property
III.F.5. Nullification

Sociedad Comercial de Responsabilidad Limitada B & B Ltda. owned the trademark registration POLYGAL for all products in Class 19.267

Polygal Plastics Industries Ltd. brought a nullity proceeding before the National Institute of Industrial Property, requesting the annulment of the POLYGAL trademark registration on the following grounds: (1) Polygal Plastics owned the POLYGAL trademark abroad to distinguish products included in Class 19; (2) POLYGAL was a well-known and famous mark both within and outside of its country of origin, including in Latin America by virtue of extensive sales of products bearing that mark; and (3) Sociedad Comercial de Responsabilidad had merely copied Polygal Plastics’ mark and had previously copied the marks of others.

The National Institute of Industrial Property upheld the action, stating that Polygal Plastics was the owner of the famous and well-known POLYGAL trademark in Class 19. In addition, the authority found that maintaining the contested registration would cause a likelihood of confusion among consumers. Therefore, the Institute declared the POLYGAL trademark registration null and void.268

This decision demonstrates that, consistent with the law concerning domestic marks, the owner of a famous and well-known foreign mark can request the nullification of a mark after it has been registered without opposition.

III.H.4. Evidence

Unilever N.V. filed an application to register the trademark VASELINE, covering several products in Class 3.269

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269. Soaps, cleaning preparations, perfumery, essential oils, aromatherapy products not for medical purposes, preparations for massage not for medical use, deodorants and antiperspirants, preparations for hair care, bath preparations (not medicinal preparations for the bath) and shower preparations for skin care, oils, creams and lotion, shaving preparations, preparations before and after shaving, depilatory preparations, preparations for tanning and sunscreens, cosmetics, makeup, and preparations for makeup remover, petroleum jelly, preparations for the care of the lips, talcum powder, cotton wool for cosmetic purposes, cotton sticks coated with personal care, cosmetic towels or handkerchiefs, towels or handkerchiefs pre-moistened or impregnated cleansing, face masks and beauty care preparations for facial cosmetic use, all in Class 3.
Instituto Sanitas S.A., a Chilean laboratory, filed an opposition based on Article 20(e) of the Industrial Property Law\(^\text{270}\) and argued that the applied-for trademark corresponded to the translation of the Spanish word “vaselina,” a term commonly used in commerce. Unilever replied, arguing that the trademark was sufficiently distinctive and that it was already an owner of the trademark VASELINE INTENSIVE CARE UV.

The Industrial Property Department accepted Instituto Sanitas’s argument and rejected Unilever’s application, based on Article 20(e) of the Industrial Property Law. The Department stated that the applied-for trademark lacked distinctiveness and was indicative of the distinguished products given the common usage in commerce of the translation of the Spanish word “vaselina.”\(^\text{271}\) On appeal, the second instance court upheld this decision.\(^\text{272}\)

Unilever filed a recourse of cassation, arguing that the second instance decision violated the law, because VASELINE was originally not a word but a trademark created in the United States of America in 1870 intended to commercially identify “petroleum jelly.” In such an instance, the trademark could not lack distinctiveness; to the contrary, Unilever argued it was used commercially to distinguish the product.

The Supreme Court stated, by a majority vote, that the findings of the decision of the second instance court were not properly accredited in the proceedings because there was insufficient proof regarding (1) the lack of distinctiveness of the

\(^{270}\) Article 20(e) of the Industrial Property Law provides:

The following may not be registered as trademarks: . . . expressions or signs used to indicate genre, nature, origin, nationality, source, destination, weight, value or quality of the goods, services or establishments; those that are generally used in trade to designate a certain type of good, service or establishment and those that are not distinctive or describe the goods, services or establishments to which they refer.

\(^{271}\) Decision No. 135293 (Industrial Property Department, Nov. 25, 2005) (unpublished).

cited mark; (2) the contention that the mark was indicative of the
distinguished products; and (3) the claim that the mark was
commonly used in commerce. Therefore, the Supreme Court
approved the issuance of the registration for the trademark
VASELINE & Design, in Class 3.273

This case demonstrates that opponents need to prove critical
elements of their opposition with evidence during the proceedings,
including the introduction of evidence regarding the lack of
distinctiveness of a trademark and the meanings of the mark in
different languages.

III.I. International Issues

Industria Textil Talinay S.A., a Chilean company, filed an
application for KRIPTONITA, covering all products in Class 25.
DC Comics, Inc., a United States company, filed an opposition
based on its trademark KRIPTONITE, registered abroad for
products in Class 25.

DC Comics requested the rejection of the application for
KRIPTONITA based on Article 20(g) of the Industrial Property
Law, which provides protection for famous and well-known
trademarks registered abroad.274 In addition, the opponent argued
that its trademark KRIPTONITE was almost identical to the
applied-for mark, so the applicant should have had previous
knowledge of its existence.

The National Institute of Industrial Property found in favor of
the opponent based on its ownership of the trademark
KRIPTONITE in Class 25 in several countries. Moreover, the
National Institute stated that the opponent proved, through
relevant evidence, that KRIPTONITE was a famous and well-
known trademark abroad among consumers who usually
purchased products included in Class 25.275

This decision further establishes that famous and well-known
foreign trademarks are strongly protected in Chile. This protection
is effective even if the marks are not identical.

273. Unilever N.V. v. Instituto Sanitas S.A., Case No. 6028-07 (Supreme Court, July 28,

274. Article 20 paragraph g) of the Industrial Property Law provides:

The following may not be registered as trademarks: . . . trademarks that are
identical or graphically or phonetically similar to others registered abroad to protect
the same goods, services or commercial or industrial establishments and are liable to
create confusion and provided they are famous and notorious in a sector of the public
that usually consumes those goods, demands those services or has access to those
commercial or industrial establishments in the country of origin.

275. DC Comics, Inc. v. Industria Textil Talinay S.A., Decision No. 142755 (National
CHINA, PEOPLE’S REPUBLIC

I.D.1. Similarity of Marks

In December 2000, the U.S. company Yahoo! Inc. (Yahoo) opposed the Chinese application for the trademark FAYHOO 飞虎 ("flying horse" in Chinese characters) for mutual funds, capital investment, financing, financing assessment, finance management, finance analysis, finance consulting, finance information, stock brokerage and bond brokerage, etc. in Class 36 (in the name of Southwest Brokerage Inc. (Southwest Brokerage), a Chinese company in Chongqing City, Sichuan Province. The opposition was filed on the basis that the FAYHOO mark was confusingly similar to Yahoo’s well-known YAHOO! mark, which means "elegant tiger" in Chinese. The FAYHOO mark consists of two parts: 飞虎, which means “flying horse,” and FAYHOO, which is a transliteration of the two Chinese characters.

The Chinese Trademark Office (CTO) dismissed the opposition in 2005, finding the two marks distinguishable and the FAYHOO mark registrable. Yahoo appealed the decision before the Trademark Adjudication and Appeal Board (TRAB) the same year. The appeal was decided recently, bringing the dispute of 8 years to a close.

The TRAB found the differences between the elements of each mark substantial, especially noting that Yahoo’s YAHOO! trade name and mark were well known mainly for Internet services and not for the capital investment services designated under the FAYHOO mark. Therefore, the two marks were not similar marks covering similar services. Consequently, the TRAB held that registration of the FAYHOO mark in Class 36 would not infringe Yahoo’s prior rights in the YAHOO! mark and dismissed the appeal.

Even for a mark as famous as YAHOO!, the scope of protection is narrowly defined. As long as there is a distinction between YAHOO! and another TIGER mark, and the services designated by the two marks are not closely related, the CTO and TRAB are not likely to uphold attempts by Yahoo to prevent registration.

I.F. Famous and Well-Known Marks

Established in 1880, plaintiff Eastman Kodak Company (Kodak) is a well-established multinational company for traditional and digital cameras and other cinematographic products. As early as 1888, Kodak had used KODAK as a

276. Application No. 1687726.
trademark on film. In 1982, it registered KODAK in China for “organic and inorganic chemical preparations” in Class 1\(^{278}\) and later went on to register many other KODAK marks in Classes 1 and 9 in China. The KODAK mark had become well known in China and abroad. The State Counsel of Industry and Commerce of China included KODAK in “The List of National Important Trademarks for Protection” in 1999 and 2000. Over the years, many Chinese courts, local offices of Administration of Industry and Commerce, and the Chinese Customs have handled cases of infringement of the KODAK mark and penalized infringers.

In June 2005, plaintiff Eastman Kodak discovered that escalators in various shopping malls in Suzhou bore the mark KODAK. After some investigation, it was confirmed that the escalators were manufactured and sold by defendant Suzhou Keda Lift Co. Ltd. (Keda Lift). Keda Lift and its Beijing and Guangzhou subsidiaries also used the KODAK mark on its company websites, business cards, product brochures and other company advertisements. Keda Lift also registered and used the KODAK mark in its domain names kodak-lift.com.cn and kodak-bj.com. Kodak viewed Keda Lift’s use of the KODAK mark as infringing its rights and requested that it immediately cease use of the KODAK mark, pay damages in the amount of RMB 500,000 and publish a public apology in newspapers.

Keda Lift argued that the two companies sold different goods in different classes. To infringe the KODAK mark, Keda Lift reasoned, the mark had to first be recognized as a well-known mark to benefit from protection beyond the designated classes. Even if the KODAK mark was recognized as a well-known mark, Keda Lift elaborated, its acts did not constitute infringement as KODAK is the English transliteration of its trade name 科达 (KEDA in Chinese characters, meaning “science and arrive” or “science and prosperity”). Accordingly, Keda Lift did not use KODAK as a trademark on its products. In addition, its use of KODAK in domain names was merely to refer to the company website. As it did not sell products similar to Kodak’s, no confusion was likely. Moreover, Kodak did not submit any evidence that Keda Lift’s use of the KODAK mark adversely affected its sales, so its request of RMB 500,000 in damages was groundless.

278. Registration No. 154123.
Relying on Articles 14, 52, and 55 of the Trademark Law of the People’s Republic of China, the court found the KODAK mark to be an arbitrary term that had attained fame status throughout the world, including China, as a result of Kodak’s long and extensive use of it. Accordingly, the mark was afforded broad protection beyond that designated in its trademark registration. Therefore, it was held that Keda Lift’s use of the mark in its domain names, trade names and company advertisements constituted trademark infringement as KODAK was not the English transliteration of its Chinese trade name 科达 (KEDA). Keda Lift’s use of KODAK was clearly an unauthorized copying of Kodak's well-known mark. Consequently, the court ordered Keda Lift to immediately cease use of the KODAK mark, pay Kodak RMB 50,000 in damages and publish public apologies in two national newspapers within 15 days of the court’s decision, the content of which must be pre-approved by the court. If Keda Lift failed to do so within the time

279. Article 14 of the Trademark Law of the People's Republic of China provides:

In determining whether a mark is well-known or not, the following factors shall be considered:

(1) the degree of knowledge of the relative public;
(2) the duration of use;
(3) the duration of time, degree and geographical range of any publicity of the mark;
(4) any record of the mark being protected as a well-known mark;
(5) other factors which makes the mark well-known.

Article 52 of the Law provides:

Any of the following acts shall be an infringement of the exclusive right to use a registered trademark:

(1) using a trademark that is identical with or similar to a registered trademark in respect of the same or similar goods without the authorization of the trademark registrant;
(2) selling goods that infringe the exclusive right to use a registered trademark;
(3) counterfeiting, or making, without authorization, representation of a registered trademark of another person, or selling such representations of a registered trademark as were counterfeited, or made without authorization;
(4) replacing another party's registered trademark, without authorization, and selling goods bearing such a replaced trademark;
(5) causing, in other respects, prejudice to the exclusive right of another person to use a registered trademark.

Article 56 of the Law provides:

The amount of damages for infringement of the exclusive right to use a registered trademark shall be the profit that the infringer has earned through the infringement during the period of the infringement or the losses that the infringer has suffered through the infringement during the period of the infringement, including any reasonable expenses the infringe has incurred in his or its efforts to stop the infringement.
prescribed, the court would publish its decision and Keda Lift would bear the costs.280

Although Keda Lift claimed that KODAK was a transliteration of its Chinese trade name 科达 (KEDA) and that it was not used on goods and services that were similar to Kodak’s, the court held that such use did constitute trademark infringement as it was not a customary transliteration of the Chinese trade name. Further, its use of KODAK, however infrequently and not as a trademark, still infringed the plaintiff’s trademark rights and caused consumer confusion evidencing that Keda Lift unduly rode on the goodwill of the well-known KODAK mark.

The court case was to decide a ten-year dispute over whether registration of a mark associated with another party’s products by the public was permissible.

In 1988, Pfizer, Inc., a U.S. company, adopted the trademark VIAGRA for a new anti-erectile dysfunction drug. The media used the transliteration of VIAGRA, 伟哥 (WEI GE in Chinese characters), to refer to the drug. In May 1988, Guangzhou Weierman Pharmaceutical Co., a Chinese company in Guangzhou, filed a trademark application for the Chinese version of the mark—WEI GE. Pfizer then registered WAN AI KE in Chinese characters (a transliteration of the mark that has no specific meaning in Chinese) as the Chinese version of its VIAGRA mark. It later filed a lawsuit against Guangzhou in the Beijing High People’s Court, stating that WEI GE is the nickname for Pfizer’s VIAGRA mark, that it only corresponds to VIAGRA products among Chinese consumers, and that registration of the mark by Guangzhou constituted unfair competition and should be invalidated.

Guangzhou argued that it was the first one to apply for and use WEI GE as a trademark and therefore it was entitled to the mark. Pfizer, on the other hand, never used or advertised the WEI GE term as a trademark.

In 2008, the court ruled in favor of Guangzhou. Pfizer appealed to the Supreme Court of China. The Supreme Court ruled that Pfizer never used or advertised the mark on its products. It also announced and used a different Chinese mark as the Chinese version of its famous VIAGRA mark. Therefore, the Court could not ascertain whether it was Pfizer’s true intention to

use 伟哥 (WEI GE) as a trademark. Consequently, Guangzhou’s registration of the mark was upheld.281

Even if it is indisputable that the public associates one party’s registered Chinese mark with another party’s mark in a foreign language, absent evidence to prove actual use or intent to use by the other party, it is difficult to invalidate the first party’s trademark registration based on unfair competition grounds.

I.G.1. Assignment

On September 19, 2007, the plaintiff signed an agreement to assign its Chinese trademark, the “505 mark” (see below), for “locks” in Class 6, to the defendant for RMB 1,080,000.282

The plaintiff complained that the defendant, after paying RMB 860,000, breached the agreement by failing to pay the remaining RMB 220,000, and requested immediate payment from the defendant. The defendant claimed that the plaintiff did not terminate all the prior license agreements as provided in the assignment. Instead, it circulated a notice to its customers announcing that it would cease use of the 505 mark due to infringement issues and replace it with the mark 515. The defendant asserted that these acts had severely diminished the value of the 505 mark and that it was therefore entitled to reduce its payment.

On November 24, 2008, the People’s Court of Yiwu City, Zhejiang Province, rendered a decision, in accordance with Articles 60, 107, 109, and 120 of the Contract Law of the People’s Republic of China283 that the assignment was effective and binding, and that it reflected the true intention of both parties. The court ruled that the parties should therefore fulfill their obligations under the

282. Registration No. 283984.
283. Article 60 of the Contract Law of the People’s Republic of China provides: “Parties shall fulfill their obligations according to the contract.”

Article 107 of the Law provides: “When one party fails to fulfill his obligations under the contract or the fulfillment does not comply with the contract, he is obliged to continue to fulfill his duties to perform, remedy or pay damages.”

Article 109 of the Law provides: “If one party fails to pay contract price or compensation, the other party can request the payment or compensation.”

Article 120 of the Law provides: “When both parties breach the contact, each shall fulfill his corresponding obligations.”
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assignment with the plaintiff terminating the prior third-party license agreements and the defendant paying the remaining balance due under the contract.

The court also found that the plaintiff’s announcement to replace the 505 mark with 515 was damaging to the reputation and value of the assigned mark. The defendant was therefore entitled to a reduction of the total assignment fee by RMB 216,000. If the defendant failed to pay within five days of the court decision, it would have to pay double the amount of the interest incurred during the delayed period.\(^2\)

Contract law requires that parties fulfill the obligations under a contract. The principle of fairness and trust should be followed. Any party that does not fulfill the obligations under a contract should bear the consequences of the breach, including paying compensation and damages. If both parties breach a contract, each should fulfill its own obligations.

I.G.2. Licensing

The issue in this case was whether a trademark licensor could terminate an existing trademark license agreement after assigning the mark to another party. Plaintiff Beijing Destination International Tourist Co. Ltd., a local travel agency, was founded in September 1997 as Panda Travel Co. In November 2003, the plaintiff entered into a trademark license agreement with defendant Tiger Brands, Inc. for use of the defendant’s Chinese trademark for GRAY LINE in connection with travel agency services in Beijing.\(^2\) The agreement was for ten years, during which time the plaintiff was to pay annual royalties to the defendant for a specific amount of money. In November 2006, the plaintiff changed its name from Panda Travel Co. to Beijing Gray Line Co. for travel agency services in China and abroad.

In March 2007, the defendant sent a letter to the plaintiff, claiming that use of GRAY LINE in the latter’s trade name infringed its U.S. trademark rights in the GRAY LINE mark and demanded that it cease use of the mark. Thereafter, both parties disputed how business should be conducted. The defendant then sent the plaintiff new terms for the existing license agreement,

\(^2\) Shanghai Qianjin Lock Ltd. v. Yiwu Aiyalun Lock Ltd., (2008) Yi Civil First Instance Case No. 6905 (Yiwu City People’s Court, Nov. 24, 2008).

\(^2\) Registration No. 3112955.
which the plaintiff claimed materially altered the existing agreement. The plaintiff also tried to meet directly with U.S. Gray Line Co., which acquired ownership of the Chinese registration with a license back to the defendant. Thereafter, the defendant terminated its license agreement with the plaintiff and forbade the latter to use the GRAY LINE mark for travel agency services.

In March 2007, the plaintiff changed its trade name to its present one and continued to do business in the tourist industry. It then filed suit alleging that the defendant violated the exclusive license agreement by offering a license to a third party to use the same mark for identical services, thus causing damages. In the suit, the plaintiff demanded that the defendant pay damages and continue under the terms of the initial license agreement for the remainder of the period. The defendant, on the other hand, claimed that breach of contract by the plaintiff was a justifiable ground for termination of the license agreement.

On September 16, 2008, the court found that the defendant had breached the license agreement by sending letters to the plaintiff’s customers, requesting them to stop using the licensed GRAY LINE mark and licensing the same mark to a third party. The defendant was ordered to fulfill its obligations under the initial license agreement and remedy the situation. Assignment of the licensed trademark registration by the defendant should not have affected the plaintiff’s right to enforce the license agreement. Because both parties still had a basis to enforce the license agreement, the court found the agreement enforceable. The defendant was ordered to pay damages to the plaintiff and pay double the interest incurred during the breach period. The defendant was ultimately found liable for RMB 1,008,756. However, as signing a contract was a free act of the parties, the court did not order the third-party U.S. Gray Line Co. to sign a new license agreement with the plaintiff, holding that the existing license agreement with the defendant was still valid. The plaintiff’s other requests were rejected.

The court fees of RMB 18,300 were split between the parties as follows: The plaintiff was responsible for RMB 3,300, and the defendant was responsible for RMB 15,000 (to be paid within seven days from the effective date of the court decision).

If a licensee’s breach of contract is not material, the licensor should not terminate the license agreement but resolve the dispute amicably. Otherwise, the licensor bears the costs to restore the situation to the day before it breached the contract, which allows the licensee to continue to use the licensed mark.

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

Wantong International Development Holding Co. Ltd., a Hong Kong company, registered the Chinese trademark for 影霸 (YINGBA in Chinese characters, meaning “video ruler”), for “video cards” in Class 9 (see below).²⁸⁷

影霸

On October 28, 1999, Wantong submitted evidence in the form of copies of the sales agreement and invoices to defend a non-use cancellation action with the CTO. The case involved a dispute over whether two assessment reports proving the evidence was fraudulent should have been reviewed by the TRAB on appeal, even though the party did not resubmit the reports.

The term of the trademark registration in dispute was from March 21, 1994, to March 20, 2004. In September 1999, Shenzhen Xintianxia Group Co. Ltd. (Xintianxia) filed a non-use cancellation action against the registration. Wantong, the registrant, was asked by the CTO to submit evidence proving use of the mark during that period. In July 2001, Xintianxia provided two assessment reports: one by the Shenzhen Police Department, stating that the company stamp on the sales agreement was not the same as the one on the Shenzhen government record; the other, provided by Southwest University of Politics and Law, stating that the words “YINGBA video cards” in Chinese characters on the sales invoice looked different from the rest of the words written on the invoice and were not written at the same time. The CTO validated the two assessment reports, finding the use evidence fraudulent and cancelling the registration.

Wantong appealed the ruling to the TRAB, which later overruled the decision by the CTO, stating that the use evidence submitted by Wantong was valid, and thus the registration was in use and valid. However, the TRAB was silent as to the validity of the two assessment reports originally provided by Xintianxia.

Xintianxia appealed the TRAB’s decision to the Beijing First Intermediate People’s Court, which upheld the CTO’s original ruling. Wantong further appealed to the Beijing High People’s Court, stating that the TRAB’s omission to discuss the two assessment reports was a clerical error that should not have affected the outcome of the appeal and that a party that failed to prove the validity of the evidence it submitted should bear the adverse consequences as a result.

²⁸⁷. Registration No. 682616.

However, on March 12, 2009, the Court found that the TRAB had erred in disregarding the two assessment reports submitted by Xiantianxia when filing the non-use cancellation action against Wantong’s YINGBA trademark registration.288 Even though Xintianxia did not resubmit the two assessment reports during the appeal, the TRAB should have reviewed all the facts (including evidence) and arguments submitted by both parties during the cancellation action at the CTO. If the TRAB had required more evidence, it was obliged to request the parties concerned to submit it. Failure to do so violated due process. The Trademark Examination Guideline provides that absent contrary evidence and arguments by the other party, assessment reports provided by one party should be a basis for the TRAB to find the reports valid.

The Court held that any evidence submitted by one party should be reviewed by the TRAB during the appeal together with comments and input from both parties. Taking the evidence at face value violated legal procedures, thus the decision by the TRAB should be dismissed and the registration should be cancelled based on non-use, as the CTO originally ruled.

In a non-use cancellation action, assessment reports submitted by one party showing evidence of use provided by the other party was fraudulent, if not challenged by the other party, should be viewed by the CTO as valid evidence in deciding the validity of the mark in dispute. Failure to do so results in dismissal of the official decision ignoring the reports.

### III.A.2. Passing Off

Passing off a third party’s registered trademark for nutritional supplements may invoke criminal prosecution of the offender, even after the offender/defendant confessed the crime voluntarily.

The Chinese trademark for 脳白金 (NAO BAI JIN in Chinese characters, meaning “platinum mind”) in Class 30 for “non-medical preparations, non-medical crystal, non-medical nutritional powder, non-medical nutritional tablets and non-medical nutritional

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capsules”\(^{289}\) and for 黄金搭档 (GOLD PARTNER in Chinese characters) in Class 30 for “non-medical nutritional tablets, non-medical nutritional supplements, non-medical capsules,” among other items,\(^{290}\) are used in China in connection with popular nutrition supplements. Between December 2007 and January 2008, the defendant rented space at Changzhou Wujin District Taihu Boat Ltd. Co. to manufacture 700 boxes of nutritional supplements passing off as products bearing the registered trademark NAO BAI JIN and 2,840 boxes of nutritional supplements passing off as products bearing the registered trademark GOLD PARTNER, all totaling RMB 255,086 in value.

The defendant later confessed his offenses to the local police department. The evidence and confession confirmed that the defendant, without authorization from the owner of the two Chinese trademark registrations, manufactured and packed nutritional supplements that were in essence vitamin compound tablets for GOLD PARTNER, and a combination of jelly and oral liquid vitamin compound for NAO BAI JIN. The defendant did not obtain authorization from the registrant. The operation was discovered during a surprise raid by the local Administration of Industry and Commerce on January 14, 2008. On May 9, 2008, fearing severe punishment, the defendant went to the local Police Department to confess the wrongdoing and begged for leniency.

On November 18, 2008, the court found that the defendant’s unauthorized use of the registered marks on nutritional supplements was extremely serious and constituted passing off. However, the defendant voluntarily confessed the crime and surrendered all the counterfeit goods. As a result, the court reduced his punishment and sentenced him to three years in prison, postponed for four years, and imposed a fine of RMB 150,000, which was to be paid within one month from the date of the court’s decision. All the fake products bearing the two marks were confiscated.\(^{291}\)

Passing off is a serious crime under Chinese trademark law and it is prosecuted by public prosecutors in China. However, if an offender confesses and cooperates with the public prosecutors, punishment is mitigated and prison term and fine are reduced.

### III.A.3.a. Civil Actions

Puma AG Rudolf Dassler Sport, owner of the Chinese trademark for PUMA & Design, for “clothing, footwear, headgear,
including sports shoes and leisure shoes, sportswear, belts, gloves and socks” in Class 25 (see below), sued Chenyi Xu, a Chinese individual in Hangzhou City, Zhejiang Province, for infringement of the PUMA mark:

The PUMA mark in dispute has been registered in many countries throughout the world, including China, and is well recognized and known by consumers as a mark for high quality clothing products. Chenyi Xu, without authorization by Puma, engaged in wholesale and retail of clothing products bearing the mark, thus infringing the plaintiff’s trademark rights. Puma obtained samples of the infringing products from Xu’s store and served a letter on Xu demanding that it cease use of the PUMA mark. Xu ignored the cease and desist letter and continued to sell the infringing products, which Puma claimed was a serious offense under Chinese trademark law.

Puma filed a lawsuit, seeking injunctive relief and damages. Xu, appearing pro se, claimed that he was not aware that the clothing products he purchased from a supplier in Guangzhou were counterfeit goods and that he ceased the sale of the disputed goods as soon as he knew that they could be infringing. Xu claimed that he apologized to Puma for the acts and undertook never to sell the alleged infringing goods again. As it was not a willful infringement and the consequences were not serious, Xu argued that the RMB 100,000 demanded by Puma as damages was too high and should be rejected.

On November 4, 2008, based on Articles 52(2) and 56 of the Trademark Law of the People’s Republic of China, the court rendered a decision, confirming that Puma was the lawful owner of the PUMA mark, which was registered in China for clothing products. The registration was still valid and should continue to enjoy legal protection. The six sample T-shirts that Puma obtained from Xu’s stall in May 2008 all bore the mark PUMA mark on cloth labels sewn to the T-shirts’ front, collar, and side, as well as on paper hangtags.

Xu failed to prove that the T-shirts were from a legitimate source; thus, sales of the disputed shirts were deemed to infringe the PUMA mark. Xu’s excuse of having no knowledge that the goods were infringing was not sustainable, as he, being a clothing distributor and retailer, should have ensured that his goods came

292. Registration No. 570147, filed July 14, 2008.
293. See text of Articles 52(2) and 56 above.
from legitimate sources. He was ordered to stop selling the clothing products that infringed the PUMA mark, and pay damages in the amount of RMB 30,000 within ten days from the date the judgment became effective. Failure to do so would result in payment of double the interest for the amount due, in accordance with Article 229 of the Civil Litigation Law of the People’s Republic of China.

The court fees were to be split between the parties, with Xu paying RMB 1,500 and Puma bearing RMB 800. Other remedies pleaded by Puma, that is, requesting damages in the amount of RMB 100,100 and Xu paying the total litigation fees, were rejected by the court.294

Pleading innocence in face of trademark infringement charges does not shield an offender. Using a registered trademark on the same or similar goods without authorization of the registrant constitutes trademark infringement in China, as prescribed by Article 52 of the Trademark Law of the People’s Republic of China.295

Xifen Zhao, an individual residing in Linfen City, Shanxi Province, is the owner of the Chinese trademark 唐宮 (TANG GONG in Chinese characters, meaning “Tang palace”), for “hotels, restaurants, canteens, motels, bars, tea houses, and provision of food and beverages” in Class 42 (see below).296

Ms. Zhao is also the owner of 唐宮 (TANG GONG in Chinese characters) Restaurant, which she opened in 1988. She obtained a Chinese trademark registration for the TANG GONG mark in 2000 in the name of the restaurant, and later acquired the registration in her own name through assignment in January 2006.

In 2003, an investor, Hong Kong Wei Hua Co., set up a restaurant named 唐宮 (TANG GONG in Chinese characters) Seafood Boat in Beijing. The restaurant advised Beijing Administration of Industry and Commerce that the trade name it used in business would be TANG GONG GOLD HOUSE company, and it obtained a trademark registration for WEI HUA TANG GONG (in Chinese characters) for restaurant services in Class 43

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295. See text of Article 52 above.
296. Registration No. 1442691.
on August 14, 2006. In its daily operation, Beijing TANG GONG Seafood Boat used TANG GONG alone on its store signboard, menus, dim sum packages, chopstick covers, etc. There were several restaurants in the Beijing area with trade names containing the words TANG GONG in Chinese characters.

Ms. Zhao sued Beijing Haoyuan TANG GONG Seafood Boat Co. for its use of the TANG GONG mark in its trade name, advertisements, and on various restaurant supplies.

The court of first instance ruled that the plaintiff, as assignee of the trademark registration, enjoyed exclusive rights under the trademark law; however, it also ruled that the defendant enjoyed exclusive rights in its trade name approved by the government. When there is a conflict between a registered trademark and a trade name, it should be resolved based on fairness and protection of prior rights. Ms. Zhao acquired the registration earlier than did the establishment of the Beijing TANG GONG seafood restaurant. Therefore, her prior rights should be given priority and the restaurant’s rights limited. Use of the two Chinese characters on supplies for the defendant’s restaurant could cause confusion among consumers, even though the characters were shown in a different stylized font. The defendant’s use of the two characters alone constituted infringement and had to be stopped.

The defendant filed an appeal, alleging that the court of first instance ruled that the plaintiff, as assignee of the trademark registration, enjoyed exclusive rights under the trademark law; however, it also ruled that the defendant enjoyed exclusive rights in its trade name approved by the government. When there is a conflict between a registered trademark and a trade name, it should be resolved based on fairness and protection of prior rights. Ms. Zhao acquired the registration earlier than did the establishment of the Beijing TANG GONG seafood restaurant. Therefore, her prior rights should be given priority and the restaurant’s rights limited. Use of the two Chinese characters on supplies for the defendant’s restaurant could cause confusion among consumers, even though the characters were shown in a different stylized font. The defendant’s use of the two characters alone constituted infringement and had to be stopped.

On December 18, 2008, based on Articles 39(2), 52(5), and 56(2) of the Trademark Law of the People’s Republic of China, the court found that Ms. Zhao was the lawful assignee of the TANG GONG mark and should enjoy exclusive rights under the Trademark Law. Unless licensed by Ms. Zhao, no one else should use a mark that was the same as or similar to the registered mark. Beijing Haoyuan Tang Gong Seafood Boat Co. was in the restaurant business, offering the same services designated in the

297. (2008) East Civil First Instance Case No. 05509 (Beijing East District People’s Court).

298. Article 39(2) of the People’s Republic of China provides: “The assignment of a registered trademark shall be published after it has been approved. The assignee shall enjoy the exclusive right to use the mark from the date of publication.”

299. See text of relevant Articles above.

300. Id.
TANG GONG mark. Further, TANG GONG was not the appellant’s actual registered trade name. Therefore, the appellant’s use of TANG GONG alone in a very striking way was sufficient to mislead the public and cause confusion among consumers, tantamount to trademark infringement. The court held that the appellant should cease its use of the TANG GONG mark and pay damages caused by its use of the mark. The decision of the court of first instance was correct based on the facts and applicable law. Therefore, the appeal was dismissed.  

When there is a dispute between a trademark right and a trade name right, the court will review the history, use, and scope of business of each party and try to strike a balance between the interests of the parties.

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

Plaintiff Suzhou Antelope Electric Motorcycle Ltd., a company in Suzhou City, Jiangsu Province, owns the Chinese trademark for GUSU LITTLE ANTELOPE in Chinese characters for electric vehicles, motorcycles, small motor vehicles, motor bicycles, bicycles, etc., in Class 12. The plaintiff sued defendant Shandong Bangde Electric Motorcycle Co., a company in Dezhou City, Shandong Province, for unfair competition by its unauthorized use of LITTLE ANTELOPE.

The plaintiff's business was founded in 1997 and it manufactured electric bicycles and related accessories. The term LITTLE ANTELOPE in Chinese characters, as part of the plaintiff's trade name, was promoted in many advertisements and other media and was well known in China by consumers as an indication of the source of its products. Moreover, its electric bicycle products were recognized by many government departments and consumer rating agencies as products of excellent quality.

Since 2008, the defendant, also in the business of manufacturing electric vehicles, was found to have used BANGDE LITTLE ANTELOPE in Chinese characters as a trademark on its product packages, and in advertising and promotional campaigns. The plaintiff claimed that the defendant’s acts of infringement would mislead customers, seriously affecting the plaintiff’s sales and causing severe damages to the plaintiff, constituting unfair competition.

The defendant countered that the trademark it used was BANGDE LITTLE ANTELOPE, which it had applied for

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302. Registration No. 3169070.
registration before the Chinese Trademark Office, and therefore, its use of the mark was legal. It never used LITTLE ANTELOPE alone as a trademark or trade name. Further, rights in trade names are territorial and the two parties were located in different geographic locations making confusion unlikely. The plaintiff was located in Jiangsu Province, while the defendant was located in Shandong Province. Moreover, the defendant spent a substantial amount of money to promote its own trademark and did not enjoy the good will of the plaintiff’s trade name LITTLE ANTELOPE at all.

On October 28, 2008, the court ruled for the plaintiff, finding that the defendant’s acts constituted unfair competition as the plaintiff’s use of LITTLE ANTELOPE, through extensive advertising and promotion by the plaintiff since 1998, became a well-known trade name. The prominent part of the defendant’s trademark, BANGDE LITTLE ANTELOPE was LITTLE ANTELOPE, and not BANGDE. Further, the defendant’s mark was never approved for registration by the Chinese Trademark Office; therefore, use of LITTLE ANTELOPE on packages and in advertisements for electric vehicles by the defendant without authorization by the plaintiff constituted unfair competition and may have hindered the plaintiff’s business development and caused damage to its reputation if the defendant’s products were of inferior quality.

Article 20 of the Chinese Anti-Unfair Competition Law provides that business operators who violate the law and cause damages to the victims should pay damages. When the victim’s damages are hard to calculate, the damages to be paid should be the infringer’s profit plus any reasonable costs paid by the victim to investigate the infringing acts. The court ordered the defendant to stop using LITTLE ANTELOPE on product packages and advertising of products it offered to sell or manufacture, stop selling electric bicycles bearing the mark in its stores, pay damages in the amount of RMB 1,000,000 plus the costs the

303. Article 20 of the Anti-Unfair Competition Law of the People’s Republic of China provides:

A business operator who violates the provisions of this Law and thus causes damage to the infringed business operators, shall bear the liability of compensation for the damage. If the losses of the infringed business operator are difficult to estimate, the damages shall be the profits derived from the infringement by the infringer during the period of infringement. And the infringer shall also bear the reasonable expense paid by the infringed business operator for investigating the infringer’s unfair competition acts violating his lawful rights and interests.

A business operator whose lawful rights and interest are infringed upon by unfair competition acts may bring a suit in a people’s court.
plaintiff paid to investigate, and stop the infringement in the amount of RMB 1,000.304

Use of an important term in another person’s trade name as part of one’s own trademark runs the risk of violating the Chinese Anti-Unfair Competition Law. The calculation of damages can be based on an infringer’s profits. The plaintiff may also be awarded reasonable costs incurred in investigating the infringement.

COLOMBIA

I.B.1. Generic

Société des Produits Nestlé S.A. applied to register the mark POWERBAR for beer, mineral and aerated waters and other non-alcoholic drinks, fruit drinks and fruit juices, and syrups and other preparations for making beverages, all in Class 32. Compañía Nacional de Chocolates S.A. opposed registration of the mark based on its prior-registered trademark POWER in Classes 29 and 30. The Trademark Office denied registration, and Nestlé filed an action for declaration of nullity against that decision. Nestlé argued that the Superintendency of Industry and Commerce (the Trademark Office) had violated the standard for comparing trademarks because it did not compare the elements of the marks side by side, as required. In addition, Nestlé asserted that POWER was a weak trademark because it was a common term that all companies should be free to use.

The Trademark Office denied the registration of the mark POWERBAR on three grounds: first, because it was orthographically, visually, and phonetically similar to the registered trademark POWER; second, because the products in Class 32 claimed by Nestlé were related to Compañía Nacional’s products in Classes 29 and 30, as they were food-related products; and, finally, because the addition of the element BAR did not add sufficient distinctiveness to distinguish the POWERBAR mark from the POWER trademark.

The Council of State reversed the decision and ordered the Trademark Office to grant Nestlé registration of the POWERBAR mark. The Council held that the principle requiring a finding of likelihood of confusion when the general impression evoked by the marks is similar did not apply to marks containing generic or commonly used terms. It further held that POWER was a term commonly used to identify products related to food, and that therefore Compañía Nacional de Chocolates could not prevent other parties from including the expression POWER in their

trademarks provided those parties added other elements to their trademarks.\textsuperscript{305}

The Council considered that the addition of the element BAR gave the mark POWERBAR sufficient distinctiveness to distinguish it from the trademark POWER, because orthographically, phonetically, and visually they were different. More important, the Council held that the products in Classes 29, 30, and 32 were not related even though they all covered food products, and consequently there was no risk of confusion between the marks.

The case is important because the Council of State, in holding that there was no connection between Class 29 and 30 products, on the one hand, and Class 32 products, on the other, contradicted several decisions of the Trademark Office. Also, the Council clarified that the principle requiring a finding of likelihood of confusion when the general impression evoked by the marks is similar does not apply to marks containing generic or commonly used expressions.

Masapan S.A. en Concordato applied to register the word and design mark MASAPAN, to cover all products in Class 30 (see below).

![masapan](image)

The Trademark Office denied registration of the mark, and Masapan filed an action for declaration of nullity against that decision. The plaintiff argued that the trademark complied with all requirements for registration: it was distinctive, perceptible with the senses, and capable of being represented graphically. More important, it contended, the mark MASAPAN was not generic, as its intention was not to obtain exclusive rights over the generic words MASA ("dough") and PAN ("bread") but rather to obtain a registration for the combination of both words, which combination, it argued, was distinctive and original. Finally, the plaintiff argued that the design, which comprised 75 percent of the trademark, was itself distinctive enough to qualify for registration by the Trademark Office.

The Trademark Office denied the registration on the ground that the mark MASAPAN was almost identical to the word mazapan, which was the generic name of a product in Class 30, thus making the mark generic. Indeed, the Office held, according to the Spanish dictionary, mazapan meant “a ground almond paste with sugar.”

The Council of State denied Masapan’s request for nullity of the decision rejecting the registration of the mark. It recognized that the generic character of two words might disappear when they were combined, such that the resulting word might have sufficient distinctiveness to be registered as a trademark. In this case, however, the Council agreed with the Trademark Office that the combination of the words MASA and PAN formed a word (MASAPAN) that was almost identical to the name of a product included in Class 30 (mazapan), thus making it generic. The combination of two generic words in this case did not form a new and distinctive trademark.

Most important, the Council of State held that even though the graphic part of the trademark MASAPAN constituted 75 percent of the trademark, the graphic was not sufficiently distinctive to allow the registration of the mark. The Council noted that the graphic part of the trademark contained a drawing of bread, which in the Council’s opinion did not give distinctiveness to the mark because the image corresponded to the product itself. Accordingly, it did not matter that the graphic part occupied most of the trademark, as the graphic did not meet the requirement of sufficient distinctiveness.306

The case is important for the holding that a graphic element of a trademark, even if the most predominant element of the trademark, does not result in registration of the trademark unless it is distinctive.

The Trademark Office granted Biotec Colombia S.A.’s application to register the mark BIOTEC in Class 42 for “design, construction and commissioning of treatment plants of agro-industrial, agricultural and livestock and urban organic runoffs and waste by applying aerobic (composting) and anaerobic (biodigester) fermentation technologies in order to decontaminate, assess and use the same for organic fertilization of crops.” The proceeding did not involve oppositions from third parties.

Corporación para el Desarrollo de la Biotecnología filed an action for declaration of nullity against the grant of registration. The plaintiff based its legal action on the argument that BIOTEC was a generic term designating the services included in Class 42 that were covered by the mark. It argued that BIOTEC is the

apocope of the word BIOTECNOLOGÍA ("biotechnology"), and that, therefore, no exclusive rights over this term should be granted. The Council of State agreed, concluding that the trademark BIOTEC should not have been granted to any company, and therefore it declared the nullity of such registration.

The Council considered that the registered trademark and the generic term BIOTECNOLOGÍA shared the element BIOTEC. It noted that several trademarks incorporated the element BIOTEC to refer to biotechnical products. Further noting that according to the dictionary an apocope is “the suppression of a sound at the end of a word” (it gave as an example the apocope TEC (“tech”) for the word TECNOLOGÍA), the Council of State concluded that BIOTEC was the apocope of BIOTECNOLOGÍA and therefore could not be distinct from this word.307

The case is important because the Council of State held that the word BIOTEC is a generic term over which no exclusive right may be granted.

Nabisco, Inc. applied to register the trademark KRAKER BRAN (in Spanish, galleta de salvado), to cover goods in Class 30.

The Trademark Office granted registration to the trademark in the first instance, and Colombina S.A. filed an opposition against the registration. The Trademark Office declared that the opposition was well founded, holding that the mark described the kind and quality of the product it deemed to identify in commerce (i.e., the mark was generic and descriptive); it further held that the word had a meaning in English that was known and used by Colombian consumers. Nabisco brought an action for declaration of nullity against the decision.

On appeal, the Council of State declared the nullity of the resolution that denied registration to the trademark KRAKER BRAN. It found that the mark was not generic or descriptive of the products it identified, particularly galletas de salvado (cracker brans).308

The Council affirmed that the mark was formed by two words, only one of which had a real meaning in English—“bran” (salvado in Spanish). The word “kraker,” on the other hand, does not exist in English; the most phonetically similar word would be “cracker,” which has several—and dissimilar—meanings, such as wafer and computer programmer. Thus, KRAKER in the Spanish-speaking context is a fantasy mark, as most consumers do not commonly know it.


This case is important because the Council of State held that words in foreign language can be deemed generic when they are commonly used by consumers and their meanings are generally known.

I.B.2. Merely Descriptive

The Trademark Office denied the application by Industria de Harinas de Tulua Ltda. to register the mark SUPREMA for all products in Class 30 on the ground that SUPREMA was a generic term for products in Class 30. On appeal, the Trademark Office reversed its previous decision and granted the registration.

Harinera Del Valle S.A. brought an action for declaration of nullity against the decision. The plaintiff alleged that SUPREMA was a generic term for products in Class 30 and that therefore the decision granting such trademark was null.

The Council of State denied the request for nullity of the registration of the trademark SUPREMA. It noted that the term SUPREMA was neither descriptive nor generic with respect to the products it identified because it was not used to name or define those products or even to describe their quality. Nonetheless, the Council explained, the term was an adjective applicable to products in Class 30, and indeed to every product or service. From this point of view, the Council noted, SUPREMA was a weak trademark because a company does not have an exclusive right over adjectives. According to the Council, the trademark was not generic or descriptive but only weak, because although it was not unregistrable, any other producer or company could use the expression simply by adding an element that would avoid identity or confusion with the mark. For these reasons, the Council of State did not declare the nullity of the trademark SUPREMA, but declared only that it was a weak trademark.309

The case is important because it clarifies the cases in which a trademark registration does not give the owner a right to exclude third parties from using the trademark in the Andean Community.

Cacaoexport E.U. intended to register the trademark CACAOEXPORT COCOA BEANS, to cover “cacao in general and its derivatives” in Class 30. The Trademark Office denied registration, and Cacaoexport brought an action for declaration of nullity against the decision. The plaintiff based its action on the fact that it did not consider the mark to be either generic or descriptive, but only suggestive. Furthermore, it argued, the mark was distinctive when analyzed as a whole. Finally, the plaintiff claimed that the Trademark Office had applied a criterion

different from those used when it granted registration to trademarks such as MERCAFE (Class 30), PIZZA HUT (Class 30), and COCO EXPRESS (Class 32).

The Trademark Office denied registration because it considered CACAOEXPORT COCOA BEANS to be a descriptive term for products in Class 30, as it described the products' function and qualities (cocoa beans and its derivatives for export).

On appeal, the Council of State declared null and thus reversed the Trademark Office's decision, and it ordered the registration of the trademark CACAOEXPORT COCOA BEANS. In sum, the Council of State found that the mark was neither descriptive nor generic.

First, the Council stated that a mark was descriptive if it informed only about the quality, quantity, destination, value, place or origin, time of production, characteristics, or other data about the good or service that are common to other goods or services from the same genre; in other words, a mark was descriptive if it answered the question, What is the product like? In analyzing this specific case, the Court found that the mark CACAOEXPORT COCOA BEANS as a whole did not indicate any essential characteristic or function of cocoa and its derivatives, nor did the words indicate this separately. Furthermore, the Council found that (1) the word EXPORT was an adjective, and thus did not make the mark descriptive; (2) BEANS was a word in English not widely used or known by consumers and therefore could not be descriptive or generic; and (3) although in English the expression CACAO BEANS was descriptive, in Spanish the word cacao, when it was used, identified a derivative of cacao (powder), which excluded descriptiveness.

Second, the Council of State indicated that a mark was generic if it answered the question, What is it?, regarding the specific goods or services it identified. In this particular case, the Council concluded that, as a whole, the expression was not generic; although the words COCOA and CACAO were generic, the other two words added distinctiveness.

This decision is important because the Council of State reaffirmed the fact that a mark lacks distinctiveness only when it consists exclusively of descriptive or generic words or expressions. If it includes any element that adds distinctiveness, the mark may be registered. Such distinctive element may be a foreign-language word that is originally generic or descriptive but is deemed fantastic in Spanish.

I.D.1. Similarity of Marks

Federación Nacional de Comerciantes applied for registration of the mark MARÍA FLORES & Logo, to cover “agricultural, horticultural, and forestry and products, live animals, fresh fruits and vegetables; seeds, natural plants and flowers; animal food; malt” in Class 31 (below, illustration at left). Fundación Ecológica Sentir, owner of a prior registration for the trademark MARÍA FLORES & Logo in Class 35, identifying “advertising, business management” (below, illustration at right), filed an opposition against the application, alleging the marks were confusingly similar.

The Trademark Office stated that according to the theory of interdependence, when marks are identical or very similar, the goods or services they distinguish must be different to a greater degree; hence, when goods or services are identical or very similar, a greater degree of differentiation will be demanded from the marks. With this in mind, in order to determine whether two marks are confusingly similar, it is necessary to determine the correlation between the marks and the goods or services they cover.

When analyzing this specific case, the Trademark Office found that the main element of the marks at issue was the expression MARÍA FLORES, although it was accompanied by graphic elements. Furthermore, the logos also contributed to the similarity and confusion between the marks because in both cases they represented a woman of similar characteristics with a bouquet of flowers.

Having established a high degree of similarity between the marks, the Trademark Office then analyzed the similarity between the goods and service in a more rigorous manner. Considering that the goods and services were in different international classes, the Trademark Office applied the criteria of competitive connection.

According to the explanatory notes of the Nice Classification, among the services of “business management” in Class 35 that the opposing mark identified was also “the bringing together, for the
benefit of others, of a variety of goods (excluding the transport thereof) enabling customers to conveniently view and purchase those goods.” From the evidence filed the Trademark Office could conclude that, in fact, the mark MARÍA FLORES & Logo in Class 35 was destined to identify flower farmers and to be “the partner of Juan Valdez” (who represents coffee farmers in Colombia). The Trademark Office used the articles of incorporation of Fundación Ecológica Sentir, as well as emails and press articles, to arrive at such a conclusion. Therefore, it found the marks were confusingly similar.

The opponent also alleged that it had copyright over the mark; however, the Trademark Office found that the filed evidence was lacking in some formal requirements. In addition, the opponent claimed that registration would be a means for the applicant to commit acts of unfair competition, but it was unable to establish such statement within the proceeding.

As a consequence, the Trademark Office denied registration of the trademark MARÍA FLORES & Logo by Federación Nacional de Comerciantes.

This case is important because the Trademark Office recognized the confusing similarity between two trademarks in different international classes although the competitive connection could not be directly established. To do so, the Office used other external elements that evidenced that the opponent intended to use the mark in relation to the flower industry. Also, the Trademark Office specifically referred to the theory of interdependence, which should be applied when marks, goods, or services are not identical.

I.F. Famous and Well-Known Marks

The Trademark Office granted the registration by Mariz Gestao e Investimentos Ltda. of the trademark MEN’S FITNESS, covering clothing, footwear, and headgear in Class 25. Alpina Productos Alimenticios S.A. brought an action for declaration of nullity against the grant of registration, based on the likelihood of confusion between the mark MEN’S FITNESS and the allegedly well-known trademark FINESS, previously owned by Alpina and registered in Classes 9, 29, and 32 for yogurt.

The Trademark Office dismissed the plaintiff’s action at the first and second instances because it considered that the trademark FINESS was not well known; that the marks MEN’S FITNESS and FINESS were not confusingly similar in their

311. Together with coffee, flowers are among the main productive sectors of the economy in Colombia.

elements, vocals, pronunciation, etc.; and that the marks identified totally different products.

On appeal by Alpina, the Council of State reversed the Trademark Office’s decision, finding that the trademark FINESS was well known in Colombia and was confusingly similar to the mark MEN’S FITNESS. The Council concluded that the trademark FINESS was well known based on the large amount of sales of the yogurt identified with the trademark and the amount of resources invested in the product’s advertisement. With this declaration, the Council of State broadened the protection of the trademark FINESS to all products or services of the Nice Classification.

In comparing the trademarks MEN’S FITNESS and FINESS, the Council noted that the addition or subtraction of a word did not negate the similarity between two marks when the essential part of one of them was reproduced in the other. In analyzing the case at hand, the Council concluded that the word MEN’S should be excluded from the comparison because it was commonly used in Colombia to identify products in Class 25, and because its meaning was understood by the population even though it was not a Spanish word. The word FITNESS, the Council of State asserted, was a fantasy word in Colombia because the population did not know its meaning, and therefore it could not be distinguished from the word FINESS by their different meanings. The Council also held that the terms FINESS and FITNESS contained the same elements, vocals, and pronunciation, making them similar. Moreover, even though the products (shoes and yogurt) were not similar, the fact that FINESS was well known gave that trademark protection in every class of the Nice Classification, which in turn made the marks at issue confusingly similar.313

This case is important because the Council of State set forth the principle that the addition or subtraction of words does not exclude the similarity between trademarks when the essential part of one of them is reproduced in the other. It considered this principle a basic criterion in a comparison between trademarks, as important as the principles traditionally applied by Colombian courts. The case is also important because the tribunals did not recognize that products or services related to sports often use the expression FITNESS in Colombia.

II.C.1.a. Word Marks

The Trademark Office denied registration by Dentco Inc. of the trademark SENSOGARD, for dentifrices, mouthwashes, breath fresheners, denture cleansers, and all goods for oral

hygiene included in Class 3. Colgate Palmolive Company had a previous application in Colombia for this trademark, and the Trademark Office therefore held that the registration of the same mark in Class 3 would lead to consumer confusion.

Dentco filed an action for declaration of nullity against the decision. It based its action on its previous registrations for the same trademark in other countries, and argued that it was therefore entitled to register the trademark in Colombia. Dentco further argued that Colgate Palmolive acted in bad faith when filing an application for the same trademark.

The Council of State upheld the Trademark Office’s decision, ruling that the fact that a company owns a trademark in another country does not per se give the company the right to use or register it in Colombia. The Council noted that according to Article 103 of Decision 344 of the Andean Community, the applicable rule for deciding the case, the first trademark application in a member country of the Andean Community confers on the applicant a priority right to register said trademark in another member country within six months of filing the original application. However, this right was not extended to marks already registered in other countries when the applicant did not exercise its right within the six months established by law. The Council noted that Dentco proved that it had previous trademark registrations for SENSOGARD in the United States, the Dominican Republic, and Argentina, but that such countries were not members of the Andean Community, and for that reason the right of priority did not apply to the applications made in said countries.314

The Council of State did not expressly address the argument that Colgate Palmolive’s registration was granted in bad faith because Dentco was the owner of the trademark internationally. The Council seemed to dismiss this argument when it stated that registrations in other countries do not confer a right to registration in Colombia.

This case is important because the Council of State did not consider the fact that the plaintiff was the owner of the trademark internationally a basis for declaring that the owner of the trademark in Colombia acted in bad faith.

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

Compagnie Gervais Danone sought to register a three-dimensional mark consisting of the three-dimensional design of a bottle with five horizontal grooves up to the middle, followed by three rounded grooves and a red top with vertical grooves, to cover beers, mineral and aerated water, fruit and vegetable juices, fruit

and vegetable drinks, lemonade, soda, ginger ales, sherbets, syrups, and other preparations for making beverages, fruit and vegetable non-alcoholic extracts, and non-alcoholic dairy drinks with fermentation agents, all included in Class 32 (see below). The Trademark Office denied registration, finding that the mark was generic (the design was the usual shape of bottles in the market). Compagnie Gervais Danone brought an action for declaration of nullity against the decision. The plaintiff alleged that as a whole, the bottle was not the usual representation of a bottle, as it had other elements that added distinctiveness.

The Trademark Office also denied the trademark’s registration at the first instance. It found that the design was the common and usual shape of a bottle and that as a result consumers would not identify the specific source of the goods.

On appeal, the Council of State denied the request for a declaration of the nullity of the Trademark Office’s resolution. It held that the design was, in fact, the usual shape of a bottle and had no special characteristics that reflected further creativity.315

The Council affirmed that three-dimensional marks were autonomous types of marks, different from word (nominative) and figurative marks. It held that a mark was considered three-dimensional when a third dimension—generally depth—was introduced, so that it occupied a place in space and could be perceived by the sense of touch. Within this kind of mark were classified bottles, wrappings, and relief designs. In order for them to be considered a trademark, they would have to have a fantasy, suggestive, or arbitrary shape, which would be capable of distinguishing the mark from others in the market. On the contrary, if the shape were that usually used for a product or its containers, or imposed by the nature or function of the product, it would be considered generic, and no exclusive right could be granted over it. The Council added that elements such as colors

and labels could not be deemed to add distinctiveness. Only elements related to the three dimensions (length, depth, and width) should be analyzed.

In analyzing this specific case, the Council of State determined that the elements added to the bottle—grooves, primarily—were not novel, suggestive, or fantasy elements, and were not enough to add distinctiveness to the bottle and to differentiate it from others.

The case is important because the Council of State recognized three-dimensional marks as autonomous kinds of marks—different from figurative or graphic marks—and established the circumstances in which a three-dimensional figure can be registered as a trademark.

III.A. Infringement and Other Forms of Unfair Competition

The U.S. pharmaceutical company Wyeth is the owner of the trademark CHAP STICK, used to identify lip balms, which are distributed in Colombia by Whitehall Laboratories Ltda. Laboratorios Pharma Chemical Ltda., a Colombian company, filed an application for the registration of the mark LAB STICK, also used to identify lip balms.

In the trademark application procedure, the Trademark Office established that the marks were confusingly similar and denied registration for LAB STICK. Nonetheless, Laboratorios Pharma Chemical used the LAB STICK mark in commerce. In response, Wyeth filed an unfair competition complaint against Laboratorios Pharma Chemical before the Superintendency of Industry and Commerce (Unfair Competition Authority) for acts of confusion, deceit, imitation, taking advantage of a third party’s reputation, and clientele diversion. The plaintiff charged that the defendant used a confusingly similar mark to identify identical products, together with an identical label and trade dress.

The Superintendency rejected the action because the participation of the plaintiff in the Colombian market and the actual harm caused the defendant were not proven.

The District Court of Appeal reversed the Superintendency’s decision and established that the plaintiff participated in the Colombian market through its distributor Whitehall, a fact that was sufficiently proven.

The Court recognized the importance of a product’s trade dress and label for promotion and sales. These are the last elements in the sales promotion scheme of a product, attracting the consumer’s attention at the point of sale and differentiating it from other similar goods.

Next the Court analyzed the alleged acts of unfair competition. It deemed that according to the evidence there was, among other attributes, a graphic identity between the labels and between the
information and wording included and the chromatic range used. As a consequence, the Court held, there was a systematic imitation of CHAP STICK’s label and trade dress, which caused confusion among the products and misrepresented their business origin. This made it difficult for consumers to differentiate between the products, their qualities, and their characteristics and damaged the image of the mark CHAP STICK and of Whitehall Laboratories Ltda.

Therefore, the Court found that the defendant was using unfair means to obtain new customers, misrepresenting its goods as being those of the plaintiff, and taking advantage of its reputation and goodwill.

The Court of Appeal reversed the previous decision, declaring the acts to be unfair competition and prohibiting use of the label for the mark LAB STICK.316

This case is important because the Court of Appeal recognized the importance of labels and trade dress in the sales strategy of a product. Beyond the trademark, elements such as colors, wordings, and logos contribute to the identification of goods by consumers, and their systematic imitation by competitors must be deemed unfair when it causes confusion or misrepresentation.

### III.F.1. Non-Use

Colombina S.A. brought an action for a declaration of nullity against the Trademark Office’s decision, upon the request of Fabrica de Café La Bastilla S.A., that partially cancelled the plaintiff’s trademark SOUR BALL COLOMBINA, for all goods in Class 30, for non-use in identifying “coffee and its derivatives.” The plaintiff alleged that its trademarks SOUR BALL COLOMBINA and COLOMBINA (which was said to be its “corporate mark”) were well-known marks, and thus subject to a stronger protection, even for products for which they were not used. It claimed that considering the well-known character of the mark SOUR BALL COLOMBINA, cancellation for non-use could not serve the purpose of giving a third party the possibility to use the mark.

The Trademark Office cancelled the trademark SOUR BALL COLOMBINA. It held that the plaintiff proved the use and well-known character only of the trademark COLOMBINA, not of SOUR BALL COLOMBINA.

The Council of State denied the request for nullity of the Trademark Office’s resolution.317 The Council noted that the well-known character of the mark COLOMBINA had, in fact, been


proven; however, that character did not transfer or extend to the mark SOUR BALL COLOMBINA, as they were autonomous, independent marks that should be considered as a whole and not by their separate elements. Additionally, the Council explained that SOUR and BALL were not descriptive or generic but, rather, fantasy words in Colombia, seeing as they were written in a foreign language (English), not commonly used, and not widely known by the population.

The Council of State abstained from addressing whether a well-known trademark could be subject to cancellation for non-use, considering it not relevant in this case.

Next, the Council of State referred to the possibility of partially cancelling a trademark registration and the consequential “inconvenience” that could arise out of having several similar trademarks registered in the same international class. The Council held that, in this sense, marks should be effectively used in commerce to identify all products or services for which they were registered within an international class; thus, they were subject to cancellation over those not being used. Effective use in commerce to identify all registered goods or services must be proven.

Further, the Council held that even though third parties that succeed in totally or partially cancelling a trademark have a priority application right over it, such right is not automatic and must in any case comply with all registration criteria; in particular, it must not cause confusion with another registered trademark.

This case is important because the Council of State held that the well-known character of a trademark does not extend to all other marks from the same owner that include such well-known expression. However, it left the door open to the extension of well-known character when the famous element is accompanied by other words that are generic or descriptive and thus add no distinctiveness.

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318. According to Decision 486 of the Andean Community, which regulates intellectual property in Colombia, any interested party is entitled to request cancellation for non-use of a trademark. If the trademark is cancelled, the plaintiff may file an application for the cancelled trademark, with a priority right from the date on which the cancellation action was filed. The rule (Article 168) states: “A person who obtains a favorable ruling shall have a preferential right to registration. This right may be invoked at the time of filing of the request for cancellation and until up to three months have elapsed following the date on which the cancellation ruling became final in the administrative proceedings.”
Chantecaille Beauté Inc. (Chantecaille), a U.S. company, filed an application for the registration as a Community trade mark (CTM) of the words JUST SKIN, to cover goods and services in Classes 3 and 35. The OHIM examiner rejected the application on the ground that the expression JUST SKIN, in connection with the goods and services applied for, would be understood by the English-speaking public in its plain descriptive meaning, because it immediately informed consumers of the kind, nature, and intended purpose of the covered goods.

Chantecaille filed a notice of appeal against the decision. Its main arguments were that (1) the word composition JUST SKIN was complex, novel, and characteristic for the relevant consumers and was not a necessary or essential designation for the goods and services applied for, and (2) numerous trade marks of a similar nature and covering similar goods already existed in the market.

The OHIM Board of Appeal pointed out that, considering the nature and characteristics of the goods and services covered by the mark, namely the manufacture and distribution of cosmetics and fragrances, it had to conclude that they were targeted at the general and broad public. As the mark was composed of English words, it had to be assessed in respect of English-speaking consumers within the European Union (EU).

The Board stressed that the words JUST and SKIN were used without any alteration or unusual structure; as a result, English-speaking consumers would perceive the mark as a straightforward and simple combination of two commonplace words, which referred to the kind and basic purpose of the goods and services concerned and did not indicate their commercial origin. Thus, the Board agreed with the examiner that the mark was descriptive. That conclusion led the Board to find that the mark also lacked distinctiveness. It held that there was nothing about the expression JUST SKIN that would enable the relevant public to recall the mark easily and instantly as distinctive for the aforementioned goods and services. Consequently, the Board rejected Chantecaille’s appeal.

**I.C. Distinctiveness**

The U.S. company Mars, Inc. (Mars) applied to register a CTM consisting of the three-dimensional mark shown below, for goods in Classes 5, 29, and 30.

Following an objection by the examiner of lack of distinctiveness, the applicant filed related evidence, and OHIM accepted the mark for registration on the basis of acquired distinctiveness.323

Several months later, the German company Ludwig Schokolade GmbH & Co. KG (Ludwig Schokolade) filed a request for a declaration of invalidity against Mars’s trade mark, claiming that it lacked distinctive character and had not acquired distinctiveness through use.324 The OHIM Cancellation Division rejected this application, finding that although the appearance of the mark did not depart significantly from the norms and customs of the relevant sector, the evidence that Mars had produced was sufficient to prove that the mark had acquired distinctive character through use.325

Ludwig Schokolade appealed the decision.326

The Board of Appeal found that the amount of evidence filed was rather impressive, but not sufficient to convince it that the

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325. Decision No. 000000765 (OHIM Cancellation Division, Aug. 10, 2006).
contested mark had acquired distinctiveness through use throughout the European Community. More specifically, the Board found that although the submitted documents proved that a significant proportion of the public in the United Kingdom, Belgium, France, Germany, Italy, and the Netherlands identified the goods applied for as originating from Mars, they did not justify the same conclusion regarding the relevant public in the other EU Member States. Consequently, it upheld the appeal.327

Mars filed a further appeal before the European Court of First Instance (CFI).328 It argued that the Board of Appeal should have found that the mark applied for was distinctive and that the Board erred in requiring proof that the mark was distinctive in each of the (then) 15 Member States of the EU. Mars further claimed that the evidence it provided represented almost 85 percent of the total Community market, which was a substantial part of the Community, and it should have been considered satisfactory for establishing that the mark in question was distinctive. The CFI, however, agreed with the Board of Appeal that the mark applied for had to have acquired distinctive character in the entire Community in order for it to be registrable. It held that the Board did not err in requiring evidence through use in the 15 Member States that were part of the EU at the time when the trade mark application was filed. Moreover, the Court held that an overall assessment of the evidence must be made. In this case, where most of the evidence produced by Mars concerned only six Member States, the CFI concluded that it could not be extrapolated for the remaining Member States. Consequently, the Court rejected the appeal.329

I.D.1. Similarity of Marks

The Spanish company Zafra Marroquineros, S.L. (Zafra) filed an application for the registration as a CTM of a mark consisting of the words CK CREACIONES KENNYA,330 to cover goods in Classes 18 and 25. The American company Calvin Klein Trademark Trust (Calvin Klein) filed an opposition against the registration of the mark,331 based on the following prior trade marks (1) CK CALVIN KLEIN & Device,332 covering goods and services in various classes (including Classes 18 and 25); (2) CK & Device,333 covering goods in Class 18; and (3) CK & Device,334 covering goods in Class 25 (see below).

332. CTM No. 000066712, filed and registered Apr. 1, 1996.
The OHIM Opposition Division rejected the opposition, holding that there was no likelihood of confusion between the marks under comparison. Calvin Klein appealed the decision, but the Board of Appeal dismissed the appeal on the ground that the marks at issue were not sufficiently similar to lead to the conclusion that there was likelihood of confusion of consumers.

Calvin Klein filed a further appeal before the CFI. Its main arguments were that (1) the distinguishing feature of the conflicting marks was the letter combination CK, which appeared at the beginning of the contested mark and thus held the consumer’s attention; (2) the use of the letters CK was explained not by the words “creaciones” and “Kennya,” which did not correspond to the applicant’s trade name, but rather by the applicant’s intention to make its mark more similar to Calvin Klein’s prior marks; and (3) Calvin Klein’s earlier trade marks were very well known, a fact that strengthened the visual and phonetic similarity between the marks. Calvin Klein stressed that in the fashion sector it was common for clothing manufacturers to be identified by the acronyms of their names. Thus, the application for a mark that resembled the letters of an acronym was a clear attempt to copy the mark of another.

OHIM and Zafra argued that the marks under comparison created a different overall impression and that the expression CREACIONES KENNYA was the dominant element of the contested mark, contrary to the earlier marks, the dominant element of which was the letter combination CK.

The CFI held that the likelihood of confusion should be assessed globally according to the perception by the relevant public of the marks and the goods or services in question and taking into account in particular the interdependence between the similarity

of the marks and of the goods or services designated. Regarding the expression “creaciones Kennya,” the CFI found that irrespective of whether it was understood as a reference to a fashion designer or as a purely fanciful expression, it had a certain distinctive character with respect to the items of clothing and fashion accessories in Classes 18 and 25. The Court accepted that the letters CK corresponded to the first letters of the words “creaciones Kennya,” a fact that explained their presence and that gave them an ancillary position in relation to “creaciones Kennya.”

The CFI further found that the fact that the mark under examination and the earlier ones had in common the letters CK, which, however, were the dominant element only in the earlier marks, was not sufficient to create a visual similarity. Although the Court accepted that the earlier marks were well known, constituting a reference to the famous manufacturer and designer of fashion items Calvin Klein, it found that there would be no risk of confusion because it was most likely that the mark applied for would be referenced as CREACIONES KENNYA or CK CREACIONES KENNYA and not by using the letters CK alone. Consequently, the Court did not apply the case law, which recognises that marks enjoying a reputation also enjoy broader protection. It confirmed the Board of Appeal’s assessment that the marks under comparison had different dominant elements, which presented a totally different overall impression and impeded the likelihood of confusion.339

Antonio Ambrosi (Ambrosi), an Italian individual, applied for the registration of a CTM consisting of the figure of a penguin for goods in Classes 18, 25, and 35 (see below).340

The American company Perry Ellis International, Inc. (Perry Ellis) filed an opposition341 against the registration of the mark. Perry Ellis based its opposition on three prior Community

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registrations for a penguin device mark, covering goods in Classes 18 and 25 (see below).342

Perry Ellis argued that there was a likelihood of confusion because (1) the goods covered by the marks under comparison were partly identical and partly similar and (2) the marks were similar, as the opposed mark consisted only of the device of a penguin without a word element—exactly like its own prior marks.

After making a detailed comparison of the goods covered by the marks at issue, the OHIM Opposition Division held that the goods of the application were partly identical and partly similar, at least to a certain degree, to the goods in relation to which the earlier marks were protected.343

From a conceptual point of view, the Opposition Division concluded that the marks were identical, as they had a similar or identical semantic content. However, on comparing the marks from a visual point of view, the Opposition Division found several dissimilarities between the contested mark and the earlier ones: differences in the position of the penguins’ heads, in the way their wings were shown, in the size of their beaks, in the decoration of the clothes that resembled “plumage” of the penguins, in the way their legs were represented, etc.

The Opposition Division held that the verbal dimension of a purely figurative mark was of lesser importance and the fact that there was a conceptual similarity between the marks under comparison because they reproduced the image of a penguin was only coincidental. It further highlighted the prime importance of the kind of the covered goods and of the objective conditions under which the marks may be present on the market. The Opposition Division explained that if the related goods usually are sold in self-


service stores where consumers choose the products themselves without the intervention of third persons, consumers must rely primarily on the image of the mark applied to the product. In such cases the visual similarities between the marks are more important. If the products are sold by word of mouth, greater weight is to be given to the aural similarities between the marks.

As in this case the marks in question covered items of clothing and the applicant had not mentioned any particular conditions under which the goods were marketed, the Opposition Division held that the choice of items of clothing usually was made visually. Therefore, the visual perception of the marks in question generally would take place before the purchase. Accordingly, the visual aspect played a greater role in the global assessment of the likelihood of confusion, and the consumer would certainly notice the differences in the representation of the image of the penguins. Thus, the opposition was rejected.

The Spanish company Consorci de l’Espai Rural de Gallecs (Gallecs) filed an application for the registration as a CTM of a mark consisting of the device of a church and the word GALLECS,344 for goods and services in Classes 29, 31, and 35 (see below).

![Gallecs logo](image)

Victor Guedes—Indústria e Comércio, S.A. (Guedes), a Portuguese company, filed an opposition against the registration of the mark.345 The opposition was based on Guedes’s following prior-registered trade marks, all covering goods in Class 29: (1) CTM registration for a figurative mark346 containing the word GALLO; (2) Portuguese trade mark registration for a figurative mark347 containing the words GALLO AZEITE NOVO; (3) Portuguese

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trade mark registration for a figurative mark\textsuperscript{348} containing the words GALLO / VICTOR GUEDES; (4) Portuguese trade mark registration for a figurative mark\textsuperscript{349} containing, \textit{inter alia}, the words GALLO / AZEITE NOVA; and (5) Portuguese trade mark registration for a figurative mark\textsuperscript{350} (see below).

\begin{figure}
\centering
\includegraphics[width=0.5\textwidth]{image1}
\caption{GALLO AZEITE NOVA}
\end{figure}

Guedes argued that the only difference in the word portions of the marks under comparison was in their endings, as they coincided in the first five letters, GALLO-. It emphasised that it was the word elements in figurative marks that enabled consumers to identify their origin. The opponent further argued that the similarity in most of the covered goods increased the similarity of the marks.

On comparing the marks, the OHIM Opposition Division concluded that the overall impression given by them was that they

\begin{flushright}
\textsuperscript{348} Portuguese Trade Mark No. 281973, registered Dec. 6, 1993.
\textsuperscript{349} Portuguese Trade Mark No. 281974, registered Dec. 6, 1993.
\textsuperscript{350} Portuguese Trade Mark No. 281798, registered Dec. 6, 1993.
\end{flushright}
were different; thus, there was no likelihood of confusion. Accordingly, the opposition was rejected.\textsuperscript{351} Guedes appealed the decision,\textsuperscript{352} but the Board of Appeal dismissed the appeal.\textsuperscript{353} Guedes filed a further appeal before the CFI.\textsuperscript{354}

The CFI opined that because the figurative element in the contested mark was larger than the word element, Guedes’ argument that the main element of Gallecs’ mark was its word element should be rejected. It could not be concluded that the attention of consumers was attracted only by the word GALLECS and that the public would recall only that word without recalling the figurative element.

Regarding the phonetic comparison of the marks, the Court held that the difference in pronunciation resulting from their different endings was significant. Taking into account the low-pitched sound of the letter O and the high-pitched and harsh sound of the group of the letters ECS, the CFI concluded that the marks under comparison were pronounced completely differently.

With regard to the conceptual comparison of the marks, the Court did not accept Guedes’ arguments based on the common religious aspect of the figurative elements. It found that for consumers who purchase olive oil, fruit, or vegetables, the figure of a church in the contested mark had nothing in common with the cockerel in the earlier marks. Consequently, the CFI rejected the appeal.\textsuperscript{355}

Guedes has appealed the decision before the ECJ.\textsuperscript{356} The Court of Justice has not yet rendered a decision.

The Czech company Redrock Construction sro (Redrock) applied for the registration of the figurative mark REDROCK,\textsuperscript{357} to cover goods and services in Classes 1, 2, 17, 19, 36, and 37 (see below).

The German company Deutsche Rockwool Mineralwoll GmbH & Co. OHG (Rockwool) filed opposition\textsuperscript{358} against the acceptance of the mark REDROCK based on its prior German trade mark.

\textsuperscript{351} Decision No. B828634 (OHIM Opposition Division. Apr. 27, 2007).
\textsuperscript{353} Case No. R0986/2007 (OHIM Second Board of Appeal, Jan. 16, 2008).
\textsuperscript{354} Appeal No. T-151/08, filed Apr. 21, 2008.
\textsuperscript{355} Case T-151/08 (CFI (8th Chamber), June 11, 2009).
\textsuperscript{357} CTM Application No. 003866365, filed May 20, 2004.
\textsuperscript{358} Opposition No. 000873028, filed July 12, 2005.
registration for ROCK (word mark), covering goods and services in Classes 1, 6, 7, 8, 17, 19, 37, and 42. Rockwool argued that the two marks were similar overall because the earlier mark was fully included in REDROCK and the goods covered by the marks were identical or similar. The OHIM Opposition Division found that the marks were visually and phonetically similar on the basis of the common element ROCK; it held that consumers would tend to believe that two marks containing that element derived from the same trade source, as it would be considered rather unlikely that two traders would independently choose such a fanciful word to be the core of their trade mark for identical or very similar goods. Thus, it accepted the opposition for all goods and services in Classes 1, 2, 17, 19, and 37 and allowed the opposed mark for registration only for services in Class 36. Redrock appealed.

The Board of Appeal accepted the appeal. It held that the marks under comparison were sufficiently different from each other visually, aurally, and conceptually, and stressed that in view of the increased level of attention paid by the targeted public (the part of the public involved in the construction field), the marks, taken as a whole, were not similar. The presence of the common element ROCK was, because of its weak distinctive character, not sufficient for the marks to be seen as similar.

Rockwool filed a further appeal before the CFI. It argued against the Board of Appeal’s finding that the relevant public paid more attention to purchasing the goods and services associated with the conflicting marks, estimating that said public consisted of the average German consumer and professionals who specialised in the construction field. According to Rockwool, the goods in question were cheap materials aimed at the general public and not only at specialised persons, and the attention paid in such cases was minimal. The CFI, while confirming that the targeted public consisted of the average German consumer of construction materials, did not accept the appellant’s argument. It stressed that the kinds of goods in question are purchased not by unit but in large quantities and are not used on an everyday basis by the average consumer. The fact that these goods are not regularly purchased by consumers shows that the level of the attention paid by them is higher. The Court held, moreover, that consumers usually leave this task to professionals or seek the advice of a person whose knowledge in the field is greater than the average individual’s.

Rockwool argued that its trade mark ROCK had been registered as a national mark and thus it could not be considered to have a weak distinctive character with respect to the goods covered. The CFI, however, held that this did not prevent ROCK from not being distinctive for the covered goods.

Rockwool also argued that the color red had been associated with its visual identity (corporate identity) because it used the color permanently during its activities in the market. It pointed out that it was also the owner of other marks containing the word ROCK, namely TECTOROCK, BETOROCK, and ISOROCK, and claimed that consumers would believe that other marks containing the word ROCK originated from Rockwool. The Court rejected this argument on the ground that it had not been brought before OHIM but instead was raised for the first time before the CFI.

The CFI further confirmed OHIM’s conclusions regarding the meaning of the word “rock.” It noted that “stone” is a synonym for “rock” and that the two words are interchangeable, the latter being one of the basic English words, which both German professionals and average consumers would not have a problem understanding.

Comparing the marks ROCK and REDROCK, the CFI held that although there were similarities between them because of the common element, ROCK, the REDROCK mark had figurative elements while ROCK was only a word mark. It further held that the element ROCK could not be considered the dominant feature of REDROCK because the consumer would be attracted by the element RED at the beginning of the word. The CFI also stressed the aural dissimilarities between the marks under comparison, pointing out the difference in the number of syllables. It also mentioned that the common element, ROCK, was at the end of the word in the contested mark, which gave it less significance when pronounced in German.

In globally assessing the two marks and in taking into consideration the weak distinctive character of the earlier mark and the higher level of attention paid by the relevant public, the CFI concluded that the marks ROCK and REDROCK were sufficiently different in spite of the similarity of the covered goods. Consequently, it rejected Rockwool’s appeal.364

The German company Aldi Einkauf GmbH & Co. oHG (Aldi) applied for the registration as a CTM of the mark 4 OUT LIVING & Device, for goods in Classes 18, 25, and 28 (below, illustration at left).365

Goya Importaciones y Distribuciones, S.L. (Goya), a Spanish company, filed an opposition against the registration of the

mark. Goya argued that there was a likelihood of confusion with its prior-registered Spanish figurative mark LIVING & CO, covering goods and services in Classes 3, 14, 16, 18, 21, 25, 34, and 35 (below, illustration at right).

The OHIM Opposition Division accepted the opposition insofar as goods in Classes 18 and 25 were concerned and allowed the application only for goods in Class 28.

Aldi appealed, arguing that there was no likelihood of confusion between the marks. The Board of Appeal upheld the contested decision, and Aldi filed a further appeal before the CFI.

The Court agreed with the Board that goods in Classes 18 and 25 were mass-consumption goods, frequently purchased and used by Spanish consumers, who were the relevant public. It held that the degree of attention paid to these goods was no higher than the average, because the goods were not costly or rare, their acquisition and use did not require specific knowledge, and they did not have a serious impact on the health, budget, or life of Spanish consumers. As the goods concerned were identical or highly similar, even a low level of similarity between the marks was sufficient for the CFI to conclude that there was a risk of confusion.

The CFI further confirmed the conclusion of the Board of Appeal that the word LIVING was the dominant feature of the opposed mark, regardless of the fact that it was in a smaller font. It also held that as the element OUT was combined with the compass rose contained in the letter O and the element 4 appeared more in the background, those elements were less clearly perceptible.

On assessing the phonetic similarity of the two marks, the CFI held that the common element LIVING would be pronounced anyway by the Spanish consumers. It added that even if the other elements were also pronounced, they would not be sufficient to differentiate the marks from each other.

Regarding the conceptual comparison of the marks, the CFI found that they were similar. It stressed that the Spanish public would recognise all the elements and that the younger generation would even understand the English word LIVING. That word, the Court held, had a weak distinctive character for goods in Classes 18 and 25; however, it should be considered a distinctive feature in view of the importance of the visual element in the purchase of such goods, as consumers usually decide whether to buy them after a visual inspection.

Finally, the Court emphasised that the “weakness” factor should not be given more importance than the similarity between the marks. If it were, an earlier mark with weak distinctive character would be protected only on grounds of likelihood of confusion even if the later mark were a complete reproduction thereof.

Consequently, the CFI rejected Aldi’s appeal.\footnote{Case T-307/08 (CFI (2d Chamber), Oct. 20, 2009).}

\section*{III.F.1. Non-Use}

In June 1998, the Freiherren von Richthofen, the descendants of Manfred von Richthofen, the German fighter pilot known as the “Red Baron,” applied to register the CTM RED BARON in Classes 9, 16, 39, and 41. The mark was registered in September 2001.\footnote{CTM No. 000853119, filed June 16, 1998, registered Sept. 4, 2001.} On January 1, 2005, the Dutch corporation Davilex Games B.V. (Davilex) began using the mark on computer games; one year later, it entered into a license agreement with the Freiherren von Richthofen. OHIM subsequently recorded Davilex as the proprietor of the mark, although whether there was any effective assignment of the mark was challenged.

On February 26, 2007, Sierra Entertainment, Inc. (Sierra), a U.S. corporation, filed a request for a declaration of revocation against the CTM RED BARON on grounds of non-use. The relevant time period during which use was required to be shown was February 26, 2002, to February 25, 2007.

Sierra argued that the evidence of use by Davilex prior to the license agreement should not be taken into account, as it was not use by or on behalf of the proprietor. OHIM stated that although it usually infers that evidence of use submitted by a proprietor has been carried out with the other party’s consent, it could not do so in the present case, as Sierra disputed the issue. Therefore, the
burden of proof was on Davilex to show that the consent existed. OHIM held that it was clear that Davilex commenced its use of the mark RED BARON without the consent of the Freiherren von Richthofen. The license negotiations commenced only after Davilex was notified of the prior rights, and the fact that the use was allowed to continue did not imply consent. That Davilex was subsequently recorded as a licensee and later as the proprietor of the registration did not alter this conclusion. Therefore, the only use that could be taken into account was use during the period from the date of the license agreement, January 1, 2006, until February 25, 2007.

Davilex submitted evidence of orders for the computer game DER ROTE BARON (“The Red Baron”). OHIM held that use of the mark DER ROTE BARON could not be considered use of the mark RED BARON because the distinctiveness of the latter mark was altered. The expression DER ROTE BARON was unlikely to be understood by members of the relevant public to mean THE RED BARON, and even those who understood German would immediately perceive it as German, giving the mark a different visual impression and a clearly different phonetic pronunciation.

Davilex also submitted evidence of an order for 188 computer games bearing the mark RED BARON. No prices were included on the invoice, but OHIM referred to retail and wholesale prices set out in the other documentation. OHIM held that this was the only admissible instance of use and the order quantity was very low. When the nature of the goods as mass-market products was considered, the use amounted to merely token use, and as such this evidence was held to be insufficient to defend the revocation action.

OHIM held that sales of the computer game DER ROTE BARON were inadmissible and that the low quantity of sales of the computer game RED BARON in the context of that market was insufficient for the purposes of proving that there had been genuine use of the mark. Furthermore, any use of the mark made by Davilex when it was, in reality, an infringer could not be taken into account. Therefore, the registration was revoked on grounds of non-use.

Davilex has appealed OHIM’s decision.

This case is noteworthy as it highlights the level and type of use that are required to defeat a revocation action and affirms that use of a mark by an infringer is insufficient for the purposes of defeating such an action.

374. OHIM recorded Davilex as proprietor of the mark on Feb. 6, 2008.
375. Decision No. 2103C (OHIM Cancellation Division, Mar. 30, 2009).
CZECH REPUBLIC

I.D.1. Similarity of Marks

Vodafone Czech Republic, a.s., sought to register the color red (specifically, Pantone 485C) as a mark to cover mobile telecommunication services in Class 38. Telefónica O2 Czech Republic, a.s., filed an opposition with the Czech Industrial Property Office based on likelihood of confusion with its previously registered trademarks and earlier unregistered signs. Telefónica O2 Czech Republic based the opposition on the combined trademarks (illustrations below) registered for telecommunication services and similar services, and on unregistered signs consisting of the color red (Pantone 186 and 485).

The Industrial Property Office upheld the opposition on the ground that there was likelihood of confusion between the applied-for mark consisting of a red color (Pantone 485C) and the earlier combined national trademark BENEFIT.\footnote{Trademark No. 223341.} No likelihood of confusion was found with respect to the other opposing trademarks. Regarding the unregistered marks, the Industrial Property Office rejected the opposition on the ground that the opponent proved use of only the red color.

An Appeals Panel of the Industrial Property Office reversed the initial decision and rejected the opposition in its entirety. The Panel held that the Industrial Property Office incorrectly considered the color red to be the dominant element of the opposing trademark. The Appeals Panel explained that the average consumer, whose attention to the signs used for goods or services is limited, would not specifically notice the background
color and would instead remember only the word “Benefit” and the company logo of the opponent’s legal predecessor.\textsuperscript{378}

This trademark is the first national color trademark registered with the Czech Industrial Property Office. This decision shows the Office’s initial approach in cases of similarity involving figurative/combined trademarks and trademarks consisting of a single color.

K 33, s.r.o., applied to register the mark BATALION HARD ROCK CAFÉ (combined) in Classes 9, 14, 18, 21, 25, 41, and 43 (illustration below).

![Batalion Hard Rock Cafe logo](image)

Hard Rock Holdings Ltd. filed an opposition with the Czech Industrial Property Office, which was based on the likelihood of confusion with its chain of word and combined Community trademarks (CTMs)\textsuperscript{379} covering the same classes (illustrations below).

![Hard Rock logos](image)

The Industrial Property Office rejected the opposition in the first instance on the ground that there was no likelihood of confusion between the earlier trademarks and the applied-for mark.

This decision was upheld by the Appeals Panel of the Industrial Property Office, which held that the compared marks were not similar because of the dominant word element BATALION in K 33’s mark. According to the Appeals Panel, the words HARD ROCK CAFÉ were visually and aurally insignificant in the context of the entire mark, which prominently displayed the fantasy mark BATALION. The Appeals Panel concluded that consumers would associate the words HARD ROCK CAFÉ with a


cafe or place where rock music is played or, more generally, where services related to rock music are provided. Because the opponent did not have any restaurant in the Czech Republic at the time of the decision, it could not be presumed that a Czech consumer would associate the words HARD ROCK CAFÉ with the opponent and its trademarks. Therefore, the trademarks were found conceptually different from each other.  

Hard Rock Holdings Ltd. cited the decision of the European Court of Justice in *Canon v. MGM*, in which a likelihood of confusion was found even where the public perception was that the goods or services had different places of production. The Appellate Panel did not follow the reasoning of the European Court of Justice in that case.  

This decision demonstrates the very restrictive approach of the Czech Industrial Property Office in cases of similarity of marks where the earlier trademark is included in the applied-for mark.

**III.E.2. Damages**

Plaintiff Budějovický Budvar, národní podnik, filed an action for trademark infringement and unfair competition against Budějovický Měšťanský Pivovar, a.s., with the Regional Court in České Budějovice. For relief, the plaintiff sought an order prohibiting the use of the mark BUDWEISER BÜRGERBRÄU for beer and compensation of 1 million CZK for moral damages caused by the infringement.  
The plaintiff owned two Czech national trademark registrations for beer in Class 32: BUDWEISER (word) and BUDWEISER BUDVAR (combined). The defendant, on the other hand, used its mark BUDWEISER BÜRGERBRÄU for beer.  
The first instance court granted partial relief and ordered the defendant to pay damages of 100,000 CZK. The plaintiff appealed the first instance decision to the High Court of Prague, which ordered the defendant to pay damages of 350,000 CZK. The Supreme Court subsequently upheld the High Court’s decision, finding that the defendant’s mark infringed the plaintiff’s trademark and that the defendant violated provisions of unfair competition law. The court considered 350,000 CZK to be appropriate compensation because the defendant used the mark in

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382. Trademark No. 154251.  
383. Trademark No. 159506.
question on beer labels and other articles as the name of its own product. According to the Supreme Court, use of the dominant element of the plaintiff’s mark evoked a false impression that the product was a new product from the plaintiff and harmed the reputation of the plaintiff and its products.384

Claims for monetary compensation in cases involving trademark infringement are frequently rejected by Czech courts. The decision is an example of a successful claim that restates the general principles that the courts apply in these cases.

### III.F.6. Declaration of Invalidity

Czech national trademark NANUK385 was registered for goods in Classes 29 and 30.

Unilever ČR, spol. s r.o., the owner of the trademark NANUK, contested the decision of the Appeals Panel of the Industrial Property Office that had previously declared its trademark invalid for frozen ice creams and frozen cakes in Class 30.

The Appeals Panel of the Industrial Property Office invalidated the trademark NANUK for frozen ice creams and frozen cakes in Class 30 because, at the time of its registration in 1993, this mark merely described a particular type of product.

In its decision, the Appeals Panel relied, *inter alia*, on the results of a 1999 consumer survey that was conducted six years after registration of the trademark. Two-thirds of respondents in the survey viewed the word NANUK as a descriptive term for an ice cream ice pop. The word NANUK also had been used from 1950 to 1983 as name of an ice cream product, and the word was commonly used as a designation of this kind of product, as proven by dictionary entries and price lists from other producers.

The Court held that the Appellate Panel was correct in considering the consumer survey, even though it was conducted in 1999 and not at the time of registration of the trademark. The court stated that the public perception of the word NANUK at the time of registration was probably not significantly different from what it was in 1999, as the process of becoming generic is long-term.386 As a result, survey evidence may be used if assessed in relation to other evidence.

This decision is one of few available decisions of the Czech courts addressing the issue of use of consumer surveys as evidence in trademark matters.

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385. Trademark No. 172537.

DENMARK

I.D.2.b. Trade Dress and Packaging

The advantage of claiming violation of unfair competition as well as trademark legislation was seen clearly in Hasbro v. VN Legetøj A/S. Plaintiff Hasbro was the proprietor of the registered trademark TRANSFORMERS. The defendant, VN Legetøj, had used the word TRANSFORMAX as a mark for its own toy products. Furthermore, VN Legetøj had sold, under the name X-BOT TRANSFORMABLE, a product that was similar to one of Hasbro’s products, AUTOBOT, in packaging that was very similar to Hasbro’s packaging.

The Copenhagen Maritime and Commercial Court initially stated that when Hasbro launched TRANSFORMERS in 1984 the name was not a descriptive mark but, rather, a neologism, and that the brand had acquired distinctive character through use.387 The court held that the visual and aural similarity between the marks would lead to a risk of confusion, particularly because of imperfect recollection. Moreover, both labels were written with characteristic large and square capitals, and both contained an A, where the horizontal line was in the bottom rather than in the middle, and did not close the letter together. Therefore, the Court found that the defendant had violated Section 4(1) of the Danish Trademark Act, Article 9(1)(b) of the Community Trade Mark Regulation, and Sections 1 and 18 of the Marketing Practices Act.

Regarding AUTOBOT and X-BOT TRANSFORMABLE, the court found that Hasbro’s mark was distinctive but that there was no confusing similarity between the two marks. This was because the marks did not resemble each other visually or aurally and because the suffix BOT, which was derived from the word “robot,” was a common addition in relation to robots. Thus VN Legetøj’s use of the name X-BOT TRANSFORMABLE did not constitute a trademark violation. However, the packaging of the X-BOT TRANSFORMABLE—in particular, the colour selection and the application of a specific character—was reminiscent of the plaintiff’s product. From an overall assessment, the court found that VN Legetøj’s use of the packaging was in violation of Sections 1 and 18 of the Danish Marketing Practices Act.

Regarding compensation, the court held that while Hasbro had not documented a loss in sales, it had demonstrated that VN Legetøj’s products had, to some extent, resulted in a loss—this due to lost sales and market disruption. The products were partially substitutable, because adults, especially, might confuse the products and because VN Legetøj put the products on the market.

The court awarded compensation and damages for market disruption of DKK 100,000 and further awarded DKK 150,000 compensation for the defendant’s unjustified profit. The total amount that VN Lejetøj owed to Hasbro for the violations, therefore, was DKK 250,000 (approximately US $50,000). In addition, the defendant was ordered to pay DKK 35,000 to cover the expenses of legal counsel, DKK 6,300 to cover court fees, DKK 15,000 to cover the expenses of the legal survey, and another DKK 4,919 to cover outlays.

III.A.5. Domain Names

The boundaries concerning the private use of another’s trademark as a domain name were at issue in *Chivas Brothers Ltd v. [A]*. Chivas, an English company that produces and sells Scotch under the trademarks CHIVAS REGAL and CHIVAS, had marketed its whiskey under the above-mentioned trademarks since the beginning of the 1800s. REGAL CHIVAS/CHIVAS was, according to Chivas, the name of the world’s most prestigious brand in blended Scotch. The respondent registered the domain name chivas.dk in 2002 and stated that he had used the particular name because his personal favourite scotch was CHIVAS. The name was used for a personal website having nothing to do with the complainant (except the name), and there was no commercial use of the domain name.

The DIFO Complaints Board for Domain Names held that the complainant’s trademark CHIVAS was considered a well-known mark in Denmark. Chivas was therefore entitled to enjoin any form of use of the mark that conflicts with current Danish law, including the Trademark Act and the Domain Act.

The Board then noted that a purely private use of someone else’s trademark would generally be allowed, as long as the use served a creditable purpose and the limits concerning the freedom of speech were respected. However, although the respondent did not make commercial use of the domain name, the registration and use still created problems for Chivas in that the respondent’s registration prevented the complainant from registering a domain name under the top level domain .dk and the domain name was likely to cause confusion and uncertainty among Internet users. In the Board’s opinion, there was a general expectation that the domain name belonged to Chivas. Accordingly, the Board held that the respondent had not acted in accordance with proper domain name practice, in contravention of Section 12(1) of the Danish
Domain Act, and ordered the transfer of the domain name to the complainant.388

III.A.5.b. Typosquatting

In Denmark, it is possible to get compensation for common typosquatting. Plaintiff Jubii A/S is the owner of the trademark JUBII and of the domain name www.jubii.dk, used for a web portal. Defendant Webdoxa had set up a website on www.jubii.dk (no “dot” after www) that included advertisements for a dating site.

The Copenhagen Maritime and Commercial Court found, first, that Webdoxa’s use of the domain name was for commercial purposes and, second, that the domain name had been registered with knowledge of Jubii’s trademark and domain name.389 The Court held that Webdoxa’s “wwwjubii” was confusingly similar to Jubii’s already-registered trademark and domain name, and that there was a partial overlap between the services offered by the parties. Accordingly, the court ordered the cancellation of Webdoxa’s domain name. Furthermore, the Court concluded that although Jubii had not submitted evidence of any loss, Jubii was still entitled to a compensation for the wrongful use of its trademark. The compensation amounted to DKK 30,000 and DKK 21,740 in attorney’s fees (approximately US $10,000 in total).

III.A.8. Parallel Imports/Gray Marketing

In order to claim damages for illegal co-branding, trademark owners must not delay in bringing an action. From 1996 to 2000, the defendant, Orifarm, marketed in Denmark pharmaceutical products from the plaintiff, Sanofi-aventis; Orifarm had imported these products from another European Union member state, which was legal parallel importation. However, Orifarm also repackaged the pharmaceuticals and co-branded them, that is, added the ORIFARM brand and logo. Sanofi-aventis did not object to the repackaging but objected to the co-branding.

The Copenhagen Maritime and Commercial Court agreed, and enjoined Orifarm from co-branding, in that the placement of the ORIFARM mark was dominant, the addition of a logo unnecessary, and the co-branding was to the detriment of the plaintiff’s trademark. Further, the court awarded Sanofi-aventis DKK 1.5 million (approximately US $300,000) in damages. Orifarm appealed.

The Danish Supreme Court upheld the injunction but held that Sanofi-aventis had reacted so late on Orifarm’s timely notification to it of the pending marketing of the co-branded products that Sanofi-aventis had forfeited its right to demand damages in respect of the marketing prior to demanding that Orifarm cease the co-branding.390

ECUADOR

I.C. Distinctiveness

As a general rule, under Decision 486 of the Andean Community Commission, which contains the common regime on intellectual property for the Andean Community countries (in force and effect in Ecuador, Peru, Colombia, and Bolivia), a color without a defined shape may not be registered as a mark. Notwithstanding the foregoing, as an exception to this rule a color without a defined shape may be registered as a trademark when it has acquired secondary meaning.

Consorcio Ecuatoriano de Telecomunicaciones S.A. (CONECEL), an América Móvil391 entity, sought registration in Ecuador of the color red, to identify certain telecommunication services in Class 38.392

The broad and consistent use of the color red by CONECEL in order to identify certain telecommunication services in Ecuador was evidenced within the registration proceedings. Red was shown to have acquired a secondary meaning in relation to the services for which it was being used. It was further determined that the consumers and even the competition used the red color to identify the services provided by CONECEL in Ecuador, without the need for any further reference.

Consequently, the Ecuadorian Institute of Intellectual Property granted,393 for the first time, the registration of a color without a defined shape: in favor of CONECEL, the Institute registered the color red (Pantone 186C), to protect “mobile and advanced mobile telecommunication services” in Class 38, based on sufficient evidence that the color had acquired sufficient secondary meaning to protect such services.

391. América Móvil, a holding company, is the fourth largest mobile network operator.
**I.F. Famous and Well-Known Marks**

Almacenes Exito S.A., a Colombian company, brought a cancellation action\(^{394}\) for notoriety before the Intellectual Property Committee against the trademark SUPER EXITO,\(^{395}\) registered in the name of Mr. Jose Antonio Izquierdo Puggliezze and protecting goods in Class 25. The plaintiff argued that it had exclusive rights in the mark EXITO, which was registered in Ecuador in Class 42 (covering the sale of all kinds of goods) and as a trade name and registered in Colombia in all classes and which had been in use for over 50 years. Almacenes Exito further argued that the IP Office had granted the trademark registration for SUPER EXITO in the name of Mr. Izquierdo without having done an analysis of the notorious quality of the plaintiff’s mark, thus violating the Ecuadorian Intellectual Property Law\(^{396}\) and Andean Community Decision 486.

A cancellation action for notoriety may be brought if notoriety existed in any member country of the Paris Convention or the Andean Community at the time the challenged Ecuadorian mark was filed and if the notoriety is continuing at the time the action is brought.

In answering the action, Mr. Izquierdo submitted a large amount of use evidence to prove that his trademark was notorious and recognized in Ecuador. Almacenes Exito alleged that the submitted evidence would have been useful had the cancellation action been for lack of use, which it was not in this particular case. Almacenes Exito stated that the evidence provided by Mr.


\(^{395}\) Registration No. 12171, granted July 17, 2005.

Izquierdo was useful for showing his benefit from copying a notorious mark like EXITO and that it demonstrates that Mr. Izquierdo acted in bad faith when registering the mark SUPER EXITO.

The Intellectual Property Committee issued a resolution cancelling the mark registered in Mr. Izquierdo’s name, holding that at the time the challenged mark was applied for (January 6, 2000), the plaintiff’s mark was already notorious. The IP Committee also stated that it was not easy to believe that Mr. Izquierdo, being a business man, had no knowledge of the existence of the mark EXITO.397

This case is important because it recognized the notoriety of a mark based on evidence from a third country and because despite the extensive evidence of use provided by the defendant, the defendant’s rights were not recognized by the Intellectual Property Committee.

EL SALVADOR

I.B.1. Generic

The Salvadoran company Molinos de El Salvador, S.A. de C.V., filed a trademark application for WAFER RICH MOLSA & Design, to protect goods in Class 30. Pozuelo, S.A., a Guatemalan company, opposed the application on the ground that the mark applied for was generic. The Intellectual Property Department denied the opposition.

On appeal, the National Bureau of Registries confirmed the denial of the opposition.398

I.D.1. Similarity of Marks

Bancolombia (previously Banco Agricola S.A.) applied for the registration of the mark PRIVILEGIO PLATINUM BA & Design, for services in Class 36. Citibank N.A. (previously Banco Cuscatlan, S.A.) filed an opposition based on the similarity of the mark PRIVILEGIO PLATINUM BA and its trademark PRIVILEGIOS CUSCATLAN Y TARJETA PLATINUM. The opposition was denied by the Intellectual Property Department, which held that the marks were not similar.

Citibank appealed, but the National Bureau of Registries upheld the Department’s decision.399

Unilever N.V. sought to register the mark CLOSE UP TRIPLE & Design, to cover goods in Class 3. Colgate Palmolive Company filed opposition, claiming that the applicant’s mark was similar to the opponent’s registered trademark COLGATE TRIPLE ACTION. The Intellectual Property Department denied the opposition, holding that there was no similarity between the marks at issue.

On appeal by Colgate Palmolive, the National Bureau of Registries confirmed the Department’s denial of the opposition. The Bureau held that there was no similarity between the marks CLOSE UP TRIPLE and COLGATE TRIPLE ACTION.400

A Salvadoran individual applied for the registration of the mark PINTO & Bull Design, to protect goods in Class 33. Red Bull GmbH opposed the application, arguing that the mark was similar to its trademark RED BULL & Design.

The Intellectual Property Department denied the opposition, holding that there was no similarity between the marks in question. The National Bureau of Registries, on appeal, confirmed the denial.401

ESTONIA

I.B.2. Merely Descriptive

Plus Supermercados, S.A. sought registration of the trademark SUISS. The Estonian Patent Office refused the registration, declaring that the word SUISS was not considerably altered from the French word SUISSE,402 thus the trademark SUISS would designate the geographical origin of the goods and would be devoid of any distinctive character. Furthermore, the Office found that the trademark might deceive the consumer as to the geographical origin of the goods, as the applicant was Spanish. Plus Supermercados, S.A. contested the Patent Office decision before the Board of Appeal of Industrial Property.

The Board of Appeal reversed the decision of the Patent Office,403 and the trademark registration was approved.404 In the Board’s opinion, consumers would not associate the word SUISS with the country name “Suisse” and even smaller was the

404. IR No. 712220.
likelihood that the word SUISSE would be associated with the English word “Swiss.” The distinctive character of a mark must be assessed in relation to the class of goods or services applied for. As the applied-for registration was for Class 32, the word SUISS might be associated with the fizzling sound heard when opening packages or bottles.

The Board also found that even if the word SUISS did designate geographical origin, it would be incorrect to deem the trademark misleading because the Spanish company might produce its goods in Switzerland. The Patent Office did not take into consideration the fact that the trademark is freely transferable property. Therefore, even if the applicant were Swiss, the trademark could easily be transferred, for example, to a Spanish company.

This case is important because of its flexible interpretation of a misleading trademark, that is, a trademark that indicates a different origin from that of the applicant.

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

The Estonian Patent Office refused to register the three-dimensional (3D) trademark ICE-CREAM CAKE, finding that the applied-for trademark was devoid of any distinctive character and could not function as a trademark. The Office explained that the shape of ice-cream cake is too common to be capable of distinguishing one party’s goods from another (see illustration below).

The applicant, UNILEVER N.V., contested the decision of the Patent Office before the Board of Appeal of Industrial Property, and the Board partly satisfied the appeal.

The Board annulled the decision of the Office and allowed the trademark’s registration for the goods “cooling ice, edible ice

405. Class 32 covers, among other goods, beers; mineral and aerated waters and other non-alcoholic drinks; fruit beverages and fruit juices; syrups and other preparations for making beverages.


powder for use in icing machines, fruit ices” included in Class 30.\textsuperscript{408} The Board found that the Patent Office had not given good reasons for refusing the mark in relation to these goods.

The Board agreed that the trademark ICE-CREAM CAKE could not be registered in reference to ice-cream cakes. Consumers would not identify the source of origin simply by the pattern on the ice cream cake. The details used for ice-cream cakes are common and are not sufficient to confer distinctive capability on the 3D mark sought for registration. It may in practice be more difficult to establish distinctiveness in relation to the shape of a product mark than a word or figurative mark. To be registrable, the actual shape of the product has to differ remarkably from all the other shapes of goods that are available on the market.

In the Board’s opinion, the fact that the appellant had an earlier registration for a similar 3D trademark\textsuperscript{409} was not important because it was not identical to the applied-for mark.

The decision facilitates the formation of guidelines that relate to the registration of 3D trademarks.

**EUROPEAN COURT OF JUSTICE**

**I.C. Distinctiveness**

The U.K. company Imagination Technologies Ltd. (Imagination) applied for the registration as a Community trade mark (CTM) of the words PURE DIGITAL, to cover goods and services in Classes 9 and 38.\textsuperscript{410} The examiner rejected the application in its entirety on the ground that the proposed mark lacked distinctiveness because it was a simple expression that referred to products and services using digital technology.\textsuperscript{411}

Imagination appealed.\textsuperscript{412} It argued that PURE DIGITAL, taken as a whole, did not describe the goods and services to be covered and that the mark had acquired distinctiveness in the European Community. The appellant also offered a disclaimer for the word DIGITAL. The OHIM Board of Appeal, however, rejected the appeal and confirmed the examiner’s decision.\textsuperscript{413} In response, Imagination applied for the annulment of the Board’s decision.\textsuperscript{414}

\textsuperscript{408} IR No. 828535.
\textsuperscript{409} Trademark No. 30054.
\textsuperscript{410} CTM Application No. 002396075, filed Oct. 1, 2001.
\textsuperscript{411} OHIM Examiner, decision of Dec. 12, 2003.
\textsuperscript{413} Case R108/2004-2 (OHIM Second Board of Appeal, Sept. 16, 2004).
The Court of First Instance (CFI) upheld the contested decision.\footnote{Case T-461/04 (CFI, Sept. 20, 2007).} It took the position that distinctive character must be acquired through use before the date of application for registration. Imagination thereupon filed a further appeal before the European Court of Justice (ECJ), arguing that the CFI had erred on that point.\footnote{Appeal before ECJ, Case C-542/07 P, filed Nov. 30, 2007.}


1. The following shall not be registered:
   \begin{itemize}
   \item[(b)] trade marks which are devoid of any distinctive character;
   \item[(c)] trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service, or other characteristics of the goods or service;
   \item[(d)] trade marks which consist exclusively of signs or indications which have become customary in the current language or in the bona fide and established practices of the trade.
   \end{itemize}

3. Paragraph 1(b), (c) and (d) shall not apply if the trade mark has become distinctive in relation to the goods or services for which registration is requested in consequence of the use which has been made of it.
relative ground for refusal against a second mark whose filing date is after that of the first mark. That situation would, it stressed, be particularly unacceptable when the second mark has already acquired distinctive character at the time of filing without the first mark’s having yet acquired it through use. As a result, the ECJ rejected Imagination’s appeal.418

I.E. Bad Faith

Chocoladefabriken Lindt & Sprüngli AG (Lindt), the Swiss chocolatier, has been producing its chocolate Easter bunnies since the early 1950s and marketing them in Austria since 1994. In June 2000, Lindt obtained a CTM registration for a three-dimensional chocolate bunny wrapped in gold-coloured foil, with red and brown markings, wearing a red ribbon and a bell, with the words LINDT GOLDHASE on the side (below, illustration at left). The mark covered chocolate and chocolate products in Class 30.419

Franz Hauswirth GmbH (Hauswirth), an Austrian firm, has been producing and marketing its own chocolate Easter bunnies since 1962. Hauswirth’s bunnies also are decorated with a ribbon; they have no bell and bear no identifying name, but there is a label affixed to the underside (below, illustration at right).

Following registration of its CTM, Lindt commenced proceedings against Hauswirth for trade mark infringement, alleging a likelihood of confusion. Hauswirth counterclaimed that Lindt’s application for its CTM was made in bad faith and that the


419. CTM No. 001698885 (LINDT GOLDHASE), registered June 8, 2000.
registration resulting from that application should accordingly be declared invalid.

The Vienna Commercial Court (Handelsgericht Wien) dismissed Lindt’s claim and upheld Hauswirth’s counterclaim. On appeal by Lindt, the Vienna Higher Regional Court (Oberlandesgericht Wien) quashed the previous judgment and disposed of the counterclaim, but it did not uphold Lindt’s main claim.

Both parties appealed to the Austrian Supreme Court (Oberster Gerichtshof), which found that

1. There was a likelihood of confusion between Hauswirth’s chocolate bunny and the bunny depicted in Lindt’s CTM;
2. Since the 1930s, other Community-based manufacturers had been producing bunnies similar to Lindt’s, at least some of which Lindt was aware of before it applied to register its CTM;
3. Prior to Lindt’s application, those third-party manufacturers had acquired “valuable rights” to protect their products, despite lack of registration, under Austrian competition law and German trade mark law; and
4. Before the registration of its CTM, Lindt had initiated proceedings only against manufacturers of identical products, but since registration it had begun launching proceedings against manufacturers that, to its knowledge, were manufacturing products confusingly similar to that depicted in its CTM.

The Austrian Supreme Court referred three questions to the ECJ concerning the meaning of bad faith under the CTMR. The first was whether a CTM applicant would be deemed to be acting in bad faith if it knew at the time of the application that a competitor in (at least) one Member State of the European Union (EU) was using the same or a confusingly similar mark for the same or similar goods and services and it made that CTM application in order to prevent the competitor from continuing to use its mark. If that question were answered in the negative, the second question would be whether bad faith could be established if the applicant applied for the CTM in the knowledge that the competitor had already acquired a “valuable right” in the applicant’s mark. The third question, if either the first or the second were answered in the affirmative, would be whether bad faith could be excluded on the basis that the applicant’s mark had also already acquired a reputation and was therefore protected under competition law.

The ECJ held that the relevant time for determining bad faith is the time of filing of the application and that the applicant’s intention at that time is a subjective factor that must be
determined by reference to the objective circumstances of the case. \(^{420}\) It answered the referred questions very broadly, stating that it was for the national courts to make an overall assessment taking into account all the relevant factors specific to the case, in particular, (1) the applicant’s knowledge that a third party had been using an identical or confusingly similar mark for an identical or similar product (which in itself would not be sufficient); (2) the applicant’s intention to prevent that third party from continuing to use such a mark; and (3) the degree of legal protection enjoyed by the third party’s mark and the mark for which registration was sought. The ECJ also stated that the nature of the mark applied for may be relevant and that where it consists of the entire shape and presentation of a product, bad faith may more readily be established.

This marks the first time that the ECJ was asked to rule on the meaning of bad faith in the CTMR or the EC Trade Marks Directive. \(^{421}\) The flexible approach taken by the Court of Justice confirms that the concept of bad faith is not limited to circumstances in which the applicant has no intention of using the mark. It will allow the national courts to consider each case according to its particular facts when deciding whether a party applied for a CTM in bad faith.

**I.G.2. Licensing**

Christian Dior Couture SA (Dior) granted Société Industrielle Lingerie (SIL) a trade mark licence that allowed SIL to sell its “luxury corsetry goods” under the CHRISTIAN DIOR mark provided it not do so outside a selective distribution network, and in particular not to a discount store business. SIL was facing economic difficulties and asked for permission to sell its goods outside the selective distribution network. Dior refused, but SIL sold them to a discount store business (Copad SA) anyway, in breach of its trade mark licence agreement with Dior. Dior then sued SIL and Copad for trade mark infringement.

The Court of First Instance of Bobigny dismissed Dior’s claim, holding that SIL’s contravention of the licence agreement gave rise to contractual liability rather than trade mark infringement. The Court of Appeal of Paris dismissed Dior’s appeal on the basis that compliance with the provision in the licence agreement governing


distribution did not fall within the scope of the national trade mark law provisions transposing Article 8(2) of the Trade Marks Directive.422 However, the appellate court also ruled that selling to discount stores did not give rise to exhaustion of Dior’s rights under national provisions transposing Article 7(1) of the Directive.423

Copad and Dior appealed to the French Supreme Court (Cour de cassation), which stayed the proceedings and referred three questions to the ECJ: first, whether Article 8(2) should be interpreted to mean that a trade mark owner can invoke its rights against a licensee acting in breach of its licence agreement and prohibit, on grounds of the trade mark’s prestige, sale to discount stores; second, whether Article 7(1) should be interpreted to mean that a licensee who puts goods on the market in the European Economic Area (EEA) in contravention of such a provision would be deemed to be acting without the consent of the trade mark owner; and if not, third, whether the owner could invoke the relevant provision in the licence agreement to oppose further commercialization of the goods on the basis of Article 7(2) of the Directive.424

The ECJ ruled that Article 8(2) does allow a trade mark owner to invoke its rights against a licensee selling to discount stores in breach of the licence, provided the activities of the licensee were established as damaging the “allure and prestigious image which bestows on those goods an aura of luxury.”

Further, the ECJ held that only a trade mark licensee’s contravention of one of the provisions exhaustively listed in Article 8(2) precluded the exhaustion of the trade mark owner’s rights, and although a trade mark licence did not amount to an absolute and unconditional consent of the trade mark owner, as a general rule a licensee placing on the market goods bearing a trade mark would be considered to be doing so with the consent of the trade mark owner for the purposes of Article 7(1).425

422. Article 8(2) provides: “The proprietor of a trade mark may invoke the rights conferred by that trade mark against a licensee who contravenes any provision in his licensing contract with regard to its duration, the form covered by the registration in which the trade mark may be used, the scope of the goods or services for which the licence is granted, the territory in which the trade mark may be affixed, or the quality of the goods manufactured or of the services provided by the licensee.”

423. Article 7(1) provides: “The trade mark shall not entitle the proprietor to prohibit its use in relation to goods which have been put on the market in the Community under that trade mark by the proprietor or with his consent.”

424. Article 7(2) provides: “Paragraph 1 shall not apply where there exist legitimate reasons for the proprietor to oppose further commercialization of the goods, especially where the condition of the goods is changed or impaired after they have been put on the market.”

A trade mark owner would, however, be able to rely on a licence provision prohibiting sales to discount stores to oppose the resale of goods, on the proviso that—taking into account the particular circumstances of the case—such resale would damage the reputation of the trade mark.

The fact that, under both contract and trade mark law, a licensee’s breach of a licensing agreement can give rise to liability where there is damage to the allure and prestige of a trade mark makes this a positive ruling for trade mark owners. Interpretation of the terms “allure,” “prestige,” and “aura of luxury,” however, may prove a challenge for the courts.

III.A.1.b. Tarnishment

The L’Oréal Group (L’Oréal) is the owner of U.K., Community, and international trade mark registrations for the word marks TRÉSOR, MIRACLE, ANAÏS ANAÏS, and NOA NOA and figurative marks depicting the containers and/or packaging of those brands, all registered in Class 3 for perfumes (see examples below).

Bellure NV manufactured, marketed, and distributed imitations of fine fragrances, including those of L’Oréal, with similar bottle and packaging designs. Bellure provided retailers with comparison lists indicating the names of the fine fragrances imitated by its products. L’Oréal initiated trade mark infringement proceedings against Bellure in the High Court of
England and Wales in relation to the look-alike packaging and the use of its trade marks on the comparison lists.

L’Oréal’s trade mark infringement claim was granted in part. Both parties appealed the decision.

The Court of Appeal of England and Wales referred five questions to the ECJ, seeking guidance on the interpretation of Article 5(1)(a) of the Trade Marks Directive426 in relation to certain instances of comparative advertising (comparison lists) and the interpretation of the concept of “unfair advantage” under Article 5(2) of the Directive,427 as well as clarification as to the requirements of certain conditions for permitted comparative advertising under the Comparative Advertising Directive.428

The ECJ clarified that the concept of “unfair advantage” of the distinctive character or repute of the earlier trade mark with a reputation relates to the advantage taken by the third party as a result of the use of the later mark (sometimes called “free-riding” or parasitism) and covers cases where, by reason of a transfer of the image of the mark or the characteristics that it projects on the goods or services identified by the later mark, there is clear exploitation on the coattails of the mark with a reputation. It concluded that where a third party attempts, through use of a similar mark, to ride on the coattails of a reputed mark in order to benefit from its power of attraction, reputation, and prestige and to exploit the marketing effort expended by the proprietor, without paying any financial compensation, the resulting advantage must be considered to be unfair. A global assessment should be adopted when assessing unfair advantage, with the national court taking all relevant factors into account.

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426. Article 5(1) provides:

The registered trade mark shall confer on the proprietor exclusive rights therein. The proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade:

a. any sign which is identical with the trade mark in relation to goods or services which are identical with those for which the trade mark is registered;

b. any sign where, because of its identity with, or similarity to, the trade mark and the identity or similarity of the goods or services covered by the trade mark and the sign, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association between the sign and the trade mark.

427. Article 5(2) provides: “Any Member State may also provide that the proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade any sign which is identical with, or similar to, the trade mark in relation to goods or services which are not similar to those for which the trade mark is registered, where the latter has a reputation in the Member State and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark.”

The Court noted that previous case law had established that a lawful comparative advertisement (of which comparison lists were an example) would not constitute trade mark infringement. The use in comparison lists was, the Court found, not for purely descriptive purposes but for the purposes of advertising. It could, therefore, amount to infringement if the conditions of Article 3a(1) of the Comparative Advertising Directive that permit comparative advertising were not satisfied and if such use were liable to affect a function of the mark (including the essential function of indicating trade origin or the communication, investment, and/or advertising function).

The ECJ held that the use made of the comparison lists did not meet the criteria set out in Article 3a(1)(h). It was clear that this provision does not require the goods to be counterfeit or the advertisement to be misleading. The advantage gained by an advertiser as a result of such unlawful comparative advertising must be an unfair advantage taken of the reputation of that mark within the meaning of Article 3a(1)(g).

This ruling represents a significant shift in ECJ case law. In what is a positive judgment for owners of trade marks with a reputation, the ECJ

1. Clarified the concept of “unfair advantage” and distinguished it from the concept of “detriment,” which itself received a blow in the ECJ’s recent Intel decision;

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429. Article 3a(1) provides:

Comparative advertising shall, as far as the comparison is concerned, be permitted when the following conditions are met:

(a) it is not misleading according to Articles 2(2), 3 and 7(1);
(b) it compares goods or services meeting the same needs or intended for the same purpose;
(c) it objectively compares one or more material, relevant, verifiable and representative features of those goods and services, which may include price;
(d) it does not create confusion in the market place between the advertiser and a competitor or between the advertiser’s trade marks, trade names, other distinguishing marks, goods or services and those of a competitor;
(e) it does not discredit or denigrate the trade marks, trade names, other distinguishing marks, goods, services, activities, or circumstances of a competitor;
(f) for products with designation of origin, it relates in each case to products with the same designation;
(g) it does not take unfair advantage of the reputation of a trade mark, trade name or other distinguishing marks of a competitor or of the designation of origin of competing products;
(h) it does not present goods or services as imitations or replicas of goods or services bearing a protected trade mark or trade name.

2. Expressly recognised, for the first time, that trade mark protection extends to trade mark functions other than the “guarantee of origin” function—namely, the functions of communication, investment, and advertising; and

3. Potentially opened the door to “unfair competition”-type arguments for marks with a reputation across Europe.

The case will now go back to the Court of Appeal for consideration of whether the use of the marks in the comparative lists affects or is liable to affect any of the trade mark’s functions under Article 5(1)(a) of the Trade Marks Directive or takes unfair advantage of the mark under Article 5(2) based on a global assessment of the circumstances of the case.

**III.A.1. Dilution**

PAGO International GmbH (PAGO), an Austrian company, owns a CTM registration for the figurative mark PAGO, depicting a small green glass bottle with a distinctive label and a yellow cap and covering “fruit drinks and fruit juices; syrups and other preparations for making beverages” in Class 32 (see below).431

PAGO brought a trade mark infringement action, relying, *inter alia*, on its CTM, against a competitor, Tirolmilch registrierte Genossenschaft mbH (Tirolmilch), that had started using similar small bottles for dairy beverages. In the course of the proceedings, PAGO proved that its mark enjoyed a reputation in Austria, but it submitted little or no evidence in respect of the mark’s reputation in other EU Member States.

At first instance, the Vienna Commercial Court granted PAGO’s application to prohibit Tirolmilch from carrying out the activities complained of, but this decision was reversed on appeal by the Vienna Higher Regional Court.

On further appeal by PAGO, the Austrian Supreme Court acknowledged that the CTM in question was known in Austria but “not necessarily” in other EU Member States. The Court took the view that there was no likelihood of confusion between the bottles used by the parties. It then referred two questions to the ECJ: (1) whether a reputation in one Member State (specifically, Austria) was sufficient for the purposes of Article 9(1)(c) of the CTMR\(^{432}\) to give rise to pan-European dilution protection, and if not, (2) whether the proven reputation in just one Member State would at least give rise to dilution protection in that Member State.

The ECJ ruled that a CTM with a reputation in just one Member State can be regarded as having a reputation in the European Community. A CTM should, the Court held, be considered to enjoy a reputation if it is known by a significant section of the public concerned (which may, but will not always, be the general public) in a “substantial part” of the Community. The Court also held that a single Member State could constitute a substantial part of the Community, and it expressly recognised that, on the facts before the national court in the PAGO case, Austria—a country with just 1.66 percent of the EU’s population—could be a substantial part of the Community.\(^{433}\)

In so ruling, the ECJ applied by analogy its earlier judgment in *General Motors Corporation*\(^{434}\) that in order to enjoy protection extending to dissimilar products or services, a registered trade mark must be known by a significant part of the public concerned by the goods or services that it covers. The Court also held that a

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\(^{432}\) Article 9(1) provides:

A Community trade mark shall confer on the proprietor exclusive rights therein. The proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade:

(a) any sign which is identical with the Community trade mark in relation to goods or services which are identical to those for which the Community trade mark is registered;

(b) any sign where, because of its identity with or similarity to the Community trade mark and the identity or similarity of the goods or services covered by the Community trade mark and the sign, there exists a likelihood of confusion on the part of the public; the likelihood of confusion includes the likelihood of association between the sign and the trade mark;

(c) any sign which is identical with or similar to the Community trade mark in relation to goods or services which are not similar to those for which the Community trade mark is registered, where the latter has a reputation in the Community and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the Community trade mark.


national trade mark could not be required to have a reputation “throughout” the territory of the relevant Member State; rather, it was sufficient for the mark to exist in a “substantial part” of that Member State. Thus, in the General Motors case, where the mark at issue was a Benelux trade mark, the ECJ held that a “substantial part” of the Benelux might consist of a part of one of the countries comprising the territory (Belgium, Netherlands, and Luxembourg). In the PAGO case, the ECJ extended the General Motors reasoning to the Community as a whole.

With this judgment, the ECJ affirmed that the practice adopted by OHIM and the national courts in many of the EU Member States (whereby a reputation in a single Member State is sufficient to constitute a reputation “in the Community”) is correct. The judgment is an important milestone in European trade mark law, ensuring that the CTM remains the truly viable alternative to national registrations that it was intended to be.

It will be interesting to see if national courts now feel compelled to issue pan-European injunctions in successful dilution infringement cases even where a CTM owner has not proven that the reputation of its mark expands beyond a particular Member State. Alternatively, national courts may still consider themselves as being entitled to limit injunctive relief to the Member State(s) in question.

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

Google operates a sponsored advertising system, for which keywords—which it describes as “AdWords”—may be purchased. If a user of Google’s search engine enters a search term that includes an AdWord, this can trigger the display of a paid-for advertisement alongside the so-called natural results of the search engine. The advertisements typically consist of a short commercial message and a link to the advertiser’s chosen website.

In three cases involving Google France, the fact pattern was substantially the same: the proprietors objected to Google’s “use” of their registered French trade marks through the sale of those marks as keywords.435 Google had been found liable for trade mark infringement at first instance,436 and each decision had been upheld on appeal. On further appeal by Google to the Cour de cassation (Supreme Court), separate references were made to the ECJ requesting its interpretation of the Trade Marks Directive,

435. In one case, Louis Vuitton Malletier also objected to the fact that the keywords triggered sponsored advertisements for sites offering counterfeit versions of its products.

436. In the case involving the marks BOURSE DES VOLS, BOURSE DES VOYAGES, and BDV, Google was found to be an accessory to trade mark infringement.
the CTMR, and the Information Society Services Directive\textsuperscript{437} ("E-Commerce Directive"). Given their overlapping subject matter, the cases were joined at the EU level.

The questions can be summarised as follows:

1. Does the reservation by an economic operator, by means of an agreement on paid Internet referencing, of a keyword triggering, in the case of a request using that word, the display of a link proposing connection to a site operated by that operator in order to offer for sale goods or services, and reproducing or imitating a trade mark registered by a third party in order to designate identical or similar goods, without the authorisation of the proprietor of that trade mark, constitute in itself an infringement of the exclusive right guaranteed to the latter by Article 5 of the Trade Marks Directive?

2. Must Article 5(1)(a) and (b) of the Trade Marks Directive and Article 9(1)(a) and (b) of the CTMR be interpreted as meaning that a provider of a paid referencing service who makes available to advertisers keywords reproducing or imitating registered trade marks and arranges by the referencing agreement to create and favourably display, on the basis of those keywords, advertising links to sites offering infringing goods is using those trade marks in a manner that their proprietor is entitled to prevent?

3. In the event that the trade marks have a reputation, may the proprietor oppose such use under Article 5(2) of the Trade Marks Directive and Article 9(1)(c) of the CTMR?

4. In the event that such use does not constitute a use that may be prevented by the trade mark proprietor under the Trade Marks Directive or the CTMR, may the provider of the paid referencing service be regarded as providing an information society service consisting in the storage of information provided by the recipient of the service, within the meaning of Article 14 of the E-Commerce Directive, so that that provider cannot incur liability until it has been notified by the trade mark proprietor of the unlawful use of the sign by the advertiser?

In his Opinion, the Advocate General (AG) considered that the central question referred was whether Google, by using trigger words corresponding to trade marks in its AdWords advertising system, was guilty of trade mark infringement. The uses at issue were (1) when Google allowed advertisers to purchase keywords

containing registered trade marks and (2) when Google displayed the ads alongside the natural search results.

The AG concluded that neither use constituted trade mark infringement and thus neither use could be prevented by the proprietors, even in relation to marks with a reputation. With respect to the first type of use, although Google did use the marks in the course of trade and such use was not consented to by the proprietors, allowing advertisers to purchase keywords containing registered trade marks was not use in relation to goods or services identical or similar to those covered by the registrations, and consequently there was no risk of confusion, nor of the essential function of the trade mark being affected. With respect to the second type of use, the AG concluded that while displaying the advertisement established a link between the relevant keyword and the advertisement itself, such a link was not sufficient to lead to either the risk of confusion or damage to the essential function of the mark. To the extent that there might be a risk of confusion, the AG thought it lay in either the advertisement or the ultimate offering itself, neither of which the ECJ was asked to consider.

Further, the AG rejected extending EU trade mark law to include the notion of “contributory infringement.” This doctrine was at issue in the U.S. Sony case, where attempts were made to prohibit the manufacture and sale of videotape recorders on the basis that they could be used to infringe copyright.

The AG recognized, however, that Google might still be liable under national law for contributing to trade mark infringement, such as where Google offered AdWords relating to counterfeit goods or services.

Finally, the AG concluded that the liability exemption for hosting in the E-Commerce Directive, while applying to the search engine, should not apply to the content featured in AdWords because Google’s direct interest took it beyond mere hosting.

It remains to be seen whether this approach will be adopted by the Court of Justice, or whether the ECJ will align itself with the French courts, which have been notorious for favoring the rights holder. If the ECJ does agree with the AG, trademark owners will have to consider tackling website operators directly, although they may take some comfort from the exclusion of the AdWords service from the hosting defence in the E-Commerce Directive (thereby


leaving the door open for actions for contributory infringement under national law).

**III.A.8. Parallel Imports/Gray Marketing**

Paranova Pharmazeutika Handels GmbH (Paranova) imported branded ZOVIRAX products into Austria from Greece, where they were marketed, either by or with the consent of Wellcome Foundation Ltd (Wellcome), the proprietor of the ZOVIRAX trade mark, in packs of 70. In order to comply with Austrian packaging regulations, Paranova repackaged these products in packs of 60. The new packaging, which was completely different from the original Wellcome packaging, featured the words “Repackaged and imported by Paranova” in bold type and block capitals on the front, had a reference to the manufacturer on the sides and on the back in normal type, and included a Paranova house-style blue band around the edges.

Paranova notified Wellcome of its intention to market ZOVIRAX in Austria and provided colour prints of the proposed outer packaging, blister packs, and instructions. Wellcome requested that in the future Paranova provide a complete sample of every type of packaging and disclose the Member State of export and the exact reasons for the repackaging.

Paranova disclosed the reasons for the repackaging, but it did not comply with Wellcome’s other requirements. Wellcome then applied for an interim order to prohibit Paranova from offering or selling the ZOVIRAX products repackaged as described above.

Wellcome’s application was granted in part at first instance (Vienna Commercial Court). On appeal, the Vienna Higher Regional Court more particularly restrained the use of “Repackaged and imported by Paranova” in larger and clearer type and/or in a more prominent position than the reference to the original manufacturer and required Paranova to notify Wellcome of the impending marketing of the ZOVIRAX products, including the State of export and the precise reasons for repackaging, in advance if it wished to sell the repackaged product.

Both parties appealed to the Austrian Supreme Court, which referred three questions to the ECJ concerning Article 7 of the Trade Marks Directive. The first question, concerning whether there must be proof that reliance on the trade mark would contribute to an artificial partitioning of the market regarding not only the repackaging itself but also the presentation of the new packaging, was answered in the negative by the ECJ in *Boehringer II*. The Supreme Court indicated that it would still like answers to the remaining two questions.

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The remaining questions concerned (1) whether presentation of the repackaging should be measured against the principle of “minimum intervention” or (only) against whether it would damage the reputation of the trade mark and its proprietor and (2) whether a parallel importer fulfills his duty of notification only if he also informs the proprietor of the EU Member State of export and the precise reasons for the repackaging. (The principle of minimum intervention, set out in the Loendersloot case, states that the parallel importer must cause as little prejudice as possible to the specific subject matter of the trade mark right, which is the exclusive right to first market the goods bearing the trade mark in the EU.)

Article 7(1) of the Trade Marks Directive provides that a trade mark owner may not prohibit the use of his trade mark in relation to goods that have been put on the market in the EEA under that mark by the owner or with his consent. An exception to this rule exists under Article 7(2), where there are legitimate reasons for opposing further commercialisation of the goods, particularly where the condition of the goods is impaired or changed after they have been placed on the market.

Repackaging of such goods is permitted only where it meets the five conditions set out in Bristol-Myers Squibb v. Paranova, including whether it is “necessary” to market the repackaged goods in the Member State of importation. This condition of necessity is directed only at the fact of repackaging and not at its presentation.

The ECJ ruled that where it is established that repackaging of a pharmaceutical product is necessary for the product to be marketed in the Member State of importation, the presentation of the packaging should be assessed only in terms of whether it is

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444. Boehringer II, supra note 440.
liable to damage the reputation of the trade mark or its owner. The principle of minimum intervention was held not to apply.445

In respect of the final question, the ECJ held that the parallel importer must provide the trade mark owner with information that is necessary and sufficient to enable the trade mark owner to determine whether repackaging is necessary to market the repackaged product in the Member State of importation. The exact information to be provided would depend upon the facts of each case, which might in exceptional circumstances include the name of the Member State of export.

This decision provides further information on the complicated requirements that need to be met for imported goods to be lawfully repackaged.

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

The BKFR (Bundesvereinigung Kameradschaft Feldmarschall Radetzky)—a not-for-profit organisation dedicated to the preservation of military traditions—is the owner of Austrian figurative and word marks representing military badges of honour, registered for services in Classes 37 (in particular, for maintenance work), 41 (*inter alia*, for cultural activities), and 42 (now 45—in particular, for social services). The organisation awarded orders and decorations corresponding to the trade marks in question, which were worn by BKFR members at various events and when collecting and distributing donations. In addition, the marks were printed on invitations to forthcoming events, on stationery, and on BKFR correspondence.

The VRO (Verein Radetzky-Orden), a charitable organisation with aims similar to those of the BKFR, launched a cancellation action in Austria against the marks on grounds of non-use by reason of their having not been used commercially during the preceding five years. The Cancellation Section of the Austrian Patent and Trademark Office (Oberster Patent- und Markensenat, or OPM) granted the VRO’s application. On appeal by the BKFR, the OPM stayed proceedings pending a reference to the ECJ.

The question referred concerned whether the requirement that a registered trade mark be put to “genuine use” under Article 12(1) of the Trade Marks Directive446 is fulfilled where a not-for-profit


446. Article 12(1) provides: “A trade mark shall be liable to revocation if, within a continuous period of five years, it has not been put to genuine use in the Member State in connection with the goods or services in respect of which it is registered, and there are no proper reasons for non-use; however, no person may claim that the proprietor’s rights in a trade mark should be revoked where, during the interval between expiry of the five-year
association uses a trade mark in announcements for events, on business papers and advertising material, and on badges worn by the association’s members when collecting and distributing donations.

Noting that genuine use is use “that is not merely token,” the ECJ held that such use must be understood to be “actual use” consistent with the essential function of a trade mark (i.e., to guarantee the identity of the origin of goods or services so as to enable consumers to distinguish those goods and services from those of other undertakings without the possibility of confusion).

The ECJ ruled that the protection conferred by a mark and its enforceability against third parties cannot continue to exist if the mark loses its “commercial raison d’être,” which is to create or preserve an outlet for those goods and services. Although the goods or services in this case were offered by a non-profit-making organisation, this did not mean that the use made of its mark was not genuine use, as the organisation’s objective could still be to create and preserve an outlet for its goods or services. A trade mark is put to genuine use by a non-profit-making association where the mark is used by that association in its relations with the public (e.g., in announcements of forthcoming public events, on public business papers, or on public advertising material).

However, use of a mark during purely private ceremonies or events, or for the advertisement or announcement of such ceremonies or events (e.g., on internal correspondence between existing members of an organisation), would constitute internal use and accordingly not genuine use for the purposes of Article 12(1).

This ruling provides useful guidance for not-for-profit or charitable organisations in relation to the extent of protection conferred by registered trade marks when they are providing free or promotional goods and services.

Maselli Strickmode GmbH (Maselli) held Austrian registrations for the word mark WELLNESS in Classes 16 (magazines and books), 25 (clothing), and 32 (non-alcoholic drinks, period and filing of the application for revocation, genuine use of the trade mark has been started or resumed; the commencement or resumption of use within a period of three months preceding the filing of the application for revocation which began at the earliest on expiry of the continuous period of five years of non-use, shall, however, be disregarded where preparations for the commencement or resumption occur only after the proprietor becomes aware that the application for revocation may be filed.”

with the exception of alcohol-free beer). Maselli used the mark on a soft drink that it handed out as a free promotional gift in bottles marked “WELLNESS-DRINK” when customers bought its clothing, the sale of which was Maselli’s core business. The company also referred to the free gifts in its promotional documents using the WELLNESS mark. Approximately 3,100 labels were printed and 800 bottles of the drink were filled with liquid.

Silberquelle GmbH, which sold soft drinks, applied for the cancellation of Maselli’s WELLNESS mark in Class 32 on grounds of non-use.

The Austrian Patent Office granted Silberquelle’s application for cancellation of the WELLNESS mark in Class 32. On appeal, the Austrian Patent and Trademark Office (Oberster Patent- und Markensenat) stayed proceedings pending a reference to the ECJ concerning what constitutes “genuine use” of a trade mark for the purposes of Articles 10 and 12 of the Trade Marks Directive. A trade mark may be revoked when no genuine use has been made of it for a continuous five-year period following registration in relation to the goods for which the mark is registered. Genuine use of the mark is necessary to maintain the rights conferred by registration. The ECJ held that this condition is not fulfilled where branded goods are not sold but are handed out as a free gift with the purchase of other goods.448

The main function of a trade mark is to guarantee origin of goods to consumers by enabling them, without any possibility of confusion, to distinguish goods bearing the mark from those of other undertakings. The trade mark will not continue to be protected if it is not used in accordance with its commercial raison d’être: to create or preserve an outlet for the goods or services that bear that mark, as distinct from the goods or services of other undertakings. Given the number of potential conflicts that may arise, rights conferred by a trade mark registration will be maintained only for those registered marks that have been used for particular goods and services. This requirement is not satisfied where promotional items are distributed as a reward for the purchase of other goods and to encourage the sale of the latter, because those items are not distributed with the aim of penetrating the market of those goods (here, soft drinks), but rather for the purpose of establishing a market share for the main product (here, clothing).

Following this judgment, it may be more difficult to maintain trade mark registrations for promotional or merchandising goods beyond the five-year use period where the only use made of them is when they are given away for free. It remains to be seen what will happen in other cases where promotional items are given away in return for obtaining some preferred placement or because they have an added value to the consumer. In particular, in the beverage industry, promotional items such as glasses and umbrellas featuring a trade mark are common and have a specific value both for the bar owner and for the beverage producer (product placement). This decision is a setback for brand owners that often hand out freebies to encourage sales and to strengthen their market position. It would be advisable for companies using freebies now to charge at least a minimum amount for them in order to establish genuine use.

FINLAND

I.B.1. Generic

The plaintiff, M.S. and M.S., applied for the registration of the word mark CHOY LEE FUT, to cover goods and services in Classes 25, 41, and 42. The application was rejected by both the National Board of Patents and Registration (NBPR) and the Board of Appeal of the Finnish Patent Office.

On appeal, the Supreme Administrative Court upheld the prior decisions and rejected the trademark application on the ground that the mark consisted of a generic name for the goods and services to be covered. The Court held that if a mark is a generic term for the goods applied for, it cannot be registered even if it has been broadly used for a long time. Additionally, the Court found that the documents presented by the plaintiff concerning the use of the applied-for mark showed that it was used as the name of a certain kung fu style. The fact that the applicant had the exclusive right to use the name of a specific kung fu style, granted by the grand master of the style, did not, however, lift the barrier to the registration of generic names as trademarks.

I.C. Distinctiveness

Oy Karl Fazer Ab, a Finnish company, sought to register the word mark SININEN (“blue”) for chocolate products in Class 30. The NBPR rejected the application on the ground that the mark denoted only the kind of the package of the product (blue wrapping) and was therefore devoid of distinctive character. The Board of Appeal also considered the mark to be nondistinctive, but

449. Case No. 1660/3/06 (Supreme Administrative Court, June 27, 2007).
because it consisted only of the name of a color, SININEN: the general name of a color covers all the different shades, and therefore, as a term, it is too broad and inaccurate to be registered. Both the instances found that the presented evidence of acquired distinctiveness was insufficient.

The company appealed against these decisions.

The Supreme Administrative Court revoked the prior decisions and returned the matter to the NBPR for reexamination.450 It held that the word SININEN did not describe as such or even slightly modify the goods applied for. The distinctiveness of the mark should be considered in terms of its capability to distinguish the chocolate products of the applicant from similar products of competitors. Even though the color blue was a significant factor in the advertising and marketing of the plaintiff's products, the word SININEN could not be considered a qualitative expression for chocolate products in general language, so there was no need to keep the mark free for use by others. The Court did not take a stand concerning the evidence of use provided by the plaintiff.

I.D.1. Similarity of Marks

La Roche-Posay Laboratoire Pharmaceutique, a French company, applied for the extension to Finland of its International Registration for the word mark LA ROCHE-POSAY, covering goods in Classes 3 and 5. The NBPR and the Board of Appeal rejected the application based on two earlier national registrations and a Community Trade Mark (CTM) registration for ROCHE. The Supreme Administrative Court upheld the prior decisions.451 It found that ROCHE was a highly distinctive mark in Finland because it was not known as a general word, surname, or place name. Therefore, the Court determined that the mark was enjoying extensive trademark protection. Consequently, there was a likelihood of confusion between the marks because of the common element ROCHE, which was distinctive and widely protected.

The German company M-Real Zanders GmbH applied for the registration in Finland of its international figurative trademark ELEFANTENHAUT ("elephant hide"), registered in Class 16 for “paper, cardboard and goods made from these materials (included in this class), bookbinding material” (below, illustration at left). The NBPR and the Board of Appeal rejected the application based on a CTM registration for ELEFANTE (below, illustration at center) and a Finnish trademark registration for ELEPHANT

450. Case No. 3253/3/06 (Supreme Administrative Court, Nov. 8, 2007).
451. Case No. 2902/3/06 (Supreme Administrative Court, June 27, 2007).
TAPE (below, illustration at right). The applicant appealed against these decisions.

Elefantenhaut

The Supreme Administrative Court accepted the appeal and returned the matter to the NBPR for registration of the mark applied for. The Court determined that the international trademark ELEFANTENHAUT had a priority date of July 6, 1999; because the cited CTM ELEFANTE was applied for later (January 27, 2000), it could not be an obstacle to registration. On comparing the applied-for mark with the cited trademark ELEPHANT TAPE, the Court noted that the goods covered were quite affordable daily consumer goods and either the same as or similar to each other. Both marks consisted of an elephant figure and a circle element, which, the Court found, were commonly used in trademarks and on that ground had a lower level of protection. However, the elephant figures were different, as the elephant in the mark ELEFANTENHAUT was represented as a whole and the figure in the mark ELEPHANT TAPE was a more realistic picture of the head of an elephant. As these figures were deemed to be the dominant part of the marks, the Supreme Administrative Court held that there was no likelihood of confusion despite the similar goods and some similarities between the marks.452

I.D.2. Similarity of Goods or Services

Marioff Corporation Oy obtained a trademark registration for the word mark CASS in Classes 7, 11, 12, and 37. Another Finnish company, Wärtsilä Technology Oy Ab, filed an opposition against Marioff’s registration.

The NBPR acknowledged that the opponent was using the term CASS as a name of its system but not as a trademark; therefore, it rejected the opposition. The opponent appealed.

The Board of Appeal upheld the NBPR’s decision. Despite the fact that Wärtsilä Technology had used the term CASS for its technical solution/system, it had not shown any proof that it was using the mark at the moment when Marioff applied for registration. Nor had Wärtsilä Technology offered any evidence that its use of the mark for goods or services similar to those to be covered by the applied-for mark had already begun when Marioff’s application was filed.

The German firm Bayer Aktiengesellschaft filed a trademark application for CALYPSO, to cover products in Class 5. The NBPR and the Board of Appeal rejected the application, and Bayer appealed.

The Supreme Administrative Court upheld the decisions. It rejected the trademark application on the ground that the goods sought to be registered were similar to those covered by the prior-registered CTM CALYPSO. The goods of the earlier trademark were domestic disinfectants in Class 5, whereas the goods listed in the application were pesticides and plant protection products used by agriculture and forestry industries, also in Class 5. The Court considered the goods to be similar because of their similar purpose of use and same kind of formula and because they were complementary to each other and could be purchased through the same distribution channels.

Actaris S.A.S., a French company, applied for the extension to Finland of its International Registration for the word mark ECHO, covering goods and services in Classes 9, 35, and 38.

The NBPR and the Board of Appeal accepted the International Registration as only partly valid in Finland. Specifically, the registration was rejected in Class 9 as there existed an earlier CTM registration for ECHO covering the goods of Class 9. Actaris appealed against the decisions.

The Supreme Administrative Court accepted the appeal and returned the matter to the NBPR for registration of Actaris’s trademark in Finland in whole. According to the Court, the potential likelihood of confusion should be considered, taking into account the degree of similarity of the marks and how well known they were in the market. The Court noted that the marks both covered goods that were described as data-recording apparatus but that they were used in different industries. The fact that the meaning of the word “echo” could be considered remotely

454. Case No. 330/3/07 (Supreme Administrative Court, Nov. 22, 2007).
455. Case No. 3454/3/06 (Supreme Administrative Court, Dec. 13, 2007).
descriptive for the audiovisual recording apparatus covered by the earlier mark reduced the likelihood of confusion between the marks. In addition, the Court explained, a comparison of the goods covered by the marks showed that they were neither daily consumer goods nor substitutes for each other.

FRANCE

I.B.1. Generic

Prisma Presse, the owner of the trademark FEMME for a women’s magazine, asserted claims for infringement and unfair competition against the use of the names BORDEAUX FEMMES, NANTES FEMMES, ANGERS FEMMES, and RENNES FEMMES for magazines. The defendants asserted a counterclaim for cancellation of the plaintiff’s trademark on the ground that it had become generic.

The Court of Appeal of Paris denied the counterclaim. Although the term FEMME evoked the targeted public, it was not, at the date of filing, exclusively the necessary, generic, or usual designation of a publication for women. Thus, it was a distinctive term.

Further, the Court of Appeal declared that the plaintiff’s trademark had been infringed by the defendants’ names because there was a risk of their being confused with the mark, with which they shared the distinctive and dominant word element FEMME.

The claim for unfair competition, however, was rejected because Prisma Presse had not published its magazine for the past four years and it was not able to prove that its investment and know-how benefited third parties.

The Supreme Court upheld the appellate court’s decision. This decision appears to conflict with the Supreme Court’s prior decision upholding the cancellation of the trademark GAY, for an online publication intended for homosexuals, because it was descriptive of the target public and, thus, not distinctive.

One may question whether a trademark consisting of the name of the target public is distinctive. The Supreme Court

457. Article L. 711-2 provides:
The distinctive nature of a sign of a type able to constitute a trademark is appraised with regard to the goods or services that it designates. The following lack distinctive character:

(a) signs or denominations which, in everyday or professional language, are exclusively the necessary, generic or usual name of the goods or service.

answered yes for FEMME (“woman”) but no for GAY. This is surprising, because the word *femme* is common in French, while on the contrary, the term “gay” has been recently integrated into the French language. It seems that the distinction between the descriptive and the evocative character of a mark is subjective, depending on the facts presented to the Supreme Court, whose role is to rule on the correct application of the law by the Court of Appeal given the facts at hand.

**I.C. Distinctiveness**

Juva (formerly called Laboratoire Juvat) owns a trademark registration for FIZZ, covering “vitamin preparations.” With Juva’s consent, its subsidiary, Laboratoires Juva Santé, used the FIZZ mark in connection with a range of food supplements branded in association with the trademark JUVAMINE.

Messrs. Cappelaere and Mallorca filed an application for the registration in France of the trademark SLIM FIZZ, covering “food supplement for non-medical use, in capsules, tablets, phials, drinkable solutions, effervescent or non-effervescent powders to be diluted” in Classes 5, 29, and 32. Juva opposed the application on the basis of its prior-registered mark FIZZ. The opposition was upheld regarding the food supplements.

Despite its victory in the opposition, two years later Juva discovered that a company called Medicafarm was selling the SLIM FIZZ product on the website www.m6boutique.com. The managing directors of Medicafarm were Messrs. Cappelaere and Mallorca.

Juva brought an infringement action against them. In reply, Medicafarm contested the similarity of the products and argued that the term “fizz” was generic for effervescent vitamin products, as the French word *pétiller* means “fizz.”

The Court of First Instance of Paris determined that the term “fizz” was distinctive for “vitamin preparations.” It further found that the average French consumer would not have understood the meaning of this term at the time Juva filed for trademark protection. The Court also determined, that “fizzing” was not a substantive quality of the “vitamin preparations” covered by Juva’s mark, and, moreover, that “fizz” was a fanciful term.

This ruling shows that the Court evaluates the distinctive character of a trademark as of the day it is filed (here, in 1991) and not at the time the complaint is brought.


The Court ultimately found that FIZZ and SLIM FIZZ showed some visual and phonetic similarities owing to the existence of the identical word FIZZ in both marks. It also indicated that the term SLIM was easily understood by the average French consumer, and therefore it was weakly distinctive in relation to dietary products.

I.D.1. Similarity of Marks

The Court of Appeal of Paris affirmed the decision of the French Intellectual Property Office (Institut National de la Propriété Industrielle, or INPI) that there was a likelihood of confusion between the word marks HMM! and H&M because, visually, the marks were made up of the same letters placed in the same order and were similar in length and volume. They also were phonetically similar because HMM! would be pronounced “H,” “M,” “M” and not “HUM!” The Court also determined that the marks could not be distinguished based on the fact that the initials H&M stand for “Hennes and Mauritz,” because this meaning was not sufficiently known by the public.

This decision stands in contrast to the decision of the OHIM Opposition Division three months earlier finding no likelihood of confusion between the above-shown marks. While the marks both contain only the two letters H and M and are pronounced almost identically, the OHIM noted that they differed because of the additional sound “and” in the H&M mark; because the letters were presented in a very different form, including a different presentation, style, and size; and because in the relevant field—jewelry—the visual differences were more likely to be perceived and remembered by the average consumer, as these goods were normally bought after the consumer had the opportunity to see the marks.

These decisions show the limited impact of an OHIM decision upon French judges deciding similar cases.

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The Millennium Essence Company (MEC) owns a three-dimensional trademark for a perfume bottle in the shape of a bear for “soaps, perfumery, essential oils, cosmetics, hair lotions, shampoos, dentifrices, cleaning products, cleansing milk for toilet purposes, Eau de Cologne, toilet water” in Class 3. The specific products (perfumes for children) are licensed for sale under the name KALOO.

MEC asserted a claim for infringement and unfair competition against Laboratory Alphanova for use of a similar bear-shaped bottle for perfumes for children. Alphanova asserted a counterclaim for cancellation of MEC’s mark because MEC’s mark was nondistinctive in character and because of non-use.

The Court of First Instance examined the validity of MEC’s mark at the time of the filing of the trademark application for the mark and decided that the shape of a bear was not usual for the designated goods, so therefore it was distinctive for the designated goods. However, because the mark was used only for “perfumery, toilet water,” the Court cancelled the mark for the other goods covered by the trademark registration.

While the Court found that the mark was distinctive, it ruled that the mark did not have enough “imaginative elements,” that is, elements differing from the sole purpose of representing a bear, to find infringement. The marks were identical conceptually (the shape of a bear), but there were visual differences between the bottles that were sufficient to avoid any risk of confusion, especially considering the radically different word marks affixed to the products (KALOO vs. ALPHANOVA BEBE). The Court further found that MEC had not demonstrated that the public had sufficient knowledge of this mark based solely on the shape of the bottle. Thus, the Court found that Alphanova’s use of a bear shape for a perfume for children, without reproducing the other elements of the prior mark, was not sufficient to lead the consumer to believe that the goods had the same origin.

This decision shows that the distinctive character of a three-dimensional mark must be evaluated on a qualitative basis with respect to whether the three-dimensional mark is capable of distinguishing a product from those of competitors, rather than evaluating it on a lack of originality.

In this case, while the three-dimensional mark was found to be distinctive, the differences in the challenged mark were sufficient to avoid potential confusion, bearing in mind that the owner of such a mark cannot claim a monopoly on a genre or a general type of three-dimensional shape.

This comports with prior decisions at the Community level\textsuperscript{464} that the shape of the product alone is not sufficient to determine the origin of the product, except when the shape is well-known or notorious.

\textit{I.D.3. Conflict Between Trademarks and Corporate Names}

Porsche, the owner of several Community and international trademarks comprising the marks PORSCHE and 911, discovered that the Club Porsche Passion Bretagne Association (the “Association”) had created a website that showed the PORSCHE mark without Porsche’s consent. Porsche sued the Association (which during the proceedings changed its name to 9.11 Passion Ouest) before the Court of First Instance of Paris for infringing the PORSCHE and 911 trademarks, unjustified use of the trademarks’ fame, and unlawful use of the PORSCHE trade name.

The Court of Appeal of Paris affirmed the ruling of the Court of First Instance\textsuperscript{465} that the trademarks PORSCHE and 911 were well known in France and that they were unlawfully used by the association.\textsuperscript{466} It also affirmed the findings concerning (1) the conditions relating to the infringement of the trade name and trademarks of Porsche; (2) the Association’s acts of infringement through reproduction and use of the PORSCHE trademark in the Association’s name and on its website without Porsche’s authorization, along with the sale of clothing and articles bearing the name of the Association and the PORSCHE mark; and (3) the imitation of the famous 911 trademark as part of the Association’s new trade name 9.11 Passion Ouest, for an activity related to vehicles.

Porsche had considered the damages awarded by the Court of First Instance to be insufficient. However, the Court of Appeal concluded that, given the absence of new evidence, the monetary damages awarded to Porsche by the Court of First Instance were affirmed.


\textsuperscript{465} Porsche AG v. 9.11 Passion Ouest (Court of First Instance of Paris, 3d Chamber, Section 1, Oct. 31, 2005), \textit{available at} www.pifrance.com (in French).

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

Louis Vuitton Malletier (LVM) owns the famous figurative trademark known as “monogram canvas”\(^{467}\) (see below).

EMI, an international record label, was selling a music compilation on compact discs in a sleeve that bore a geometric pattern in staggered rows with a monogram that LVM considered infringing. LVM therefore brought an action before the Court of First Instance of Paris under Article L. 713-5 of the French Intellectual Property Code (IPC)\(^{468}\).

The Court of First Instance ruled that EMI had infringed LVM’s trademarks and prohibited further sales\(^{469}\).

The Court of Appeal of Paris overruled the judgment of the Court of First Instance because, “[as] the contested products [were] very different from those usually sold by LVM (i.e., leather goods), the well-known character of the prior mark [was] not affected by

\(^{467}\) French Trademark No. 1269733, filed Apr. 25, 1984, for products in Classes 9 and 16; CTM No. 15602, filed Apr. 1, 1996, registered Nov. 28, 1997, for products in Class 16.

\(^{468}\) Article L. 713-5 provides:

Any person who uses a mark enjoying repute for goods or services that are not similar to those designated in the registration shall be liable under civil law if such use is likely to cause a prejudice to the owner of the mark or if such use constitutes unjustified exploitation of the mark. The foregoing paragraph shall apply to the use of a mark that is well known within the meaning of Article 6bis of the Paris Convention for the Protection of Industrial Property referred to above.

the commercialization of such products." Furthermore, the Court of Appeal indicated that LVM did not prove that the use of the contested design caused any damage to LVM.

Unsatisfied, LVM appealed this decision to the Supreme Court, which overturned the decision of the Court of Appeal. The Supreme Court held that the use of a design that imitates a well-known trademark can constitute an unjustified exploitation of the well-known mark by providing undue profit to the infringer as a result of the distinctive or famous character of the mark. It stressed that there existed a real prejudice to LVM.

The Supreme Court’s decision is in line with prior decisions regarding the broad scope of protection for well-known trademarks. Such protection generally exceeds the specific goods or services in connection with which the mark is used and allows owners of well-known marks to claim infringement even where the alleged infringer uses the well-known mark on very different goods or services.

II.C.1.b. Personal Names

Mr. André XXX, a small businessman specializing in construction, created the public limited company Construction André XXX S.A. in 1971. In 1979, Mr. André XXX sold all of his shares in this company. Since 1979, the company had obtained several trademark registrations, including the family name XXX.

In 2002, Mr. André XXX filed an action against the company to cancel these trademarks, arguing that the company was prohibited from obtaining trademarks that used his name without his consent.

The Court of Appeal of Bordeaux cancelled the trademarks. Relying upon the Ducasse case, which itself relied upon the Bordas case, the Court of Appeal held that “the consent given by a founding member, whose name is well-known, to include his family name in the name of a company that is in the same field of activity as the founding member does not permit the company to obtain a trademark registration for the same goods or services that includes this family, without his acceptance or his formal or tacit renunciation of his property rights.”

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471. (Supreme Court, Commercial Chamber, Mar. 11, 2008), available at www.legifrance.gouv.fr (in French).
473. Ducasse, Case No. 00-18192 (Supreme Court, Commercial Chamber, May 6, 2003), available at www.legifrance.gouv.fr (in French).
The Supreme Court\textsuperscript{475} overturned the decision, finding that the Court of Appeal of Bordeaux wrongly followed the \textit{Bordas} and \textit{Ducasse} cases. Specifically, the Supreme Court ruled that Mr. André XXX's name was not well known throughout France but only in the Aquitaine area (in the southwest of France). Thus, this decision refined the rule regarding use of well-known personal names by holding that it applies only when the name of the founding member is well known throughout the French territory and not just in a specific geographic region.

\textbf{II.C.1.f. Device and Design Marks}

Christian Dior Couture has owned a figurative Community trademark (CTM) registration representing a canework pattern for handbags since 1996.

Based on its rights in this trademark, Dior confiscated allegedly infringing products in the famous Paris department store Bazar de l'Hôtel de Ville, which were being sold in a shop of Esprit de Corp France. Esprit de Corp France counterclaimed that the trademark owned by Dior was not valid, as it was made up exclusively by the shape imposed by the nature or function of the goods, which imparted their substantial value to said goods.

The Court of First Instance of Paris determined that the canework pattern was not imposed by the nature or function of handbags. Indeed, the canework pattern gave a quilted effect to the covering of the handbag, but that effect could be obtained with any other form of canework pattern and used on any form of handbag.\textsuperscript{476}

The defendant further claimed that Dior's alleged trademark did not indicate the origin of the goods because it merely was a decorative element.

The Court, however, credited the arguments and evidence submitted by Dior as proving that the alleged trademark indicated Dior as the origin of the handbags, including high turnover, high advertising expense, the canework pattern as a well-identified "code" for Dior, and the long history of use (commercialisation of the canework pattern began in 1961, and on handbags in 1998).

The Court did not find infringement, however, because the canework pattern on the two products was different and this type of pattern was common on leather goods. Moreover, both the defendant and the plaintiff were well known, so the risk of confusion between their handbags did not exist.

\textsuperscript{475} Andre X v. SA Andre X, Case No. 07-10756 (Supreme Court, Commercial Chamber, June 24, 2008), available at www.legifrance.gouv.fr (in French).

The Court’s decision raises some questions. For example:

1. The Court took into account various elements of use to support the distinctive character of Dior’s figurative trademark, and did not limit its analysis to use for handbags; and

2. On September 10, 2008, the same court issued a similar ruling, finding Louis Vuitton’s CTM registration for a draughtboard canvas valid and subject to infringement under certain conditions and giving Louis Vuitton extensive rights.

Dior appealed the above decision on June 19, 2009, but no decision has yet to issue from the appellate court.

Louis Vuitton Malletier (LVM), which had been using a draughtboard canvas as a trademark since 1888, obtained a CTM registration for this mark in 1996 in Class 18 for “suitcases, travelling trunks and bags, travelling sets, trunks, valises. . . .”

After discovering that Eichholtz was showing decorative suitcases that adopted the characteristics of this mark on Eichholtz’s website, LVM filed an action for infringement and unfair competition against Eichholtz.

Eichholtz counterclaimed for cancellation of the mark for non-use, even though LVM’s trademarks are widely used and are well known in France, because LVM was using this mark together with the trademark LOUIS VUITTON.

The Court of First Instance ruled for LVM on the claim for infringement but against LVM on the claim for unfair competition. The Court also denied Eichholtz’s cancellation action. As of the time that this article was submitted for publication, Eichholtz had not filed an appeal.

This decision conforms with the Supreme Court’s earlier decisions regarding the combination of two trademarks.

Of note is that the Court of First Instance ordered Eichholtz to stop selling its infringing products in all European countries, even though the company’s headquarters was in the Netherlands. This decision appears to be contrary to Article 93(5) of the CTM


Regulation.\textsuperscript{480} The Court justified its departure from the regulation because the defendant had not raised it.

\textbf{II.C.1.k. Nontraditional Marks}

The IPC does not expressly provide protection for olfactory trademarks. French jurisdictions are divided about the protectability of a fragrance through copyright. While some courts permit protection of a fragrance by copyright, others have ruled that a fragrance is not a creative work and as such cannot be protected by copyright.

The French Supreme Court ruled on this split in authority in \textit{Senteur Mazal in Liquidation v. Beauté Prestige International}. In this case, Beauté Prestige International (BPI) owned various trademarks, including three-dimensional trademarks protecting the shape of the flask and the packaging of the perfumes “Jean-Paul Gaultier Le Mâle” and “Jean-Paul Gaultier Classique.”

Informed by customs of a seizure of goods infringing its IP rights, BPI filed a complaint for copyright, trademark, and design rights infringement of its flasks and copyright infringement of the fragrance.

The Court of Appeal of Paris affirmed the decision of the First Instance Court that a fragrance of a perfume can be protected by copyright and only copyright.\textsuperscript{481} The French Supreme Court overruled the Appeal Court, holding that the fragrance of a perfume results from the mere implementation of know-how and does not constitute the creation of a form of expression that is eligible for protection as a creative work.\textsuperscript{482}

With respect to protection of a fragrance as an olfactory trademark, the French Supreme Court agreed with the European Court of Justice that the requirement of graphic representability is not satisfied by a chemical formula, by a description in written words, by the deposit of an odor sample, or by a combination of those elements.\textsuperscript{483}

\textsuperscript{480} Council Regulation (EC) 40/94, Dec. 20, 1993. Article 93(5) provides: “Proceedings in respect of the actions and claims referred to in Article 92, with the exception of actions for a declaration of non-infringement of a Community trade mark, may also be brought in the courts of the Member State in which the act of infringement has been committed or threatened, or in which an act within the meaning of Article 9(3), second sentence, has been committed.”


\textsuperscript{482} Senteur Mazal v. Beauté Prestige International, Case No. RG 07-13952 (Supreme Court, Commercial Chamber, July 1, 2008), available at www.legalis.net.

\textsuperscript{483} Ralf Sieckmann, Case C-273/00 (ECJ, Dec. 12, 2002), available at curia.europa.eu.
II.C.3. Geographical Indications/Appellations of Origin

The Comité Interprofessionnel du Vin de Champagne (CIVC), a French body responsible for the judicial protection of the Champagne Appellation, learned that Cornu, a Swiss company located in the city of Champagne in the Canton of Vaud in Switzerland, and its French subsidiary, were producing and selling aperitif biscuits under the name “Champagne.”

The CIVC initiated an action to stop Cornu’s use of the name Champagne. Cornu defended by asserting that it was entitled to use the name Champagne for its crackers because this recipe for crackers from the Swiss city of Champagne was old and well known.

The CIVC countered that the aim of Cornu’s use was to exploit the famous Champagne name.

The Court of First Instance of Paris ruled in favor of the CIVC because the packaging for Cornu’s biscuits was in the shape of a champagne glass, Cornu used “Champagne” in large blue type at the top of the packaging, and the packaging bore a shield composed of three Champagne corks. Thus, the Court of First Instance found that there was a risk of confusion because consumers would believe that there was a link between Cornu’s crackers and the producers of the famous Champagne wines.

Cornu also relied upon the May 14, 1974 agreement between France and Switzerland regarding the protection of geographical indications and appellations of origin, which governs the situation where two places in France and in Switzerland have the same name. The Court of First Instance, denying Cornu’s defense under this treaty, noted that Cornu’s attempted defense must fail because, even in such a case, the use of an identical name must not cause consumer confusion.

For the same reasons, the Court of First Instance ordered Cornu to stop using the domain name champagne.ch.

This decision proves once again the high level of protection afforded to the famous denomination CHAMPAGNE.

On May 30, 2007, the French Supreme Court overturned an earlier decision of the Court of Appeal of Dijon and ruled that only the current owner of a vineyard could file a trademark application for the vineyard’s name for wines produced at the

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485. CIVC v. Cornu, Case No. 05/10372 (Court of First Instance of Paris, 3d Chamber, 3d Section, Apr 9, 2008, available at www.juriscom.net.
The Supreme Court sent the matter back to be retried by the Court of Appeal of Paris. Specifically, the Court determined that the trademark DOMAINE DU CHATEAU DES BARRIGARDS for “appellation d’origine contrôlée wines” could not be validly filed by a person who was not, at the time, the owner of the vineyard from which the wine was to be produced.

Christopher Lobreau had filed the trademark application at a time when his father’s vineyard had gone into administration and its assets had been subsequently liquidated. The vineyard was sold and the new owners filed an action claiming that the assets had been misappropriated, and that the trademark had been filed in bad faith and should be transferred to them. This claim was dismissed, and the validity of the filing was confirmed by the Court of Appeal of Dijon, which found that the validity of the filing of a trademark was independent of the possibility of the trademark owner’s ability to exploit the trademark. The appellate court noted that although Mr. Lobreau was not the owner of the vineyard at the time of filing, he continued to work there and was hoping to take over from his father.

In its ruling the Supreme Court relied on Article L. 711-3 of the IPC, which gives a broad definition of deceptiveness. It reasoned that when Mr. Lobreau filed the trademark he was aware that he had no means of guaranteeing the harvest and vinification of the product intended to be designated by the trademark he had filed, thereby going against the legal requirement to use a trademark identifying wines by their place of production only for wines originating from that place, or, as the Court put it, “a sign that identifies a wine by the name of the vineyard where it is produced may not, without such act being deceitful, be filed as a trademark if the person filing the trademark is not able to guarantee harvesting and vinification at this place.”

This is in line with earlier case law that established that a wine identified by a place can designate only those wines that originate from that place. The Supreme Court ruling was followed by others, notably HABANO, in which the Court advised lower court judges to look carefully into the question of deceptiveness when a trademark makes reference to a geographical name.

On remand, the Court of Appeal of Paris ordered the cancellation of the trademark DOMAINE DU CHATEAU DES


488. Article L. 711-3 of the IPC provides, in pertinent part: “There cannot be adopted as a trademark or a part thereof a sign which: . . . (c) is of such a nature as to deceive the public, notably as regards the nature, quality or geographic origin of the goods or service.”

BARRIGARDS on the above-described grounds of deceptiveness. This decision is consistent with previous case law, and it reinforces the importance of the place of production in terms of identifying the product.

II.D.1. Immoral or Scandalous

The French Intellectual Property Office (Institut National de la Propriété Industrielle, or INPI) partially rejected an application to register “EXTAZY If you taste it, you’ll be an addict!” for “paints, lacquers, varnishes (for painting)” in Class 2, “beers” in Class 32, and “alcoholic beverages” in Class 33, on the ground that the mark encourages the use of an illicit, toxic, and dangerous drug: ecstasy.

On appeal by the applicant, the Court of Appeal of Paris affirmed INPI’s decision. It found the term EXTAZY to be visually very close and phonetically identical to the word “ecstasy,” which designates an illicit drug. Thus, the applied-for trademark suggested that the goods it covered could contain a substance the use of which was forbidden by law, which was against the national public policy regarding drug use prevention.

Of significance is the fact that the applied-for mark was rejected only for “beers” and “alcoholic beverages” because those products are edible. Surprisingly, the Court accepted it for use on “paints, lacquers, varnishes (for painting)” because they were not edible products, even though use with those goods could lead consumers to think that the goods contained some components that could be sniffed.

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

Château Lafite Rothschild, famous in the field of Bordeaux wines, and owner of the trademarks LAFITE and CHATEAU LAFITE ROTHSCILD, sued Château Lafitte for trademark infringement. It also claimed that the renewal of the trademark CHATEAU LAFITTE MENGIN, initially filed in the name of Mr. Max Mengin and wrongly renewed in the name the company SCEA CHATEAU LAFITTE, was invalid and asked for cancellation for non-use of the trademark CHATEAU LAFITTE. Château Lafitte counterclaimed for cancellation for Château Lafite Rothschild’s non-use of the trademark LAFITE.

The Court of Appeal of Bordeaux confirmed the judgment of the Court of First Instance of Bordeaux, which had rejected all of

Château Lafite Rothschild’s claims, and upheld the counterclaim of Château Lafitte.492

The Commercial Chamber of the Supreme Court partially overturned the decision of the Court of Appeal of Bordeaux. In particular, it upheld the cancellation for non-use of the LAFITE trademark because Château Lafite Rothschild could not prove that any goods had been commercialized bearing this mark. The Court considered that LAFITE was only used as the abbreviation of the vineyard, the castle, and the wine produced and known under the name CHATEAU LAFITE ROTHSCHILD.493

On the other hand, the Supreme Court overturned the Court of Appeal’s decision rejecting Château Lafite Rothschild’s request to invalidate the renewal of the trademark CHATEAU LAFITTE MENGIN. SCEA CHÂTEAU LAFITTE had renewed the trademark, but Mr. Mengin thereafter requested a correction for clerical errors to substitute his name for SCEA CHÂTEAU LAFITTE as the owner of the trademark CHATEAU LAFITTE MENGIN.

The Supreme Court found that the Court of Appeal had not given a legal basis for ruling that the renewal of a trademark registration filed by someone other than the owner was a purely clerical error able to be corrected after the deadline had expired, especially in light of the more rigorous conditions for acceptance of renewal of a trademark set forth in Decree No. 2004-199494 and Article R. 712-24(2) of the IPC, which states that “the [renewal] declaration shall . . . [i]nclude identification of the owner of the mark and of the renewed mark. . . .” If the declaration does not satisfy this requirement, the application for renewal can be rejected.

III.A. Infringement and Other Forms of Unfair Competition

Free, owner of the trademark FREE for shoes, filed an action against Nike for selling shoes bearing the marks NIKE FREE and FREE NIKE TRAINER. The Court of Appeal of Paris ruled for Nike, finding that there could be no confusion because the fame of the NIKE mark would automatically lead consumers to associate the goods with Nike, as opposed to Free.


This decision appears to diverge from the ECJ’s decision in Life v. Thomson Life,495 where the ECJ ruled that the public could be confused when an allegedly infringing mark is composed of the complaining company’s name and a registered mark that has normal distinctiveness and an independent distinctive role in the overall impression conveyed by the composite mark. French courts ordinarily must follow the decisions of the European courts (the case law of the ECJ is imposed on national courts).

Additionally, in an earlier decision the Court of Appeal of Paris found a risk of confusion between the prior mark FREE and the marks KIABI FREE and FREE ATTITUDE.496

On the other hand, the term FREE appears to keep its independent distinctive role within NIKE FREE or FREE NIKE TRAINER.

The impact of this decision could be that the owners of widely known trademarks would appropriate less well-known prior marks or company names, leaving the owner of the earlier trademark or company name with no redress.

III.A.1. Dilution

The French company Hachette Filipacchi is the owner of the French trademark ELLE, which is well-known in France for a women’s magazine. Hachette also uses the ELLE trademark for cosmetic products.

Hachette filed a civil action under Article L. 713-5 of the IPC,497 which gives a wide scope of protection to marks enjoying a strong reputation in France, and for trademark infringement based on its famous ELLE mark against Chefaro Ardeval over Ardeval’s filing an application to register the mark X-elle-S for food supplements containing plant extracts.

The Court of Appeal of Versailles found the trademarks to be similar and, therefore, there was a risk that the average consumer would consider the trademarks ELLE and X-elle-S to originate from the same company or from economically linked companies. Nevertheless, the Court considered cosmetic products and food

497. Article L. 713-5 provides: “Any person who uses a mark enjoying repute for goods or services that are not similar to those designated in the registration shall be liable under civil law if such use is likely to cause a prejudice to the owner of the mark or if such use constitutes unjustified exploitation of the mark.”
supplements to be dissimilar and, therefore, rejected the trademark infringement claim.498

The Court of Appeal also rejected the claim under Article L. 713-5 of the IPC, finding that Hachette Filipacchi had not provided proof that the use of the trademark X-elle-S for food supplements had caused Hachette Filipacchi any prejudice.

The Supreme Court confirmed the rejection of the trademark infringement claim because the goods were not similar, but overturned the decision of the Court of Appeal regarding the claim under Article L. 713-5 of the IPC.499 Indeed, the Supreme Court considered that the Court of Appeal, which had recognized that there was a risk of confusion between the marks, should have examined whether the use of the trademark X-elle-S for goods not similar to those covered by the famous trademark ELLE could undermine the distinctive character of the ELLE mark.

Thus, it is unnecessary to prove prejudice in an action for a violation of Article L. 713-5 of the IPC, as it is sufficient to show that the distinctive character of a famous trademark could be weakened.

Corporacion Habanos, the owner of the well-known trademark COHIBA for tobacco products, brought an action for taking undue advantage of the distinctive character and fame of the COHIBA trademark against the use of COHIBAS for shoes.

The Court of Appeal of Paris recognized the well-known character of the trademark COHIBA, but it did not find a risk of confusion between the trademarks because the COHIBAS mark was combined with a device and because the goods covered by the two marks were totally different.500 The Court further did not accept arguments of loss of distinctiveness and trademark dilution as Corporacion Habanos had not proved any commercial or financial loss or any unwarranted use.

The Supreme Court upheld the decision of the Court of Appeal, finding that Corporacion Habanos had not proven that it would be prejudiced. It was insufficient to show that there was a risk of depreciation of the prestige of the trademark COHIBA.501

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501. Corporacion Habanos v. Fabrica de Calcado Everest LDA, Case No. RG 07-20948, PIBD No. 897, III, at 1091 (Supreme Court, Feb. 10, 2009), (in French).
The Supreme Court’s decision affirms that in order to prove harm to a well-known trademark a plaintiff must show more than mere reproduction of the famous mark. It must also demonstrate an effective injury, either actual economic damage or a depreciation of the value of the trademark.

Additionally, it appears that the Supreme Court places significant emphasis on the similarity of the goods at issue when evaluating the risk of confusion between two very close trademarks, even where one is well known, unless significant evidence of an injury is established.

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

Swarovski owns two CTM registrations for SWAROVSKI for numerous goods and services, including “natural or synthetic precious stones of all types, gemstones, genuine and imitation jewelery” in Class 14. It asserted a claim for infringement against one of its distributors, Tout à Loisirs, resulting from Tout à Loisirs’s use of the designations SWAROVSKI and/or SWARO on invoices for pearls from other suppliers.

The Court of First Instance of Paris found that the use of the trademark SWAROVSKI, including use in the abbreviated form SWARO, on invoices could constitute infringement in accordance with Article 9(1) of the EC Regulation No. 40/94 because, even though the mark was not affixed to the products the use of the mark on invoices without the consent of the owner of the mark constituted a use in the course of trade.

A nominated expert established that some of the pearls sold by Tout à Loisirs were genuine SWAROVSKI and some of them were from other suppliers.

The Court decided that the reproduction of the mark SWAROVSKI and the use of the abbreviation SWARO, which is

502. Article L. 713-5 provides:

The use of a trademark that enjoys a reputation for goods or services that are not similar to those designated in the registration of said trademark, renders the author thereof civilly responsible if the nature of such use leads it to cause prejudice to the said proprietor or if such use constitutes unjustified beneficial usage of said mark.

The provisions of the previous paragraph apply to the use of trademarks that are well-known within the meaning of Article L. 6bis of the Paris Convention for the Protection of Industrial Property.


504. Article 9(1)(b) of EC Regulation No. 40/94 provides: “The proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade: any sign where, because of its identity which, or similarity to, the Community trade mark and the identity or similarity of the goods or services covered by the Community trade mark and the sign, there exists a likelihood of confusion on the part of the public; the likelihood of confusion includes the likelihood of association between the sign and the trade mark.”
quite similar visually, phonetically, and conceptually for designating identical goods, supported a finding of infringement, even more so considering the well-known character of the trademark SWAROVSKI in the field of jewelry and crystal pearls.

This decision conforms with the decision of the European Court of Justice,505 which previously had stated that to prevent the use of a mark identical to a registered mark, the owner of the registered mark must show that the alleged use: (1) was in the course of trade; (2) was without the consent of the owner of the mark, (3) was for goods or services identical to those for which the mark was registered; and (4) affected or was likely to affect the functions of the trade mark, in particular, its essential function of guaranteeing to consumers the origin of the goods or services.

Use of the mark (in its entirety or in abbreviated but still recognizable form) on invoices must be regarded as affecting the function of guaranteeing to the buyer the origin of the goods.

### III.A.5.a. Cybersquatting

INPI filed a complaint before the WIPO Arbitration and Mediation Center to obtain the domain name inpi.com.506 INPI argued that (1) the domain name was identical or confusingly similar to its trademark; (2) the respondent, BWI Domains, of the Cayman Islands, had no rights or legitimate interests in the domain name; and (3) the respondent had acted in bad faith.

To prove that the respondent had registered the domain name in bad faith, the complainant stated that it had been active in the field of protecting intellectual property rights in France under the name INPI since 1951 and that it was internationally well known. Consequently, the respondent must have been aware of INPI's prior trademark rights at the time of registration and would not have placed commercial links in French on the website located at inpi.com that related to INPI's activities had it been unaware of the complainant.

To prove that the respondent had used the domain name in bad faith, INPI showed that BWI Domains was using the domain name inpi.com as a “parking” website, providing links to direct competitors of INPI. Therefore, the respondent was trying to generate traffic with the intention of earning revenue from users searching for INPI’s website.

Use and exploitation of another’s trademarks to obtain revenue from diversion of Internet users has been found to be use

in bad faith in many prior decisions. Moreover, the respondent had already been ordered to transfer domain names in earlier proceedings, where registration and use in bad faith were established. The respondent could therefore be deemed a professional “domainer.” Therefore, inpi.com was transferred to INPI.

### III.A.6. Other Internet Issues

Matex manages the French humorist Roland Magdane. Dailymotion was making Magdane’s videos available on its website. As a result, Mr. Magdane and Matex filed infringement and unfair competition actions against Dailymotion.

The Court of First Instance of Paris\(^{507}\) found that Dailymotion was merely offering hosting services to its users, who could post content of their choosing to Dailymotion’s website. As Dailymotion did not interfere with its users’ ability to post content, the Court applied Article 6-1-7 of the 2004 Law on Confidence in the Digital Economy (LCEN) and ruled that only the users were responsible for the content they posted. Dailymotion, as the host, was not the publisher and could not be held responsible for user-posted content. The Court found that Dailymotion’s only involvement with the website was to collect information on users and control content after it received a notification. The Court also noted that Dailymotion provided warning to potential infringers on its website. Therefore, the Court of First Instance dismissed Mr. Magdane and Matex’s claims.

This decision and further ones\(^{508}\) show a new trend in French judicial practice in the field of host responsibility:

- Contrary to prior practice, these decisions rely on Article 6 of the LCEN law;
- The courts now take into consideration the defendant’s use of warnings and mechanisms for removing infringing content; and
- The claimant has to give precise information to the host concerning the infringed rights.

This decision’s impact on the pending actions against eBay remains to be seen, as does the new French law on creation and protection of rights on the Internet (Hadopi), adopted in September 2009.

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III.C.2. Detriment/Unfair Advantage

The French luxury goods group LVMH (specifically, Louis Vuitton Malletier, Christian Dior Couture, and Christian Dior Parfums) accused eBay Inc. and eBay International AG of inadequate policing of its websites thereby increasing the sale of products that infringe LVMH’s trademark and/or design rights and receiving commissions on all infringing sales, thus encouraging the trade in infringing products.

In its defense, eBay contested the jurisdiction of the French courts. According to the French Supreme Court, provided a website is accessible to the French public, the French courts have jurisdiction to award compensation for the damages caused in France.509 The Commercial Court of Paris pointed out that even if advertisements are worded in English, it does not necessarily exclude the French public from access to the infringing products.

eBay claimed that it was a mere host for the advertisements for the infringing products and asserted a defense under Article 6.1.2 of the French Law to avoid any liability. The Commercial Court found that eBay performs storage services for the advertisers of the infringing products and acts as a broker, that is, an intermediary between sellers and buyers who receives a corresponding commission. Given that these two activities are indivisible, the Commercial Court found that eBay could not avoid liability through the provisions of Article 6.1.2 and, therefore, was subject to the general system of civil liability determined by Article 1382 of the French Civil Code.

LVMH asserted three different claims for damages: tortious use of rights, damage to the company’s image, and moral prejudice. Finding for LVMH on all claims, the Court awarded about 19 million euro to Louis Vuitton Malletier, 16 million euro to Christian Dior, and 3 million euro to the perfume brands (it having been pointed out that according to a study conducted by the plaintiffs, 90 percent of Vuitton and Dior products offered for sale on eBay were counterfeits).510

This decision represents a significant step in the protection of trademarks and designs on auction websites. In particular, auction websites must ensure that their activities do not permit illicit dealings and they are subject to the general rules of civil liability.


III.D.3. Parody

After six years of proceedings, the French Supreme Court put an end to a dispute between Greenpeace and the French nuclear company Areva. Greenpeace had reproduced on its website a parody of Areva’s logo (a stylised letter A) in conjunction with a skull with the slogan “STOP PLUTONIUM—STOP IS OBVIOUS” to condemn Areva’s activities (see below).

The Supreme Court reversed a decision issued by the Court of Appeal of Paris, which found that Greenpeace had abused its right of freedom of speech because this caricature discredited and depreciated Areva’s activities and misled the public into believing that Areva’s products and activities were deadly. In so holding the Supreme Court took into consideration the specific aim of Greenpeace, which is to protect the general interest and public health. As a consequence, and because Greenpeace was “acting pursuant to its aim, with public interest and public health in mind and by means proportionate to this goal,” it had not, the Supreme Court ruled, abused its right to freedom of speech in creating the logo parody. This decision, however, leaves open the question of whether logo parody is acceptable for all kinds of speech or whether it is strictly limited to certain aims.

This decision conforms with a prior case between Greenpeace and Esso, in which Greenpeace turned Esso’s logo into E$$O, as shown below. In that case, the Court of Appeal of Paris rejected all of Esso’s complaints on the ground that Greenpeace had not abused its right to freedom of speech by associating the mark with the notion of money.

Mrs. Reine X owns the French trademark registrations for DERMO ESTHETIQUE and DERMO ESTHETIQUE REINE, in Classes 3 and 42 for “beauty products, perfumery, beauty care and specific methods to apply these products.” After noticing that L’Oréal was using the denomination DERMO ESTHETIQUE on its website, Mrs. X launched an action for infringement and unfair competition. She also requested immediate suspension of use of said denomination based on Article L. 716-6 of the IPC.514

L’Oréal argued in its defense that a preliminary injunction should not be issued because Mrs. X’s trademarks were not distinctive for the goods and services covered because “dermo” means dermis/skin and “esthétique” signifies a sensation of beauty. L’Oréal also argued that these trademark registrations should be cancelled because they had not been used as trademarks by Mrs. X but only as a company name or trade name by the company Dermo Esthetique Reine.

The Court of Appeal of Lyon found that the terms “dermo” and “esthetique” were not descriptive for the goods and services covered by Mrs. X’s registrations and that their combination was distinctive. Moreover, the Court found that the trademarks were not vulnerable to cancellation because it had been proved that Mrs. X had authorized the use of said trademarks by Dermo Esthetique Reine without interruption in exchange for the payment of royalties.

Therefore, the Court of Appeal stated that Mrs. X had satisfied the conditions necessary for the application of the specific proceeding of Article L. 716-6 and ordered the company L’Oréal to remove every use of the terms DERMO ESTHETIQUE from its website.515

The Supreme Court affirmed the decision of the Court of Appeal regarding the distinctive character of the trademarks

514. Article L. 716-6 provides:

The President of the Court before which proceedings have been instituted, sitting in chambers, may provisionally prohibit a continuation of the allegedly infringing acts, subject to a daily fine, or may subject such continuation to the furnishing of securities for the purpose of ensuring compensation to the owner of the mark or to the beneficiary of an exclusive right of exploitation.

Action for prohibition or furnishing of securities shall be admissible only if the case appears well-founded and proceedings were instituted within a short time after the day on which the owner of the mark or the beneficiary of an exclusive right of exploitation obtained knowledge of the facts on which they are based. The judge may subject prohibition to the furnishing by the plaintiff of securities to provide compensation for any prejudice suffered by the defendant if the infringement proceedings are subsequently held to be unfounded.

DERMO ESTHETIQUE and DERMO ESTHETIQUE REINE. Nevertheless, it overturned the decision of the Appeal Court regarding vulnerability to cancellation of said trademarks.\footnote{L’Oréal v. Mme X (Supreme Court, Commercial Chamber, May 26, 2009), \textit{available} at www.legifrance.gouv.fr (in French).}

Armand Thierry SAS, a French company well known in France in the ready-to-wear market, filed an application to register the trademark PARAPHE for services in Classes 36 and 38 for financial services through a loyalty card, among others, on February 1, 1999, obtaining the registration on July 9, 1999.

Crédit Agricole lodged an invalidation action for non-use against this trademark on December 21, 2005, based on Article L. 714-5 of the IPC.\footnote{Article L. 714-5 provides:}

\begin{quote}
An owner who has not put his mark to genuine use in connection with the goods or services referred to in the registration during an uninterrupted period of five years, without good reason, shall be liable to revocation of his rights. . . .

Genuine use of the mark begun or resumed after the five-year period referred to in the first paragraph of this Article shall not constitute an obstacle thereto if it has been undertaken during the three months prior to the request for revocation and after the owner has gained knowledge of the possibility of such a request.

The burden of proving exploitation shall rest with the owner of the mark for which revocation is requested. Proof may be furnished by all means. Revocation shall take effect as of the date of expiry of the five-year period laid down in the first paragraph of this Article. It shall have absolute effect.
\end{quote}

Armand Thierry replied by providing proof that use of the trademark started at the beginning of the year 2005.

As Armand Thierry had been able to show only that its use of the trademark began in early 2005, the Court of Appeal\footnote{Armand Thierry v. Crédit Agricole (Court of Appeal of Versailles, May 15, 2008) (unpublished).} ruled that the trademark had not been used during the five-year period starting July 9, 1999 and ending July 10, 2004, and consequently revoked the trademark for non-use.

The Supreme Court overturned the decision of the Court of Appeal for having wrongly applied Article L. 714-5.\footnote{Armand Thierry v. Crédit Agricole (Supreme Court, Commercial Chamber, June 9, 2009), \textit{available} at www.legifrance.gouv.fr (in French).}

This ruling comports with the plain language of Article L. 714-5. The article does not state that a trademark registration must be revoked if not used during a period of five years from its registration, but indicates only that it may be revoked if it was not used during an uninterrupted period of five years.

The article further provides that, if use of the trademark begins or resumes after the five-year period of non-use, and does not commence during the three months prior to the date upon which the owner learns of the possibility of a request for revocation
or after such request, then the trademark registration is not subject to revocation for non-use. Thus, if use begins or resumes after the five-year period of non-use and this was not during the said three-month period, then the trademark is not revocable for non-use.

Here, Thierry showed that the trademark was used from the beginning of 2005, well before December 21, 2005, the date upon which the action for non-use was filed. Therefore, the trademark PARAPHE could not be revoked for non-use.

**III.F.3. Forfeiture**

Ravensburger applied in 1972 for the protection of its international trademark MEMORY in France for “toys” and “games.” The French Trademark Office rejected this trademark for “games” because it considered that the English term “memory” designated a feature of the goods that do require memory.

In 2004, Ravensburger filed an action in France against the Community trademark EDUCA MEMORY GAME covering “toys” and “games.” Ravensburger used its trademark only for games, although its registration covered “toys.” Thus, the defendant counterclaimed for forfeiture of the French part of International trademark registration for MEMORY for non-use.

On March 18, 2009, the Paris Court of Appeal found that although “games” and “toys” both are entertainment goods, they have a different nature and function: a “toy” designates an amusement good for children, whereas a “game” designates an activity, physical or intellectual, that complies with strict rules and has a winner and a loser. Therefore, a “game” is different from a “toy.” Thus, Ravensburger could not claim that a “game” falls within the general category of “toys.”

Furthermore, according to Article L. 714-5 of the IPC, the owner of a trademark who has not put his mark to genuine use in connection “with the goods or services referred to in the registration” during an uninterrupted period of five years, without good reason, shall be liable to revocation of his rights.

Therefore, since the trademark MEMORY was used only for “games” and not for “toys,” Ravensburger’s trademark was, as requested by the other party, cancelled for non-use and the Court considered therefore that there was no infringement. This decision confirmed an earlier ruling of the Court of First Instance of Paris of February 2, 2006, and shows how careful plaintiffs should be.

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in confirming the goods for which their marks are being used before filing an infringement action.

**III.F.6. Declaration of Invalidity**

Mr. Cammas owns two trademark registrations for FOODING, covering products and services in the food and culinary field. In September 2005, he discovered that Fleury Michon Traiteur, a French company, in collaboration with Mr. Robuchon (a French chef) had presented a new range of food products called “Fooding tentations” in a press review. Mr. Cammas brought an infringement action before the Court of First Instance of Paris.

Fleury Michon and Mr. Robuchon contested this action on the basis of Article L. 714-6 of the IPC.

The Court of First Instance of Paris cancelled both trademark registrations for FOODING owned by Mr. Cammas because this term was commonly used for designating a new culinary style. The Court ruled that the term “fooding” was not used as a trademark but as a common noun, written in lower-case letters without inverted commas in many French magazines and newspapers, such as the dictionary “Fooding Le Dico” published in 2004 (“Fooding is of eating with feeling, the art of eating, the art of cooking . . .”), Zurban, L’Express, Figaro Madame, Le Journal du Dimanche, dated November 2003, Le Parisien, Strategies, dated December 2003, and La Provence, dated May 2004.

Mr. Cammas lodged an appeal against this decision stating that he systematically took action to avoid his trademark becoming generic in relation to food services.

However, the Court of Appeal of Paris affirmed the Court of First Instance ruling and decided that Mr. Cammas had not sufficiently protected against the generic use of the term “fooding.”

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523. Article L. 714-6 of the IPC provides: “The owner of a mark shall be liable to revocation of his rights if, in consequence of his own acts, the mark has become the common name in trade for a product or service. . . .”


Mr. Cammas appealed this decision to the Supreme Court, which partially invalidated the decision of the Appeal Court of Paris. According to the Supreme Court, the Court of Appeal had not explained in detail for what products and services the trademark FOODING had become a generic term. Therefore, this decision did not have a sufficient legal basis.

Although Mr. Cammas succeeded in invaliding the lower courts’ decisions, the Supreme Court did not expressly state that the trademarks were valid. Thus, this matter will be reassessed by another Court of Appeal that will issue a decision on its merits.

Allergan, the U.S. company that has sold Botulinum toxin for the treatment of neuromuscular disease since 1993, owns the French trademark BOTOX. The French Drug Monitoring Agency (FDMA) authorized in 2003 the commercialisation of a product called VISTABEL for the treatment of forehead creases and wrinkles.

Allergan brought an action before the Court of First Instance under Articles L. 713-2 and L. 713-3 of the IPC against Jouve & Age (formerly called Juvenage), a French company that used the denominations BOTOX, BOTO CREAM, and BOTO'LIKE MASK on its website as well as on advertisements for promoting cosmetic products. It also filed an application to register the trademark BOTO'LIKE in France on January 13, 2004. The Court of First Instance of Paris found that Jouve & Age infringed Allergan’s

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526. PIBD No. 895, III, at 1008 (Supreme Court, Commercial Chamber, Mar. 17, 2009) (in French),

527. French Trademark No. 003071043, registered May 18, 2001, for “preparations for the treatment of central nervous system disorders, of muscular dystonia, of disorders of the smooth muscles, of disorders of the autonomous nerve, of cephalgias, of wrinkles, of hyperhidrosis, of wounds of sporting origin, of cerebral motor infirmity, spasms, tremor and pain” in Class 5.

528. Article L. 713-2 provides, in pertinent part:

The following shall be prohibited, unless authorized by the owner:

(a) The reproduction, use or affixing of a mark, even with the addition of words such as: “formula, manner, system, imitation, type, method,” or the use of a reproduced mark for goods or services that are identical to those designated in the registration; . . .

Article L. 713-3 provides, in pertinent part:

The following shall be prohibited, unless authorized by the owner, if there is a likelihood of confusion in the mind of the public:

. . .

(b) The imitation of a mark and the use of an imitated mark for goods or services that are identical or similar to those designated in the registration.

529. French Trademark No. 043267317, registered Oct. 22, 2004, for “soaps, perfumes, essential oils, cosmetics, lipsticks, beauty masks, shaving preparations, pharmaceutical and veterinary preparations, dietetic substances adapted for medical use. chemical preparations for medical or pharmaceutical purposes” in Classes 3 and 5.
trademark rights by using the referenced marks, as well as filing the application to register BOTO'LIKE in France.\textsuperscript{530}

Jouve & Age appealed this decision by seeking the cancellation of the BOTOX trademark registration for non-use. Despite Allergan’s assertions and evidence that BOTOX is a well-known mark and duly used, the Court of Appeal of Paris held that Allergan did not use BOTOX as a trademark and had not succeeded in demonstrating genuine use of the trademark.\textsuperscript{531}

Although the Court of Appeal considered Jouve & Age’s trademark application BOTO'LIKE to imitate Allergan’s prior rights on BOTOX, it nevertheless cancelled the BOTOX mark for non-use. Indeed, because the Court considered that the Botulinum toxin could be exploited for esthetic purpose under the authorization of the FDMA, Allergan could not use the trademark BOTOX for Botulinum-toxin-based products for the treatment of wrinkles.

Allergan appealed to the Supreme Court, which confirmed the decision of the Appeal Court of Paris but not on the same basis. According to the Court, the trademark BOTOX should be cancelled because BOTOX is commonly used for designating the product itself (Botulinum toxin) and not used as a trademark.\textsuperscript{532}

\section*{III.H.4. Evidence}

The Italian company Swinger International SpA owns International Registrations for the figurative mark BYBLOS, for “clothing, including boots, shoes and slippers” in Class 25;\textsuperscript{533} for the same goods in Class 25 and goods in Classes 3 and 18;\textsuperscript{534} and for “spectacles, parts and accessories thereof, included in this class,” among other goods in Class 9 (see below).\textsuperscript{535} Swinger also owns a Community registration for BYBLOS, covering “spectacles, parts and accessories thereof” and “clothing, footwear, headgear” in Class 25 and other goods in Classes 3, 9, and 18.\textsuperscript{536}

\begin{figure}[h]
\centering
\includegraphics[width=0.5\textwidth]{byblos}
\caption{BYBLOS trademark}
\end{figure}

\begin{footnotesize}
\textsuperscript{530} Jouve & Age v. Allergan, Case No. 04/7385 (Court of First Instance of Paris, 3d Chamber, Nov. 10, 2005).

\textsuperscript{531} Jouve & Age v. Allergan, Case No. 05/22595 (Court of Appeal of Paris, 4th Chamber, Section B, Jan. 19, 2007), available at www.legifrance.gouv.fr (in French).

\textsuperscript{532} Case No. 07-13349 (Supreme Court, Commercial Chamber, July 1, 2008), available at www.legifrance.gouv.fr (in French).

\textsuperscript{533} IR No. 430742, registered June 11, 1997.

\textsuperscript{534} IR No. 506961, registered Oct. 6, 1986

\textsuperscript{535} IR No. 513711, registered Aug. 3, 1987.

\textsuperscript{536} CTM No. 000605600, registered July 21, 1997.
\end{footnotesize}
Swinger decided to develop a luxury hotel. Accordingly, it filed CTM applications for BYBLOS ART HOTEL VILLA AMISTÀ in Class 43\textsuperscript{537} and BYBLOS ART GALLERY in Classes 35, 36, 39, and 41 (see below).\textsuperscript{538}

![S.A. Le Byblos Logo]

S.A. Le Byblos, a French company founded in 1964, owns two hotels in Saint Tropez (France) and has registered numerous trademarks containing BYBLOS for services in Class 43, dating back to 1968. Le Byblos filed a CTM application for HOTELS BYBLOS, for “spectacles” and other goods in Class 9 and goods and services in Classes 16, 38, 41, and 43 (see below).\textsuperscript{539}

![Hotels Byblos Logo]

The parties instituted various claims against each other over their respective applications to register and their uses of BYBLOS, including Le Byblos’ claim for infringement and cancellation based upon the repute of its BYBLOS mark. The Court of First Instance of Paris examined the reputation of Le Byblos’s French trademark BYBLOS. The Court analyzed the scope of public awareness of the mark and the nature of the repute, and concluded that if the Hotel Le Byblos is obviously well known, the mark itself does not seem to benefit from a high degree of reputation. The only evidence Le Byblos introduced of the repute of its mark was a collection of tourist guides and magazines presenting the hotel, but the Court noted that volume of sales, geographic area covered, and

\textsuperscript{537.} CTM Application No. 004582367, filed Aug. 8, 2005.

\textsuperscript{538.} CTM Application No. 004810735, filed Dec. 29, 2005.

\textsuperscript{539.} CTM Application No. 004449451, filed May 20, 2005.
advertising investments all must be taken into account in an assessment of repute, and Le Byblos had offered no evidence of same.

As Le Byblos had based its action on the reputation of its mark and had failed to demonstrate it, the Court ruled for Swinger.540

GERMANY

I.C. Distinctiveness

The renowned fashion and jewelry designer Jette Joop applied for registration of the word mark COOL, seeking protection for goods and services encompassed by Classes 16, 35, and 41, including “organization and conducting of events for commercial or advertising purposes; entertainment; sporting and cultural activities; film, sound, videotape film – and television production and organization and conducting of entertainment events.” In its decisions of June 4, 2008, and August 27, 2008, the latter issued by a senior examiner, the German Patent and Trademark Office refused registration. It held that COOL was not a distinctive mark as it is a “colloquial trend word” that found entry into day-to-day language and therefore no longer requires translation into German. The fact that persons as well as events would be described as “cool” did not give the word a distinctive character.

On appeal, the German Federal Patent Court upheld the Office’s decision,541 confirming that COOL was a common word, and accordingly, was devoid of distinctiveness within the meaning of Section 8(2) No. 1 of the German Trademarks Act.542 Referring not only to its own case law but also to established cases of the European Court of Justice, the Federal Patent Court reiterated that trademarks have no distinctive character if they are not capable of distinguishing the goods or services of one undertaking from those of other undertakings. Following an analysis of how the word “cool” was assimilated into the German language, having the meaning of “calm (ruhig), predominant (überlegen), cold blooded (kaltschnäuzig),” and supporting this finding by drawing attention to entries into widely published works of reference and similar publications, the court came to the conclusion that the subject mark was formed of a word that could only be comprehended by the relevant trade circles and consumers as a description of the relevant goods and services. Finally, the applicant’s argument that


541. Case No. 27 W (pat) 69/09 (German Federal Patent Court, Mar. 16, 2009) (COOL).

542. Section 8(2) No. 1 provides: “The following shall not be registered: . . . trade marks which are devoid of any distinctive character with respect to the goods or services.”
there already existed a number of registered COOL marks on the German Patent and Trademark Office’s register and therefore the Office was under the obligation to allow the subject mark to be registered failed on the grounds that the Office was not bound by prior-existing registrations and there also existed decisions by which applications for registration of the word mark COOL were rejected.

This decision is important because it establishes that words that have been assimilated into the common German language are not able to serve as distinctive features, and are understood by the relevant trade circles and consumers as descriptive of the relevant goods and services. Nevertheless, the court left no doubt that each trademark application must be assessed on its own merits and held that the subject mark COOL differed from the trademark LOOK, which had been allowed for registration.

adidas-Salomon AG sought to register the word mark STREETBALL, for “sport shoes and sport clothes” in Class 25.

The Patent and Trademark Office refused registration of the trademark STREETBALL and subsequently, on appeal, the Federal Patent Court confirmed the Office’s refusal. Both instances ruled that STREETBALL was not registrable because of a lack of distinctiveness, pursuant to Section 8(2) No. 1 of the German Trademarks Act, as the term STREETBALL describes only a kind of sport for which shoes and clothes could be used. The relevant trade circles and consumers understand the term as merely descriptive, as indicated by its intended usage and purpose. In addition, the term STREETBALL must be kept available for use in and for the trade, in accordance with Section 8(2) No. 2 of the Act.543 The appellant’s argument, that even if “streetball” was a certain variation of the sport “basketball,” it was, if at all, little known to the public and did not clearly designate certain products, did not persuade the court. The additional argument that the applicant owned an older corresponding German trademark registration for STREETBALL for identical goods remained unheard, although this older trademark survived cancellation proceedings before the Federal Patent Court in 1996, when the court rejected the request for cancellation on the ground that there was no indication that the trademark lacked distinctiveness at the time of filing. While the court took the view that it had to assess the registrability of trademarks at the time of its decision and thus felt entitled to disregard the latter argument, it nevertheless

543. Section 8(2) No. 2 provides that “trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, . . . or . . . other characteristics of the goods or services shall be excluded from registration.”
granted leave to appeal to the Federal Supreme Court for review on legal grounds.

The German Federal Supreme Court confirmed these decisions as lawful, holding that the relevant trade circles and consumers would understand STREETBALL merely as a description of the relevant goods that should be worn when practicing street ball. The registration of the trademark STREETBALL for the same goods in 1992 did not conflict with the decision that STREETBALL was at present (i.e., at the time of the decision of the registration) not registrable owing to lack of distinctiveness. The decisive factor was the understanding of the relevant trade circles and consumers at the time of the decision on registration.544

This case is important because the German Federal Supreme Court confirmed that the standard for the assessment of the registrability is not affected or even lowered by referring to an already-existing identical trademark registration. Of relevance is the assessment at the time of the registration decision. A further lesson to be learned from the Supreme Court’s decision is that another option to the filing of a trademark application could be seen in consistent use and, even more important, consistent enforcement of an existing trademark registration, as the courts are bound by a registration until its cancellation on the basis of the mark’s having become generic. This places the burden on the defendant and avoids self-destruction of an existing trademark registration.

Manroland AG applied for registration of the word mark PRINT MEDIA MONITOR for goods and services in Classes 9, 16, and 35. Registration was refused by the German Patent and Trademark Office with respect to all goods and services in the application. Manroland then amended its specification to include only goods in Class 16. The Office held that the applied-for mark was merely descriptive and not distinctive for the relevant goods, pursuant to Section 8(2) No. 1 of the German Trademarks Act, as it described features of the goods in Class 16. It was of the opinion that the relevant trade circles and consumers would understand the term PRINT MEDIA MONITOR as a descriptive feature for a monitoring and analysis system.

On appeal by the applicant, the German Federal Patent Court confirmed the decision, holding that the term PRINT MEDIA MONITOR was not registrable as it lacked distinctiveness, pursuant to Section 8(2) No. 1 of the German Trademarks Act.545

544. Case No. I ZB 30/06 (German Federal Supreme Court, Jan. 15, 2009) (STREETBALL).

545. Case No. 29 W (pat) 12/07 (German Federal Patent Court, Apr. 1, 2009) (PRINT MEDIA MONITOR).
The relevant trade circles and consumers would understand this term for the goods in Class 16 as a description for a person or product that evaluates the situation of print media, in contrast to an identification of origin. The fact that some publications searched by the applicant could have been perceived as use of a trademark did not matter, as the assessment of registrability did not depend upon the actual use. Moreover, the fact that an applied-for mark was not traceable in a dictionary did not speak in favor of allowing it to proceed to registration.

This decision is important because it reveals that it is not necessary that a term only be understood as a descriptive feature by the relevant trade circles and consumers in order to negate its distinctiveness. Lack of distinctiveness already exists if relevant consumers understand the term not only as a term but also as a descriptive feature.

Fraunhofer-Gesellschaft zur Förderung der angewandten Forschung e.V. filed an application for registration of the word mark iFINDERS, to cover goods and services in Classes 9, 16, 35, 41, and 42. To On February 5, 2007, the German Patent and Trademark Office refused registration of the mark for services in Class 42 on grounds of lack of distinctiveness for the relevant services, in accordance with Section 8(2) No. 1 of the German Trademarks Act. Specifically, the Office held that the mark iFINDERS only described possible features of the applied-for services and thus was not distinctive.

Upon appeal by the applicant, the German Federal Patent Court confirmed the Office’s decision, holding that the term “iFinders” lacked any distinctiveness, pursuant to Section 8(2) No. 1 of the Act. The mark consisted of two elements, “i” and “Finder.” On the Internet, the term “Finders” was used to describe websites and portals that carry out searches for specific areas or topics. The vowel “iwa” is used by the relevant trade circles and consumers as an abbreviation for Internet, intelligent, interactive, or informative. By combining these two elements, the mark iFINDERS would be understood by the relevant trade circles and consumers as a description of the offered services and not as an identification of origin.

The decision is important because it establishes that a mark cannot be registered as a trademark as long as its word elements, alone and in combination, have no distinctive character in association with the relevant services.

A branch of an international consulting company filed for registration of the word mark THE AUDITOR, seeking protection
for goods and services, including “software; data processing and information technology; computer programming,” in Classes 9 and 42. In its decisions of August 23, 2005, and February 2, 2006, the German Patent and Trademark Office rejected the application, holding that “auditor” was a common word for a person who inspects and controls the security of IT systems and that the relevant trade circles would associate the word THE AUDITOR with the work of an auditor, that is, a person who is accredited to approve certain goods or services. Thus, the mark THE AUDITOR had no distinctive character.

Upon appeal by the applicant, the German Federal Patent Court confirmed the Office’s decision. It held that marks have no distinctive character if they are understood by the relevant trade circles only as descriptive for the relevant goods and services or if they are common words, either in German or in a foreign language, that are understood, as a result of use, in their usual meaning and not as a distinctive feature. As the word “auditor” was part and parcel of German dictionaries, the relevant trade circles and consumers would understand it in its normal sense.

This decision is important because it underscores that a word that may be associated with the activities in a particular field of business, or with a profession connected with certain standards expected in the trade, cannot be monopolized by way of trademark protection.

A request was filed with the German Patent and Trademark Office for cancellation of the trademark registration for ROTER STERN (“red star”), which displayed a red star with five tines, covering goods in Classes 18, 21, and 25 (see below). The request for cancellation was based on the contention that the mark displayed a symbol of communism and therefore was not registrable. In addition, the applicant asserted that the mark had been filed in bad faith.

In its decision of December 17, 2007, the German Patent and Trademark Office rejected the cancellation request. It found that the red star—although a symbol of communism—could serve as a trademark, that is, as an identifier of origin, and consequently had been lawfully registered.

On appeal, the German Federal Patent Court reversed the decision and held that the trademark ROTER STERN lacked distinctiveness.\textsuperscript{548} The court ruled that the red star represented a simple graphic design element that typically was used in an ornamental and decorative manner. Although it was no longer necessary to deal with the applicant’s argument that the trademark was descriptive for referencing a symbol of communism, the court rejected that argument as being unfounded, as a political connotation could not have an influence on the description of goods.

\textbf{II.C.1.d. Geographical Names}

On October 8, 2007, the German Patent and Trademark Office granted a request for partial cancellation of the trademark registration for CCCP, covering “clothing, footwear and headgear” in Class 25. The defendant’s mark had also been registered for goods in Classes 21 and 34.

The Office held that the mark should be cancelled, in accordance with Section 8(2) No. 2 of the German Trademarks Act, because CCCP is the common abbreviation for the former Soviet Union (Union of Soviet Socialist Republics). Although it symbolized a nonexistent state or region, the concerned trade circles and consumers would nevertheless understand this mark, registered for goods in Class 25, as an indirect geographical indication. Therefore, the abbreviation CCCP had to be kept free for use by the trade, pursuant to Section 8(2) No. 2 of the Act.

The defendant appealed this decision before the German Federal Patent Court. Its appeal was supported by extracts from the Internet, showing an indication of a so-called “Ostalgie,” a wave of nostalgia pertaining to the former East Germany and the Soviet Union. The Federal Patent Court confirmed the Office’s decision, holding that the mark CCCP was an indirect geographical indication under Section 8(2) No. 2 of the German Trademarks Act.\textsuperscript{549} That provision was applicable even though the Union of Soviet Socialist Republics no longer exists and CCCP is no longer an official abbreviation for that state or region. In support of its findings, the court relied on a number of facts indicating that CCCP was still perceived by the relevant trade circles as a reference to the former Soviet Union. The Federal Patent Court also found support in a decision issued by the Appeal Court in Hamburg, which had addressed this question only a short time before.

\textsuperscript{548} Case No. 27 W (pat) 80/08 (German Federal Patent Court, Feb. 12, 2009) (ROTER STERN).

\textsuperscript{549} Case No. 26 W (pat) 2/08 (German Federal Patent Court, Jan. 21, 2009) (CCCP).
In essence, in this case, an outdated geographical indication was deemed to exist, and thus was not protectable, as long as the relevant trade circles and consumers still understood the mark as a geographical indication. Further, the abbreviation CCCP had to be kept free for the trade, because symbols of former states used in connection with goods in Class 25 have become more popular in recent years.

This decision is significant because the Federal Patent Court also stated that geographical indications that no longer refer to an existing political territory are not registrable, in accordance with Section 8(2) No. 2 of the German Trademarks Act, if the relevant trade circles and consumers still understand the designation as a geographical indication.

Following the application by a public broadcasting corporation for registration of the trademark LANSING, covering a wide range of goods and services in Classes 9, 16, 18, 20, 21, 24, 25, 28, 29, 30, 32, 38, 39, 41, and 43, the German Patent and Trademark Office, in its decisions of March 1, 2008, and July 15, 2008, partly refused the registration. It held that LANSING was known as the capital of the state of Michigan, U.S.A., an important industrial location for agricultural products. Therefore, the relevant trade circles and consumers would understand the mark as a geographical indication that had to be kept available for the trade, in accordance with Section 8(2) No. 2 of the German Trademarks Act.

On appeal by the applicant, the German Federal Patent Court reversed the Office’s decision and ruled that the mark LANSING was registrable and not barred by Section 8(2) Nos. 1 and 2 of the German Trademarks Act.550 As the city in the United States named Lansing was largely unknown by the relevant trade circles and consumers, the term LANSING would not be associated with it. All in all, the relevant trade circles and consumers would not recognize LANSING as a geographical indication but instead would perceive it as an invented word.

GREECE

I.B. Descriptiveness

The Finnish company M-real Corporation applied for the extension to Greece of its International Registrations for the word marks CARTA SOLIDA551 and CARTA INTEGRA.552 Both

550. Case No. 27 W (pat) 15/09 (German Federal Patent Court, Jan. 27, 2009) (LANSING).
552. IR No. 795299 (Greek Trademark No. 10810), registered Dec. 13, 2002.
trademarks covered paperboard, in particular for packages and graphic purposes, in Class 16. The Administrative Trademark Committee rejected both applications on the ground that the words of which the marks consisted lacked distinctive character and indicated the kind of goods in association with which the mark was used.\textsuperscript{553} It noted that both the words CARTA SOLIDA (meaning “solid carton”) and the words CARTA INTEGRA (meaning “integral cardboard”) directly referred consumers to the covered goods.

M-real filed recourse before the Administrative Court of First Instance, requesting that the decisions of the Trademark Committee be reversed.\textsuperscript{554}

On the one hand, the court held that with respect to marks comprising words that are not in the Greek language, the meaning of the words is irrelevant if they have not been integrated in the common, everyday spoken language. On the other hand, it found that each of the two marks consisted of two foreign words, forming an original whole and sufficiently specialized, whose meaning had not been established in the everyday language of Greek consumers. In light of the above, the court concluded that the marks CARTA SOLIDA and CARTA INTEGRA did not describe the goods they covered, did not lack distinguishing character, and therefore were acceptable for registration.\textsuperscript{555}

The German company Röhm GmbH & Co. KG applied for the registration in Greece of its international trademark PLEXIGLAS TRULED.\textsuperscript{556} The word mark was filed to cover plastics as semifinished products in Class 17 in the form of films, sheets, webs, profiles, blocks, rods, tubes and molded parts, double-skin sheets, and multiskin sheets, and building components from plastics in Class 19 in the form of films, sheets, webs, profiles, blocks, rods and tubes, building materials (non-metallic), windows made of plastics, window panes, and door panels. The Administrative Trademark Committee rejected the application on the ground that the applied-for mark consisted of words that clearly indicated the kind of goods covered and lacked distinctive character, being merely descriptive terms without any particularity.\textsuperscript{557}

\textsuperscript{553} Decision Nos. 14962/2003 and 14963/2003 (Administrative Trademark Committee, Dec. 11, 2003).
\textsuperscript{554} Recourse Nos. 5205 and 5208, filed Apr. 2, 2004.
\textsuperscript{555} Decision Nos. 17673/2008 and 17674/2008 (Administrative Court of First Instance of Athens, Dec. 24, 2008).
\textsuperscript{556} IR No. 795301 (Greek Trademark No. 10811), registered Dec. 16, 2002.
\textsuperscript{557} Decision No. 14962/2003 (Administrative Trademark Committee, Dec. 11, 2003).
Röhm filed recourse before the Administrative Court of First Instance, seeking the reversal of the Committee’s decision. The court found that the overall visual and aural impression given by the trademark PLEXIGLAS TRULED was that of an original, sufficiently specialized product, the meaning of which was unknown in everyday Greek. Therefore, the mark could not be characterized as descriptive or lacking distinguishing character, and accordingly the court allowed it to proceed to registration.

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

The Greek company P.N. Gerolymatos AEBE applied to register the word mark FILOCARD for goods in Class 5. Gerolymatos’s application was accepted by the Administrative Trademark Committee.

Sanofi-Aventis, a French company, filed an opposition before the Trademark Committee, seeking to prevent registration of the mark. The opposition was based on the opponent’s prior trademark registration for FILOCOT, covering goods in Classes 3 and 5. Sanofi-Aventis claimed that the contested mark was highly similar, both visually and aurally, to its trademark.

The Committee rejected the opposition, and Sanofi-Aventis filed recourse before the Administrative Court of First Instance. It argued that (1) there was a high degree of visual similarity between the marks, as they had five letters in common and both consisted of three syllables, the first two of which constituted the prefix FILO-; (2) the marks were aurally similar, as their last letters, D and T, respectively, were pronounced almost the same and could not be differentiated when heard by consumers, thus causing confusion; and (3) the contested mark had been filed in bad faith. Gerolymatos responded that its mark was sufficiently different from the opponent’s mark; it argued, moreover, that the opposing mark FILOCOT already peacefully coexisted with various registered trademarks of other companies, all of which had the prefix FILO- (e.g., FILODERMA, FILOREX, FILOSULFA, FILOGRAM, and FILOSIR) and covered goods in Class 5.

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The court upheld the decision of the Administrative Trademark Committee.\textsuperscript{565} It held that the characteristic part of the marks under comparison was not the common prefix, FILO-, or the identical first five letters, F-I-L-O-C, but the letters joining the two parts of each mark, namely the AR of FILOCARD and the O of FILOCOT. Those letters sufficiently differentiated the marks both aurally and visually, the endings -D and -T not having sufficient influence in the overall impression given by the marks. The court therefore concluded that there was not sufficient similarity to cause confusion among consumers as to the source of the covered goods. It also held that in view of the difference between the marks, there was no question of the trademark application for FILOCARD’s having been filed in bad faith. Accordingly, the Court of First Instance rejected Sanofi-Aventis’s appeal.

The Swiss firm Swatch AG (Swatch SA) (Swatch Ltd) applied for the extension to Greece of its International Registration for the trademark SKIN & Device,\textsuperscript{566} covering goods in Class 14 (see below). The Administrative Trademark Committee rejected the application\textsuperscript{567} on the ground that the mark closely resembled the Community trade mark (CTM) SKINLINE,\textsuperscript{568} registered in the name of the German company Hirsch Armbonder Gesellschaft mbh and covering goods in several classes, including Class 14.

Swatch filed recourse before the Administrative Court of First Instance.\textsuperscript{569} It argued that (1) there was no risk of consumer confusion, as the overall visual and aural impression given by the marks was different; (2) it was already the owner of the Greek trademark SKIN,\textsuperscript{570} for goods in Class 14, which consisted of a word and a device almost identical to its international trademark and which had been registered before the cited mark

\textsuperscript{565.} Decision No. 12326/2007 (Administrative Court of First Instance of Athens, Sept. 28, 2007).
\textsuperscript{566.} IR No. 682103 (Greek Trademark No. 6586), registered May 16, 1997.
\textsuperscript{567.} Decision No. 3808/2003 (Administrative Trademark Committee, Mar. 6, 2003).
\textsuperscript{568.} CTM No. 001788264, filed Aug. 2, 2000, registered June 4, 2002.
SKINLINE,\(^{571}\) (3) the applied-for mark SKIN & Device had been registered with WIPO since May 16, 1997, and also was registered in, among other jurisdictions, Austria, the country of origin of the cited mark SKINLINE. Swatch also filed related evidentiary material.

The court took into consideration the fact that Swatch had filed its trademark application for SKIN & Device in Greece in December 1997 and Hirsch had filed its CTM application for SKINLINE in August 2000, two years after Swatch’s trademark became effective in Greece. It held that Swatch had a priority right over the use of the word SKIN. Accordingly, Swatch was entitled to apply for its registration as a trademark with a device in order to cover goods in the same class (14). The court further held that the marks SKIN & Device and SKINLINE were sufficiently different that they did not present a risk of consumer confusion. Consequently, it accepted the recourse and allowed Swatch’s mark to proceed to registration.\(^{572}\)

The Greek company Christos Toumanides Anonimi Eteria Issagogon Exagogon Antiprossopion ke Emporias Idon neoterismon Diafilmistikon ke Touristikon Ergassion, trading as Prince Oliver, filed an application for the registration of the word mark OLIVER, to cover goods in Classes 3, 18, and 25.\(^{573}\) The Administrative Trademark Committee accepted the application.\(^{574}\)

Valentino Globe B.V., an Italian company, filed an opposition\(^{575}\) against the acceptance of the applicant’s mark, based on its prior-registered Greek trademarks OLIVER & Device,\(^{576}\) for goods in Class 25, and OLIVER TWO,\(^{577}\) for goods in Classes 9, 14, 18, and 25 (see below). The Trademark Committee rejected the opposition on the ground that the opposed mark was sufficiently different from the opponent’s trademarks because of the device and the special script of the letter V of the trademark OLIVER & Device and because of the word TWO of the trademark OLIVER TWO.\(^{578}\)

\(^{571}\) According to Article 15 of the Greek Trademarks Law (Law No. 2239/1994, Sept. 16, 1994), “A trademark that has been given final acceptance shall be deemed to have been registered on the filing date of the application.”

\(^{572}\) Decision No. 13567 (Administrative Court of First Instance of Athens, Oct. 31, 2007).

\(^{573}\) Application No. 146112, filed July 24, 1999.

\(^{574}\) Decision No. 5583/2000 (Administrative Trademark Committee, July 4, 2000).

\(^{575}\) Opposition No. 152, filed Mar. 15, 2001.


\(^{577}\) Trademark No. 111664, registered Nov. 30, 1992.

\(^{578}\) Decision No. 3090/2002 (Administrative Trademark Committee, Apr. 17, 2002).
Prince Oliver filed recourse before the Administrative Court of First Instance, but the court confirmed the findings of the Administrative Trademark Committee.

Valentino appealed against the Court of First Instance’s decision before the Administrative Court of Appeals. That court, upon comparing the marks at issue, held that the visual and aural similarity of the opposed mark OLIVER and the opposing trademark OLIVER & Device, plus the fact that they both covered goods in Class 25, created a risk of consumer confusion as to the source of the covered goods. That risk was not averted by the accompanying device and the special script of the letter V in the trademark OLIVER & Device because those elements did not possess sufficient distinguishing character, considering that both the word element of the marks and the covered goods were identical. In view of the above, the Court of Appeals did not examine the similarity between Prince Oliver’s mark and Valentino’s other trademark, and the application for registration of the word mark OLIVER was rejected.

The Greek company Citishop—Emporia Ilektronikou ke Ilektrikou Ilikou applied to register the mark CITISHOP TELEPHONY & Device for goods and services in Classes 9, 14, 16, and 38. The Administrative Trademark Committee accepted the application.

The well-known U.S. financial services company Citicorp filed an opposition against the acceptance of said mark. Citicorp argued that the opposed mark resembled its prior-registered Greek

582. Decision No. 3969/2007 (Administrative Court of Appeals of Athens, Nov. 9, 2007).
trademarks CITICORP, covering goods in Class 16; CITICORP and CITIGOLD, both covering services in Class 36; and CITIFREEDOM, covering services in Class 36 and goods in Class 9, and that the opposing trademarks were famous marks. The Trademark Committee rejected the opposition on the ground that Citishop’s mark was sufficiently different from Citicorp’s trademarks, as the overall impression given by the marks under comparison was not affected by the common prefix CITI-.

Citicorp filed recourse before the Administrative Court of First Instance. Citicorp’s parent, Citigroup, Inc., a major company in the banking sector, intervened in the proceedings. Citicorp argued, inter alia, that the distinguishing feature of the opposing trademarks was the word element CITI-, which is an intentional alteration of the English word CITY. It requested that the Committee’s decision be reversed because there was an obvious risk of confusion between its trademarks and the applied-for mark CITISHOP TELEPHONY that would lead consumers to believe that there was an economic link between the owners. Citicorp further argued that its marks had become famous in the Greek market, as they had been used for many years and were associated with the high quality of the services offered by the company.

The court, besides taking all the above factors into consideration, noted that the word TELEPHONY in the contested mark appeared in small characters under the word CITISHOP, which, it held, was the dominant feature of the mark. The word TELEPHONY simply accompanied the word CITISHOP and was not sufficient to give the mark any distinguishing character. The court found, moreover, that the dominant feature of the word CITISHOP was the prefix CITI-, which appeared in a manner very similar to that of the prefix in the trademarks belonging to Citicorp, namely the use of the same Latin characters, the same spelling, and a similar typeface.

Based on these findings, the court concluded that Citishop’s mark was very similar to Citicorp’s trademarks and that its registration would be very likely to cause consumer confusion by suggesting a link between the owners of the respective marks. The court particularly noted that the Citicorp marks had been used for many years in the banking sector and, by virtue of their wide

promotion, had become famous in both the international and the Greek markets, having been connected in the minds of consumers with Citicorp and Citigroup. That fact, the court held, prevented the acceptance of the contested trademark. Accordingly, the Court of First Instance reversed the decision of the Administrative Trademark Committee and rejected the trademark application for CITISHOP TELEPHONY.  

Catherine Claus, a Belgian individual, applied for the extension to Greece of her International Registration for the trademark PROFESSIONAILS, to cover goods in Classes 3 and 8 (see below). The Administrative Trademark Committee rejected the application on the ground that the applied-for mark resembled the prior-registered Greek trademark SYSTEM PROFESSIONAL, owned by the German company Wella Aktiengesellschaft and covering goods in Class 3.

Claus filed recourse before the Administrative Court of First Instance. She argued that the overall visual, aural, and conceptual impression given by the applied-for mark was totally different from that conveyed by the cited mark. More specifically, she argued that the marks were differentiated as to (1) the number of words of which they consisted, as the mark PROFESSIONAILS consisted of one word and the mark SYSTEM PROFESSIONAL of two; (2) the characteristic ending -NAILS of the mark applied for, which differentiated it from the cited mark not only visually and aurally but also conceptually, as it had a specific meaning in the English language, and which created an original word when combined with the word PROFESSION; and (3) the word SYSTEM of the cited mark.

The court, upon comparing the two marks and considering that they were composed of different numbers of words, held that the addition of the word NAILS to the word PROFESSION gave the applicant’s mark a particular distinguishing character by comparison with the cited mark. It further held that the marks were sufficiently different, thus excluding any risk of consumer confusion as to the source of the covered goods. Accordingly, the Court of First Instance reversed the decision of the Trademark Committee.  

593. Decision No. 15272/2007 (Administrative Court of First Instance of Athens, Nov. 30, 2007).
594. IR No. 598235 (based on Greek Trademark No. 5517), filed and registered Feb. 1, 1993.
Committee and accepted the trademark PROFESSIONAILS for registration.598

Esco Corporation, a U.S. company, applied for the registration of the mark SUPER V & Device, to cover excavating teeth and parts therefor for earth-moving, excavating, construction, and mining machines, in Class 7 (see below).599

The Administrative Trademark Committee rejected the application on the ground that the mark resembled the prior-registered trademark SUPER VS (word mark), owned by the Japanese company Mitsuboshi Belting Ltd. and covering machines and machine tools, motors (except for land vehicles), machine coupling and transmission components (except for land vehicles), agricultural machines, incubators for eggs, and power transmission belts for agricultural and industrial machines in Class 7 and goods in Class 12.600

![SUPER V](image)

Esco filed recourse before the Administrative Court of First Instance. It argued that the marks were sufficiently different and there was no risk of consumer confusion because its mark SUPER V aimed to cover very specific goods that were destined for a specific group of consumers.601 The court, however, affirmed the decision of the Committee,602 and, upon appeal filed by Esco,603 so did the Administrative Court of Appeals.604

The case was brought before the Council of State.605 The Council of State, upon examining the case files, found that the

600. Decision No. 84/1997 (Administrative Trademark Committee, Jan. 9, 1997).
602. Decision No. 2760/1999 (Administrative Court of First Instance of Athens, Mar. 31, 1999).
Court of Appeals had not examined whether the goods covered by the mark SUPER V were indeed specialized and whether they were destined for a very specific group of specialized consumers, who would be capable of differentiating between the marks under comparison. In light of this finding, the Council of State remanded the case to the Court of Appeals for reexamination.

The Court of Appeals held that although the excavating teeth and parts therefor for earth-moving, excavating, construction, and mining machines fell within the scope of protection of Class 7, to which some of the goods covered by the cited mark SUPER VS also belonged, the excavating teeth were not covered by SUPER VS, nor were any related goods. It also emphasized that such goods were destined for use by very specialized technicians, namely engineers and engineering companies. In light of this fact, the Court of Appeals concluded that there was no risk of confusion of consumers, and consequently it allowed the mark SUPER V to proceed to registration.\(^{606}\)

The Greek Union of Agricultural Partnerships of Argolis filed a trademark application for REA, ENOSSI AGROTIKON SYNETAIRISMON ARGOLIDAS (“REA, Union of Agricultural Partnerships of Argolis”) & Device,\(^{607}\) to cover goods in Classes 29 and 31 (below, illustration at top). The Administrative Trademark Committee accepted the application.\(^{608}\)

The French company Les Vergers d’Alsace opposed the registration\(^{609}\) on the ground that the applied-for mark resembled its prior-registered CTM RÉA,\(^{610}\) covering goods in, among other classes, Classes 29 and 31 (below, illustration at bottom). The Committee accepted the opposition, on the basis that the marks under comparison were visually and aurally similar and covered similar goods, thus causing confusion of consumers.\(^{611}\)

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\(^{606}\) Decision No. 1371/2008 (Administrative Court of Appeals of Athens, Apr. 18, 2008).


\(^{608}\) Decision No. 7410/1999 (Administrative Trademark Committee, Sept. 9, 1999).

\(^{609}\) Opposition No. 3900, filed Nov. 16, 2000.


\(^{611}\) Decision No. 6134/2003 (Administrative Trademark Committee, 2003).
The Greek Union filed recourse before the Administrative Court of First Instance.\(^{612}\) It argued that the opposition should have been dismissed, because at the time of filing of its application the opposing trademark had been only applied for and had not yet been registered. This argument was dismissed by the court, which held that the owner of a pending application has a legitimate interest in filing an opposition against a similar mark. The Greek Union further asserted that Les Vergers d'Alsace had registered its trademark in bad faith, as the Greek mark had been used in transactions since 1950. However, the court found that this allegation had not been proven, and therefore it was dismissed as well. Last, the Greek Union claimed that its trademark, besides the word REA, consisted of a device of a stylized archaic woman's head and the Greek words for Union of Agricultural Partnerships of Argolis, which organization was the source of the covered goods.

Taking into consideration all of the above, the court held that the addition of “Union of Agricultural Partnerships of Argolis” in smaller Greek characters beneath the word REA in the Greek Union’s mark was not sufficient to differentiate it from the CTM of Les Vergers d’Alsace, as the word REA was the dominant feature in both marks. The court concluded that the overall visual and aural impression given by the marks was very similar. In view of

the fact that the covered goods were also similar, the court found that there was a high risk of consumer confusion, which could not be averted by the additional device of the contested mark. Accordingly, it concluded that the decision of the Administrative Trademark Committee was not erroneous, and it rejected the recourse.\textsuperscript{613}

P. Adamopoulos, a Greek individual, applied for the registration of a trademark consisting of a crown device bearing the words PRINCE SILVERO, for goods in Class 14 (below, illustration at left).\textsuperscript{614}

After the filing the mark was transferred to another individual, L. Voditsas. The Administrative Trademark Committee accepted the application.\textsuperscript{615}

The Swiss company Rolex S.A. filed opposition before the Trademark Committee against the registration of the mark,\textsuperscript{616} based on its registered mark consisting of a crown device and also covering goods in Class 14 (below, illustration at right).\textsuperscript{617} The Committee rejected the opposition on the ground that although the marks resembled one another as to the crown device, the word portion PRINCE SILVERO of the contested mark was sufficient to differentiate it from the opponent’s mark.\textsuperscript{618}

Rolex filed recourse before the Administrative Court of First Instance, requesting that the Committee’s decision be reversed.\textsuperscript{619} It stressed that it was a Swiss company well known internationally as a watch manufacturer, using its reputable crown device with or without the word ROLEX, and argued that

\begin{itemize}
\item \textsuperscript{613} Decision No. 7493/2008 (Administrative Court of First Instance of Athens, May 28, 2008).
\item \textsuperscript{614} Application No. 136379, filed Aug. 11, 1997.
\item \textsuperscript{615} Decision No. 4002/1998 (Administrative Trademark Committee, June 12, 1998).
\item \textsuperscript{616} Opposition No. 3549, filed Aug. 11, 1999.
\item \textsuperscript{617} Trademark No. 108371, registered Mar. 31, 1992.
\item \textsuperscript{618} Decision No. 4108/2002 (Administrative Trademark Committee, May 30, 2002).
\item \textsuperscript{619} Recourse No. 20607/2002, filed Aug. 28, 2002.
\end{itemize}
the contested mark was identical to its own, as the same crown was represented. Thus, according to Rolex, there was a risk of consumer confusion as to the origin of the covered goods, in view of the fact that the applicant’s products, just like its own, were in Class 14.

The court rejected the recourse. It emphasized that Rolex’s crown device usually was used in trade with the word portion ROLEX, which clearly indicated the source company of the products, whereas the contested mark, in addition to the crown device, consisted of the words PRINCE SILVERO, which provided sufficient aural and visual differentiation and clearly identified the covered goods.

Upon appeal filed by Rolex, the Administrative Court of Appeals held that notwithstanding that the contested mark was a complex one, the device portion thereof was its distinguishing feature because of its large size in comparison to the size of its word portion. Consequently, the court accepted the appeal and ordered that the mark PRINCE SILVERO & Crown Device not be accepted for registration.

In BSB A.B.E.E. Endymaton v. Safilo Hellas Optica A.E.E., the Athens Single-Member Court of First Instance examined whether the use of the slogan POINT OF YOU on advertisements for the respondent’s sunglasses infringed the trademark rights of petitioner BSB A.B.E.E. Endymaton, deriving from its national and Community registrations for the trademark BSB POINT OF YOU (below, illustration at left) and the extensive use of that mark as a distinguishing feature of origin.

Respondent Safilo Hellas Optica A.E.E. used the slogan POINT OF YOU in its advertisements, such as advertising circulars and transit advertisements. The respondent is the owner of a series of CARRERA marks, such as the Greek trademarks CARRERA & Device (below, illustration at right), covering goods in Class 9, and CARRERA, covering goods in Classes 3, 9, 14, 16, 18, 25, and 28, and the CTM CARRERA, covering goods in Classes 3, 9, 16, 18, 25, and 28.

The proceeding featured the Supplementary Intervention by Safilo S.A., whose subsidiary in Greece is Safilo Hellas Optica A.E.E. The intervenor appeared in favor of the respondent and argued against the acceptance of the petition for injunction filed against the respondent.

The use of the slogan POINT OF YOU in the advertisement of competitive products was held not to constitute infringement, as the particular phrase was included in the advertisement with the trademark CARRERA. That was sufficient to avert any risk of consumer confusion and substantiate the respondent's assertion that there was no misleading advertising and/or infringement, notwithstanding the petitioner's nearly identical mark BSB POINT OF YOU for the particular products.

I.F. Famous and Well-Known Marks

The Administrative Court of First Instance reversed a decision of the Administrative Trademark Committee and ruled in favor of the French company Carrefour in (1) accepting for registration the trademark CHAMPION, covering goods in Classes 3, 30 (except tea), and 31, for the private label brand of Carrefour for a series of its supermarket products, and (2) granting a cancellation petition filed by Carrefour against the trademark registration for CHAMPION, owned by the Irish company Champion Products Europe Limited.

The Trademark Committee had originally accepted the arguments set forth by Champion Products Europe that its own CHAMPION products had been in the market in the United States since 1919 and in Greece since 1978 and that they had become famous as a result of their high quality and extensive recognition, and thus the acceptance of the applied-for mark for registration would allow Carrefour to derive an undue and unfair benefit from the famous prior trademarks of the Irish company.

In rebuttal, Carrefour had produced several Greek and Community trademarks that contained the word CHAMPION and were valid from 1958 until the present. Carrefour asserted that the existence at both the Greek and the Community levels of these trademark registrations substantiated the lack of fame of the Champion Products Europe’s trademarks.

Carrefour also submitted copies of several distributorship agreements it had executed with several parties, as well as evidence of sales of its CHAMPION products in Greece, all of which were rather indicative of the broad acceptance of the CHAMPION products by Greek consumers.

In light of all of the above, and the fact that no sufficient circulation evidence for Greece was produced by the Irish company, the Administrative Court of First Instance ruled in favor of Carrefour and accepted the applied-for mark CHAMPION for registration, while also granting Carrefour’s cancellation petition against Champion Products Europe’s trademark CHAMPION in Classes 3 and 5.

The Greek company Stam. Mouyer S.A., founded in 1900, filed a petition for injunction against the Greek company I. Mouyer LLC to enjoin the latter from using the word MOUYER as a trademark, trade name, company name, distinguishing title, distinguishing feature of origin, etc., and from making any representations to the effect that it was related to the petitioner, which owns a well-known brand of children’s shoes in Greece. In Athens, the two companies maintained their respective children’s shoe stores almost side by side (on the same block, with just a few stores in between).

The Administrative Court of First Instance took into account (1) the prior rights of the petitioner, which dated back to at least 1936, from the incorporation of the company in its Société Anonyme form; (2) the foundation of the company and its operation since 1900; and (3) the petitioner’s trademark rights, which were secured later on.

Given the fame of the trade name and company name Mouyer (the surname of the founder of the company petitioning for the injunction), the extensive unregistered trademark rights from wide, public use of the brand MOUYER, and the fact that the goods sold by the parties were identical, the court granted the petition and issued an order enjoining the use of the trademark, trade name, distinguishing title/feature, etc., by the respondent.  


III.A.5. Domain Names

Google Inc. filed a petition for cancellation of the domain name igoogle.gr on the basis of its prior-registered CTM IGOOGLE and the fact that, several years previously, it had launched the web tool igoogle (which allows the user to gather web links to favorite web pages in the initial page of the GOOGLE search engine without having to exit the initial web page).

When an individual based in Latvia registered the domain name igoogle.gr, Google filed a cancellation petition and requested the deletion of the domain name from the registry, alleging that it was registered in bad faith.

To substantiate the bad faith argument, Google presented evidence regarding the fame of the IGOOGLE trademark and web tool, as well as relevant WIPO case law involving the same registrant.

The National Telecommunications and Post Committee was convinced of the bad faith registration of igoogle.gr. Accordingly, in a ruling that recognized the prior rights of Google in the particular domain name, it granted the cancellation petition as filed.

ICELAND

I.A.4. Quantity and Quality of Use

Flugstöðir ohf, a publicly owned company in charge of Icelandic air traffic control, took up ICEAVIA as a foreign byname for its operations and applied for registration of that name as a trademark for air traffic control and air traffic services in Class 39. Hilmar Friðrik Foss, an Icelandic individual, owned the prior-registered trademark ICEAVIA, for transport, packaging, and storage of goods and travel services, all in Class 39.

Flugstöðir brought an action for cancellation of Mr. Foss’s trademark on grounds of non-use (in Iceland, such actions are filed with the court). As support for its request, the company cited reasons of convenience: the name ICEAVIA harmonized with parallel names used by the air traffic control authorities in the other Nordic countries.

635. Case No. 43100/06-08-2008, filed Aug. 6, 2008.
The lower court held in favor of Mr. Foss and rejected Flugstoðir’s request for cancellation of his ICEAVIA mark.639 The Supreme Court overturned the lower court’s decision, finding that Mr. Foss had failed to demonstrate sufficient use of the mark. Specifically, the Court held that Mr. Foss had used the mark only as a kind of trade name for his personal commercial activities and had failed to provide sufficient evidence that he had used the trademark to market activities related to the services for which the mark was registered (in advertising or in other marketing materials) or that he had used it in reality in connection with his activities in Iceland.640

There have not been many cases in Iceland on quantity and quality of use. In this decision, evidence of use as reported was not accepted as sufficient to prevent the cancellation of the mark in question.

I.D.1. Similarity of Marks

The Swiss company Novartis AG is the owner of the international trademark SEBIVO, registered for pharmaceutical preparations in Class 5.641 Actavis Group PTC ehf., an Icelandic firm, owns an Icelandic trademark registration for EBIVOL, covering pharmaceuticals and pharmaceutical preparations in the same class.

Novartis filed an opposition against Actavis Group’s registration based on the EBIVOL trademark’s confusing similarity to Novartis’s prior-registered trademark SEBIVO. The Registrar rejected the opposition, arguing that the marks began and ended in different letters and that when they were split into two parts—EBI and VOL on the one hand and SEB and IVO on the other—those parts appeared quite different.642

Novartis appealed, strongly objecting to the Registrar’s basing his argument on the split-up words. It argued that, instead, SEBI and VO should be compared with EBI and VOL. The Board of Appeal for Intellectual Property Rights did not take a stance on this point but upheld the Registrar’s decision allowing registration. It found that although both marks contained the letter combination EBIVO, the fact that the marks began and ended in different letters was sufficient to ensure that confusion was not


likely to occur.\textsuperscript{643} In further support of its finding, the Board cited the Supreme Court’s statement in 2001 that in the Icelandic language stress is placed on the first syllable of a word,\textsuperscript{644} and noted that the first syllable was stressed when pronouncing EBIVO.

The decision is interesting, as it reflects a fairly new view held by the Board of Appeal: although a significant portion or even the majority of a mark may consist of the same letter combination, the fact that two marks begin and end in different letters may be enough for them to be considered sufficiently different from each other to be able to coexist. The Supreme Court’s argument from 2001 regarding the stress on the first syllable seems to have been given great importance.

The U.S. pharmaceutical corporation Wyeth owned an Icelandic trademark registration for BENEFIX, covering goods in Class 5.\textsuperscript{645} The French company Sanofi Pasteur, the vaccines division of Sanofi-Aventis Group, owned an International Registration for BENEFIVE, also for goods in Class 5.\textsuperscript{646}

Wyeth opposed the extension to Iceland of Sanofi Pasteur’s trademark registration for BENEFIVE based on the mark’s confusing similarity to Wyeth’s trademark BENEFIX. The Registrar decided in favor of Sanofi Pasteur and rejected Wyeth’s request for cancellation of the defendant’s Icelandic registration.\textsuperscript{647}

The Board of Appeal overturned the Registrar’s decision allowing registration of BENEFIVE. It noted that because stress in Icelandic is usually on the first syllable and because the first six letters of the marks at issue were identical, the marks were confusingly similar. The fact that the last syllables were quite different — -FIVE on the one hand and -FIX on the other — was insufficient to prevent possible confusion.\textsuperscript{648}

This case illustrates the fairly new practice of comparing individual parts of trademarks. Here, the fact that the last syllables were quite different was considered insufficient to prevent confusing similarity.

\begin{itemize}
\item \textsuperscript{644} Beecham Group p.l.c. v. Omega Farma ehf., Case No. 228/2001 (Supreme Court of Iceland, Nov. 22, 2001).
\item \textsuperscript{646} IR No. 912931, registered Nov. 24, 2006.
\item \textsuperscript{647} Wyeth v. Sanofi Pasteur, Case No. 9/2008 (Registrar, May 6, 2008), \textit{available at} http://www.els.is/media/skjol/pdf/akvardanir/vorumerki/2008/2008-09-BENEFIVE.pdf (in Icelandic).
\end{itemize}
I.E. Bad Faith

Biovörur sf. owned the trademarks HIMNESK HOLLUSTA and HIMNESK, for goods and services in Classes 29, 30, 31, 32, and 43 (below, illustrations at left and center), which it had purchased from another company, Himneskt ehf. Himneskt applied to register the trademark HIMNESKT, for goods and services in the same classes (below, illustration at right).

Biovörur opposed the registration based on the confusing similarity of Himneskt’s mark to its prior-registered trademarks. The plaintiff claimed that it had purchased these marks from the defendant’s owner and argued that Himneskt’s attempt to register a mark containing the word HIMNESK (“heavenly” in Icelandic) was not compatible with good business practices, referring to Article 6, paragraph 1.1 of the Trademark Act.649

The Registrar noted that according to the statute, the proprietor of a trademark cannot prohibit others from using their own name or the name of their real property or commercial operations provided such use is in accordance with honest business practices. However, the Registrar decided that this did not apply to the registration of trademarks; therefore, he did not take a stance on the issue of Himneskt’s alleged dishonest business practices. The Registrar found that the word HIMNESK/HIMNESKT (“heavenly”) was descriptive of quality and therefore could not form the basis of extensive protection except if it were based on a long record of use. Further, the pictures were not so similar as to cause confusion. Therefore, Biovörur’s opposition was rejected.650

There have not been many decisions involving Article 6, paragraph 1.1 of the Trademark Act, but this one confirms that the Registrar will not apply that provision in connection with the registration of trademarks.

649. Act No. 45/1997, as amended. Article 6, paragraph 1.1 provides: “Provided that the use is in accordance with honest business practice, the proprietor of a trade mark may not prohibit others from use in trade or business: . . . his own name, name of real property or of his commercial operations. . . .”

**IRAN**

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

Advanced Micro Devices Inc. (AMD), the famous computer and computer chips manufacturer, became aware of a trademark application for AMD in Iran that was filed by Morteza Esmaeel Zadeh (Zadeh) in Classes 9, 35, 39, and 42. The trademark that was the subject of Zadeh’s application was identical to the trademark that was the subject of AMD’s application, and both marks covered similar types of goods and services.\(^{651}\)

AMD filed a petition before the Public Court of Tehran requesting the cancellation of Zadeh’s application and the registration of its own trademark, based on AMD’s prior registrations in Paris Convention member countries and the fact that AMD had previously used its mark in association with similar goods and services.\(^{652}\)

The Public Court of Tehran acknowledged the prior registrations for AMD’s mark in other countries. In accordance with Articles 2 and 10 of the Paris Convention\(^{653}\) and Article 9 of Iran’s Trademark Law, which adopts the Paris Convention in its entirety, the court concluded that (1) Zadeh’s application constituted unlawful competition; (2) Zadeh’s attempt to register

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\(^{651}\) Application Nos. 84050600 and 84050601, respectively, filed July 30, 2005.

\(^{652}\) Petition No. 801-B, filed July 18, 2006.

\(^{653}\) Article 2 of the Paris Convention provides:

(1) Nationals of any country of the Union shall, as regards the protection of industrial property, enjoy in all the other countries of the Union the advantages that their respective laws now grant, or may hereafter grant, to nationals; all without prejudice to the rights specially provided for by this Convention. Consequently, they shall have the same protection as the latter, and the same legal remedy against any infringement of their rights, provided that the conditions and formalities imposed upon nationals are complied with.

(2) However, no requirement as to domicile or establishment in the country where protection is claimed may be imposed upon nationals of countries of the Union for the enjoyment of any industrial property rights.

(3) The provisions of the laws of each of the countries of the Union relating to judicial and administrative procedure and to jurisdiction, and to the designation of an address for service or the appointment of an agent, which may be required by the laws on industrial property are expressly reserved.

Article 10 of the Paris Convention provides:

(1) The provisions of the preceding Article shall apply in cases of direct or indirect use of a false indication of the source of the goods or the identity of the producer, manufacturer, or merchant.

(2) Any producer, manufacturer, or merchant, whether a natural person or a legal entity, engaged in the production or manufacture of or trade in such goods and established either in the locality falsely indicated as the source, or in the region where such locality is situated, or in the country falsely indicated, or in the country where the false indication of source is used, shall in any case be deemed an interested party.
the mark was unlawful; and (3) confusion of the general public would arise if the marks were allowed to coexist in the marketplace. Consequentially, the court ordered that Zadeh’s application be cancelled and that the Iranian Intellectual Property Office proceed with the registration of AMD’s mark.

The lower court’s decision was affirmed on appeal.

Shirin Asal Co., an Iranian entity, filed an application for the registration of the trademark SUNWAY, for goods and services in Classes 29, 30, 31, 32, 35, and 39. The U.S. corporation Doctor’s Associates Inc., owner of the renowned trademark SUBWAY, filed an opposition against the applied-for mark. Simultaneously with the opposition, Doctor’s Associates also filed an application for the registration of its trademark SUBWAY in Classes 29, 30, 31, 32, 35, and 39.

The case was referred to the court. The plaintiff relied on its earlier trademark registration for SUBWAY in Iran in Class 43, the worldwide fame of its SUBWAY trademark, and the fact that the coexistence of the parties’ marks in association with the goods and services in Classes 29, 30, 31, 32, 35, and 39 would confuse the general public. The defendant claimed that the related goods and services were different from those of the plaintiff and that, as such, the general public would not be confused by the coexistence of the marks at issue.

The court ruled in favor of the plaintiff, based on (1) the plaintiff’s prior trademark registration in Iran, (2) the plaintiff’s registrations for the trademark SUBWAY in other countries, and (3) the fact that the similarity between the marks was such that the general public would be confused. Consequently, it cancelled the defendant’s application.

IRELAND

I.D.1. Similarity of Marks

British Telecommunications plc, the predecessor of Yell Ltd., the applicant, filed applications for the registration of THE ONE AND ONLY YELLOW PAGES, covering services in Classes 35, 38,
41, and 42. The opponent, Truvo Belgium Comm. V., opposed the applications on the basis of its own use and registration of the marks.

Promedia GCV, a Belgium company, which is now Truvo Belgium Comm. V., filed a Notice of Opposition on the basis that a likelihood of confusion existed, given that the applicant’s mark was identical with or similar to Promedia’s earlier mark, THE YELLOW PAGES, and the goods covered by both marks were similar or identical. It also submitted that even if the goods were not similar, the use of this later mark would be detrimental to the distinctive character or reputation of its earlier mark.

The opponent sought to rely on a number of trademarks that were mentioned in the Notice of Opposition and at least one that was not. The applicant argued that this constituted an unjustified retrospective amendment of the Notice. The hearing was adjourned to allow the opponent to make a written request for the amendment, and the applicant submitted written observations as to why that request should be refused. The hearing took place, and subsequently the parties were notified that the Controller had decided to allow the opponent to amend the Notice.

The Controller acknowledged that it was not clear why the marks were not included in the Notice, other than the fact that counsel did not appear to have received instructions to include the marks at the time of filing. The proposed amendment would have the effect of introducing two additional marks that predated the date of priority of the application. The opponent argued that Rule 75 of the Trade Marks Rules enables the Controller to permit the amendment of documents for which no specific provision for their amendment is made and suggested that it be treated in the same manner as Order 28, Rule 1 of the Rules of the Superior Courts, 1986, which concerns leave to amend an endorsement or pleading in a proceeding before the High Court. The opponent argued that it was necessary that these marks be introduced for the purpose of determining whether the applicant’s mark was registrable in light of the existence of these earlier marks and so that a complete decision could be made and further litigation between the parties could be avoided. They stated that the applicant could not claim to be prejudiced by the proposed amendment, as they had been on notice of the existence of these marks since the opponent filed their evidence under Rule 20.

The applicant argued that Section 43(2) of the Trade Marks Act and Rule 18 of the Trade Marks Rules state that, for opposition purposes, notice of opposition including a statement of grounds must be filed within three months of publication of the application and that this period is non-extendible. The applicant questioned whether Rule 75 could impose the discretion suggested, given that the effect would be to introduce new grounds, which
appear to have been available but were not relied on at the time of filing a Notice of Opposition. It also refuted that there was an analogy between Rule 75 and Order 28 and suggested that the possibility of further proceedings should be seen as supporting the case for refusal of the application for amendment, which was further compounded by the failure to provide a reason as to why the marks were not included in the original notice.

The Controller stated that an amendment pursuant to Rule 75 may be allowed even if the effect is to introduce new grounds after the three-month period. This is easy to understand when it is not possible to state the relevant grounds at the time of filing, as it would not be discretionary to alter the time period but merely be consistent with the scope of Rule 75. However, this was not the case here, as the opponent clearly knew of their marks at the time of filing. Nonetheless, the Controller found that this did not result in it being really just a request for an extension of time, as the applicant had suggested, and furthermore the request was not removed from the scope of Rule 75. He pointed out that if Rule 75 were not interpreted in this manner, there would be no scope for correction of an honest mistake even where the applicant had no objection. The Controller stated that Rule 75 should be given a purposive interpretation and that the proviso should be strictly construed. He believed that he had the discretion to allow the requested amendment notwithstanding the other issues that arose.

In relation to whether the discretion should be exercised in favour of the opponent, the Controller stated that he did not believe that Rule 75 and Order 28 had the same purpose and that Rule 75 permits amendments as far as the Controller thinks fit. Therefore, the Rule should be construed by reference to the Controller’s general statutory functions, which are “to register Marks that qualify for registration and to refuse to register those that do not” and that discretion should be exercised if it is necessary for the efficient and effective performance of these functions. The Controller surmised that his was an even broader discretion than the one that the opponent argued existed. He stated that the issue in controversy was whether the applicant’s mark should be registered in light of the opponent’s earlier marks specified in the Notice of Opposition itself, because it would be bizarre to suggest that a ground of opposition could be expressed by reference to Section 10 of the Trade Marks Act in the absence of any identification of the earlier trademark on which it is based. If this were allowed, it would not constitute a proper pleading or particularisation of the ground of objection in a way that the applicant could understand and refute as required. If the discretion were for the purpose of determining the real issue in controversy, the request to amend the Notice would have to be
refused, as the Controller did not believe that the trademarks in question were relevant to this issue. However, the existence of the two trademarks in question here was clearly potentially relevant to the issue of whether the mark concerned in the application should be registered; the trademarks must be considered in order for the Controller to carry out his statutory functions efficiently and effectively. He found that it was preferable that the issue should form part of the proceedings that were under way, as it would facilitate a full and final airing of all matters relevant to it. The Controller therefore decided to allow the amendment on the basis of the above. However, the Controller was keen to point out that he did not decide the matter by reference to the behaviour of the parties; in fact, he was scathingly critical of the opponent’s behaviour. The opponent did not make an application for leave to amend the Notice of Opposition, as would have been correct when it discovered its error and instead sought to introduce the correction “under the radar.” He also rejected the assertion that the applicant had little cause for complaint given that it was on notice as of this date. In this situation, however, the circumstances of the case took precedence over the behaviour of the opponent.660

It is generally accepted that legislation should be given a purposive interpretation, and with this decision the Controller has confirmed that the trademarks legislation is no different. However, this decision could create future problems, as others may be encouraged to try to retrospectively amend notices of opposition and the Controller’s attitude to the opponent’s behaviour would be unlikely to act as an effective deterrent.

The applicant, Pinewood Laboratories Ltd., an Irish company, applied to register the mark COZITAN in Class 5, covering “pharmaceutical preparations and substances.”

The opponent, May & Baker Ltd., filed an opposition on the basis that the applicant’s mark should not be registered in light of the use and registration of its mark NOZINAN, which is registered in Ireland in Class 5 in respect of “pharmaceutical preparations and substances for human and veterinary use.” The parties elected not to be represented at the hearing and, as such, the Controller decided the case on the basis of the materials that had been submitted.

The Controller held that there was insufficient similarity between the marks to suggest that the average consumer would make any link between them. The Controller ruled that the marks were more different than similar when the overall impression created by the respective marks was taken into account, despite

the fact that each mark contained two identical letter strings, namely “O-Z-I” in the middle and “A-N” at the end. The Controller pointed out that it was well established that the first syllable was the most important when considering the likelihood of confusion. Here the first letters of the respective marks—namely the letter “C” and the letter “N”—were extremely different from each other and created a clear visual and aural difference between the marks. The Controller believed that the average person might form some conceptual impression of the marks, despite the fact that they were invented words. Here the marks were so different that the Controller held that there was no basis to assume there would even be a subliminal connection between these marks from a conceptual perspective. The Controller also held that the shared elements of the marks were not likely to trigger recollection of the respective marks or to suggest any connection between them.

Given that there were clear differences between the marks, the Controller found that the average consumer would not recollect NOZINAN on encountering COZITAN and even if the average consumer were struck by the similar phonetic progression in the marks, they would perceive the similarity as a mere coincidence. On this basis, the Controller decided to dismiss the opposition and allow the applicant’s mark to proceed to registration.661

This case is noteworthy because of the emphasis that the Controller placed on the conceptual impression created by the marks, given the fact that both marks in this instance were invented words. It is also interesting to note that the Controller found that the marks were dissimilar despite the fact that the applicant’s mark contained five out of the seven letters in the opponent’s mark and that these letters were arranged in the same manner, particularly given that the goods covered by the respective marks were identical.

The applicant, Pinewood Laboratories Ltd., applied to register IMITAG in Class 5 in respect of “pharmaceutical preparations and substances.”

The opponent, Glaxo Group Ltd., opposed the application based on its use of the mark IMIGRAN in Ireland and its Irish and Community Trade Mark registrations for IMIGRAN in Class 5 in respect of “pharmaceutical preparations and substances.” Glaxo filed an opposition on the basis that registration of the applicant’s mark would lead to confusion on the part of the public, would be detrimental to and take unfair advantage of the reputation of its trademark, and would lead to passing off. They also claimed that

the application was made in bad faith. The other grounds were not supported by the relevant evidence and so were disregarded.

The opponent filed evidence that its mark IMIGRAN had been used in the State since 1996 in relation to a migraine treatment, the active ingredient of which was called sumatriptan. This product was extremely successful. The applicant then began selling a treatment containing sumatriptan under the name IMITAG in January 2007 after the opponent’s patent expired. The opponent argued that it was more than a coincidence that the applicant adopted this name. They stated that there was a close similarity between the marks and, in particular, that they both shared the distinct prefix IMI-. They argued that the applicant sought to benefit from the association with their product.

The applicant denied that confusion was likely and pointed out the differences between the suffixes -TAG and -GRAN. It contested that the average consumer would easily distinguish between the two when exercising the care that is needed to purchase pharmaceuticals. It also pointed out that the two products exist in the marketplace without any confusion and that the Irish Medicines Board had granted a marketing authorisation to IMITAG.

The Controller noted that the first syllable of a word is the most important, and in this case, the respective syllables were identical, which led to a high degree of visual and aural similarity. He agreed with the opponent that the prefix IMI- was quite distinctive. As such, the respective marks created a very similar overall impression. In addition, the Controller stressed that it was necessary to take into account the ability of the end-user in order to ensure that doctors and pharmacists consider his or her perception of the marks.

The Controller believed that there was a very real likelihood that the average migraine sufferer who had previously used the opponent’s IMIGRAN product and who was offered IMITAG as a migraine treatment would assume that it was the product that he already knew or that it was connected with that product in the sense that it emanated from the makers of IMIGRAN or from a related undertaking. The Controller further stated that even if a consumer had been using IMIGRAN for a long time and was subsequently offered IMITAG and noticed the difference, the consumer would nonetheless assume a connection between the two—for example, that it was a new form or a rebranding of the same product. If the consumer were to take the applicant’s product and find that it was just as effective, because the products are effectively identical, the Controller believed that the next time the consumer might specifically seek out IMITAG. If this were to happen, the opponent would suffer commercial damage and the opponent’s customer would be lost to the applicant as a direct
result of trademark confusion. The Controller also believed that the opponent had protectable goodwill attached to the mark IMIGRAN for these products; however, he did not believe that the mark had acquired a reputation. This did not affect the outcome of the proceedings.

In relation to the allegation of bad faith, the Controller pointed out that no particulars of the allegation were given in the Notice of Opposition and, as such, the applicant could not properly rebut this allegation. The particulars were given only in the opponent’s subsequent evidence. As such, the Controller held that, for an allegation as serious as bad faith, it was necessary to particularise it in the Notice of Opposition. The Controller also stated that even if he was wrong in coming to that conclusion he would still dismiss the allegation, as it was not substantiated by relevant evidence nor supported by compelling argument. He acknowledged that the opponent was unhappy about the emergence of IMITAG, but the adoption of this mark and the confusion created did not of itself constitute bad faith.662

It is interesting to note the Controller’s practical evaluation of the actual circumstances in which confusion could arise between the marks and the potential effect of this confusion. This case emphasises the importance of the first syllable in assessing the likelihood of confusion, given that the remainder of the respective marks were very different, and it also emphasises the importance of properly substantiating a claim of bad faith.

The applicant, Shoe City Ltd., applied to register the trademark PLANETFOOTWEAR & Device (shown below) in Class 25 with respect to “clothing, footwear and headgear.”

The opponent, Planet Fashions Ltd., filed opposition based on its use and registration of the mark PLANET in Ireland. The opponent’s mark PLANET is registered in Class 25 with respect to “articles of clothing including footwear and headgear.”

opponent based the opposition on several grounds; however, the only grounds that were particularised were those relating to the likelihood of confusion under Section 10 of the Trade Marks Act. The Controller was of the opinion that the evidence filed did not serve to establish any fact that was relevant to the matters at hand. The applicant did state that it could find no evidence of use of the opponent’s mark and the opponent replied that the mark had been and continued to be used; however, the opponent did not support this with any evidence and elected not to be represented at the hearing.

The applicant argued that the opposition had effectively been abandoned because of the opponent’s delay in filing evidence and because the opponent was not represented at the hearing. The applicant also argued that the respective marks were not identical because there were clear differences between the two marks and that as there was no evidence of use of the opponent’s mark, there could be no question of consumers assuming a connection between the respective marks.

The Controller held that there was no provision in the Act or the Rules to the effect that an opponent who does not attend a hearing thereby abandons his opposition. He stated that it would be going too far to infer from the manner in which the opponent had pursued this case that the opposition had been abandoned.

The Controller acknowledged that the marks were not identical and that the figurative element in the applicant’s mark could not go unnoticed by any observer. However, he considered the respective marks to be clearly similar in that the opponent’s earlier mark was entirely contained (and emphasised) in the applicant’s mark and in that the goods covered by the respective marks were identical. As such, the Controller found a high degree of similarity between the marks. In particular, the Controller held that the meaning of the opponent’s mark was the most important factor, as it is the meaning of the word that creates the mental image of the brand that the average person carries in his mind. The Controller believed that the earlier mark PLANET displayed more than the minimum level of distinctiveness required for registration, as it was completely unrelated to the goods for which it was registered. The Controller did not contribute any additional factual distinctiveness, as there was no evidence of use; however, he did assume notional use.

He pointed out that PLANET was the distinctive component of both marks. He also stated that the element “footwear” was descriptive of the goods covered by the applicant’s mark. Therefore, he held that the overall impression given by the applicant’s mark was predominately formed by the word “planet,” which gave the brand its identity.
The Controller found that because of issues of personal taste and cost, the average consumer would pay a fair degree of attention when purchasing the goods, but the attention would not be overly high. In relation to the question regarding the likelihood of confusion, the Controller held that there was likely to be direct confusion. He determined that people would think that the goods emanated from the same commercial source as those covered by the opponent’s earlier mark, given that the earlier mark was wholly contained in the applicant’s later mark and was central to the overall impression given by the later mark.

The Controller held that the differences between the marks were insufficient to negate the likelihood of confusion and that the average person who knew of shoes marketed under the PLANET trademark and who encountered shoes branded “planetfootwear” would make a connection between the two and think they were the same brand.

The Controller held that there would be indirect confusion between the marks in relation to the other goods covered by the applicant’s mark. He found that the average consumer would perceive the applicant’s mark as connected with the PLANET brand and pointed out that it would not be unusual for this to be inferred. As such, the Controller upheld the opposition and refused registration of the applicant’s mark.\textsuperscript{663}

This case is noteworthy because the Controller found there to be likelihood of confusion between the marks and refused to register the applicant’s mark despite the fact that the opponent had adduced no evidence as to use of its mark in Ireland. It is also interesting to note that the Controller found the marks to be similar despite the inclusion of a logo in the applicant’s mark.

ISRAEL

I.B.1. Generic

American Apparel Inc., a U.S. corporation, filed applications for the registration of the trademark AMERICAN APPAREL in Class 25 for “clothing, footwear, headgear”\textsuperscript{664} and in Class 35 for “retail store services and wholesale distributorship for clothing, footwear, headgear.”\textsuperscript{665}

The Trademark Office denied registration on the ground that the mark was devoid of distinctiveness and was descriptive of the


\textsuperscript{664} Application No. 184606.

\textsuperscript{665} Application No. 184607.
goods and services covered. 666 The applicant appealed the decision to the Registrar of Trademarks.

A market survey conducted by the applicant indicated that only 3 percent of the participants were aware of the meaning of “apparel” in English and its connection to clothing.

The Registrar concluded that consumers’ unfamiliarity with the meaning of the word APPAREL was irrelevant and did not affect the generic nature of the mark. He added that neither would the use of a distinctive combination of words alter the words’ generic character. Therefore, the Registrar held that the generic nature of the mark rendered it ineligible for registration.

Consequently, the Registrar denied both applications. 667

The generic nature of a mark is fatal, even if the mark is in a foreign language.

II.C.1.j. Slogans

DCard, Inc., a product development company headquartered in the United States, applied to register the trademark A DIAMOND IN YOUR POCKET for “precious stones” in Class 14. 668

The Trademark Office initially rejected the application on the ground that A DIAMOND IN YOUR POCKET was not a distinctive slogan and thus was ineligible for registration. 669

The Registrar concluded that the mark was not an indistinctive slogan. 670 He reversed the examiner’s decision and accepted DCard’s mark for registration.

The Trademark Office implements a very restrictive approach with respect to registration of slogans. According to local practice, a slogan may be registered only upon evidence of acquired secondary meaning and that it serves to identify the source of the goods.

This decision is an example of that policy. The Registrar did not accept the mark for registration as a slogan; rather, he regarded it as a word mark that was capable of being inherently distinctive, in spite of its being strongly suggestive of the goods.
ITALY

I.D.2.a. Product Configuration

The Canadian company Mega Blocks Inc. manufactured and sold a line of modular bricks compatible and, therefore, integrable with those manufactured and sold by the Danish company Lego System S/A and its Italian licensee, Lego S.p.A. (collectively, Lego). Lego’s modular bricks were no longer protected by patent.

Lego brought proceedings against Mega Blocks before the Court of Milan, claiming unfair competition. The Court ruled in favor of Mega Blocks. On Lego’s appeal, the Court of Appeal of Milan overturned the prior decision and issued a restraining order against Mega Blocks. In particular, the appellate court determined that while Mega Blocks’ behavior did not amount to an act of unfair competition for slavish imitation under Article 2598, paragraph 1 of the Civil Code, it nonetheless did not comply with the principles of professional fairness and thus violated paragraph 3 of that article.671

Mega Blocks appealed the decision before the Supreme Court. The Supreme Court, overruling the Court of Appeal, confirmed that slavish imitation of nonpatented shapes can be barred only under Article 2598, paragraph 1. Therefore, compatibility between modular products produced by different companies must not be considered per se unlawful when there is no confusion as to the origin of the goods. In the opinion of the Court, affording protection to shapes no longer protected by patent, irrespective of a likelihood of confusion, would be tantamount to granting them perpetual protection. As Lego had not appealed the part of the decision of the Court of Appeal that ruled out likelihood of confusion and slavish imitation, the Supreme Court upheld the Court of Appeal’s decision in this part.

Furthermore, the Court affirmed that the manufacturing and selling of modular goods compatible with those of a competitor does not constitute an act of unfair competition under Article 2598, paragraph 3. In fact, despite its general wording, that provision punishes conduct that violates specific rules of professional and commercial fairness. Therefore, where the elements for a finding of unfair competition for slavish imitation under Article 2598, paragraph 1 are lacking, it follows automatically that the same

671. Article 2598 provides: “Subject to the provisions concerning the protection of distinctive signs and patent rights, acts of unfair competition are performed by whoever: 1) uses names or distinctive signs which are likely to create confusion with the names or distinctive signs legitimately used by others, or closely imitates the products of a competitor, or performs, by any other means, acts which are likely to create confusion with the products and activities of a competitor; . . . [or] 3) avails himself directly or indirectly of any other means which do not conform with the principles of correct behavior in trade and are likely to injure another’s business.”
conduct cannot be brought within the scope of paragraph 3 of the same provision. The Court of Appeal, after ruling out slavish imitation, had erred in concluding that in the field of nonpatented shapes, competitors have a duty to differentiate their products. If this were so, competitors could create a similar compatibility among the goods they produce, but would not be allowed to manufacture and sell elements compatible with those of a competitor.

On the contrary, the Court opined, when shapes are necessary to obtain a technical result, compatibility between modular products benefits consumers and should not be considered per se unlawful. The Supreme Court therefore reversed the decision of the Court of Appeal of Milan and affirmed that Mega Blocks’ manufacture and sale of modular bricks compatible with those of Lego did not constitute an act of unfair competition under Article 2598, paragraph 3 of the Civil Code.

The Court maintained that it wanted this decision to be consistent with its previous case law. On the one hand, it confirmed that once the patent protecting a shape expires, that shape enters the public domain and may be freely reproduced by anyone, unless the shape functions a source indicator and its imitation could lead to confusion as to the origin of the goods (Article 2598, paragraph 1).

On the other hand, in line with the European Community Trademarks Directive and European Court of Justice (ECJ) case law on shapes that are essential to obtain a technical result, the Supreme Court held that in this field the interest in having the shapes enter the public domain prevailed over the protection of their possible character. Accordingly, the Court seemed to point to some rethinking of its precedent with respect to the application to modular elements of unfair competition for slavish imitation under Article 2958, paragraph 1 of the Civil Code.

I.F. Famous and Well-Known Marks

McDonald’s Corporation, apart from its well-known MCDONALD’S trademark, owned several Italian and Community registrations for trademarks containing the prefix or component MAC and MC, for example, MEXPRESS, MCWORLD, MCNET, and MCINTERNET.

Ferruccio Arnoldi was the owner of the Italian trademark MC.OFFICE, registered in 2003 for all goods and services in Classes 9, 16, 35, and 41. He also registered the domain name mcoffice.it, where the mark was used, in the typical red and yellow colors and with the typical McDonald’s Golden Arches, together with the slogan “il primo ufficio al prezzo di un panino” (“the first office at a sandwich price”).

McDonald’s brought a cancellation action against Mr. Arnoldi, claiming that his mark was not valid under Articles 12.1(f) and 25.1(a) of the Industrial Property Code. In particular, the plaintiff argued that the defendant took a free ride on the reputation of its marks and an unfair advantage from the reputation of its MCDONALD’S trademark, progenitor of its MC- and MAC- formative marks. As the “heart” and most distinctive part of plaintiff’s marks was represented by the component MC—a word element that does not have any meaning in Italian—the defendant, by adopting this prefix, had no other intention than to recall McDonald’s marks and, therefore, to derive an unfair advantage from their reputation.

Mr. Arnoldi did not file a brief of appearance and was therefore judged in default.

The Court observed that, on account of their longstanding and wide diffusion, McDonald’s marks were undoubtedly well-known and reputed marks. It added that the reputation of the MC, MAC, and MCDONALD’S trademarks also had been recognized by the Court of Rome, which had affirmed that the plaintiff’s marks must be afforded protection also with respect to third parties’ trademarks registered for classes of goods or services not similar to those protected by McDonald’s marks. Moreover, the Court of Rome had expressly stated that MAC and MC components were the distinctive elements of McDonald’s trademarks and, therefore, what made them recognizable to consumers.

Turning to the case at issue, the Court of Milan preliminarily observed that McDonald’s MCEXPRESS, MCWORLD, and MCNET trademarks were all evocative of work-related fields and

675. Article 12.1(f) provides that “signs are not new, pursuant to Article 7, if, as of the date of filing of the application, any of the following applies: ... they are identical with, or similar to, trademarks already registered by others in the Country or having effect in the Country following filing of an application on an earlier date or having effect from an earlier date based on the right of priority or on a valid claim of seniority for products or services even if not similar, when the earlier trademark has, in the Community, in case of a Community trademark, or in the Country, a reputation and when the use without due cause of the following trademark would take unfair advantage from, or be detrimental to, the distinctive character or the reputation of the earlier mark.”

Article 25.1(a) provides that “a trademark is invalid: ... if any of the requirements set forth in Article 7 is lacking or if any of the obstacles to registration set forth in Article 12 exists.”

676. Decision No. 17315/05 (Court of Rome, July 27, 2005).
anticipated the semantic meaning of Mr. Arnoldi’s trademark. In addition, the services covered by these marks partially overlapped with those covered by the defendant’s mark.

Accordingly, the Court held that Mr. Arnoldi’s mark was not new, as it reproduced the distinctive part of McDonald’s marks (i.e., the MC) and entailed a semantic similarity with the plaintiff’s marks.

Given its similarity with the plaintiff’s marks and the fact that Mr. Arnoldi took an unfair advantage of the reputation of the same, the Court of Milan declared the defendant’s mark not valid for lack of novelty.677

In this decision, the Court of Milan, in compliance with the Court of Rome’s case law, confirmed that the “heart” and distinctive part of McDonald’s trademarks was represented by their MC and MAC components. The Court seemed, however, to affirm that those components should be afforded protection irrespective of the word or expression associated with them.

Petitioners British Sky Broadcasting Group Plc and Sky Italia S.r.l. (Sky) owned several Italian and Community registrations for the trademark SKY and for a family of SKY-formative marks, which they used for their satellite platform and services. Defendant Theblogtv S.p.A. was active in the same field of satellite broadcasting, but it differed from “conventional” TV channels in the direct participation of customers in its programs. In particular, Theblogtv’s programming consisted of user-generated content, that is, amateur videos shot by customers and collected by Theblogtv through its website. Theblogtv used to distinguish both its satellite TV channel, aired on the SKY satellite platform, and its websites with the mark YKS, for which it had filed some Italian trademark applications.

After receiving a cease and desist letter from Sky that claimed trademark infringement, Theblogtv instituted proceedings on the merits to obtain a declaratory judgment of noninfringement. Pending the litigation on the merits, Sky filed a petition for

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interim relief against Theblogtv, claiming trademark infringement and unfair competition. The petitioners asserted that the defendant’s use of the mark YKS not only gave rise to a likelihood of confusion with their SKY mark, being formed by the same letters in the same font, but also permitted the defendant to take a free ride on the reputation of the same.

Theblogtv countered that the mark YKS represented the acronym of the phrase “Your Creative Space” and that, given the different rendition of the sign and the fact that the letters are written from left to right, there could be no likelihood of confusion on the part of the public. It argued, moreover, that the use of the mark YKS did not take any unfair advantage of the reputation of the SKY mark.

The Court observed that, despite a different pronunciation, Theblogtv’s trademark reproduced from right to left the same letters of the SKY mark in the same font. Given the similarity of the marks, and the fact that they were registered for the same classes of services and were used in the field of satellite television, the Court found that likelihood of confusion between the marks was very high.

Besides a risk of confusion, the Court held that Theblogtv’s behavior more properly amounted to an act of trademark infringement under Article 20(c) of the Industrial Property Code. In fact, by using the YKS mark, Theblogtv took unfair advantage of the reputation of the SKY mark, both from a promotional and from a communication standpoint. Accordingly, the link established with the petitioners’ trademark increased the penetration capacity of the defendant’s mark, which could ultimately benefit from a more effective advertising campaign. In addition to this, thanks to the link with the SKY mark, Theblogtv was also able to communicate to its users its “alternative” identity and services with respect to those offered by the competitor Sky.

The Court of Milan therefore enjoined Theblogtv from further using the mark YKS.

This decision is particularly significant because the Court clearly affirmed that for likelihood of confusion to arise, an actual confusion between the marks is not necessary. Instead, it suffices that consumers may establish some indirect link between the marks, so as to believe that they originate from the same entrepreneurial source.

678. Article 20(c) provides that a trademark owner has the right to exclude others from using “a sign identical with or similar to a trademark registered for products or services even if not similar to each other, if the registered trademark has a reputation in the State and if the use of the sign without due cause allows the taking of unfair advantage of, or is detrimental to, the distinctive character or the reputation of the trademark.”

Moreover, the Court expressly stated that SKY was a trademark enjoying a reputation and that the defendant’s use of the YKS mark was detrimental to it. Indeed, as Theblogtv’s TV and Web content was of a much inferior quality than Sky’s, the Court found that the reputation and goodwill of the petitioners’ mark and business activity would be impaired if the defendant’s use of the YKS mark were not enjoined.

**II.G. Trademark Incontestability**

Camomilla S.r.l. owned a 1986 registration for the mark CAMOMILLA, which it had applied for in 1978 and used since that year to distinguish clothing in Class 25. Another firm, Camomilla S.p.A., later registered and began to use the identical mark CAMOMILLA for a number of goods, including clothing.

Camomilla S.r.l. sued Camomilla S.p.A. for trademark and company name infringement, as well as unfair competition.

The Court of First Instance of Milan rejected the plaintiff’s claims, holding that the defendant’s trademarks had become incontestable under Article 48 of Royal Decree No. 929/1942. The Court of Appeal of Milan upheld the decision, and Camomilla S.r.l. went on to appeal the case before the Supreme Court, where it was decided by the joint sitting of the Court’s divisions.

Following the allegations of the parties, the Court preliminarily observed that Article 48 was applicable not only to prior marks that had been used but not registered—as the Supreme Court’s leading case law had affirmed over the years—but also to prior-registered marks. This conclusion derives from a broader interpretation of the wording of Article 48, as well as from the rationale behind the principle of incontestability. As the objective of incontestability is to prevent the owner of a prior trademark from taking unfair advantage of the reputation and credit of a subsequent conflicting mark by waiting for the later mark to become known in the market before instituting a cancellation action, this provision must be applied to conflicts between registered trademarks as well.

Moreover, the Court clearly expressed that incontestability should not be seen as an *erga omnes* loss of one’s exclusive rights in a trademark or as a form of acquisition of these rights as a

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680. The case was decided by applying Article 48 of the Italian Trademark Act in force at that time, which reads as follows: “The validity of a registration, when the trademark was publicly used in good faith for five consecutive years without objections, after the publication under Article 35, paragraph 1, of this decree, cannot be challenged for the reason that the word, image or sign which constitutes the trademark gives rise to a likelihood of confusion with another’s word, image or sign already known, at the time of filing the application, for products or goods of the same type. . . .”

681. Cases are heard by the joint sitting of all the Supreme Court’s divisions when they involve issues on which the Italian courts have previously rendered split decisions.
result of the lapse of time. Instead, Article 48 refers exclusively to the owner of a prior mark’s losing his or her right to institute a cancellation or infringement action against a subsequent mark. Thus, incontestability can be prevented only by instituting these very specific actions, whereas sending a simple cease and desist letter cannot be deemed sufficient. Only in the former cases does the owner of a prior trademark interrupt the five consecutive years of good-faith use of a conflicting mark that is a prerequisite of incontestability.

Therefore, the Court, in light of the fact that Camomilla S.p.A.’s trademarks had become incontestable under Article 48, rejected Camomilla S.r.l.’s appeal and upheld the Court of Appeal’s decision in its entirety.682

This decision is particularly significant because it clearly affirms that the owner of a prior de facto or registered trademark cannot prevent a later conflicting registered trademark from becoming incontestable by sending a cease and desist letter. Accordingly, when the owner of prior exclusive rights seeks to interrupt the five years of good-faith use of the other side’s trademark, his or her only remedy is to institute a cancellation or infringement action.

Although this decision was rendered in compliance with Article 48 of Royal Decree No. 929/1942, its legal consequences extend well beyond this former provision. Under the new provision governing incontestability (Article 28 of the Industrial Property Code),683 the five-year period required for a subsequent mark to become incontestable starts to run from the time the owner of the prior trademark becomes aware of the use of the conflicting registered trademark. It is the owner of the subsequent trademark that has the burden of proving that the owner of the prior mark knows of its use, a burden that can easily be met where a cease and desist letter has been sent. Thus, sending a cease and desist letter without instituting a legal action during the following five years may bring a very serious consequence: incontestability of the subsequent conflicting trademark. The Court’s decision fell short of addressing another highly debated issue: whether only registered

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683. Article 28 of the Industrial Property Code recites: “The holder of an earlier trademark pursuant to Article 12 and the holder of a pre-use right on a trademark having reputation not purely local, who acquiesced, for a period of five consecutive years, in the use of a later registered trademark identical or similar to it while being aware of such use, may not claim the declaration of invalidity of the later trademark nor oppose to the use of such trademark for products or services for which it has been used based on their earlier trademark or their pre-use, unless registration of the later trademark was applied for in bad faith. The holder of the later trademark may not oppose the use of the earlier one or the continuation of the pre-use. . . .”
trademarks may become incontestable, or also marks that have simply been used.

**III.A.3.b. Criminal Actions**

Louis Vuitton Malletier S.A., the plaintiff in this case, is the owner of the famous TOILE MONOGRAM trademark (below, illustration at left), which it has used since 1896 to distinguish its wide variety of products.

The defendant, Xiang Dongmei, imported from China about 12,000 bags bearing a sign similar to Louis Vuitton’s mark (below, illustration at right).

Genoa Customs, deeming the signs on the bags similar to Louis Vuitton’s and, therefore, suspecting a crime under Article 474 of the Criminal Code, stopped the goods and asked Louis Vuitton to examine the same. Louis Vuitton’s expert confirmed that the products bore a sign similar to Louis Vuitton’s, but declared that they did not originate from Louis Vuitton. Criminal proceedings were opened.

![Plaintiff's Trademark](image1.png) ![Defendant's Pattern](image2.png)

**Plaintiff's Trademark** **Defendant's Pattern**

Louis Vuitton filed a criminal complaint under Article 127 of the Industrial Property Code, asking that the defendant be held

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684. Article 474 provides that “whoever . . . introduces in the territory of the State for subsequent sale, holds to sell, or offers for sale, or otherwise puts in the stream of commerce . . . industrial products bearing counterfeit or altered, national or foreign, trademarks or distinctive signs, shall be punished with imprisonment up to two years and a fine up to 2,065 Euros.” This provision, which falls within the section of the Italian Criminal Code titled “Crimes Against Public Faith,” was recently amended by the Legge Sviluppo (Development Law) of July 23, 2009, which increased the punishments and introduced other minor changes.

685. Article 127 provides that “without prejudice to the application of Articles 473, 474 and 517 of the Criminal Code, whoever manufactures, sells, exhibits, displays, makes industrial use of or introduces into the Country items violating a valid industrial property title, pursuant to the rules of the present code, shall be punished, at the opposing party’s request, by a fine up to 1,032.91 Euros.”
liable under said provision. In fact, unlike Article 474 of the Criminal Code—under which proceedings are initiated ex officio—Article 127 of the Industrial Property Code requires that the trademark owner file a criminal complaint.

Article 127 was introduced in the Italian legal system in 2005 to grant at least minimum criminal protection to trademark owners also against willful civil infringements that do not harm public faith and therefore do not amount to a crime under Article 474 of the Criminal Code. Given that Article 474 protects public faith, it does not apply when the third party's mark rules out any risk of confusion. Therefore, before the enactment of Article 127, if conduct did not threaten public faith, it was not considered a crime and consequently was not punished under criminal law.

From a practical standpoint, Article 127 punishes those willful behaviors that, under civil law, would fall within the scope of Article 20(c) of the Industrial Property Code, because they take unfair advantage of or are detrimental to the reputation and distinctive character of a trademark.

Upon the defendant’s attorney’s request, the Tribunale del Riesame decided to release the goods.

To avoid the release of the goods, the Public Prosecutor in charge of the case, finding that there was a risk that the defendant might hide or subtract them, ordered their provisional seizure.

The judge of the preliminary investigation phase was then called to validate or revoke the provisional seizure.

The judge observed that although the sign on Ms. Dongmei’s goods clearly recalled Louis Vuitton’s TOILE MONOGRAM trademark, it was rather evident that no consumer would be confused as to the origin of the goods. Accordingly, Article 474 of the Criminal Code was not applicable.

However, because the success of the defendant’s goods in the market undoubtedly depended on the fact that the sign they bore recalled the plaintiff’s mark, the judge found that the sign derived an unfair advantage from the reputation of that mark. Furthermore, Ms. Dongmei’s sign caused a detriment to the reputation and distinctiveness of Louis Vuitton’s mark, as her products were of an inferior quality and targeted different consumers.

686. Article 20(c) provides that a trademark owner has the right to exclude others from using “a sign identical with or similar to a trademark registered for products or services even if not similar to each other, if the registered trademark has a reputation in the State and if the use of the sign without due cause allows the taking of unfair advantage of, or is detrimental to, the distinctive character or the reputation of the trademark.”

687. A body that judges material and personal pretrial measures decided by the Public Prosecutor.
The judge therefore found that there was serious evidence of a crime under Article 127 of the Industrial Property Code and validated the seizure.\textsuperscript{688}

This decision is particularly significant, as the judge correctly applied Article 127 of the Industrial Property Code and recognized that parasitical conduct similar to the defendant’s amounts to a crime under that provision.

Although Article 127 was recently revoked by the Legge Sviluppo (Development Law) of July 23, 2009,\textsuperscript{689} its content will be transposed in Article 517 \textit{ter} of the Criminal Code.\textsuperscript{690} In particular, that provision attests also to the importance the lawmakers attribute to punishing willful civil infringements of famous and well-known trademarks, as it increased the punishments for this crime.

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

Ferrari S.p.A. is the owner of Italian, International, and Community registrations for device marks consisting of the image of the so-called \textit{cavallino rampante} (“rampant horse”) and the Ferrari name in a particular rendition (with the upper part of the letter F surmounting all the other letters). The company also owns an international design registration covering a toy replica of the famous FERRARI automobile model “Enzo” and enjoys exclusive rights on some \textit{de facto} marks. These include the livery of its cars and its colors, notably the typical “Ferrari red.”

Having found out that some Italian supermarket chains were selling model cars of a very poor quality bearing marks, colors, and trade dress confusingly similar to those that it uses for its Formula 1 racing cars, Ferrari filed a petition for interim relief, claiming that the defendants’ behavior amounted to an infringement of its registered trademarks and an act of unfair competition. The Court of First Instance of Milan rendered an \textit{ex parte} decision favorable to Ferrari, which later asked that it be extended to the importers of the articles as well. A few days later, Ferrari filed another petition for interim relief against other importers. At the hearing


\textsuperscript{689}. This law entered into force on August 15, 2009.

\textsuperscript{690}. Article 517 \textit{ter} provides:

Without prejudice to the application of Articles 473 and 474, whoever, being in the position to know of the existence of an intellectual property right, manufactures or industrially uses objects or other products realized by subtracting or violating an intellectual property title shall be punished, following the aggrieved party’s filing of a criminal complaint, with imprisonment up to two years and a fine up to 20,000 Euros.

The same punishment is applied to whoever, in order to gain a profit, introduces in the territory of the State, holds to sell, directly offers for sale to consumers or otherwise puts in the stream of commerce the goods described in the first paragraph.
scheduled in relation to the second petition, Ferrari settled with all the parties except for Globo S.p.A. The Court confirmed the *ex parte* decision against Globo, ordering that it be enjoined from manufacturing, importing, advertising, and selling the model cars at issue and that a seizure be carried out at its premises. Globo appealed this decision before the Board of the Court of First Instance of Milan.691

The Board preliminarily rejected Globo's allegations that the Court had erred in granting Ferrari, for the protection of the particular livery of its car, the interim measures provided for in the Industrial Property Code. Indeed, while the case law always recognized that *de facto* marks—protected under the rules of unfair competition—may justify the application of the general provisions on interim measures, the Board clearly affirmed that it can be inferred, from the wording of the provisions of the Industrial Property Code on interim measures, that they can be applied to *de facto* marks as well. Therefore, as Globo's model cars had reproduced the “red background with white stripes” of Ferrari’s livery, the Board concluded that the Court had properly granted the interim measures provided for in the Industrial Property Code.

Furthermore, the Board, in light of the appellant’s claims that Ferrari could not monopolize the red color, examined whether it was possible to assert some sort of protection of the same. In doing so, the Board ascertained that the defendant’s trademark registration did not encompass the use of this color *per se* in a broader sense but was limited to the very peculiar shape of a red racing car with white stripes. Also, from an unfair competition perspective, it was important to consider the use of this color not in general but with respect to the automobile sector in particular. Here, Ferrari has used the red color for many years, so that this color has become distinctive of FERRARI racing cars and activities. Thus, the Board held that neither Ferrari’s trademark registration nor the protection granted under unfair competition rules should be seen as an attempt to obtain a monopoly on this color; instead, they should be seen as a form of protection of Ferrari’s distinctive marks.

Given that Globo’s model cars had reproduced all the distinctive elements of Ferrari’s car, the Board concluded that Globo’s behavior amounted to an act of unfair competition (for slavish imitation, taking a free ride on Ferrari’s fame and reputation, treating as its own the good quality of Ferrari’s goods, and nonconformity to the principles of commercial fairness). The

691. Injunctive proceedings are initiated before a Court of First Instance and are decided by a single judge. The judge’s decision can then be appealed before a board composed of three other judges of the same Court of First Instance.
Board also found that Globo had infringed Ferrari’s registered trademarks. Consequently, the Board of the Court of First Instance of Milan upheld the interim decision.\(^{692}\)

The Industrial Property Code offers a wide range of interim measures, which, being specific for IP exclusive rights, are more effective and incisive than general interim measures. These may include restraining orders, seizure of the goods, recall of the goods from the marketplace, and disclosure of the infringer’s accounting books. This decision is particularly significant because it clearly states that these measures are applicable also to de facto marks, which, in the past, generally were afforded the protection granted by the Civil Code.

\[\text{III.F.1. Non-Use}\]

The Austrian company HB Brditschka was the owner of the international trademark LORENA, registered in 1964 and duly renewed in 1984, for jewelry and costume jewelry goods. Ghercu, the defendant in this case, had used “Lorena” as a company name and in some catalogues to distinguish its jewelry products.

HB Brditschka commenced an infringement and unfair competition action before the Court of First Instance of Florence. Ghercu claimed that HB Brditschka’s mark had lapsed for non-use and that it had not infringed the plaintiff’s exclusive rights, as it used “Lorena” only as a company name and not as a distinctive mark.

The Court of First Instance rejected HB Brditschka’s claims under unfair competition laws. It also found that Ghercu’s use of “Lorena” did not infringe the plaintiff’s exclusive rights.

HB Brditschka appealed the first instance decision before the Court of Appeal of Florence, which reversed it. In particular, the Court of Appeal ascertained that Ghercu had used “Lorena” to distinguish both its activity and its products, and for that reason it had infringed HB Brditschka’s rights. Ghercu then appealed the decision before the Supreme Court.

The Court, in evaluating Ghercu’s allegations, considered whether HB Brditschka’s trademark had lapsed for non-use. Under Article 42 of Royal Decree No. 929/1942, a mark became forfeited if it had not been used within three years from the date of registration, or if such use had been suspended for a continuous period of three years.\(^{693}\) Moreover, once a trademark was forfeited,


\(^{693}\) Royal Decree No. 929/1942 was later revised by Legislative Decree No. 480/1992, which implemented the European Community Trademarks Directive. The content of amended Article 42, which, among other things, set a time limit of five years instead of three, is reproduced in Article 24 of the Industrial Property Code.
it could not be revived through commencement or resumption of use. Although the law required only that a trademark “had not been used” for a period of three years, thus implying that any use of the mark would meet the requirement to avoid forfeiture, the Court observed that a symbolic use could not be sufficient to attain this result. Therefore, also before the 1992 amendments to the law—which formally introduced the requirement that the trademark be put to “genuine use”—forfeiture of a trademark did not occur when the mark was used in a distinctive manner and when economic effects ensued from such use. Consequently, the Supreme Court concluded that because the Court of Appeal had determined that HB Brditschka had used the LORENA mark within the three-year period required by the law—and because the Supreme Court cannot overrule the lower court’s interpretation of the evidence but can only scrutinize the correct interpretation and application of the law—the mark had not lapsed for non-use.

Additionally, the Court observed that, even assuming that the appellant’s mark was forfeited in 1967 (i.e., three years after registration), the renewal intervened at a time (i.e., 1984) when the mark LORENA could be freely appropriated by HB Brditschka or by anyone else. From this circumstance the Court seemed implicitly to infer that this renewal should be seen as a first-time application made by the Austrian company in absolute good faith.694 Given that several years had passed from when the trademark could have been considered forfeited and that Ghercu was not yet operating in the market in 1984, when HB Brditschka filed the renewal, it was appropriate to conclude that the latter company had, in any case, legitimately acquired exclusive rights in the LORENA mark before Ghercu.

The Supreme Court therefore upheld the Court of Appeal’s decision and found Ghercu liable for trademark infringement for having used an identical mark to distinguish identical goods.695

This decision is important because, also in light of the ECJ’s case law,696 it holds that “genuine use” must be actual use, in accordance with the essential function of a trademark, which is to guarantee the identity of the origin of the goods or services to

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694. Before the 1992 amendments to the law, many trademark agents used to suggest to their clients that they file new trademark applications every three years, in order to avoid the situation where a trademark that was not used would be forfeited. However, leading case law and scholars regarded this tactic as a mere attempt to get around the law.

695. Ghercu v. HB Brditschka GmbH & Co. KG, Case No. 16647/08 (Supreme Court, June 19, 2008), published in Il Foro Italiano, No. 11, 2008.

consumers. Therefore, token use does not avoid forfeiture of a trademark.

Moreover, the Court seemed to recognize that a trademark renewal may, under certain circumstances, be considered a first-time application.

**JORDAN**

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

Eagle Distilleries Co., a Jordanian company, is the owner of the trademark comprising the Arabic translation of the words “Domain Jordan Valley,” registered in Class 33 for “all kinds of alcoholic drinks” (below, illustration at left).697 Omar & Khaled Boulos Zoumot & Co., a Jordanian company, registered the trademark JORDAN VALLEY in English, for wine in Class 33 (below, illustration at right).698

![Illustration of Arabic and English trademarks]

Eagle Distilleries filed a notice of cancellation against the trademark JORDAN VALLEY, on the basis that the marks at issue were confusingly similar to the extent that public confusion could be expected to occur. The notice of cancellation was submitted during the prescribed period, that is, within five years from the date of registration of the defendant’s mark.

The Registrar rejected the notice of cancellation, finding that the similarity of the marks would not result in public confusion.699 He added that the protection of the translation of a registered trademark was applicable only to famous marks.

On appeal, the High Court of Justice reversed the Registrar’s decision.700 The Court held that as the plaintiff had a prior registration, the registration of the English translation of the main element of the plaintiff’s trademark would certainly lead to public confusion and unfair competition.

The decision is important, as it extends the protection of the translation of a registered trademark to all trademarks, not just to famous marks.

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700. Case No. 402/2008, Decision No. 33 (High Court of Justice, Nov. 11, 2008).
Almarwa Company for Mineral Water and Investment, a Jordanian firm, holds a trademark registration for MARWA in both Arabic and English characters, covering “mineral water” in Class 32 (below, illustration at left).\(^{701}\) Coca-Cola Company, the U.S. soft drink giant, registered the trademark ARWA in Arabic for “beverages, namely drinking waters, flavored waters, mineral and aerated waters and other non-alcoholic beverages, namely soft drinks, and sports drinks, fruit drinks and juices; syrups, concentrates and powders for making beverages, namely mineral and aerated water, soft drinks, energy drinks, sports drinks, fruit drinks and juices” in Class 32 (below, illustration at right).\(^{702}\)

Almarwa filed a notice of cancellation against Coca-Cola’s trademark, contending that the marks MARWA and ARWA were confusingly similar to an extent that public confusion was expected to occur. The Registrar, however, rejected the notice of cancellation, holding that the similarity of the marks would not lead to public confusion.\(^{703}\) In his decision the Registrar referred to a prior case, KLIM vs. KLIQ,\(^{704}\) in which he held that the marks at issue were not confusingly similar.

On appeal, the High Court of Justice ruled that as the defendant mentioned in its evidence that it had older registrations for its trademark in Jordan and other countries, the Registrar should have mentioned that fact in his decision. Accordingly, the Court referred the case back to the Registrar for amendment and revision.\(^{705}\)

After restudying the case, the Registrar issued a new opinion affirming his previous decision, although he added the point relating to the prior registration and use of the subject trademark by the defendant.\(^{706}\)

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705. Case No. 459/2008, Decision No. 77 (High Court of Justice, Nov. 30, 2008).

Grandvision, a French company, is the owner of the registered trademark GRANDOPTICAL, for “optician’s services” in Class 42 (below, illustration at left).\textsuperscript{707} Al Yaaqbh & Yousef Co., a Jordanian company, applied to register the trademark GRANDOPTICS in both Arabic and English, to cover “optics” in Class 9 (below, illustration at right).\textsuperscript{708}

Upon the publication of the applied-for mark in the Official Gazette, Grandvision filed a notice of opposition. The basis for the opposition was that the marks were confusingly similar to the extent that consumer confusion was expected to occur.

The Registrar accepted the notice of opposition. He found that the plaintiff was able to prove prior use and registration of its trademark in Jordan and other countries, and held that as the marks were confusingly similar the registration of the opposed trademark should be stopped in order to avoid confusion of consumers.\textsuperscript{709}

Since August 1999, the German company Sanofi Aventis Deutchland GmbH has held trademark registrations for OPTISULIN, covering “pharmaceutical preparations, namely anti-diabetics in the form of solutions and suspensions for injections” in Class 5 (below, illustration at left).\textsuperscript{710} In November 2007, Amman Pharmaceutical Industries Co., a Jordanian company, filed a trademark application for OPTIFUCIN in English and Arabic, to cover “medicine and pharmaceutical preparation for human use” in the same class (below, illustration at right).\textsuperscript{711}


\textsuperscript{710} Registration No. 54740, granted Aug. 29, 1999, published in Official Gazette No. 223, July 4, 2000, at 60.

The Registrar held that as both marks were used in connection with pharmaceuticals, public confusion would not occur, as only professional people dealt with pharmaceutical products. Sanofi Aventis appealed the decision to the High Court of Justice, but the Court affirmed the Registrar’s decision.

This decision is in line with the Registrar’s holdings in cases based on similarity of trademarks in the field of pharmaceuticals.

The Japanese firm Matsushita Electric Industrial Co., Ltd. holds Jordanian trademark registrations for NATIONAL and NATIONAL Logo in Classes 7, 9, and 11, both covering “all class headings of the related international classes” (below, illustrations at left and center). In 2005, Yazan & Mohammed Zahran & Partners Co., a Jordanian firm, filed trademark applications for NATIONAL DELUXE in English and Arabic, to cover a variety of goods in Classes 7, 9, and 11 (below, illustration at right).

39720 39714 78539, 78537, and 78086

Matsushita Electric filed notices of opposition against the applicant’s marks. The opponent argued that the marks NATIONAL and NATIONAL DELUXE were sufficiently similar that consumer confusion would result and that registration of the opposed mark would lead to unfair competition.

713. Case No. 210/2009, Decision No. 17 (High Court of Justice, July 15, 2009).
The Registrar rejected the oppositions, finding that the marks were not similar to the extent that public confusion was likely to occur. He further found that the trademark NATIONAL was a famous mark. In his decision the Registrar referred to his previous holdings in SMART BUGLES vs. BUGLES and GENERAL ELECTRIC vs. GENERAL.

I.E. Bad Faith

Jay Engineering Works Ltd., an Indian company, has been the owner since December 1981 of Jordanian registrations for the trademarks USHA covering “sewing machines and parts thereof” in Class 7 and “fans and parts thereof” in Class 11, and USHA PULSAR covering “electric fans, regulators and other appliances for cooling and ventilating and heating, accessories and parts thereof, including packaging” in Class 11. In February 2002, another Indian firm, Shiriram Piston & Rings Ltd, was granted a trademark registration for USHA, covering “pistons, piston rings, piston pins, circles, engine valves and all valve train components, cylinder liners for engines falling” in Class 7 and “automobile engines and parts thereof” in Class 12.

Jay Engineering Works filed notices of cancellation against both USHA trademarks registered by Shiriram Piston & Rings. The plaintiff claimed that the marks were registered in bad faith, as the defendant was the plaintiff’s licensee, and that the continued registration of the trademark USHA in both classes in the name of the defendant would certainly lead to unfair competition and public confusion. The plaintiff was able to prove that it had been using its trademark USHA since 1942 and had


extensively used and registered said trademark all over the world. The defendant countered that the registrations of the USHA trademark in its name were in accordance with the provisions of the licensing agreement.

The Registrar accepted the two notices of cancellation. He found that the plaintiff was the proprietor of the trademark USHA and the defendant was not entitled to register that mark in its name. The defendant appealed the Registrar’s decisions.

The High Court of Justice rejected the notice of appeal related to Trademark No. 68450 on formal grounds, as the defendant did not add the correct name of the parties involved in both the appeals; the Court did not go into the merits of the case. With regard to the notice of appeal related to Trademark No. 68451, the High Court of Justice affirmed the Registrar’s decision and ruled that the plaintiff was entitled to registration and the challenged trademark should be cancelled.

This decision is important, as the Registrar did not consider the terms of the license agreement as binding.

I.F. Famous and Well-Known Marks

International Save the Children Alliance, a Swiss association, holds registrations for the famous trademark SAVE THE CHILDREN & Child Logo in Classes 25, 28, 36, 41, and 42 (below, illustration at left). Taj Pharmaceutical Industries Co., a Jordanian company, applied to register the trademark Child Logo, to cover all goods under “the class heading of international class 5” (below, illustration at right).

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723. Case No. 600/2008, Decision No. 3 (High Court of Justice, Feb. 4, 2009).


Save the Children submitted a notice of opposition against the registration of Taj Pharmaceutical’s mark in Class 5, based on the applied-for mark’s similarity to the opponent’s trademark. The Registrar accepted the notice of opposition and issued a decision cancelling the application for the opposed trademark as it was similar to a famous trademark owned by an international association.727

This decision is important, as it confirmed that famous trademarks owned by nongovernmental organizations are protected even if they are registered in different classes from the contested mark.

II.G. Trademark Incontestability

The U.S. food giant Kraft Foods Holdings Inc. holds several Jordanian registrations for the trademarks TANG728 and TANG & Logo,729 all covering “mineral and aerated waters and other non-alcoholic drinks; syrups, powdered mixes and other preparations for making beverages; fruit juices and fruit drinks” in Class 32 (below, illustrations at top). In November 1991, Alhaj Aref Abu Shehab & Sons Co., a Jordanian company, registered the trademark RANG JUICE in English and Arabic for the same goods in the same class (below, illustration at bottom).730


728. Registration No. 4816, granted July 24, 1959, published in Official Gazette No. 1450, Nov. 18, 1959, at 69 (for “all goods included in class 32”).


Kraft filed a notice of cancellation, claiming that the trademark RANG JUICE was confusingly similar to its trademark TANG to the extent that confusion of consumers was likely. The cancellation action was based on two factors: (1) the trademark was registered in bad faith; and (2) under Article 33 of the Trademarks Law, a cancellation action may be submitted after the normal deadline of five years after registration if the base trademark has not been registered in Jordan but only used there. This statute was never cited before in a trademark action.

The Registrar rejected the notice of cancellation, finding that it was not submitted within the prescribed period.731

III.A.3. Counterfeiting

The plaintiff is the owner of the trademark BRAUN, registered in Class 8 for “electric shavers and hair cutting machines for personal use, non-electric hair curlers, parts and accessories of the listed goods” (see below).732

Jordania

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Jordanian customs stopped the clearance on a shipment that contained shaving machines bearing the trademark BROWNS, written in special scripts that resembled the one used in the famous trademark BRAUN. The plaintiff thereupon brought an action for infringement of a registered trademark under Article 38 of the Trademarks Law. The case was initiated at the Amman Criminal Conciliation Court, with a claim for damages. The judge decided in the criminal part of the case to condemn the defendant and impose a fine of JOD 500 (approximately USD 705). As for the civil part of the case, the judge decided not to grant any damages, as the goods were seized before entering the market.733

LATVIA

III.A.3.a. Civil Actions

On July 28, 2008, Philip Morris Products S.A. (CH) filed a claim against Baltic Advertising Factory LLC (LV) (Baltic), asking the court to order Baltic to cease its illegal use of the trademark MARLBORO, which Philip Morris claimed was a well-known trademark in the territory of the Republic of Latvia.

It had come to Philip Morris’s attention that on the website www.specialphones.eu, mobile phones being offered for sale (under the name Cicarette box 668) looked similar to actual cigarette boxes imprinted with the trademark MARLBORO, owned by Philip Morris. Baltic was listed on the site as a contact for purchasing the phones. Philip Morris alleged that Baltic’s imitation of the trademark MARLBORO was causing confusion to the consumer as to the possible relation of the products offered by Baltic with products offered by Philip Morris and was thus infringing the exclusive rights of Philip Morris to the well-known trademark MARLBORO.

Baltic’s cell phone Cicarette box 668

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735. Trademarks protected in Latvia, namely: MARLBORO (word) M 13 008, registered for goods in Class 34—cigarettes; MARLBORO Lights (fig.) M 13 017, registered for goods in Class 34—cigarettes; MARLBORO Medium (fig.) M 41 857, registered for goods in Class 34—cigarettes; MARLBORO (fig.) M 45371, registered for goods in Class 34—raw and processed tobacco, tobacco products, smoker’s articles, matches; MARLBORO (fig.) M 46 514 registered for goods in Class 34—raw and processed tobacco, also cigarettes, pipe, chewing and snuff tobacco, tobacco substitutes (except for medical purposes), cigarettes, cigars, cigarillos, cigarette paper and cigarette wrappers, cigarette filters, smoker’s articles including tobacco boxes, cigarette cases and ashtrays, not of precious metal or their alloys or covered therewith, pipes, cigarette cases, cigarette lighters, matches.

736. Article 8.3 of the Latvian Trademark Law (Law on Trademarks and Indications of Geographical Origin, June 16, 1999).
In addition to asking the court to order Baltic to cease its illegal use of the well-known trademark MARLBORO, Philip Morris asked the court to order Baltic to withdraw, fully remove from trade, and destroy its Cicarette box 668 mobile phones.

The infringement of Philip Morris’s rights ended when Baltic removed its Cicarette box 668 mobile phones from the commercial market even before the court had ordered Baltic to do so; however, the court went further in its decision against Baltic, ruling as follows:

- The court prohibited Baltic from illegally using the well-known trademark MARLBORO and ordered Baltic to destroy the Cicarette box 668 mobile phones.
- In favor of Philip Morris, the court demanded that Baltic pay the legal expenses of the case, including the paid state fee in the amount of 20 LVL and the expenses for obtaining written evidence in the amount of 480 LVL—in total, an amount of 500 LVL.
- The court gave Baltic a deadline of ten days for Baltic’s voluntary execution of the judgment concerning the compensation of the legal expenses; after which time the judgment would come into legal force.

III.A.5. Domain Names

The Latvian government corporation Latvijas Hipoteku un zemes banka (Latvian Mortgage and Land Bank) (the Bank) filed a claim with the Riga Regional Court based on infringement of its registrations for the trademarks HIPO and HIPONET, and the figurative mark HIPONET.LV INTERNETBANKA (illustration below) by the Latvian firm Hipokredit, which had registered in its name the domain name hipokredits.lv. The contested domain name was used by Hipokredits in respect of the same services as were covered by the trademarks, namely services in Classes 35 and 36, including “financial and bank services through the Internet.”

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737. Case No. C04293807; C-2938/2 (Riga Regional Court, Nov. 13, 2007).
Latvian Mortgage and Land Bank’s Figurative Trademark No. M 51 265

The Bank asked the court to order Hipokredits to cease use of the confusingly similar designations and cancel the domain name hipokredits.lv on the basis of the Bank’s registered trademarks and its 1995 domain name registrations for hipo.lv, hiponet.lv, and hipolizings.lv. The court claim was also based on provisions of the Competition Law.

Having examined the Bank’s claims, the Riga Regional Court, as a court of the first instance, found in favor of the Bank. Hipokredits appealed the decision before the Supreme Court, as a court of the second instance.

The Supreme Court rejected the appeal, and the lower court’s decision was upheld, ordering Hipokredits to do the following:

- Cease the illegal use of the Bank’s trademarks under Trademark Nos. M 51 187, M 51 188, and M 51 265;
- Cease use of the word element “hipo” in conducting commercial activity and in its business name;
- Cancel its domain name hipokredits.lv registration;
- Pay to the Bank compensation of legal expenses in the amount of LVL 120.00;
- Pay to the state court compensation of expenses in the amount of LVL 1.80; and
- Execute the Court’s judgment in good faith within a ten-day term starting from the date when the decision entered into legal force.

742. Article 7(4.2) of the Latvian Trademark Law (Law on Trademarks and Indications of Geographical Origin, June 16, 1999) provides that the person in whose name the trademark has been registered shall have exclusive rights to prohibit other persons from using in commercial activities any mark where, because of its identity to or similarity to the trademark and the identity or similarity of the goods or services covered by the trademark and the mark, there exists a likelihood of confusion by consumers, which includes the likelihood of association between the mark and the trademark.

743. Article 18 of the Competition Law (Jan. 1, 2002) provides that unfair competition is prohibited.

744. Case No. C04293807; PAC-0302 (Supreme Court, Mar. 26, 2009).
LEBANON

I.D.1. Similarity of Marks

Bacardi & Company Limited, which is based in Bermuda, is the owner of the trademark MARTINI & Device, registered for goods in Classes 32 and 33. Bacardi brought suit against a local company, Ice Group Sarl, for registering the trademark MARTINI LOUNGE BEIRUT RESTAURANT in Class 43 for restaurant services.

The Lebanese Court of First Instance ruled in favor of Bacardi. The court’s decision was based on the following:

- Bacardi registered its MARTINI trademark in Lebanon in 2005, while the application for registration of the trademark MARTINI LOUNGE BEIRUT RESTAURANT was filed in 2007. Accordingly, Ice Group’s application constituted a violation of the provisions of Articles 105, 106, and 107 of the Law Governing Commercial and Industrial Property, regarding trademark infringement and the prevention of unfair competition.

747. Bacardi & Company Ltd v. Ice Group Sarl (Court of First Instance, May 28, 2009).
748. Resolution No. 2385/1924, Jan. 17, 1924, as amended. Article 105 of the Law provides:

Any person who determines in whatever manner or way that an unregistered mark is registered;

Any person who deliberately imitates or uses a registered mark without the authorization of the owner of the mark, even if the mark is accompanied by expressions such as “kind,” “type,” “style,” “imitation” or the like in such a way as to mislead the public;

Any person who affixes to his goods or products a mark belonging to another person;

Any person who deliberately sells or offers for sale a product bearing a counterfeited mark or a fraudulent imitation of the original mark; and

Any person who delivers a product other than the one requested under a specific mark,

Shall be liable to a fine varying from LBP 50 to LBP 500 and to imprisonment for a term varying from 3 months to 3 years or to one of the foregoing sanctions.

Article 106 provides:

Any person who makes a fraudulent imitation of a mark, without counterfeiting the mark, with the intent to deceive the public or uses a fraudulent imitation of a mark;

Any person who uses a mark bearing fraudulent indications of such a nature as to mislead the public as to the nature of the product requested; and

Any person who deliberately sells or offers for sale a product bearing a fraudulent imitation of a mark or fraudulent imitations of such a nature as to mislead the public as to the nature of the product;
• The registration of the defendant’s trademark MARTINI LOUNGE BEIRUT RESTAURANT had caused damage to the plaintiff’s interests and taken unfair advantage of the distinctive character of the MARTINI trademark. Although the marks cover different classes, the nature of the services covered by Ice Group’s trademark would most likely indicate a connection with Bacardi’s trademark. Moreover, the circumstances surrounding the marketing of the defendant’s trademark were such that they would likely give rise to an association with Bacardi’s trademark.

• The registration of Ice Group’s mark MARTINI LOUNGE BEIRUT RESTAURANT presented an imitation of a famous mark that enjoyed a worldwide reputation.

In light of the foregoing, the court ordered the defendant to
1. Record the cancellation of the offending trademark in the records of the Registrar;
2. Remove all signs, items, and materials bearing the MARTINI trademark;
3. Publish the court decision in two local newspapers at the defendant’s expense; and
4. Bear all court expenses.

LITHUANIA

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

The plaintiff’s corporate name, UAB Baldų centras, mainly consists of the word combination BALDŲ CENTRAS (“Furniture Centre”), which, accompanied by a few figurative elements, is also the plaintiff’s trademark, registered in Classes 20 and 35. The defendant, Neiseris, UAB, uses the word combination BALDŲ CENTRAS in its signboard. The defendant is also the holder of a registration for the domain name www.baldacentras.lt. Both companies perform activities related to furniture sales.

The plaintiff filed an infringement action against the defendant, asking the court of first instance to order Neiseris to refrain from using the word combination BALDŲ CENTRAS,

Shall be liable to a fine equivalent to LBP 50 to 250 and to imprisonment for a term varying from two months to two years or to one of the foregoing sanctions.

Article 107 provides:

Courts shall evaluate fraudulent imitation and counterfeit from the point of view of the ordinary consumer, taking into account the overall similarity regardless of minor differences between the original mark and the disputed mark.
without any other distinctive words, in its signboard and to cancel the domain name registration for www.balducentras.lt.

The courts of first and second instance upheld the plaintiff’s claim, finding that the plaintiff had registered its corporate name in accordance with all relevant procedures and was, therefore, the owner of exclusive rights to its corporate name. The courts took into account that both Baldų centras and Neiseris performed the same activities, concluding that use of the mark BALDŲ CENTRAS (which was identical to the plaintiff’s corporate name) in Neiseris’s signboard as well as the defendant’s registration and use of the domain name www.balducentras.lt (which also related to the defendant’s commercial activities) caused a likelihood of confusion and infringed the exclusive rights of the plaintiff.

The Supreme Court affirmed the decisions of the lower courts and ruled in favor of the plaintiff. It also provided some notable interpretations of cybersquatting and of the relation between trademarks and corporate names.

The Supreme Court, considering existing case law on the matter, conceded that functions of corporate names and trademarks have to readily correspond with each other. If such correspondence is strained, a likelihood of confusion may be created: certain trademarks will be associated with unrelated companies, and vice versa. The Supreme Court emphasized that the defendant used the word combination BALDŲ CENTRAS as a mark distinguishing its goods and services, that is, as its business identification. The rule on the relation between trademarks and corporate names, therefore, also applies to marks that, even if not registered, are used for the purpose of distinguishing particular goods and services. The Supreme Court concluded that the defendant infringed the exclusive rights of the plaintiff by using the symbolic part of the plaintiff’s corporate name, without any other distinctive words, as its business identification.

Upholding the plaintiff’s claim on the use of the domain name www.balducentras.lt, the Supreme Court stated that a domain name, besides its direct technical function, identifies a company and is an important means of advertising and selling its goods and services. Even though no established case law existed on the matter, the Supreme Court conceded that the contested domain name was used as the defendant’s business identification, the web page itself containing the defendant’s commercial information. The Court concluded that the exclusive rights to a corporate name may be infringed when a domain name identical or similar to that corporate name is used for the purpose of distinguishing goods and services of another subject, that is, as its business identification; it

concluded in this case that the plaintiff’s rights were infringed. The Supreme Court also rejected the argument that the defendant had a legitimate interest to use the contested domain name because it was registered two years prior to the claim by the plaintiff; the Court ruled that a registration of a domain name was not sufficient proof of a legitimate interest *per se*. The “first come, first serve” rule did not preclude contesting further use of a domain name in an infringement case. On the other hand, according to the Supreme Court, it is possible that in certain cases permanent use of a domain name may create a legitimate interest in its further use—for example, when a certain circle of business clients is familiar with a domain name, uses it, and reasonably expects to use it in the future. The defendant failed to prove this, however, in the current case.

The *BALDŲ CENTRAS* decision is important because it established that exclusive rights to a corporate name may be infringed by a trademark containing a symbolic part of the corporate name if that trademark is used as business identification by another company and causes a likelihood of confusion. Moreover, this applies not only to trademarks but also to other business identifications used for distinguishing goods and services—for example, unregistered marks used in signboards or domain names. The *BALDŲ CENTRAS* decision also set the important precedent that a domain name, as business identification, may infringe exclusive rights to a corporate name.

**III.A. Infringement and Other Forms of Unfair Competition**

The plaintiffs, UAB Baltijos muzika and Theater Mogul BV, are the producers of the very popular theatrical performance *Urvinis Žmogus* (*Caveman*), and E.J.P., the author of the comedies *Urvinis Žmogus* and *Urvinė Moteris* (*Cavewoman*), brought a copyright infringement and unfair competition claim against Baltijos reklamos projektai, the defendant, a producer of the theatrical performance *Urvinė Moteris*, regarding the use of the name of the performance *Urvinė Moteris* (which is similar to the name of the plaintiffs’ performance *Urvinis Žmogus* and identical to the original name of the comedy *Urvinė Moteris*, written by E.J.P.). The claim was also brought regarding the submission for registration of the name *URVINĖ MOTEKIS* as a trademark, the registration of the domain names www.urvinemoteris.lt and www.urvine.lt, and the use of a logo similar to the plaintiffs’ logo of the image of a cavewoman.

The courts of first and second instance (Vilnius District Court and Court of Appeal of Lithuania, respectively) partially satisfied the plaintiffs’ claim. The courts recognized that certain of the defendant’s actions, the registration of domain names
www.urvinemoteris.lt and www.urvine.lt, the use of the name URVINĖ MOTE RIS as the name of the performance, and the use of the image imitating Theater Mogul BV’s work—the logo of the cavewoman in the advertisement, were forbidden acts of unfair competition. The courts annulled Baltijos reklamos projektai’s registration of domain names and forbade Baltijos reklamos projektai to use the name of the performance URVINĖ MOTE RIS and its logo. Both courts held that the plaintiffs and the defendant were competitors acting in the market of commercial theatre. By naming its performance U RVINĖ MOTE RIS, which a spectator would consider to be the continuation of the performance URVINIS ŽMOGUS, the defendant carried out unfair competition acts against its competitor, as it sought to exploit the commercial success and reputation of the performance URVINIS ŽMOGUS. However, the court of first instance held that the defendant did not infringe the copyright to the name of the comedy U RVINĖ MOTE RIS because of the name’s non-originality. The court also dismissed the claim of unfair competition based on Baltijos reklamos projektai’s application to register the trademark U RVINĖ MOTE RIS, holding that the submission of an application (taking into account that it has not been registered yet) cannot constitute, in any way, an act of unfair competition. The defendant submitted the cassation claim to the Lithuanian Supreme Court.

The Supreme Court of Lithuania upheld the decisions of both lower courts. The Court stressed that for an act to constitute an unfair competition act under the Lithuanian Law on Competition750 (which provides an exemplary list of unfair competition acts) it was not necessary to prove that the plaintiffs’ mark was distinctive or similar to the competitor’s mark. The Court held that in order for an act to be one of unfair competition, two main conditions must exist: first, there must be a competitive relationship between the commercial and professional undertakings; second, it must be determined that the respective actions of a competitor are carried out with the aim to compete and to take advantage of the reputation of others’ undertakings, by imitating products or signs or by other unfair acts (confusion of consumers, etc.). The Court held that the use of a mark that is neither distinctive nor original (that is, not protected by industrial property or copyright laws), so that a competitor takes advantage of the efforts of others’ undertakings in a certain field, shall be considered an unfair competition act. The Court ruled that the use of the name U RVINĖ MOTE RIS in the defendant’s performance would confuse spectators by creating an impression that this performance was a follow-up to the plaintiffs’ performance

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URVINIS ŽMOGUS and held the use to be an unfair competition act, as the defendant directly sought to increase the popularity of its performance by using the success of the competitor. This is a final decision.\footnote{UAB Baltijos muzika v. UAB Baltijos reklamos projektai, Civil Case No. 3K-3-475/2008 (Supreme Court, Oct. 13, 2008).}

This decision is significant, as it clarifies that the similarity of the disputed marks is insignificant and the use of any mark by a competitor in order to take advantage of the success of others’ undertakings in a certain field shall be considered an unfair competition act under the Lithuanian Law on Competition. This decision is also important because for the first time in Lithuanian case law unfair competition acts were recognized as legal ground for the annulment of the registration of domain names.

III.A.3.a. Civil Actions

The plaintiff is the holder of trademark FAG registered in Classes 4, 6, 7, 9, and 12. The defendant declared automobile ball bearings marked with the plaintiff’s trademark FAG at Lithuanian customs, the customs authorities detained the illicitly marked goods. The plaintiff sued the defendant for infringing the plaintiff’s intellectual property rights and sought to have the goods confiscated and destroyed at Akmuva’s expense.

The court of first instance satisfied the claim. The court held that the goods detained by the customs authorities were marked with a trademark virtually identical to the plaintiff’s trademark FAG. Moreover, the detained automobile ball bearings were identical to the ones manufactured by the plaintiff. The detained goods were marked with trademark FAG without the plaintiff’s consent. The court held that there was a likelihood of confusion between the detained goods and the goods manufactured by the plaintiff and that, therefore, the detained goods were manufactured by infringing the plaintiff’s exclusive rights to the trademark FAG. The court found that the defendant, as the declarant of goods, was liable for infringing the plaintiff’s exclusive rights, and thus the goods were to be destroyed at the defendant’s expense. The defendant appealed the decision of the court of first instance, the Court of Appeal of Lithuania.

The Court of Appeal upheld the ruling of the court of first instance, stating that goods found to infringe an intellectual property right should not be allowed to enter into the Community customs territory, released for free circulation, removed from the Community customs territory, exported, re-exported, placed under a suspensive procedure, or placed in a free zone or free warehouse. According to the court, once the infringement of intellectual property rights (an illicit action) was established, the question of
the defendant’s guilt was irrelevant. It was important, however, to eliminate the illicit action and to restore the situation that existed prior to the infringement. The defendant committed actions prohibited by law, that is, the defendant declared goods that infringed the plaintiff’s intellectual property rights. The court found that the fact that the defendant was not the owner or receiver of the goods infringing the plaintiff’s intellectual property rights but merely the declarant to the customs offices was irrelevant.

The court ruled that the Council Regulation (EC) No. 1383/2003, 752 concerning customs action against goods suspected of infringing certain intellectual property rights and the measures to be taken against goods found to have infringed such rights, applies not only to the persons importing and exporting forfeited goods from the Community territory but also to persons executing other customs procedures. The defendant committed an illicit action when it declared the goods infringing intellectual property rights. Under the customs broker services agreement between the defendant and the owner of the goods in question, the defendant had all rights and responsibilities of the customs broker, including responsibility for the correctness of information submitted to the customs authorities.

Pursuant to Article 17 of the Regulation, Member States shall adopt the measures necessary to allow the competent authorities to take, in respect of goods found to infringe an intellectual property right, any other measures effectively depriving the persons concerned of any economic gains from the transaction. 753 The court held that when imposing sanctions under Article 17, it is not necessary to establish whether the offender benefitted from the transaction. Therefore, the defendant was wrong when it claimed that because it was merely the declarant to the customs authorities and did not receive an economic benefit from the

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753. Article 17 provides:

1. Without prejudice to the other legal remedies open to the right-holder, Member States shall adopt the measures necessary to allow the competent authorities:

   a. in accordance with the relevant provisions of national law, to destroy goods found to infringe an intellectual property right or dispose of them outside commercial channels in such a way as to preclude injury to the right-holder, without compensation of any sort and, unless otherwise specified in national legislation, at no cost to the exchequer;

   b. to take, in respect of such goods, any other measures effectively depriving the persons concerned of any economic gains from the transaction.

Save in exceptional cases, simply removing the trademarks which have been affixed to counterfeit goods without authorisation shall not be regarded as effectively depriving the persons concerned of any economic gains from the transaction.

2. Goods found to infringe an intellectual property right may be forfeited to the exchequer. In that event, paragraph 1(a) shall apply.
transaction, no sanction could be imposed on it to destroy the goods at its own expense.\textsuperscript{754}

This ruling is subject to appeal in the Supreme Court of Lithuania.

\section*{MOROCCO}

\subsection*{I.D.1. Similarity of Marks}

The International Baccalaureate Organization (IBO) is the owner of the international trademarks IBO\textsuperscript{755} and IB,\textsuperscript{756} designating Morocco and covering products and services in Classes 9, 16, 38, 41, and 42 (below, illustrations at top). IBO brought a trademark infringement action against the local company IB Maroc Com, S.A. for registering the trademark IBF (Logo) FORMATION\textsuperscript{757} for services in Class 41 (below, illustration at bottom).

\begin{center}
\begin{tabular}{c}
\textbf{Plaintiff's Marks} \\
\includegraphics[width=0.5\textwidth]{IBO}\hspace{1cm}\includegraphics[width=0.5\textwidth]{IB}
\end{tabular} \\
\textbf{Defendant's Mark} \\
\includegraphics[width=0.5\textwidth]{IBF}
\end{center}

\textsuperscript{754} Schaeffler KG v. UAB Akmuva, Civil Case No. 2A–628/2008 (Court of Appeal, Dec. 8, 2008).

\textsuperscript{755} IR No. 756899, granted Mar. 28, 2001.

\textsuperscript{756} IR No. 770296, granted June 21, 2001.

\textsuperscript{757} Registration Nos. 84972 and 25477, granted Jan. 24, 2003.
The Court of Appeal found the marks very similar in appearance, sound, and connotation. It also determined that the nature of the services covered by the defendant’s mark would most likely indicate a connection with the marks of the plaintiff. Moreover, IBO had registered its trademarks internationally, designating Morocco, long before IB Maroc Com filed the applications for registration of its mark. Accordingly, the contested registration constituted a violation of prior-existing trademark rights pursuant to Articles 137, 155, and 184 of the Moroccan Industrial Property Law.758

758. Law on the Protection of Industrial Property (Law No. 17-97, Feb. 15, 2000, as modified and supplemented by Law No. 31-05, Feb. 20, 2006). Article 137 of the Law provides:

Signs may not be adopted as marks where they infringe earlier rights, particularly:

(a) an earlier mark that has been registered or that is well known within the meaning of Article 6bis of the Paris Convention for the Protection of Industrial Property;
(b) the name or style of a company, where there is a risk of confusion in the public mind;
(c) a trade name or sign board known throughout the national territory, where there is a risk of confusion in the public mind;
(d) a protected geographical indication or appellation of origin;
(e) rights protected by the Law on the Protection of Literary and Artistic Works;
(f) rights deriving from a protected industrial design or model;
(g) the personality rights of another person, particularly his surname, pseudonym or likeness;
(h) the name, image or repute of a local authority.

Article 155 provides:

The following shall be prohibited, unless authorized by the owner, if there is a likelihood of confusion in the mind of the public:

(a) The reproduction, use or affixing of a mark or use of a reproduced mark or an identical or similar sign for goods or services that are similar or relating to those covered by the registration;
(b) The imitation of a mark and the use of an imitated mark for goods or services that are identical or similar to those covered by the registration.

Article 184 provides:

Any act of competition contrary to honest practice in industrial or commercial matters shall constitute an act of unfair competition.

The following, in particular, shall be prohibited:

(1) All acts of such a nature as to create confusion by any means whatsoever with the establishment, the products or the industrial or commercial activities of a competitor;
(2) False allegations in the course of trade of such a nature as to discredit the establishment, products or industrial or commercial activities of a competitor;
(3) Indications or allegations the use of which in the course of trade is liable to mislead the public as to the nature, the manufacturing process, the characteristics, the suitability for their purpose or the quantity of the goods.
In light of the foregoing findings, the Court of Appeal ordered the cancellation of the trademark IBF (Logo) FORMATION. It further ordered that the defendant

1. Cease any further use of the offending mark;
2. Destroy any illegal stock;
3. Publish the decision in two local newspapers; and
4. Bear all court expenses.\(^\text{759}\)

This decision is important because it establishes that the likelihood of confusion that may be created by the overall impression conveyed by design marks usually will not be overcome by the presence of different word elements.

The Court of Appeal overruled the verdict of the Court of First Instance and found in favor of Victor Company, owner of the famous trademark JVC, which had brought suit against the Moroccan company El Yahyaoui Ahmed for registering the trademark MX.JVC in Morocco. The appellate court’s decision was based on the following grounds:

- Victor Company had obtained a Moroccan trademark registration for JVC, covering goods in Class 9, in April 1971,\(^\text{760}\) while El Yahyaoui Ahmed had registered its trademark MX.JVC in Classes 9 and 14 in January 2002.\(^\text{761}\) Accordingly, the contested registrations constituted a violation of prior-existing trademark rights pursuant to Articles 137, 155, and 184 of the Industrial Property Law.

- The registration of the defendant’s trademark presented an imitation of a famous mark that enjoyed a worldwide reputation, and therefore violated the provisions of Article 6\(^\text{bis}\) of the Paris Convention.\(^\text{762}\) In fact, the defendant’s

\(^{759}\) International Baccalaureate Organization (IBO) v. IB Maroc Com, S.A., Case No. 5640/2008 (Court of Appeal, Jan. 1, 2009).

\(^{760}\) Registration No. 22749, granted Apr. 16, 1971.

\(^{761}\) Registration Nos. 80061 (Class 9) and 21299 (Class 14), granted Jan. 15, 2002.

\(^{762}\) Article 6\(^\text{bis}\) of the Paris Convention provides:

(1) The countries of the Union undertake, ex officio if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use, of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered by the competent authority of the country of registration or use to be well known in that country as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known mark or an imitation liable to create confusion therewith.

(2) A period of at least five years from the date of registration shall be allowed for requesting the cancellation of such a mark. The countries of the Union may provide for a period within which the prohibition of use must be requested.
mark created a false association with the famous trademark JVC, thereby causing damage to the interests of the plaintiff by taking unfair advantage of the distinctive character of the plaintiff's mark.

Therefore, the Court of Appeal ordered that the cancellation of the offending mark be recorded in the records of the Registrar. In addition, it ordered the defendant to

1. Cease any further use of the offending mark;
2. Destroy any illegal stock in its possession;
3. Publish the decision in two local newspapers at its expense; and
4. Bear all court expenses.  

NEW ZEALAND

I.C. Distinctiveness

Intellectual Reserve, Inc. is a U.S. corporation affiliated with the Church of Jesus Christ of Latter-day Saints. The Church uses the trade mark FAMILYSEARCH in relation to genealogy services. Intellectual Reserve owns a number of registrations for the word mark FAMILYSEARCH,764 in Classes 16 and 41, and for FAMILYSEARCH in a stylized form,765 in Classes 9, 16, and 42; all of the covered goods and services relate to genealogy. Intellectual Reserve’s stylized FAMILYSEARCH mark features the text “FamilySearch” in a cursive script, underscored by three lines (below, illustration at top).

In July 2005, Robert Sintes applied to register the mark FAMILYSEARCH in a stylized form in Class 45 for services for the purposes of reuniting living family, including missing family research and tracing services and investigation and research of births, deaths, and marriage records. 766 The mark features the text FAMILYSEARCH in a serif typeface underscored by two lines. The lower of these two lines wraps around the word FAMILYSEARCH, with a stylized natural fern device (known in New Zealand as a “koru”) at the bottom right-hand end of this line and an arrow device at the top right-hand end (below, illustration at bottom).

(3) No time limit shall be fixed for requesting the cancellation or the prohibition of the use of marks registered or used in bad faith.

763. JVC v. MX.JVC, Case No. 1061/2008 (Court of Appeal, Jan. 29, 2009).
765. Trademark Nos. 218289 (Class 9) and 218290 (Class 42), registered July 26, 1996; Trademark No. 255237 (Class 16), registered May 15, 1992.
Intellectual Reserve opposed registration of the applied-for mark based on its prior use and registration of FAMILYSEARCH trade marks. It also argued that the mark was not distinctive with respect to Mr. Sintes’s services in Class 45.

The Assistant Commissioner of Trade Marks\(^\text{767}\) and the High Court\(^\text{768}\) both dismissed the opposition, holding that Mr. Sintes’s trade mark could be distinguished from Intellectual Reserve’s trade marks. They also held that while the term FAMILYSEARCH would not in itself be considered distinctive for Mr. Sintes’s services, the additional matter in his trade mark contained sufficient distinctive character for it to be registrable for those services. Intellectual Reserve appealed.

Upholding the decisions of the Assistant Commissioner and the High Court, the Court of Appeal dismissed the appeal.\(^\text{769}\) It found that the term FAMILYSEARCH was descriptive and not distinctive with respect to the services covered by Mr. Sintes’s application. However, the additional matter in Mr. Sintes’s trade mark, namely the koru and the arrow, meant that the mark as a whole had sufficient distinctive character to qualify for registration.

The appellate court also agreed that the marks at issue could be distinguished from each other based on the differences between

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Intellectual Reserve’s goods and services relating to genealogy and Mr. Sintes’s services for tracing living relatives, and also the overall differences between the marks.

The Court of Appeal allowed the application to proceed to registration, but it required that the disclaimer “Registration of this trade mark shall give no right to the exclusive use of the words ‘family search’” be entered against the registration.

This case is useful for its assessment of distinctiveness of composite marks that combine nondistinctive words with other matter.

I.D.1. Similarity of Marks

Timaru Bluestone Industries Limited applied to register a composite mark comprising the words TIMARU BLUESTONE and a Stonehenge-type device (the TIMARU BLUESTONE mark), for building materials in Class 19 (see below). The Intellectual Property Office of New Zealand (IPONZ) refused registration on the basis that the mark was confusingly similar to a series of word marks BLUESTONE and BLUE STONE (collectively, the BLUESTONE marks), previously registered in the name of Bluestone Constructions (NZ) Limited for building and construction materials in Class 19 and building construction and renovation services in Class 37.

In refusing to register the applicant’s mark, IPONZ argued that the dominant and distinctive element of both the TIMARU BLUESTONE mark and the BLUESTONE marks was the word BLUESTONE. That word was reinforced by the Stonehenge-type

device, and TIMARU, a place name in New Zealand, simply referred to the origin of the goods.

Timaru Bluestone sought a hearing to appeal the refusal on the basis that the TIMARU BLUESTONE mark could be distinguished from the BLUESTONE marks.

The outcome was that the TIMARU BLUESTONE mark was allowed to proceed to registration. The Assistant Commissioner of Trade Marks held that the TIMARU BLUESTONE mark looked and sounded different from the BLUESTONE marks and conveyed a different idea. The Stonehenge-type device was considered to be the dominant part of the TIMARU BLUESTONE mark, and the word TIMARU made the marks at issue different phonetically. As a result, the ideas conveyed by the marks were different.

In reaching this decision, the Assistant Commissioner placed weight on the above-described use of the word BLUESTONE in the composite mark and on the lack of inherent distinctiveness of the subsumed mark BLUESTONE. The New Shorter Oxford Dictionary defines “blue stone” as, among other things, “a bluish-grey stone used for building.” The Assistant Commissioner found that IPONZ had not placed sufficient weight on the descriptiveness of the term “blue stone” and on BLUESTONE as a word in part of the composite mark.

This is the most recent in a string of decisions that indicate that two marks may not be considered confusingly similar even if one of the marks is wholly contained within the other. It indicates a move away from the “essential feature” test for assessing confusing similarity, set out in De Cordova v. Vick Chemical Co. Consequentially, trade mark proprietors can no longer necessarily prevent third parties from registering a mark that wholly contains their registered trade mark.

I.F. Famous and Well-Known Marks

Martin Joseph Peter Myers applied to register the word mark BILLABONG for mineral waters and beers in Class 32. GSM (NZ Operations) Ltd owns the well-known Australian brand BILLABONG in New Zealand. Although it is most well known for its use on surf clothing and accessories, the

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774. (1951) 68 RPC 103.

BILLABONG brand has been used in relation to thousands of product lines over the years, albeit not for mineral waters or beers. GSM owns registrations for BILLABONG trade marks in Classes 3, 6, 9, 12, 14, 16, 18, 24, 25, 28, and 35.

GSM opposed Mr. Myers’s application on the basis that its BILLABONG trade mark was well known in New Zealand.

Under New Zealand law, a mark may not be registered in respect of any goods or services if it is identical or similar to a trade mark that is well known in New Zealand or if the use of the mark applied for would be taken as indicating a connection in the course of trade between those goods or services and the owner of the well-known trade mark and would be likely to prejudice the interests of the owner of the well-known trade mark.

The Assistant Commissioner of Trade Marks held that BILLABONG was a well-known mark in New Zealand. Despite clear differences between Mr. Myers’s goods and GSM’s goods, a substantial number of persons in the relevant market for Mr. Myers’s goods would wonder if there was a connection in trade between his goods and GSM because the marks were effectively identical. The Assistant Commissioner found that “billabong” was not an ordinary word in common usage in New Zealand and that the mark had acquired a distinctive character as a result of its use by GSM. In reaching her decision, she also placed weight on the fact that GSM’s BILLABONG trade mark had been used on a range of products over the years. She further noted that GSM’s BILLABONG brand had an esteem aspect to it and was associated with lifestyle and that Mr. Myers’s goods could, in that sense, be considered to be complementary to those of GSM.

In addition, the Assistant Commissioner found that GSM’s interests were likely to be prejudiced by Mr. Myers’s use of the mark, as the connection in the course of trade between his goods and GSM’s goods would result in free-riding, blur the distinctiveness of GSM’s mark, and deny GSM real and valuable licensing and brand extension opportunities.

Consequently, the Assistant Commissioner held that GSM had succeeded in its opposition, because, by reason of GSM’s reputation in the BILLABONG mark, the use of BILLABONG for beverages would be likely to give rise to deception or confusion in the

776. Trade Marks Act 2002 sec. 25(1)(a), (b).
777. Id. sec. 25(1)(c).
779. “Billabong,” a word of Australian aboriginal origin, means an arm of a river made by water flowing from the main stream when the water level is high to form a backwater, or, when the water level falls, a stagnant pool. It is strongly associated with Australia because of its use in the song Waltzing Matilda.
marketplace and would be contrary to law, as it would breach trade practices legislation.

This decision is of interest to owners of well-known trade marks. It provides guidelines on what constitutes a well-known mark and, by extension, guidelines for protecting such marks. In particular, the Commissioner will seek to protect trade mark owners’ real and valuable licensing and brand extension opportunities. However, a crucial factor may be how aggressively the brand owner has expanded its range of goods. If no intention to exploit these sorts of opportunities has been demonstrated in the past, such intention may not be assumed for the future.

II.C.1.d. Geographical Names

K-Swiss Inc, a manufacturer of sporting apparel and accessories, applied to register K-SWISS & Device for horological and chronometric instruments in Class 14. The mark comprises the word K-SWISS superimposed on a shield device (see below). The application did not include any constraint as to country of origin.

The Federation of the Swiss Watch Industry FH, a watch industry trade association from Switzerland, opposed the registration on the basis that the applicant's use of the mark K-SWISS & Device for watches would deceive or confuse consumers regarding the origin and the quality of the goods bearing the mark, as it would indicate to them that the watches or watch components

were Swiss manufactured (when that was not the case). The opponent also argued that the mark was not registrable as it had no distinctive character, was applied for in bad faith, and would be contrary to law because it was in breach of trade practices legislation.

The Assistant Commissioner of Trade Marks sustained the opposition at the IPONZ hearing and refused to register the mark on the ground that its use would be likely to deceive or confuse consumers and would breach trade practices legislation.

Upholding the decision of the Assistant Commissioner, the High Court held that use of the mark would be reasonably likely to cause deception or confusion among a substantial number of persons.

Judge Dobson found that the terms “Swiss” and “Swiss made” had a reputation as indicators of quality and geographical location when used in relation to watches. Given the dominance of SWISS in the K-SWISS mark and the strength of the connotations of “Swiss,” the judge held it likely that a substantial number of consumers would be confused into thinking that watches bearing the mark K-SWISS & Device had a meaningful connection with “Swiss” and its reputation. The judge found that consumers would at least postulate that the applicant’s goods either were manufactured in Switzerland or had Swiss-made components.

In reaching this conclusion, the judge distinguished this situation from a recent Australian case concerning the registrability of a label for BAVARIA branded beer. In that case, references to the term “Holland” on the bottle label neutralized the connotation of the German State of Bavaria, and therefore consumers would not be deceived or confused as to the origin of the beer.

Given the strength of the reputation of “Swiss” in relation to watches, the High Court also considered that there was a real risk that consumers could be misled into thinking that the applicant’s watches were of Swiss origin or quality. Therefore, it ruled that the opposition was successful, on the ground that registration of the applied-for mark would constitute a breach of trade practices legislation.

The High Court allowed the mark to proceed to registration, subject to the condition (consented to by both parties) that it be used only in relation to watches made in Switzerland.


This case provides an interesting example of how to approach a trade mark containing a geographical descriptor that has strong connotations for the goods or services in connection with which the mark is to be used.

NIGERIA

III.A. Infringement and Other Forms of Unfair Competition

Virgin Enterprises Ltd, a UK company, is the owner in Nigeria of the trademark VIRGIN for goods in Class 32, specifically, beer, ale, porter, mineral water, aerated water and other nonalcoholic drinks, syrups, and other preparations for making beverages. The trademark comprises the word VIRGIN in red. Richday Beverages (Nigeria) Ltd., a Nigerian company, produced and marketed bottled water branded as VIRGIN TABLE WATER, which it registered as a trademark in 1999. It also printed the word VIRGIN in red on its label.

Virgin brought an action against Richday seeking an order of injunction to enjoin the defendant from infringing its VIRGIN trademark registration.

The High Court of Nigeria dismissed the plaintiff’s action. It found that the term “virgin” was generic and that the plaintiff therefore could not claim to have the exclusive right to use the term in spite of its trademark registration for VIRGIN.

The High Court’s decision was overturned on appeal. The Court of Appeal made a distinction between generic and arbitrary marks.784 According to the appellate court, while a mark can be generic when considered in association with a certain product, it can be arbitrary when considered in association with another. Arbitrary marks are composed of common words that are not considered to describe or suggest a characteristic of the product bearing the mark. Thus, for example, the trademark BICYCLE used in connection with playing cards would be considered arbitrary under the court’s definition. As such, the Court of Appeal further held that arbitrary marks are capable of being distinctive and are protectable as trademarks.

This case highlighted the distinction between generic and arbitrary marks and established that ordinary words can acquire secondary meaning. The decision was groundbreaking because it was one of the first instances where an appellate court considered these issues in an infringement action.

NORWAY

I.C. Distinctiveness

Apple Computer, Inc., a U.S. corporation, applied to register the trademark IPHONE for goods in Class 9, namely, “apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers; recording discs; computer hardware, data processing equipment and computers; peripheral equipment for computers; software (registered computer programs); parts and fittings for all the aforementioned goods (not included in other classes).”

Registration of the mark was refused by the Norwegian Patent Office’s First Division on account of lack of distinctiveness. The applicant tried to prevail by referring to its extensive use of other earlier registrations, including IPOD, ITUNES, and IMAC. The examiner, however, found that the applied-for mark was suggestive and lacked the required degree of distinctiveness to obtain registration. The Patent Office regarded the mark as a telescopic word for IP PHONE.

The Board of Appeals of the Norwegian Patent Office overruled the refusal by the First Division. It emphasized the applicant’s massive use of a trademark family that consisted of combinations with the letter I and various descriptive terms. In the Board’s opinion, the mark IPHONE would directly and immediately be perceived as a phone from the applicant, owing to Apple’s extensive use of the other I- marks.

The importance of this case lies in the fact that the Board of Appeals gave decisive weight to the use of marks other than the mark applied for and referred to these other marks as a “trademark family.”

The Norwegian Patent Office’s First Division had refused registration by the French company Alstom for the mark TRAINTRACER, to cover “data processing equipment, computer software for administration and displaying data for updating of

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786. Norwegian Patent Office, First Division, Dec. 8, 2006. Section 13 of the Norwegian Trademarks Act provides, in pertinent part: “A trademark which is to be registered must be capable of distinguishing the goods of the holder from those of others. The trademark may not exclusively, or with no more than minor alterations or additions, indicate the kind, quality, quantity, use, price or geographical origin of the goods or the date of their production.”
788. Trademark No. 249736.
systems for transport of passengers or goods” in Class 9 and “maintenance of systems for transportation of passengers and goods” in Class 37 because of lack of distinctiveness.\textsuperscript{789} It found that TRAINTRACER would be perceived merely as identifying the purpose of the goods and services applied for.

The Patent Office’s Board of Appeals disagreed and held that the mark was suggestive of products and services whose purpose was to give an overview of and offer information relating to, for example, the location of trains, passengers, and goods. For this reason the Board found that the mark was not descriptive and, in general, had the required degree of distinctiveness.\textsuperscript{790}

The decision is important because it may be regarded as contrary to the normal and strict standard applied by the Norwegian Patent Office when considering the distinctiveness of a trademark.

\section*{I.D.1. Similarity of Marks}

Orange Brand Services Ltd., known mostly as a provider of telecommunications services, filed an opposition against the trademark application by for the Norwegian advertising agency Orangeriet AS for ORANGERIET,\textsuperscript{791} to cover “advertising, advertising agencies, compilation of advertisements and marketing material for others, consultation services regarding advertising and marketing” in Class 35 and “graphic design and design as well as consultation services regarding graphic design and design; industrial design, industrial design and packaging design” in Class 42. The opponent holds a trademark registration for ORANGE,\textsuperscript{792} covering goods and services in Classes 9, 18, 25, 28, 35, 36, 37, 38, 39, 41, and 42.

The Norwegian Patent Office’s First Division refused registration of the trademark ORANGERIET in part.\textsuperscript{793} Specifically, registration was refused for all services applied for except for “industrial packaging design” in Class 42.

Orange Brand Services Ltd. appealed the decision.

The Norwegian Patent Office’s Board of Appeals found that the first part of the mark ORANGERIET was identical to Orange Brand Services’ mark ORANGE. As ORANGERIET was a considerably longer word than ORANGE, the Board held that this would create clear visual and phonetic differences. In addition, the

\begin{footnotes}
\item[792] IR No. 790992, registered May 9, 2001, with priority from Nov. 13, 2000.
\end{footnotes}
Board emphasized that semantically there were differences between the marks, as the opponent’s mark would be understood to be the name of a fruit or a color, while the opposed mark would be understood to be a greenhouse.\footnote{794. "Orangeriet" is the Norwegian word for “orangery.”}

The Board held that although there was a natural connection between the fruit orange and an orangery, there was no conceptual concurrence between the marks. The decisive factor was that the services in question were directed toward a part of the public that presumably was professional and had a high degree of knowledge of trademarks. Furthermore, the purchase of these kinds of services normally was based on personal knowledge of the service provider. Accordingly, the Board of Appeals found that there would be no risk of direct or indirect confusion between the trademark ORANGERIET and the prior mark ORANGE for the services in question.\footnote{795. Decision No. 7835 (Board of Appeals, Norwegian Patent Office, Apr. 20, 2009), available at \url{http://www.patentstyret.no/upload/Filarkiv/annenavdeling/varemerke/2009/april/7835v.pdf}.}

The decision is important because it emphasizes the semantic meaning of words that are partly identical and because decisive weight was given to the identification of the consumers, who in this case were found to be professionals.

The question arose before the Norwegian Patent Office whether there was a risk of confusion between LE SPOSE DE GIO\’\footnote{796. IR No. 748500, registered Nov. 16, 2000.} (below, illustration at left) and the prior Norwegian registration GIÒ DE GIORGIO ARMANI\footnote{797. Trademark No. 161818, filed Mar. 16, 1992, registered Mar. 17, 1994, in Classes 3, 9, 14, 18, and Class 25 for clothing, footwear (not included in other classes), and headgear.} (below, illustration at right).

The Norwegian Patent Office upheld the decision to give effect to the mark LE SPOSE DI GIÒ in Norway\footnote{798. Decision No. 7835 (Norwegian Patent Office, First Division, Dec. 20, 2006).} despite the opposition...
filed by GA Modefine SA, the owner of the trademark GIÓ DE GIORGIO ARMANI. The Norwegian Patent Office’s Board of Appeals overruled the First Division’s decision. This decision was then appealed to the Oslo District Court.

The Court stated that the mark LE SPOSE DI GIÓ was Italian and meant “the bride of GIÓ” and that GIÓ DE GIORGIO ARMANI was French and meant “GIÓ from Giorgio Armani.” It found that both marks implied associations to Italy, and that this would increase the risk of confusion. The Court held, however, that consumers with limited knowledge of the Italian language would hardly be able to understand the meaning of the plaintiff’s mark, and that these consumers presumably would give attention to the mark in its entirety, not to the common element GIÓ. There would hence not be any risk of confusion among the consumers. The Court found that it was unlikely that a significant portion of consumers would get the impression that there was a commercial connection between the owners of the trademarks. Accordingly, the Court overruled the decision by the Board of Appeals.799

The case is important because it refers to observations with respect to the general level of Italian knowledge of the Norwegian population and states that it is not likely that in the market in question the consumers have sufficient linguistic knowledge to understand the meaning of trademarks with an Italian linguistic origin. This is contrary to statements in several decisions made by the Norwegian Patent Office, where it has been held that both Italian and Spanish are rather well-known languages to the majority of Norwegian consumers.

I.F. Famous and Well-Known Marks

Plaintiff Keiser Gruppen AS brought an action for cancellation of four trademark registrations of the defendant, Rettighetsselskapet Intrige AS, on grounds of non-use800: the word mark HOTEL CÆSAR,801 covering goods and services in Classes 8, 11, 14, 15, 16, 20, 21, 24, 26, 30, 32, 33, 35, 39, and 42; the word mark HOTEL CÆSAR,802 covering goods in Classes 18 and 25; the mark HOTEL CÆSAR & Device,803 covering goods in Class 3 (see

799. Di Gió S.R.L. v. Ministry of Trade & Industry, Case No. 08-168963TVI-OTIR/06 (Oslo District Court, June 8, 2009).
800. Section 25a of the Norwegian Trademarks Act provides, in pertinent part: “Where the holder of a registered trademark has not used the mark in this country for the goods for which it is registered within five years from the date of the registration, or if the use has been interrupted for five consecutive years, the registration may be expunged from the Trademark Register by a court ruling, unless there are reasonable grounds for non-use.”
below); and the word mark HOTEL CÆSAR,\textsuperscript{804} covering goods and services in Classes 9, 38, and 41. All of these registrations were in the name of the defendant, and the trade name CÆSAR LAGERHOTELL was used by the plaintiff for its moving and warehouse business.

Rettighetsselskapet Intrige raised a counterclaim, demanding that Keiser Gruppen cease its use of the trade name CÆSAR LAGERHOTELL. The parties reached an agreement involving partial cancellation of the four registered trademarks in question, leaving the question of possible infringement by the plaintiff to be decided by the Oslo District Court.

The Court recognized that the name HOTEL CÆSAR was the name of a Norwegian soap opera as well as the venue for the drama. The soap opera started in October 1998, and episodes have been broadcast daily since that date. At the time of the court proceedings, more than 1,600 episodes had been shown. The soap opera had approximately 400,000 viewers daily. There was no overlap in the goods and services of the parties involved. The question was, rather, whether the trademark HOTEL CÆSAR was so well known that it enjoyed protection regardless of the goods and services used in connection with the mark CÆSAR LAGERHOTELL. The Court found that the massive marketing and use of the name HOTEL CÆSAR would influence the public to perceive the name as a trademark. Further, the Court held that the mark was so famous that it enjoyed protection under the Kodak doctrine under Section 6, paragraph 2 of the Norwegian Trademarks Act.\textsuperscript{805} Accordingly, the Court ruled that the plaintiff's use of the trademark and trade name CÆSAR LAGERHOTELL had to cease.\textsuperscript{806}

The case is important because it relates to the Kodak doctrine, and it can be used when determining whether the conditions for Kodak protection are met in other matters.


\textsuperscript{805} Section 6, paragraph 2 of the Norwegian Trademarks Act provides: “Moreover, signs that are similar shall be considered liable to be confused even if they do not relate to identical or similar goods, if the sign with the earlier right is so well known and established in this country that it would imply an unreasonable exploitation of or be detrimental to its goodwill if the other sign were to be used by someone else.”

\textsuperscript{806} Keiser Gruppen AS v. Rettighetsselskapet Intrige AS, Case No. TSØLO-2008-41683 (Oslo District Court, Sept. 24, 2008), available at http://websir.lovdata.no/cgi-lex/wiftzsok?bas=TOSIV&emne1=(%20toslo-2008-41683%20)%20i%20publisert&sok=fast&.
II.C.3. Geographical Indications/Appellations of Origin

A question arose before the Norwegian Patent Office’s First Division as to whether the word mark MADISON AVENUE, covering clothing, footwear, and headgear in Class 25⁸⁰⁷ had sufficient distinctiveness to obtain registration in Norway.⁸⁰⁸

The Patent Office’s First Division refused registration, finding that the mark lacked distinctiveness for the goods in Class 25 and that the average consumer could be deceived by the mark because the applicant was from Sweden although the mark gave the impression that the goods were connected to Madison Avenue in New York.

The applicant appealed, and the Board of Appeals overruled the Norwegian Patent Office’s First Division’s decision.⁸⁰⁹ The Board of Appeals stated that the possibility that the average consumer would perceive the mark as descriptive for production, design, or sales on Madison Avenue was rather remote. The Board of Appeals found it more likely that the mark would be perceived as suggestive of certain qualities of the goods such as exclusivity or American style. The fact that a mark can suggest these kinds of associations is not enough to judge it as descriptive and unregistrable. The Board of Appeals stated that the decisive point was not whether the name of the place would, in the average consumer’s mind, indicate the geographical origin of the goods, but rather whether the mark would be suitable to be apprehended as such a designation. Against this background, the Board of Appeals concluded that MADISON AVENUE could not be regarded as descriptive of clothing, footwear, and headgear in Class 25. Further, it found that there were no other reasons to regard the mark as lacking distinctiveness. The mark, the Board held, must

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⁸⁰⁸. Section 13 of the Norwegian Trademarks Act provides:
A trademark which is to be registered must be capable of distinguishing the goods of the holder from those of others. The trademark may not exclusively, or with no more than minor alterations or additions, indicate the kind, quality, quantity, use, price or geographical origin of the goods or the date of their production. In deciding whether a trademark has a distinctive character, however, all factual circumstances shall be taken into consideration, in particular how long and how extensively the trademark has been in use.

Trademarks which consist exclusively of the shape of the goods or their packaging may not be registered if the shape or the packaging results from the nature of the goods themselves, is necessary to obtain a technical result, or imparts considerable value to the goods.

Section 14.2 of the Act provides: “A trademark may not be registered if . . . it is liable to deceive.”

be regarded as suggestive and, accordingly, registrable for the goods in question. Finally, the Patent Office’s Board of Appeals stated that because MADISON AVENUE could not be perceived as descriptive, the mark could not give the average consumer wrongful impressions with respect to the quality or origin or other characteristics. The mark was thus not liable to deceive.

The decision is important, as it gives guidelines for registration of geographical indications.

II.H.1. Marks

An application to amend a registered mark involved a review of Section 24 of the Norwegian Trademarks Act.810

The Norwegian Patent Office’s First Division refused the application for alteration, and the applicant appealed.

The Patent Office’s Board of Appeals overruled the First Division’s refusal to accept alteration of the registered mark NAVY& Device,811 as shown below. The Board of Appeals found that a removal of the letters “AL” from the registered trademark would not alter the mark significantly, as these referred to the form of incorporation of the trademark owner. The suggested amendment of the letters from gray and black stripes (below, illustration at left) to one-colored black (below, illustration at right) was indeed considered to have an impact on the overall impression of the mark. The Board of Appeals, however, found that this amendment would not imply any change in the protection area for the mark, and that the amendment should be allowed.

Mark on Register

Modernized Mark

The decision is important because the Board of Appeals stated that in prior practice of the First Division not even moderate changes of trademarks that had become unfashionable or outdated were allowed. The Board expressed the opinion that this practice should be changed, so that it would be easier for trademark holders to alter trademarks from an earlier date.

810. Section 24 of the Norwegian Trademarks Act provides: “On an application from the holder and subject to payment of a stipulated fee, minor alterations, which do not affect the impression of the trademark as a whole, may be made to a registered trademark. The alteration of the mark shall be recorded in the Trademark Register and a new certificate of registration shall be sent to the holder. Notification of the alteration, with a reproduction of the trademark in the altered form, shall be published. Section 21c applies correspondingly.”

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

This case concerned the rights to the name of the Norwegian political youth organization Norges Kommunistiske Ungdomsforbund (Norwegian Communist Youth Association). The organization’s name, acronym (NKU), and logo (see illustration below) had been used by the youth organization of the political party Norges Kommunistiske Parti (Norwegian Communist Party).

The Oslo District Court held that even non-business organizations had protection against use of their names by others if such use might lead to confusion. It further held that this right was a general legal principle and that it was not necessary to apply any analogy from the rules that apply in business matters. The Court stated that it was necessary to have a minimum of seriousness and significance to the society for its members to enjoy such protection against confusion.812

The case is important because there have not been many prior decisions relating to the question of protection of names of non-business organizations and because there is no immediately applicable law having a direct effect on this issue.

PARAGUAY

I.D.1. Similarity of Marks

Pfizer Inc., the owner of a registration for the trademark DENAFIL in Class 5 for medicines, opposed the registration of an application by Libbs Farmaceutica Ltd. for DEFLANIL covering identical goods on the ground of confusion. The Director of the Paraguay Trademarks Office rejected Pfizer’s opposition because the trademarks at issue had phonetic, visual, and orthographic differences, and they were not similar at all. Despite the same prefix DE, the marks had different suffixes, namely, NAFIL and FLANIL.

Pfizer brought an action before the First Exchequer Court of Justice appealing the decision of the Trademark Office. Pfizer

argued that the similarities between the marks were in fact significant and that the defendant, fully aware of the notoriety of Pfizer's DENAFIL trademark, had attempted to trade on the goodwill associated with that mark.

The defendant alleged that the parties' marks were visually different and that the parties' products were ultimately different. While Pfizer's product was intended to treat erectile dysfunction, the defendant's product was meant to treat kidney problems. For these reasons, the defendant argued that the marks should be allowed to co-exist in the marketplace without any risk of confusion.

Considering the issue of confusion, the First Exchequer Court of Justice agreed with the Trademark Office's conclusion on the differences between the marks and more particularly, the significance of the differences between the suffixes comprising the marks, namely NAFIL and FLANIL. The Court also attributed significant weight to the differences between the parties' goods and the fact that while the target market for Pfizer's product was older men suffering from erectile dysfunction, the target market for the defendant's product was men and women of all ages.

Taking the foregoing arguments into consideration, the court affirmed all prior administrative decisions, rejected Pfizer's appeal, and ordered that the defendant's trademark application for DEFLANIL be registered.813

This decision is important because it establishes that where similar marks cover pharmaceutical preparations that are used to treat different conditions or diseases, the court will consider the risk of confusion by consumers to be minimal.

PERU

I.D.1. Similarity of Marks

The American company Amazon.com, Inc. opposed the registration of the trademark AMASON & Hill Design filed by a Peruvian individual under the name of Inocencio Quijhua Palomino, for products in Class 18. Amazon.com’s opposition was based on the company’s trademark registration for AMAZON, covering products in Class 16.814

The Peruvian Trademark Office sustained the opposition and acknowledged the existence of a competitive connection between the goods covered by the AMAZON Class 16 registration and the goods purported to be distinguished by the proposed AMASON &

813. Pfizer Inc v. Libbs Farmaceutica Ltd., Decision No. 116 (First Exchequer Court of Justice, Dec. 17, 2008).

Hill Design Class 18 application. The Trademark Office ruled that among specific goods in Class 18 (“back packs, brief cases, and funny packs”) and the goods covered by the AMAZON Class 16 registration (“paper, cardboard, goods made from these material not included in other classes, printed matter, bookbinding material, photographs, stationery, adhesives for stationery or household purposes, artists materials, typewriters and office requisites, except furniture, instructional and printing material, except apparatus, plastic materials for packaging not included in other classes, printing blocks, printing publications, books, paper, score”), there was a competitive connection that was derived from the fact that the cited products were commonly used jointly, which made it possible for companies devoted initially to the manufacture and commercialization of “office requisites” to expand their activities to the manufacture and commercialization of “backpacks and/or briefcases.” Also, the Trademark Office considered that certain commercial premises such as libraries, supermarkets, and hypermarkets sell both “office requisites” and “backpacks and briefcases” and that these goods are directed to the same consumer.

The Trademark Office rejected registration of the trademark AMASON & Hill Design in Class 18 based on the AMAZON trademark registration in Class 16.

**I.D.2. Similarity of Goods or Services**

The British Virgin Islands company Mafer International Holdings Ltd applied to register the service mark MAFER, to exclusively distinguish “services related to real estate affairs, real estate brokerage for sale and/or rental; rental of real estate; valuation of real estate” in Class 36. The Peruvian Trademark Office rejected Mafer’s application on the basis of similarity between the proposed trademark MAFER and the previously registered trademark MAPFRE & Design in Class 33.

On appeal, the Peruvian Administrative Court confirmed the rejection of the application by the Trademark Office, finding the existence of a competitive connection between the goods distinguished by each trademark. Mainly, the Administrative Court based its ruling on the fact that several financing companies existed that were also devoted to real estate affairs and that provided support for the acquisition of real estate property by means of loans or mortgages.

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The Administrative Court rejected registration of the trademark MAFER in Class 36 despite the fact that this application was not opposed by the owner of the registration for MAPFRE & Design, the Spanish cultural institution Fundación MAPFRE.

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

The Peruvian Trademark Office has repeatedly rejected evidence consisting of consumer surveys destined to prove notoriety of a trademark registration because of the surveys’ failure to satisfy minimum statistical criteria for data validation. Black and Decker Corporation, an American company, opposed the registration of the trademark BLACK TOOLS & Design filed by Peruvian company Ingeniería Ferretería Industrial S.A. to distinguish “tools and implements (hand operated), drills, saws, emery, screwdrivers” in Class 18. Black and Decker based its opposition on, among other arguments, the notoriety of its trademark BLACK & DECKER and filed diverse evidence that supported the notoriety claim, including a consumer survey.

The Trademark Office rejected the consumer survey and set forth the following minimum statistical criteria for data validation: (1) the survey should specify the pertinent sector of reference and the reasons for choosing such sector; (2) the survey should specify the degree to which the trademark at issue is recognized among the members of the pertinent sector; (3) the technical specifications of the survey (indicating the universe considered, the type of sample being used, the size of the sample, and the dates and places of the collection of data) should be presented; and (4) the survey should include additional information such as the design of the sample, the criteria of region division and representation of the regions, the rate of no response, the field report, and the analysis of the data. This information is intended to facilitate a comprehensive and specific analysis of the extent of notoriety of the trademark at issue.818

The Trademark Office held that if these minimum statistical criteria were not satisfied, the results of the survey could be considered biased.

**I.J. Coexistence Agreements**

CW Travel Holdings, N.V., a Netherlands company, applied for registration of the service mark CWTCONNECT ENTERPRISE in stylized lettering, in Class 39. The Peruvian Trademark Office rejected the application on grounds of the mark’s

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confusing similarity with the trademark ENTERPRISE and other ENTERPRISE formative trademarks owned by Enterprise Rent-a-Car Company and distinguishing services in Class 39.\textsuperscript{819} CW Travel Holdings filed a motion of reconsideration based on a worldwide letter of consent granted on its behalf by Enterprise Rent-a-Car. The Trademark Office did not take into account the consent document because, in its opinion, the likelihood of confusion among the conflicting marks persisted and would deprive the consumer of its right to freely choose between the services available in the market based on their entrepreneurial source.\textsuperscript{820} CW Travel Holdings appealed against the Trademark Office’s decision.

The Peruvian Administrative Court held that when evaluating coexistence agreements or letters of consent involving a trademark identical or similar to a preexisting registered trademark, acceptance of such documents should be considered only to the extent that these do not negatively affect the general interest of consumers. Such an evaluation should take into account whether the intervening parties are part of the same entrepreneurial group or are branch offices of the owner of the registered trademark, which fact should be duly demonstrated by the applicant; if the applicant is economically related to the owner of the preexisting trademark registration, that fact should be interpreted as implying that the consumer’s interest is not prejudiced.

The Administrative Court ruled that the coexistence document on file incorporated specific conditions for use of the conflicting marks intended to prevent consumer confusion or error (such as specification on the services to be rendered by each party and the form of use of their trademarks), and held that the terms of the document on file should be considered when deciding on the registration of the trademark CWTCONNECT ENTERPRISE in stylized lettering.

Ultimately, despite the identity of the services covered by the conflicting marks, the Administrative Court granted registration for the trademark CWTCONNECT ENTERPRISE in stylized lettering mainly based on the graphic and phonetic differences between the marks and the coexistence agreement presented by CW Travel Holdings.\textsuperscript{821}


\textsuperscript{821} Serial No. 299207-2006, Resolution No. 1507-2009/TPI-INDECOPI (Administrative Court, June 12, 2009).
II.F.1. Disclaimers

When granting registration for service mark CON AVON SI SE PUEDE in Classes 3, 822 and 35, 823 the Trademark Office resolved ex officio to disclaim protection for the phrase SI SE PUEDE, consequently not recognizing exclusive rights for the phrase SI SE PUEDE considered separately, which meant that the registrant would not be entitled to oppose to third parties’ use of the identical phrase.

The Trademark Office found that SI SE PUEDE lacked distinctive force because it was a phrase used in diverse sectors of the market to refer to a person’s or group of persons’ ability to achieve, with effort, anything intended (a phrase expressing a positive state of mind).

ROMANIA

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

S.C. Arcada Company S.R.L. and S.C. Arcada have, since 1991 and 2004, respectively, been using the brand name ARCADA as their trade name and in their commercial transactions to such a degree and for such a period of time that the name was established as a distinguishing feature of origin in their favor. In 2004, S.C. Galmopan S.A. filed an application to register the trademark ARCADA824 in the midst of a broad nationwide advertising campaign by the two Arcada companies using the same mark. Arcada filed a cancellation petition against Galmopan’s mark, alleging bad faith; the petition was granted by the court of first instance825 and was affirmed by the Court of Appeal following Galmopan’s appeal.826 The matter went to the highest court level—to the High Court of Cassation and Justice—which affirmed both


824. For “services of design, execution, maintenance and repair of civil and industrial construction works, building operations and civil engineering works, roads, bridges and railways, hydrotechnical construction works, electrical equipment works, public catering services, milling and bakery services, manufacturing and trade of food products, pastry products, sweetshop products, cereals, technical crops,” etc. and “public catering services, milling, bakery, manufacturing and trade of bakery products, pastry products and other food products.”

825. Civil Sentence No. 1358 (Bucharest Court of Law, 4th Civil Section, Oct. 23, 2007).

826. Civil Decision No. 140 (Court of Appeal in Bucharest, 9th Civil and Intellectual Property Section, June 12, 2008).
previous judgments.\textsuperscript{827} In particular, it held that the Court of Appeal’s decision was well substantiated in law and that it was correct in affirming the granting of the cancellation petition because of the prior unregistered rights of the Arcada companies in terms of their trade name and the distinguishing feature of origin consisting of the verbal element ARCADA.

This decision sets out several criteria for establishing bad faith: (1) placing the onus on the party intending to file a trademark application to be alert as to whether that application is subsequent to an identical or similar established unregistered right, subject to national advertising campaigns; (2) examining the proximity and relevance of the adversaries’ respective fields of activity, in order to determine the relevant groups of consumers targeted; and (3) analyzing the issue of asserted coincidence as a defense in the choice of a fanciful name and the reasoning against it.

\textit{III.A.10. Infringement of Right of Publicity}

A conflict arose concerning the enforcement of rights of a trademark owner, S.C. Westaco S.R.L., arising from the trademark COPILUL MEU (“my child”) being used in publications and advertising without the owner’s consent.\textsuperscript{828} The defense put forward by the publisher, S.C. Burda România S.R.L., was its reliance on an identical trademark registration for services in different classes. The court, after reviewing the past decisions\textsuperscript{829} (which included a partial enjoinment of Burda România from using the mark to cover services in certain classes), and after setting aside arguments of descriptiveness (which would apply only if the goods or services covered related to children), determined that Westaco’s trademark rights were infringed by Burda România and provided the appropriate formula for calculating damages.\textsuperscript{830}

As demonstrated in this case of conflicting marks, the particular goods or services covered and the actual use in commerce are decisive in determining infringement and the extent thereof. Reflecting the extent of infringement, the appropriate


\textsuperscript{828} For “periodicals, publications, paper and printed cardboard products, editing, advertising, distribution, printing, publishing and on-line publishing, creation and maintenance of websites,” and “bindery, stationery, stationery and household adhesives, artist materials, brushes, typewriters – and office supplies, plastic wrapping materials, not included in other classes, playing cards, telecommunications and especially internet, education, training, entertainment, sports and cultural activities.”

\textsuperscript{829} Civil Sentence No. 1390 (Bucharest Court of Law, 4th Civil Section, Oct. 31, 2006); Civil Sentence No. 205A (Court of Appeal in Bucharest, 9th Civil Section, Sept. 16, 2008).

damages calculation should take into account the benefit of which the trademark owner was deprived and the benefit the infringer was unfairly able to enjoy.

RUSSIAN FEDERATION

III.A.8. Parallel Imports/Gray Marketing

Genesis, LLC (Genesis) imported a Porsche Cayenne automobile into Russia via the Central Excise Customs (Customs). Porsche Russland, LLC, an exclusive licensee of Porsche AG, filed an application with Customs claiming that Genesis’s importation had infringed Porsche AG’s trademarks PORSCHE and CAYENNE. Customs initiated an administrative proceeding before the Moscow Arbitrazh Court, requesting an order that Genesis be found liable for trademark infringement. The court added Porsche AG as a third party to the proceeding on the side of Customs.

The Moscow Arbitrazh Court held in favor of Porsche AG.831 An administrative fine of RUB30,000 was imposed on Genesis, and the car was confiscated. On appeal, the Ninth Appellate Arbitrazh Court affirmed the lower court’s decision.832

Genesis filed a request for a supervisory review of the appellate court’s decision with the Supreme Arbitrazh Court of the Russian Federation. The Supreme Arbitrazh Court reversed the decisions of both lower courts.833 It concluded that they had erroneously interpreted and applied Article 14.10 of the Russian Federation Code of Administrative Violations,834 which imposes a fine and an order of confiscation of goods upon a person or entity that imports goods bearing an illegal representation of a trademark.

Noting that the trademark affixed to the Porsche Cayenne was that of the trademark owner and that the trademark owner was also the manufacturer of the car, the Supreme Arbitrazh Court concluded that Genesis could not be found liable for trademark infringement and should not have to pay the associated fine or surrender the automobile.

This decision is very important from the standpoint of trademark owners’ ability to prevent parallel importation of goods.

Under the Russian Trademark Law in force prior to 2008,\textsuperscript{835} parallel importation of goods was effectively the same as counterfeiting, which allowed trademark owners to rely on the same means of enforcement for both types of violations, including seizures by Customs. Part IV of the Civil Code of the Russian Federation, which came into force on January 1, 2008, replaced the Russian Trademark Law;\textsuperscript{836} while the principle of national exhaustion of trademark rights was maintained, the Civil Code amended the definition of what constitutes counterfeit goods, specifying that counterfeit goods include only goods to which has been affixed an illegal representation of a trademark. As gray market goods typically comprise genuine articles bearing a legal representation of a trademark, they effectively fall outside the ambit of application of administrative remedies that are available in cases of trademark infringement. Whether trademark owners will be able to prevent parallel importation by initiating a trademark infringement action under civil law procedure on the principles of national exhaustion of trademark rights remains to be determined.

**SAUDI ARABIA**

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

Little Caesar Enterprises, Inc., a U.S. corporation, is the owner of the trademark LITTLE CAESARS,\textsuperscript{837} covering services in Class 43 (below, illustration at left). Little Caesar brought an action for trademark infringement and unfair competition against the Saudi corporation Abul Jadayel Beverages Inc for filing an application to register the trademark CAESAR & Device, to cover services in the same class (below, illustration at right).\textsuperscript{838}

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\caption{LITTLE CAESARS}
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\includegraphics[width=0.5\textwidth]{caesar-device.png}
\caption{Defendant's Mark}
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\caption{Plaintiff's Mark}
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\textsuperscript{837.} Registration No. 364/81, granted Dec. 15, 2004.

\textsuperscript{838.} Application No. 142701175, filed Mar. 11, 2006.
The Court of First Instance ruled in favor of the plaintiff. It determined that the registration of the defendant’s mark caused damage to the interests of Little Caesar and took unfair advantage of the distinctive character of the LITTLE CAESARS trademark.\(^{839}\) The mark CAESAR & Device indicated a connection with the owner of the LITTLE CAESARS trademark, and thus was likely to create public confusion and unfair competition. Further, the circumstances surrounding the marketing of the cited mark were likely to give rise to an association with the LITTLE CAESARS trademark in the minds of consumers.

In light of the foregoing, the Court of First Instance ordered the rejection of the defendant’s trademark application.

The Court of First Instance ruled in favor of the Swiss company Société des Produits Nestlé S.A., owner of the trademark SHIELD Device,\(^{840}\) covering goods in Class 29 (below, illustration at left). Nestlé had brought suit against the Dutch company N.V. Nutricia, which had applied to register a similar design of the shield device in the same class (below, illustration at right).\(^{841}\)

![Plaintiff’s Mark](image1) ![Defendant’s Mark](image2)

In determining likelihood of confusion, the court evaluated several factors, including (1) the appearance of the defendant’s mark and the plaintiff’s mark, (2) the relatedness of the goods, and (3) the sophistication of the relevant consumers. The court found the marks to be very similar as to appearance. In addition, the nature of the goods covered by the defendant’s mark would most likely indicate a connection with the plaintiff’s trademark. With regard to the sophistication of consumers, the court found that purchasers of the products in question were, in general, ordinary

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839. Little Caesar Enterprises, Inc. v. Abul Jadayel Beverages Inc, Case No. 1/4526 (Court of First Instance, May 27, 2009).
841. Application No. 142709263, filed Nov. 27, 2006.
unsophisticated supermarket shoppers, who were likely to be highly influenced by the marks used on the products. This meant that a similar mark could create a likelihood of confusion in the mind of this type of average consumer.

On the basis of these findings, the Court of First Instance ordered the cancellation of the trademark application for a shield device in the name of N.V. Nutricia in Class 29.842

The Canadian company Research In Motion Limited, owner of the unregistered trademark BLACKBERRY & Device, for goods in Class 9 (below, illustration at left), brought an action against the UK firm Mulberry Co. (Design) Ltd for filing an application to register the trademark MULBERRY & Device in Saudi Arabia in Class 9 with respect to optical goods, including sunglasses, spectacles, lenses, frames, cases, and chain (below, illustration at right).843

The Court of First Instance found that the marks at issue were not confusingly similar. It reasoned that (1) the word “berry” is by itself very common and may be used and registered by unrelated parties, and (2) the tree device appearing in the defendant’s mark was an important element because it made the mark more distinctive. So, the combination of the word element MULBERRY and the tree device could be easily distinguished from the BLACKBERRY & Device trademark. The bottom line was that potential buyers would not be “tricked” into buying a product of Mulberry Company (Design) Ltd while believing it was a product of Research In Motion Limited.844

SINGAPORE

III.F.6. Declaration of Invalidity

Love & Co Pte Ltd, the plaintiff in this case, operated upmarket jewellery stores specialising in rings and wedding

842. Société des Produits Nestlé S.A. v. N.V. Nutricia, Case No. 1/2390 (Court of First Instance, June 4, 2009).
844. Research In Motion Ltd v. Mulberry Co. (Design) Ltd, Case No. 1/2808 (Court of First Instance, Nov. 3, 2009).
bands. Its store in Singapore bore the company’s name. The defendant, Carat Club Pte Ltd, owned a trade mark registration for LOVE, covering jewellery, precious stones (including diamonds), and precious metals in Class 14. The mark consisted of the capital letters LOVE, without any motif, design, or modification (see below).

**LOVE**

Love & Co brought an action to invalidate Carat Club’s registration under Section 7(1) of the Singapore Trade Marks Act on the grounds that the defendant’s mark was devoid of distinctive character and designated the intended purpose of the goods for which it was registered. Further, the mark was liable for revocation under Sections 22(1), 23(1), and 23(2) of the Act because it had not been put to use within the relevant period of time since registration.

845. **Section 7(1) provides:**

The following shall not be registered:

. . .

(b) trade marks which are devoid of any distinctive character;

(c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services; and

(d) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the bona fide and established practices of the trade.

846. **Section 22(1) provides:**

The registration of a trade mark may be revoked on any of the following grounds:

(a) that, within the period of 5 years following the date of completion of the registration procedure, it has not been put to genuine use in the course of trade in Singapore, by the proprietor or with his consent, in relation to the goods or services for which it is registered, and there are no proper reasons for non-use;

(b) that such use has been suspended for an uninterrupted period of 5 years, and there are no proper reasons for non-use;

(c) that, in consequence of acts or inactivity of the proprietor, it has become the common name in the trade for the product or service for which it is registered; [and/or]

(d) that, in consequence of the use made of it by the proprietor or with his consent in relation to the goods or services for which it is registered, it is liable to mislead the public, particularly as to the nature, quality or geographical origin of those goods or services.

Section 23(1) provides:

The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 7.

Section 23(2) provides:
The Singapore High Court invalidated Carat Club’s registration.\textsuperscript{847} The common adoption of the word “love” by many jewellers to market, advertise, label, and mark their jewellery meant that the word, on its own, did not have any distinctive character to differentiate the defendant’s goods from those of other companies.

The intended purpose of the goods should be determined objectively by examining the relevant intention of the average discerning consumer at the time of purchase of the particular type of goods in question. Therefore, jewellery had more than one intended purpose—apart from self-adornment, it was also used as a gift to express love and affection. Consequently, the mark LOVE designated the intended purpose of jewellery and thus should be prohibited from registration.

However, “love” had not become “customary,” that is, generic. In determining whether a trade mark has become customary in the current language of the trade, the main focus should be on the perception of the average discerning consumer, taking into account the evidence presented, including evidence published after the date of registration of the mark in question. Even if one took into consideration that the word “love” was very prevalent in the advertising and promotion practices of jewellery traders and that many jewellery traders were promoting their wares using the word “love” even before the defendant’s registration of its mark, it was still an overstatement to claim that “love” was a generic term for jewellery or to assert that it had become customary usage.

As the defendant did not discharge its burden to show that its mark had acquired a \textit{de facto} distinctive character in consequence of its use in relation to the jewellery trade, Section 23(2) was not available to save the trade mark LOVE from invalidation. While there was evidence showing the defendant’s use of the mark THE LOVE DIAMOND, there was none showing use of the LOVE trade mark as registered. No proper reasons were furnished for such non-use. Accordingly, the High Court held that the defendant failed to discharge the burden of proving genuine use of its mark, and consequently that the mark should be revoked for non-use.

Where a trader has chosen a mark that may potentially be deemed devoid of distinctive character or that designates the intended purpose of the goods for which it was registered, the trader must intensively and extensively use, promote, and

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advertise the mark—in the form in which it was registered—as its badge of origin in order to help the mark achieve *de facto* distinctiveness.

**SLOVENIA**

*I.B.2. Merely Descriptive*

The Slovenian company Pivovarna Laško d.d. applied to register the word mark CIDER for goods in Classes 30, 32, and 33 and services in Classes 35 and 39. The Slovenian Intellectual Property Office partly refused protection of the mark on the ground that it was merely descriptive for a part of the goods, that is, goods in Classes 30, 32, and 33, signifying cider or being similar to cider. As support, the IP Office relied on the Slovenian Supreme Court case848 *Advanced Medicine for Pain*, where the Court stated that:

. . . descriptive signs are signs which from the standpoint of an average consumer directly or indirectly mark one of the main characteristics of the applied goods or services. The descriptiveness can be evaluated in respect of the applied goods and services and regarding the understanding of a relevant public thereof. It suffices that a sign establishes indirect and concrete connection with the applied goods. The fact that a sign does not have a clear specific meaning does not mean that it is not descriptive, as it suffices that one of its possible meanings is a designation of a kind or characteristics of the applied goods.

The IP Office determined that a word in a foreign language was not automatically distinctive. It held that in Slovenia, the English language was a primary foreign language, as education in English began in kindergarten and continued in primary and high school. Even the Supreme Court in the above-mentioned case stated that the level of knowledge of English in Slovenia was such that an average consumer would understand the meaning of certain parts of an English word as well as the word itself. Thus, the IP Office determined that an average consumer would understand the meaning of the word CIDER. As a response to the applicant’s allegations, the IP Office established that the frequency of appearance of the word on the Internet where a search was limited to Slovenian sites only was irrelevant. It was also irrelevant whether or not the word CIDER had already been used in the Slovenian market, as this also did not mean that the word was automatically distinctive.

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848. Case No. I Up 1190/2004-14 (Supreme Court of Slovenia).
The IP Office also found the mark deceptive in connection with the goods not signifying cider or being connected to cider, especially the products that were not even drinks but food, as an average consumer would expect that a product marked with cider would, in fact, be cider.

Thus, the IP Office found that only with respect to the services might the mark mature to registration.

This decision is significant, as it sets out the practice regarding the level of knowledge of foreign languages (especially English) in Slovenia that may affect the registration of marks that are descriptive in English or in any other foreign language. It is to be expected, however, that English will keep its primacy in the future and that, consequently, words in other languages will not be easily perceived as descriptive although, in fact, they are.

I.D.1. Similarity of Marks

Pivovarna Union d.d., a Slovenian company, filed an application to register the trademark UNION PIVO 1864 & Design, shown in color (red, white, yellow, and black) to designate goods in Class 32 and services in Class 35 (below, illustration on left). Kro Beer Brands, already owned the previously registered international trademark 1664 for all kinds of beers (Class 32), organization of cultural and educational events (Class 41), and coffee shop, coffee bar, and restaurant services (Class 43 of the old classification) (below, illustration on right).

Applied-for mark

Previously registered mark

On July 13, 2007, the IP Office issued a decision, partly rejecting the conflicting mark. The applicant filed an administrative appeal. The Administrative Court ruled in favor of the applicant, stating that the IP Office failed to make a proper comparison of the marks as a whole. The court stated that
although the dominant part of each mark was the year, the IP Office had neglected the marks’ other distinctive elements (colors, graphics, words). According to the court, the applied-for mark consisted of the distinctive elements PIVOVARNA UNION, the inscription UNION, and a coat of arms with a dragon, that the average consumer would recognize as the sign of Pivovarna Union. Not considering these factors would influence the phonetical and conceptual analysis of the similarities between the marks. The IP Office compared only the two years and considered the other elements marginal, but even so, the dates differed by 200 years, which—from the point of view of an average consumer—would not be irrelevant information.

The IP Office followed the decision of the Administrative Court in total and established that, indeed, the marks in question were not similar, the main difference being between the years 1664 and 1864, as established by the court. This information was crucial for an average consumer to distinguish the two marks. Furthermore, the other elements in the applied-for mark were distinctive (and not descriptive, as claimed by the opponent), thus the marks could not be considered confusingly similar. The mere fact that both marks consisted of a coat of arms located in the upper middle part of the marks could not change this evaluation. Also, the prevailing color in the applied-for mark was red, whereas in the opponent’s mark the prevailing color was blue.

This case is significant, as it shows that the IP Office may change its decision on receiving a negative judgment of the Administrative Court.

REPUBLIC OF SOUTH AFRICA

I.B.1. Generic

National Lotteries Board (NLB) was the registered proprietor of the trade mark LOTTO in respect of “services for and in connection with financial transactions” in Class 36 and “services for and in connection with lotteries” in Class 41. On-Line Lottery Services (Pty) Ltd sought to have the LOTTO registrations removed from the register on the ground that the marks were not capable of distinguishing because they did not tell the public whom the services came from but rather what the services were.

The South African Supreme Court of Appeal, making reference to numerous dictionary definitions, concluded that the word “lotto” was alive in South African language usage at the time of the marks’ registration in 1991 and had been for many years. The
court held that although it was impossible to determine how widely the word was known or used, it was reasonable to believe that it was present in the vocabulary of literate persons in at least the English and Afrikaans language groups. The concept of lotto as a genus of games of chance that embraces a variety of species seemed clear; therefore, by adopting the word “Lotto” simpliciter as a trade mark for lottery services, NLB was simply appropriating for itself a word already in general circulation that possessed an ascertainable generic and descriptive meaning over which it could have no monopoly and that should have been open to use by all competitive undertakings in the gaming industry. The court accordingly concluded that the LOTTO marks were wrongly placed on the register and wrongly remained there, as contemplated in Section 24(1) of the Trade Marks Act. Consequently, it ordered that the registrations be expunged.

I.D.1. Similarity of Marks

In Puma AG Rudolph Dassler Sport v. Global Warming (Pty) Limited, Puma was the registered proprietor of two trade marks registered in Class 25 in respect of, inter alia, footwear (see below). Trade Mark No. 80/0551

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In the event of non-insertion in or omission from the register of any entry, or of an entry wrongly made in or wrongly remaining on the register, or of any error or defect in any entry in the register, any interested person may apply to the court or, at the option of the applicant and subject to the provisions of section 59, in the prescribed manner, to the registrar, for the desired relief, and thereupon the court or the registrar, as the case may be, may make such order for making, removing or varying the entry as it or he may deem fit.


The Supreme Court of Appeal was required to consider whether the sale by Global Warming of the footwear shown below infringed Puma’s trade mark registrations.

The first question posed by the court was, What was Global Warming’s trade mark as represented on the shoe? The court concluded that it was the word mark DT NEW YORK.

The court then posed the question of whether the stripe on Global Warming’s shoe would have been perceived by the purchasing public as a source identifier or as an adornment. As the issue had not been addressed squarely in the proceedings, the court found that it was not necessary to consider this question or the effect of the recent judgment of the European Court of Justice in the Adidas case. When comparing the marks for confusing similarity, the court had accordingly considered the whole of Global Warming’s mark, consisting of the stripe with the name. The court had little difficulty in finding no likelihood of confusion based on the first Puma registration because of the prominence of the name PUMA.

In comparing the second Puma registration with the Global Warming shoe for confusing similarity, the court affirmed the finding of the trial court that the average consumer would assume that DT NEW YORK was part of the trade mark and reaffirmed that a decision concerning the likelihood of confusion or deception would involve a value judgment. It also reaffirmed that a global appreciation would be required and that regard must be given to the overall impression given by the marks. The court concluded, as a matter of first impression, that the marks were not confusingly similar.

Once the court had answered the first two questions, it was inevitable that it would find that there was no likelihood of confusion or deception. The conclusion might have been different had the comparison been between Puma’s formstrip device and Global Warming’s stripe device. While the questions were posed separately, one cannot help suspecting that the court in fact concluded that Global Warming’s stripe device was mere adornment, which is why the answer to the first question was that Global Warming’s trade mark was DT NEW YORK and not two separate marks (the word mark and the stripe device). As can be seen in the above illustration, the words are quite indistinct compared with the logo on the side of the shoe. The significance of this case is that if the court perceives or finds a device feature used by the defendant to be mere adornment, it will largely disregard such feature in applying the test for confusing similarity.

In Century City Apartments Property Services CC v. Century City Property Owners’ Association,857 the Supreme Court of Appeal considered whether the use of the name “Century City Apartments” as a brand or business name for the provision of services for reserving and maintaining accommodation at apartments infringed the Association’s registrations.

Century City Property Owners’ Association was the registered proprietor of the word mark CENTURY CITY858 and the word and device mark shown below,859 both covering services in Classes 35, 36, 41, and 42.

858. Trade Mark Nos. 1997/14280 (Class 35), 1997/14281 (Class 36), 1997/14282 (Class 41), and 1997/14283 (Class 42), registered Sept. 18, 1997.
859. Trade Mark Nos. 1997/14284 (Class 35), 97/14286 (Class 41), and 97/14287 (Class 42), registered Sept. 18, 1997.
The court found that the name Century City Apartments was not identical to the CENTURY CITY trade mark, as the criterion of identity of the sign and the trade mark must be interpreted strictly, subject to the proviso that minute and wholly insignificant differences are not taken into account, that is, the de minimis principle applies. Not surprisingly, the court concluded that the use of the name Century City Apartments was likely to cause confusion with the registered word mark CENTURY CITY.

The court then dealt with potential infringement of the word and device mark. It rejected the Association’s argument that because that mark contained the words “Century City,” any use of the words “Century City” would infringe because they were confusingly similar orally. In finding that the marks were not confusingly similar, the court noted that different types of trade marks are used differently. The value (and distinctiveness) of a device mark depends heavily (and sometimes exclusively) on its visual impact. Once device marks are combined with words or names, their oral value may, depending on the circumstances, come to the fore. In such circumstances, the aural and/or conceptual dominant component of such a mark may neutralise the visual differences deriving from its graphic particularities. The court was influenced by the fact that the services of Century City Apartments were provided mainly through advertisements and the Internet and that there was no evidence of oral use of the device mark in relation to the services involved.

Although one cannot fault the aforementioned reasoning, it is surprising that in this case the court found that the device mark was not infringed whereas it had found infringement of the CENTURY CITY word mark and the words CENTURY CITY appeared prominently in the device mark. It is important to note that Century City Apartments had launched a counterapplication for expungement of the Association’s CENTURY CITY registrations on the ground that they were not capable of distinguishing because of their geographical significance. The expungement attack was ultimately successful,860 and it appears that in downplaying the impact of the word element CENTURY CITY in the device mark, the court may have been influenced by

860. See infra II.C.1.d.
the fact that it was about to find that the trade mark CENTURY CITY was not capable of distinguishing the services in question.

The significance of this case is that in the past, in trade mark infringement proceedings where the registered trade mark was a word and device mark and the defendant used a word mark that was confusingly similar to the word element of the registered mark, the courts’ approach had been to accept that a likelihood of confusion would inevitably follow because of the oral similarity of the word elements. That is no longer necessarily the case, and plaintiffs who wish to rely on this basis to establish confusing similarity should furnish evidence establishing the significance of the aural component of their registration and the oral use of the defendant’s mark.

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

In Century City Apartments Property Services CC v. Century City Property Owners’ Association, the Supreme Court of Appeal considered whether the registration of the corporate name “Century City Apartments Property Services CC” for the business of providing services for reserving and maintaining accommodation at apartments was undesirable or was calculated to cause damage to Century City Property Owners’ Association. The Association was the registered proprietor of the word mark CENTURY CITY in Classes 35, 36, 41, and 42.

While the court had had no difficulty in finding that the use of the name “Century City Apartments” constituted trade mark infringement, it found that the registered name “Century City Apartments Property Services CC” was materially different from the trade mark CENTURY CITY. In coming to this conclusion, the court referred to the facts in 10 Royal Berkshire Polo Club Trade Mark and found that the following considerations applied to the present case: (1) the name did not capture the distinctiveness of the trade mark owner’s mark; (2) the message of the mark came from the words in combination; and (3) the words “Century City” functioned adjectively in the context of the name.

II.C.1.d. Geographical Names

Century City Property Owners’ Association was the registered proprietor of the word mark CENTURY CITY, covering services in Classes 35, 36, 41, and 42.

862. See supra I.D.1.
The Association had successfully relied on its word mark registrations in trade mark infringement proceedings, but Century City Apartments Property Services CC had launched a counterapplication for the expungement of the Association’s registrations by relying on Section 10(2)(b) of the Trade Marks Act, which provides that a mark may not be registered if it consists exclusively of a sign or an indication that may serve, in trade, to designate the geographical origin of the services.

Century City is a huge enclosed commercial and residential development outside Cape Town in the suburb of Montague Gardens. The development, which began in earnest in 1997, consists of a business park, a mid- to upper-echelon housing development, and office blocks. There is a post office under the name Century City, and public road signs direct the public to Century City. The Supreme Court of Appeal found that the public, no doubt, referred to Century City as a place or location.

The court closely analysed the history of Section 10(2)(b). It pointed out that the wording of the statute is derived from Article 3 of the European Community Trade Marks Directive and that the words must be read in context, as Section 10(2)(b) also deals with marks that may designate the kind, quality, quantity, intended purpose, value, or other characteristics of the goods or services. The provision is not concerned with distinctiveness or its loss.

The court stressed that the nature of the goods or services was important, using the example that there was no reason why Bloemfontein (the seat of the court) could not be used as a trade mark for gin, while London, which has at least since the 18th century had an association with gin, would not be permissible. It rejected the Association’s argument that Section 10(2)(b) applied to historical place names only.

The Association also had argued that as “Century City” was both a place name and the name of a development, Section 10(2)(b) could not be applicable. In rejecting that argument, the court found that the difference between the geographical location and the development was more apparent than real.

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864. See supra I.D.1.
865. Section 10(2)(b) provides:

The following marks shall not be registered as trade marks or, if registered, shall, subject to the provisions of sections 3 and 70, be liable to be removed from the register: ... a mark which ... consists exclusively of a sign or an indication which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin or other characteristics of the goods or services, or the mode or time of production of the goods or of rendering of the services. ... 

The court also found that the statute does not require that the place name have an “exclusively geographical meaning.” It pointed out that some geographic names are, for instance, also surnames. Having concluded that Century City had become the name of a geographical location, the court was required to determine whether it was a sign or indication that might serve, in trade, to designate the geographical origin of the services covered by the registrations. It found that this was indeed the case in relation to the Class 36, 41, and 42 registrations, as the public would perceive Century City as a place where services such as entertainment services, estate agency services, and general merchandising services might be offered. Accordingly, the court expunged those registrations but allowed the Class 35 registration to remain, on the ground that there was no evidence to suggest that, in relation to services such as business services relating to township and residential development and management services, the trade mark CENTURY CITY designated the geographical origin of such services.867

SOUTH KOREA

I.D.1. Similarity of Marks

Plaintiff Daeyang Academic Foundation had been using the trademark SEJONG UNIVERSITY to identify its university. Defendant Korea-Joongang Academic Foundation began using the mark KOREA UNIVERSITY SEJONG CAMPUS also to identify a university.

The plaintiff brought an action against the defendant for trademark infringement and unfair competition. Specifically, the plaintiff asserted that SEJONG was a famous mark in Korea that identified the plaintiff's business in the field of higher education.

The Seoul Central District Court, the court of first instance, acknowledged that SEJONG UNIVERSITY had achieved fame as the plaintiff’s business mark. However, the court found that the term SEJONG by itself had not achieved the same fame because SEJONG was the name of a famous historical figure in Korea, there were hundreds of registered trademarks incorporating the word SEJONG in Korea, and SEJONG was the name of a newly established city in Korea. Thus, SEJONG alone had no distinctiveness.868 Therefore, the Court found that although the parties’ marks contained the same word SEJONG, the mark


868. Decision 2008Gahap5736 (Seoul Central District Court, Jan. 9, 2009).
SEJONG CAMPUS was sufficiently different from SEJONG UNIVERSITY.

This decision is important because it sets a standard regarding the method for determining the similarity of marks containing a widely used name.

Cobra International Limited, the plaintiff, applied to register the mark NICOLE MILLER (below, illustration at left) to cover goods in Class 25. The application was refused by the Korean Intellectual Property Office (KIPO) based on its similarity to (i) the trademark MILLER & Design (the “Miller trademark”) (below, illustration at center) and (ii) the trademark NICOLECHRISTIAN & Design (the “Nicole Trademark”) (below, illustration at right).

The KIPO refused the plaintiff’s application for the NICOLE MILLER trademark on the ground that NICOLE MILLER could be recognized as two separate marks, NICOLE and MILLER, each of which was similar to the Nicole trademark and the Miller trademark. The plaintiff appealed the KIPO refusal to the Intellectual Property Tribunal, which dismissed the appeal on the same grounds.

On appeal, the Patent Court reversed the decision of the Tribunal on the ground that the plaintiff’s trademark was similar to neither the Miller Trademark nor the Nicole Trademark because the plaintiff’s trademark could not be separated into its component parts, but would be spoken and recognized as a whole.

The Supreme Court affirmed the decision of the Patent Court finding that the plaintiff’s trademark was unlikely to be referred to by one element or another by each part on its own, but would be considered together. The Supreme Court found that (1) the plaintiff’s trademark was relatively short in that it had merely four syllables; (2) Korean consumers would easily recognize the plaintiff’s trademark as the full name of a person from the “West”; and (3) neither NICOLE nor MILLER were distinctive marks. Based on the foregoing, the Supreme Court concluded that the plaintiff’s trademark was not similar to either the Miller trademark or the Nicole trademark.

This decision is important that it suggests a standard for whether or not a trademark comprising the first and last name of a

869. Decision 2008Hu4783 (Supreme Court, Apr. 9, 2009).
person should be considered as a whole or in their constituent parts when assessing the similarity of trademarks.

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

The plaintiff, Mirage Resort Incorporated, filed a service mark consisting of the word MIRAGE for use in association with hotel services. The application was refused on the basis of the service mark registration owned by Jae Ho Lee, the defendant, that consisted of the word “미라지,” which is the Korean transliteration of MIRAGE. The defendant’s mark also covered goods in Class 43.

The plaintiff brought an invalidation action against the defendant’s registration based on Article 7.1(12) of the Trademark Act, asserting rights in its unregistered mark MIRAGE for hotel services. The plaintiff claimed that, although its mark was not registered in Korea, its service mark had been used in the U.S. prior to the application date of the defendant’s service mark, and was already famous and well known at the time of the defendant’s application.

The Intellectual Property Tribunal and the Patent Court dismissed the plaintiff’s claim, finding that the plaintiff’s evidence was insufficient to prove use of the plaintiff’s mark. The evidence that should be considered includes the duration and amount of use, the amount of advertising devoted to the mark, and whether or not the mark is famous and well known. Both the Tribunal and the Patent Court admitted that the plaintiff had used its mark since 1989 when the plaintiff opened the Mirage Hotel in Las Vegas, Nevada, U.S.A.; that Las Vegas was famous as the casino city where 40 million tourists visited annually; that the Mirage Hotel was one of the most valuable casino and resort hotels, with 3,044 rooms at the time of the application date of the defendant’s mark; and that the U.S. District Court for the District of Nevada rendered a decision that acknowledged that the plaintiff’s mark was a famous mark. However, the Tribunal and the Patent Court concluded that the evidence above did not prove that the plaintiff’s mark was famous and well known in the United States.

On appeal, the Supreme Court reversed the Patent Court’s decision. It attributed significant weight to the Nevada district court’s decision, finding that the plaintiff’s mark was famous and well known in the United States at the time of the application of the defendant’s mark. The Supreme Court concluded that the decision of the U.S. district court reflected the recognition of the plaintiff’s mark among general consumers or industry in the United States and that there was no evidence to prove the decision of the U.S. court was wrong or such decision could not be adopted as evidence in this case. Thus the conclusion of the U.S. court

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870. Decision 2008Hu4448 (Supreme Court, Feb. 12, 2009).
could not be disproved regardless of the plaintiff’s lack of specific evidence that could prove the amount of use of its mark.

This decision is important because the Supreme Court acknowledged the fame and reputation of the service mark in a foreign country based on the judgment of such foreign country’s court even if the concrete evidence was insufficient.

II.D.4. Violating Public Order

The plaintiffs, Kookmin Bank Co., Ltd, Korea Exchange Bank Co., Ltd, Hana Bank Co., Ltd, Jeju Bank Co., Ltd., Daegu Bank Co., Ltd, Busan Bank Co., Ltd, Jeonbuk Bank Co., Ltd, brought an invalidation action against a competing bank, Woori Bank Co., Ltd, the defendant, claiming that the defendant’s mark, which consisted of the Korean letters 우리은행 (meaning WE or OUR BANK) and registered in Class 36, had no distinctiveness and violated public order.

The Intellectual Property Tribunal and the Patent Court decided that the defendant’s mark was invalid for certain designated services based on a lack of distinctiveness, but valid for the remaining designated services because the mark had obtained distinctiveness by use. With respect to the latter designated services, the plaintiffs asserted that the defendant’s mark was invalid because it consisted of a word that the general public could use without restriction. The plaintiffs claimed that the defendant’s mark was in violation of Article 7.1(4) of the old Trademark Act (the “Old Article 7.1(4)”)871 prohibiting the registration of the trademark violating public order. The Patent Court, however, found that the Old Article 7.1 could be applicable only where the trademark itself could be found to be morally reprehensible or where the applicant of the trademark had imitated another party’s mark in order to take advantage of the reputation of that mark. The Patent Court determined that this case did not fall within the scope of the Old Article 7.1(4).

The plaintiffs and the defendant both appealed the Patent Court’s respective adverse decisions.

The Supreme Court dismissed the defendant’s appeal, affirming the ruling of the Patent Court that the defendant’s service mark did not obtain the distinctiveness by use with regard to certain designated services.

Regarding the plaintiffs’ appeal, the Supreme Court reversed the Patent Court’s decision.872 The Supreme Court found that the Old Article 7.1(4) was not limited as the Patent Court stated, but applicable when a trademark generally violated the public order.

871. Old Article 7.1(4) was in effect before amendments to the Trademark Act enacted on January 3, 2007.

872. Decision 2007Hu3301 (Supreme Court, May 28, 2009).
In this regard, the Supreme Court found that the word 우리 was used frequently and widely in everyday life and was the most universal and fundamental personal pronoun in the Korean language (Koreans use the word 우리 even when they refer to the first person). Furthermore, the Supreme Court determined that if the use of this word was limited by granting one party the exclusive right to the word 우리, the ordinary use of the word would be impeded significantly, thus harming the public interest and violating the public order. The Supreme Court concluded that the registration of the defendant’s service mark was invalid pursuant to the Old Article 7.1(4).

This decision is important because it acknowledged the boundary of a trademark violating the public order under the Old Article 7.1(4).

III.A.8. Parallel Imports/Gray Marketing

The defendant imported gray market goods bearing the trademark NIKE. The defendant was charged with violating the Unfair Competition Prohibition and Trade Secret Protection Act by displaying the NIKE trademark on storefront signage without the consent of the trademark owner.

The courts of first and second instances found the defendant guilty of the offense. On appeal, the Supreme Court affirmed the lower courts’ decisions. While the Supreme Court recognized that the use of the trademark itself did not constitute trademark infringement per se, the Supreme Court found that if the trademark was used to identify the importer/user’s business, such use constituted unfair competition because consumers could believe that the importer/user was an official distributor of the trademark owner. The Supreme Court found that the NIKE trademark featured on the storefront signage was used to identify the importer’s business rather than being used as a trademark.

This decision is important because it confirms what constitutes the lawful use of the trademark by importers of gray market goods.

SWITZERLAND

I.B.2. Merely Descriptive

An application to register the trademark ADRANK was rejected by the Federal Institute of Intellectual Property, and that decision was confirmed by the Federal Administrative Court. On appeal, the Federal Supreme Court confirmed the rejection when it reviewed the goods and services for which protection was being
sought, as well as the consumers who were being targeted. The application was made for services in relation to marketing, business management, information technologies, and research and development; thus, the Federal Supreme Court held that the relevant consumers would understand ADRANK as a combination of the words “advertisement” and “ranking.” As these targeted professionals would likely have specific knowledge of English vocabulary and would likely understand the meaning of ADRANK, the Federal Supreme Court held that ADRANK, because of its descriptive character, could not be registered.874

In another case, the Federal Administrative Court875 held that XPERTSELECT was descriptive for some of the applied-for goods and services in Classes 9, 16, 35, 38, and 42, in particular, for services of a job center. XPERTSELECT could be read as “xpert select” or “xperts elect,” and, read either way, the word would be laudatory for the services of a job center, as it would be an indication of quality of the protected services; thus, the court held that the trademark could not be registered.

In reviewing the application for the registration of AFTER HOURS as a trademark, the Federal Administrative Court stated that AFTER HOURS could be translated into German to mean “the time after business hours.” The court held, however, that because this expression did not show up in an ordinary German-English dictionary and did not belong to the common basic vocabulary of the English language, it would not be easily understood. In connection with services, AFTER HOURS could give an indication of when those services should be carried out; therefore, in case the relevant consumers did actually understand the expression, AFTER HOURS would be descriptive of repair services for watches and jewelry. The court held that in relation to the retailing of watches and jewelry, AFTER HOURS was not descriptive and could be registered.876

I.C. Distinctiveness

On the other hand, the Federal Administrative Court held that the neologism REPXPERT was not descriptive for services in Classes 35, 38, and 40.877 The court recognized that REPXPERT was a combination of the word “expert,” which would be easily understood by consumers, and the word “rep,” which could have

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many different meanings. In German the abbreviation “rep” would generally stand for “Republicans” but could also stand for “repair,” “repertoire,” “repetition,” “reportage,” “republic,” and “reputation.” The court held that even though in connection with the protected goods it made the most sense that “rep” would be the abbreviation for “repair,” it would not be obvious; therefore, the court found, a consumer would need a certain amount of imagination to recognize an expert repairman in the trademark REPXPERT. So, even though “xpert” was laudatory and “rep” descriptive, the combination and creation of this neologism did not, according to the court, belong to the public and therefore did not need to be kept free. All in all, the expression REPXPERT was found to be distinctive and could be registered as a trademark.

II.C.1.d. Geographical Names

In its decision regarding the trademark CALVI, the Federal Supreme Court established the following six conditions in which a registration of a trademark with geographic elements is possible:

1. Consumers do not know that a geographic location exists under the trademark’s name, or if they do know the location exists, they do not know where it is.

2. Consumers cannot imagine that the products at issue originally came from this geographic location (e.g., ALASKA is registrable for cigars).

3. A geographical name distinguishes between different product models of the same trademark—a trademark of a trademark, so to speak (e.g., telephone SWISSCOM ASCONA).

4. A geographical name is kept in consumers’ minds, like the name of a certain company—for example, mineral water from VALSER (valley in Switzerland) or the paper manufacturing company SIHL (river in Zurich).

5. A geographical name can also attain a secondary meaning, so that consumers think of the name primarily as a mark and not as the geographic location—for example, Eau de Cologne (water from Cologne).

6. A geographical name represents an uninhabited location and the location is obviously not where the products originated—for example, SAHARA.

Because CALVI was a well-known city in Corsica that was also active in industries, the court saw a possibility that metallic construction material could be produced in Calvi; therefore, the court found that the geographical name could confuse the

878. Case No. 4A-587/2008 (Federal Supreme Court, Mar. 9, 2009) (CALVI).
consumer, and consequently it held that the mark was not registrable.

II.C.1.j. Slogans

An applicant requested protection for the slogan trademark OUTPERFORM. OUTLAST., for goods that were used in the building industry. The Federal Administrative Court found that as the relevant consumers (namely, construction workers) generally would not have a sophisticated knowledge of the English vocabulary, they would not ascribe a certain meaning to the slogan. The court further checked whether the slogan had a certain connection to the building industry and thus had to be kept free, and found that it did not. As OUTPERFORM. OUTLAST. was a combination of two English words that was not used very often, the court held that there was no need to keep the slogan free for public use.\textsuperscript{879} Thus, slogan trademarks are admissible if they do not consist of common and simple sayings or if they do not praise the quality of the protected goods and services.

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

Generally, for an acoustic trademark to have a distinctive character, it is not necessary that the relevant consumers be able to reproduce the trademark’s melody, but they have to recognize it. The registrable melody can be a short, melodious sign with simple structures; it is not necessary that the melody be unknown or totally unexpected. Further, a melody is not descriptive just because it is new, simple, and memorable. A tone sequence is only descriptive and cannot be registered as a trademark if it has a descriptive meaning relating to the protected goods—for example, a famous Christmas carol in relation to a Christmas decoration. In the present case, the Federal Supreme Court held that a sequence of seven tones that were represented in staves did not have a certain meaning in relation to the protected goods (sweets and products made with chocolate) that would have presented an obstacle to registration.\textsuperscript{880} Thus, a melody consisting of seven notes without text can be registered as a trademark, as it may be a designation of origin and thus fulfill a trademark’s principal function.

\textsuperscript{879} Case No. B-684/2009 (Federal Administrative Court, June 24, 2009) (OUTPERFORM. OUTLAST.).

\textsuperscript{880} Federal Supreme Court, Apr. 7, 2009, sic! 7/8/2009, 520 (MELODIE MIT 7 TÖNEN).
SYRIA

I.F. Famous and Well-Known Marks

The Swiss company Rolex S.A. is the manufacturer and trader of watches and other products, and its trademark ROLEX has been in widespread use for many years in Class 14. On December 13, 2004, a Syrian company, Radwan & Abdullah Rajab Co. (Radwan), registered the trademark ROLEX for its products in Class 29. On May 13, 2008, Rolex brought an action for cancellation and damages against Radwan and submitted a declaration that provided the following:

1. The Syrian registration infringed the worldwide well-known trademark ROLEX.
2. The Syrian registration copied the name of the company Rolex S.A.
3. The use of the Syrian registration constituted unfair competition and allowed Radwan to gain unfair advantage of the reputation of the trademark ROLEX.

Regarding its first claim, and seeking to prove the priority of the trademark ROLEX owned by Rolex S.A., Rolex provided the court with examples of registrations of ROLEX in multiple classes from around the world. Rolex based its claim on Article 5(b) of Law No. 8 of 2007, which regulates trademark matters.

Radwan did not argue that the mark ROLEX was not well known but did argue that the use of the mark ROLEX on products under Class 29 would not mislead a consumer to make a connection with Rolex, which manufactures and sells watches under Class 14.

Regarding Rolex’s second claim, and seeking to show the court that the defendant’s registration had copied the plaintiff’s name, Rolex provided the court with an extract of the Commercial Registry Certificate for Rolex S.A.

Regarding its third claim, Rolex asserted that Radwan’s clinging to the idea of protecting the internal market under Decree

882. For example: International Registration No. 484420, Sept. 3, 1999, WIPO–Geneva, of ROLEX & Design in English and Arabic; Registration No. 716221, Mar. 29, 1999, of the word mark ROLEX; and Registration No. 46609, Nov. 12, 1984, renewed by Registration No. 81259, Oct. 6, 1996 of the trademark ROLEX in Lebanon.
883. Article 5(b) of Law on Trademarks, Geographic Indications, and Industrial Models and Designs, Law No. 8 of 2007, Apr. 12, 2007, provides the following regarding marks that are well known internationally and in Syria: Anything that harms previous rights, such as world trademark rights, does not constitute a trade in Syria in accordance with Article 44 of such law.
884. Commercial Registry Certificate, Oct. 26, 2007, showing that Rolex S.A. was registered on December 2, 1920.
No. 47 of 1946\textsuperscript{885} is meaningless, as Law No. 8 of 2007 stipulates clearly that “as from the effective date of this law, all laws and regulations contradicting its provision are cancelled.”

The Court of First Instance held that Radwan’s registration of ROLEX took illegal advantage of the trademark’s reputation, stating that the trademark ROLEX was recognized as famous and well known worldwide and that such reputation need not be proven. The court ordered that the defendant’s registration be canceled and that the defendant be prevented from using the trademark ROLEX on any of its products.\textsuperscript{886}

Based on the facts and the provisions of Articles 5(b) and 44(3) of Law No. 8 of 2007, the court ruled that use by Radwan of the ROLEX trademark and the trademark’s registration in Syria were not legal. Based on the similarity between the two registered trademarks and on the plaintiff’s fame locally and all over the world, the court found that Rolex was entitled to request that the Syrian registration be canceled and that others be prevented from using the mark, whether on products that are similar to or different from the plaintiff’s products. Using the trademark on similar products would make others believe that there was a connection between the famous owner and the products, and because of the mark’s fame, using the trademark on different products would not be allowed either; thus the court ordered the cancellation of Radwan’s registration of ROLEX in Syria.

\textbf{III.A.4. Unfair, Unauthorized, or Improper Use}

The British company Umbro International Ltd. brought an action against the Syrian use and registration in Class 25 of the trademark UMBRO by a Syrian individual, Mohamed Al Khabaz. On an unspecified date, Mr. Al Khabaz began to use the trademark UMBRO on products included in Class 25,\textsuperscript{887} and in 2000 he registered the mark UMBRO in Class 25 in Syria.\textsuperscript{888}

Umbro declared before the court\textsuperscript{889} that for years it had operated and held the commercial name Umbro International Ltd. and had put such name on its products so that the name had obtained world fame; thus it demanded that:

1. Mr. Al Khabaz be prevented from using Umbro’s commercial name;

\textsuperscript{885} Legislative Decree No. 47, Oct. 9, 1946, Organization of Industrial & Commercial Property Protection Amended by Law No. 28 of 1980.

\textsuperscript{886} Decision No. 858/87/2009 (Court of First Instance, Aleppo (1st Chamber), Sept. 27, 2009).

\textsuperscript{887} Apparel and leather products.

\textsuperscript{888} Registration No. 74458, granted Nov. 25, 2000.

\textsuperscript{889} Decision No. 489/274 (Court of First Instance, Damascus (Commercial Chamber), Oct. 16, 2008).
2. The Syrian registration of UMBRO by Mr. Al Khabaz be canceled; and
3. Mr. Al Khabaz pay damages to compensate Umbro for loss of profit.

Regarding its first claim, Umbro provided the court with an extract of its incorporation certificate issued by the Companies House of England. Regarding its second claim, Umbro provided the court with registration certificates for the trademark UMBRO from its place of origin and from around the world that were filed prior to the Syrian registration.

The Court of First Instance ruled that the Syrian registration of UMBRO copied the British company’s name, which was protected without the need to be registered, as provided in Article 8 of the Paris Convention, of which Syria had been a member since 1939; moreover, the court held that the use by the defendant of the trademark UMBRO gained illegal advantage of the trademark’s reputation and thus Umbro deserved to be compensated for the damage it incurred. The court found that Umbro’s name should be protected by the provision of Article 8 of Paris Convention and, as such, that Umbro’s name is legal. The court further decided that:

1. The Syrian registration UMBRO in Mr. Al Khabaz’s name be crossed out and canceled, and that all its effects be canceled;
2. Mr. Al Khabaz was obligated to pay SYP 300,000 to Umbro as compensation against missing profits and losses;
3. Mr. Al Khabaz be prevented from using the trademark UMBRO in any way whatsoever.

TAIWAN

I.F. Famous and Well-Known Marks

Plaintiff C. Melchers & Co. owns registrations for the trademark MELCHERS and its Chinese transliteration 美最時 (MEI-ZUEI-SHIH) for retail services for machinery and electronic apparatus and importation services in Class 35. Defendant Ta-Yih Development and Trading Corp. registered the trademark MZS for electrical hand tools and other machinery in Class 7.

C. Melchers & Co. filed an opposition against Ta-Yih’s registration based on both the well-known status of Melchers’

890. Article 8 of the Paris Convention provides the following: “All state members guarantee to protect commercial name without the condition of filing or registering it, whether this name is part of trade/industrial mark or not.”
trademark and Ta-Yih’s bad faith in registration of the disputed mark.

Both the Intellectual Property Office (IPO) and the Ministry of Economic Affairs (MOEA) decided in the plaintiff’s favor, recognizing the well-known status of its mark in Taiwan.891

In so doing, the MOEA held that the mark of a distributor, if properly used, may become famous along with the marks of the third-party products it sells.

Plaintiff Orange Personal Communication Services Ltd. is the owner of the trademark ORANGE for communication services and wireless apparatus; Defendant Orange Electronic Co. Ltd. sought to register the mark ORANGE ELECTRONIC & Design, covering tire pressure monitors and gauges.

Based on the well-known status of its mark (below, illustration at left), Orange Personal Communication Services opposed the registration of Orange Electronic’s design mark (below, illustration at right).

The IPO decided in favor of the plaintiff, Orange Personal Communication Services, finding a likelihood of confusion between the marks. However, the MOEA revoked the decision of the IPO on appeal.

The Taiwan Intellectual Property Court agreed with the IPO, finding the marks highly similar in appearance and concept, despite the low level of distinctiveness of plaintiff’s ORANGE word and design. In this case, the plaintiff’s multiple business operations in Taiwan further increased the likelihood of confusion among relevant consumers as a result of the use of the similar marks at issue.892

The Intellectual Property Court’s ruling set a precedent that, as such, even a mark with a low degree of distinctiveness may enjoy a high degree of protection in Taiwan when the mark has been used extensively and has achieved fame.


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

Taiwan Sugar Corporation brought a civil action against TaiTung House Agency Co., Ltd. under Trademark Law, Fair Trade Law, and Civil Law, alleging the unfair and unauthorized use of its mark as part of TaiTung House Agency’s corporate name.

Taiwan Sugar registered and has used the short form of its Chinese name, 台糖 (Chinese characters pronounced “TaiTung”), for a variety of goods and services, including sugar in Class 30 and real estate sales and rentals in Class 36. TaiTung House Agency used “TaiTung” as part of its corporate name.

The court of first instance, the District Court of ChaYi, Taiwan, ruled in favor of the plaintiff based on Trademark Law, ordering that TaiTung House Agency amend its corporate name, stop using TaiTung to represent its business, and publish an apology notice in the newspapers.

The court of second instance, the Intellectual Property Court, clarified the ruling, holding that under Article 62 of the Trademark Law (which provides for protection against use of a well-known trademark as a corporate name) either actual dilution of the distinctiveness and reputation of the well-known mark or actual confusion created in the relevant consumers is required. A mere likelihood of such dilution or confusion is not sufficient.893

The decision of the Intellectual Property Court enumerated the distinct requirements for protection against the use of a well-known mark as corporate name under the Trademark Law and Fair Trade Law.

III.E.2. Damages

Louis Vuitton Malletier (Louis Vuitton) brought a civil action against a seller of counterfeit Louis Vuitton products, claiming damages based on the statutory compensation clause, which requires that statutory damages are based on the unit price of the counterfeit products.

Contrary to the literal language of the Trademark Law, the court of first instance in PanChiao District Court, Taiwan, calculated Louis Vuitton’s statutory compensation, using the profit margin of the seized counterfeit products, resulting in a reduction of half of Louis Vuitton’s claimed damages.

The court of last resort, the Intellectual Property Court, reaffirmed the basis for calculation of statutory compensation as the unit price of the seized counterfeit products. Furthermore, the Court outlined the principles in the use of discretion when calculating damages by taking into consideration the quantity of

counterfeit products and the infringer’s previous records of counterfeiting.894

THAILAND

I.D.1. Similarity of Marks

Marni International S.A. (Marni) applied to register the word mark MARNI, for goods in Classes 18 and 25.895 The Trademark Registrar rejected the two applications on the ground that the applied-for mark was confusingly similar to the prior-registered trademark MANI, covering goods in the same classes.896 Marni appealed to the Board of Trademarks, but the Board upheld the Registrar’s decision.

In response, Marni filed a complaint against the Department of Intellectual Property (DIP) with the Central Intellectual Property and International Trade Court (IP&IT Court), the court of first instance in intellectual property matters. It asserted that the decisions rendered by both the Registrar and the Board were incorrect and unlawful. Marni argued that (1) the marks at issue were different; (2) it had a letter of consent from the owner of the prior-registered trademark; (3) the mark MARNI had been registered and used in many countries; and (4) the applied-for mark was part of its company name. The company further argued that its mark had been concurrently used and therefore should have been considered registrable under Section 27, paragraph 1 of the Thai Trademark Act.897

The DIP argued that (1) the mark applied for was confusingly similar to the prior-registered trademark MANI, both in appearance and in pronunciation, and consequently its

895. Application Nos. 516186 (Class 18) and 516487 (Class 25), filed Apr. 18, 2003.
897. Section 27, paragraph 1 provides:

When there is an application for registration of a trademark that is identical or similar to one already registered by a different owner . . . , or when there are applications for registration of trademarks that are identical or similar to each other . . . in respect of goods of the same or different classes but in the Registrar's opinion are of the same character, and the Registrar deems that the trademark has been honestly and concurrently used by each proprietor, or there are other special circumstances which are deemed proper by the Registrar to allow registration, the Registrar may permit the registration of the same trademark or of nearly identical ones for more than one proprietor, subject to such conditions and limitations as to method and place of use or other conditions and limitations as the Registrar may deem proper to impose. The Registrar shall without delay notify in writing the applicants or the proprietors of trademarks who have been granted registration of his decision and the reasons therefor.
registration could cause public confusion as to the origin of the goods; (2) the evidence submitted by Marni did not convincingly show that the mark MARNI had been used widely in Thailand for a long time; (3) the letter of consent from the owner of the prior-registered mark was not usable to support the registration of the mark; and (4) given Marni’s acknowledgment that another party had registered the mark MANI, its use of the MARNI mark could not be considered use in good faith.

The IP&IT Court agreed with the Trademark Registrar and the Board of Trademarks and dismissed Marni’s complaint.898 Marni appealed against this decision to the Supreme Court.

In rendering its judgment, the Supreme Court first considered the similarity of the marks. It found that both were word marks in uppercase letters and both had the same four letters in the same positions. Therefore, the marks were similar. Further, the pronunciation of the marks was the same, and the goods covered by them fell in the same classes, 18 and 25. Consequently, their coexistence in the market could result in confusion among consumers.

The Supreme Court further considered whether Marni’s mark could be registered under Section 27, paragraph 1 of the Trademark Act. Marni had proved that the mark MARNI was first created in 1988 for use on high-end coats and was later used widely in connection with several goods in many countries, including Thailand. The Court observed that for many products—particularly clothing and accessories, such as shoes, bags, eyeglasses, and watches—designers commonly use materials and designs that add value to those products, which can then be distinguished from the products of others. These types of products are popular among high-end customers. Further, Marni presented evidence showing advertisements for its products in the media, including its own website, which was widely and easily accessible. In addition, the mark MARNI was registered in many countries. According to the evidence and the witness testimony presented by the appellant, the styles of the products under the MARNI and MANI marks were quite different, and the mark MARNI had become recognized by the relevant group of consumers. Even though the letter of consent did not alter the degree of similarity between the marks, it was an acknowledgment by the owner of the prior-registered mark, which ran the same type of business, that the applied-for mark was being properly used. Therefore, the Court deemed that it was credible that Marni had used its mark in good faith. Further, even though Marni filed its trademark applications for MARNI in Thailand 15 years after the mark MANI was registered, that did not mean that Marni had not established its

898. Red Case No. 101/2549 (IP&IT Court, Sept. 24, 2006).
first use of its mark anywhere in the world until the date the application was filed in Thailand.

On the basis of the above findings, the Supreme Court ruled that there was sufficient justification for the Trademark Registrar to accept the mark MARNI for registration, as prescribed under Section 27, paragraph 1. It therefore reversed the IP&IT Court’s decision and ordered the withdrawal of the Registrar’s and the Board of Trademarks’ decisions. The Supreme Court further ordered that the Registrar proceed with the registration of Marni’s trademark in accordance with Section 27, paragraph 1.899

This is a groundbreaking case because it provides a clear interpretation of Section 27, paragraph 1 of the Trademark Act. Several previous rulings of the Supreme Court had reversed the decisions of the Trademark Registrar and the Board of Trademarks regarding issues of similarity, finding that the applied-for mark was registrable. In those judgments, however, the Court held that confusion among the public would not occur because the marks were dissimilar and/or because the goods covered by the marks were unrelated. This case, in contrast, represents the first instance in which the Supreme Court clearly confirmed both the similarity of the marks and the likelihood of confusion. The Court’s reliance on Section 27, paragraph 1 strongly indicates that this provision can serve as a tool for applicants seeking concurrent registration.

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

Universal City Studios Inc. (Universal), the famous American production company, is the owner of the trademarks UNIVERSAL and UNIVERSAL PICTURES. In 2002, a Thai company, Universal Pictures (Thailand) Co., Ltd. (UPT), filed an application with the Department of Business Development to register “Universal Pictures (Thailand) Co., Ltd.” as its company name, for the purpose of producing and distributing CDs, VCDs, SVCDs, DVDs, and related equipment. In addition, UPT's director, Sahawat Katapitak, filed an application to register the trademark UPT UNIVERSAL PICTURES (THAILAND) CO., LTD., for Super VCDs in Class 9.900

In response, in 2003, Universal filed a civil complaint against UPT and Mr. Katapitak based on their use of a name similar to Universal’s well-known trade name and trademarks.

In considering the case, the IP&IT Court rejected most of the defenses presented by UPT and Mr. Katapitak. The defendants contended that “universal” and “pictures” were general words and therefore should be available for use by any party. The court

899. Dika Case No. 1147/2552 (Supreme Court, Feb. 19, 2009).
rejected this argument, holding that the defendants had used these two words together in order to make the public understand that UPT was related to Universal in Thailand.

The defendants further claimed that Universal had not yet registered “Universal Pictures” as its company name in Thailand, and on that basis Universal should not be entitled to demand that UPT change its name. The court held that this lack of registration did not mean that UPT had the lawful right to the use of such name. Further, UPT was in the business of selling Super VCD products, some of which were movies produced by Universal. Therefore, the court concluded that UPT was aware of the existence of Universal’s name. Universal therefore had the better right to the trademark UNIVERSAL PICTURES and consequently could prohibit UPT from using “Universal Pictures” as its company name, in accordance with Section 18 of the Civil and Commercial Code.901

Having established that Universal had a better right to the name, the IP&IT Court turned its attention to Universal’s request for withdrawal of Mr. Katapitak’s trademark application. The court informed Universal that although it had the right to file an opposition against this application with the DIP, the filing of a trademark application according to the established procedure did not constitute infringement of Universal’s rights. There was, therefore, no basis to mandate that Mr. Katapitak withdraw his application.

With respect to compensation, the court found that Universal did not clearly prove its requested damages of THB (Thailand Baht) 200,000 (US $6,039) per month. Thus, it awarded compensation of THB 5,000 (US $151) per month until UPT changed its name. In addition, the court ordered the defendants to pay the plaintiff attorney’s fees of THB 2,000 (US $60).

In response to the first instance decision, which was mainly in favor of Universal, the defendants appealed to the Supreme Court.

The Supreme Court agreed with the IP&IT Court that Universal, as the owner of the trade name and trademark UNIVERSAL PICTURES, had the right to prohibit other parties from using the words “Universal Pictures” in bad faith in such a way that people might not be able to distinguish the entity or the owner of the relevant goods or services, which would result in confusion of the consumer public. However, the Supreme Court ruled that the lower court’s decision ordering UPT to change its name by prohibiting the use of “Universal Pictures” was legally

901. Section 18 provides: “If the right to the use of a name by a person entitled to it is disputed by another, or if the interest of the person entitled is injured by the fact that another uses the same name without authority, then the person entitled may demand from the other abatement of the injury. If a continuance of the injury is to be apprehended, he may apply for an injunction.”
incorrect. It held that under Section 18 of the Civil and Commercial Code, Universal only had the right to request that the Court prohibit UPT from using “Universal Pictures” as part of its juristic name; it was not granted the right to force UPT to change its name. The Supreme Court found that this was an issue of law that involved the public order. On that basis, the Court had the discretion to consider this matter, even though none of the parties to the case had raised the issue.

The Supreme Court therefore overturned the IP&IT Court’s decision ordering the change of name. Instead, it ordered that UPT cease using “Universal Pictures” (both in Thai and in English) as part of its company name and trademark. The defendants were to pay compensation to Universal of THB 5,000 per month from the date of filing of the complaint (July 31, 2003) until UPT ceased using “Universal Pictures” as part of its name. As this decision was pronounced in December 2008, the total damages awarded to Universal amounted to THB 325,000 (US $9,823).902

In this case, the Supreme Court clarified the remedies available to the owners of famous names under the broad wording of Section 18 of the Civil and Commercial Code. Whereas the court of first instance had ordered that the defendant company’s name be changed, the Supreme Court limited the remedy by ordering that the defendant cease its use of the plaintiff’s company name. The result, however, was the same: the defendants were required to stop using the disputed words “Universal Pictures” as part of UPT’s company name.

TURKEY

I.D.1. Similarity of Marks

Plaintiff Biotherm Group instituted an action against Biota Bitkisel Kozmetik Labaratuarları Ticaret Ltd. Şirketi for the cancellation of the defendant’s trademark BIO-TEM903 on the grounds of similarity to the plaintiff’s trademark BIOTHERM,904 the notoriety of that mark, and the bad faith of the defendant.

Biotherm Group claimed that the defendant’s mark BIO-TEM was similar to its BIOTHERM trademark, that the BIO-TEM trademark took unfair advantage of the well-known character of its BIOTHERM trademark, and that there was a possibility of confusion between the companies’ respective trademarks and products/services for which they were registered. The defendant

902. Dika Case No. 7017/2551 (Supreme Court, Aug. 27, 2008).
903. Registration No. 2003/24439.
904. Registration No. 113132.
asked the court to reject the action on the grounds that the trademarks were not similar and that the plaintiff’s mark was not a well-known trademark.

In its decision, the Civil Court of Beyoglu held that Biotherm Group’s trademark was well known and thus enjoyed the wider protection of the Paris Agreement in this regard. In reaching its decision, the court examined the evidence submitted by Biotherm Group showing that its trademark was registered in Turkey and throughout the world. The court also considered the net turnover of the goods bearing the trademark, media (advertisement) expenditures, lists of dealers, promotional and adversarial activities, and photos and articles in the press as well as the opinion given in an expert’s report. In assessing the plaintiff’s evidence, the court asserted that although the Biotherm Group’s trademark was well known in many countries, the international registration portfolio of the trademark was, standing alone, insufficient to prove the well-known character of the trademark.

The court held that the defendant’s trademark was different from the plaintiff’s trademark only in that the letters “H” and “R” were excluded from the defendant’s mark. The court confirmed that both trademarks covered goods in the same classes. Accordingly, the court held that phonetic, visual, and conceptual similarities existed between the trademarks, that together with the essential and secondary elements of the trademarks their overall impressions were almost identical, and that the defendant’s trademark evoked the plaintiff’s trademark. The court went on to state that, in view of the educational and social status of the target consumer of the goods covered by both parties, the value of the goods, and the time the consumer spent buying the goods, a likelihood of confusion existed between the trademarks.

The court determined that the defendant would take unfair advantage of the notoriety of Biotherm Group’s trademark without any effort expended on the defendant’s part and without paying any costs to Biotherm Group, and that its use of the mark would weaken the reputation of Biotherm Group’s trademark. Therefore, the court decided the case in Biotherm Group’s favor under absolute grounds for refusal in accordance with Article 7(b)\(^{905}\) and

\(^{905}\) Article 7(c) of Decree-Law No. 556, June 27, 1995, as amended by Law No. 4128, Nov. 7, 1995, provides: “The following signs shall not be registered as trademarks: . . . (c) trademarks consisting exclusively of signs or indications that serve in trade to indicate the kind, characteristics, quality, quantity, intended purpose, value or geographical origin or to designate the time of production of the goods or rendering of the services or other characteristics of the goods or services.”
relative grounds for refusal according to Article 8(b)\textsuperscript{906} of the Decree-Law on the Protection of Trademarks (Decree-Law No. 556).\textsuperscript{907}

Kingspan Group plc brought suit against Ahmet Ceritoglu for the cancellation of the trademark KINGPEN\textsuperscript{908} on the grounds of similarity with the plaintiff’s KINGSPAN\textsuperscript{909} trademark, the notoriety of the plaintiff’s mark, and bad faith on the part of the defendant.

The plaintiff claimed that the defendant’s KINGPEN trademark was similar to its KINGSPAN trademark, that the KINGPEN trademark took unfair advantage of the well-known character of its KINGSPAN trademark, and that there was risk of confusion between the marks and their respective products/services.

The defendant requested that the court reject the action on grounds that the trademarks were not similar and that the plaintiff’s mark was not a well-known trademark.

In assessing the plaintiff’s evidence, the court asserted that although the plaintiff’s trademark was well known in many countries, the international registration criteria of the trademark was, standing alone, insufficient to prove its well-known character. Furthermore, the court asserted that the plaintiff’s trademark was not well-known as of the December 26, 2003, registration date of the defendant’s trademark.

Comparing the two marks side by side, the court determined that they both began with the word KING, but that the plaintiff’s trademark included the suffix -SPAN and the defendant’s trademark included the suffix -PEN. Further, the court determined that there was no special logo that accompanied either trademark. As a result, there were only words serving to describe the trademarks. The court stated that the word “span” would mean “all of a particular space or area” in English, whereas the word “pen” would mean “an instrument for writing or drawing with ink” in English. Additionally, the pronunciation of the respective trademarks was sufficiently different such that the average consumer could recognize the differences. Accordingly, the court

\textsuperscript{906} Article 8(b) of Decree-Law No. 556 provides: “The following signs shall not be registered as trademarks: . . . (b) the sign confers on its proprietor the right to prohibit the use of a subsequent trademark.”

\textsuperscript{907} Biotherm v. Biota Bitkisel Kozmetik Laboratuarlari Ltd. Sti., Case No. 2007/18, Decision No. 2008/18 (Beyoglu Court of Intellectual and Industrial Property Rights, Sept. 25, 2008).

\textsuperscript{908} Registration No. 2003/35841.

\textsuperscript{909} Registration No. 205439.
found no likelihood of confusion between the two trademarks and it rejected the action.910

Rodi Giyim Sanayi ve Ticaret A.S. (Rodi) instituted an action against the Turkish Patent Institute (TPI) and Bayer Aktiengesellschaft (Bayer) for the withdrawal of a decision of the Higher Council rejecting Rodi’s objection to Bayer’s application for the trademark RODINO911 on grounds of similarity to and notoriety of the plaintiff’s RODI trademarks.912

The first defendant, TPI, asserted that the trademarks were not similar and that there was no risk of consumer confusion. The second defendant, Bayer, argued that while its RODINO trademark covered “Chemical products used in agriculture, horticulture and forestry” in Class 1 and “Substances for destroying weeds, vermin and fungus” in Class 5, and that, while the plaintiff’s RODI trademarks covered all relevant classes in accordance with the Nice Classification system, the plaintiff’s RODI trademarks were not registered for “Substances for destroying weeds, vermin and fungus.” Furthermore, Bayer instituted a counter court action against Rodi seeking the cancellation of the RODI trademarks on the basis of non-use.

In analyzing the case, the court stated that the RODI trademarks consisted of two syllables and referred to an English male name; it also stated that in pronouncing RODI the main emphasis was on the first syllable. On the other hand, the RODINO trademark consisted of three syllables, and the emphasis extended to all three syllables because of the effect of the last syllable. Therefore, RODINO gave an impression of a Latin or Italian name. Accordingly, the court determined that there was not such a high level of similarity between the trademarks as to lead to consumer confusion.

The court also asserted that, according to the established practice of Turkish jurisprudence, when similarity is evaluated between pharmaceutical products, even slight differences in marks are accepted as sufficiently distinguishing to prevent the risk of confusion. The court reasoned that consumers do not directly purchase pharmaceutical products from pharmacies. Rather, they purchase these products with a doctor’s prescription on which the trademark is displayed. Furthermore, drugs sold without any prescription are limited, and consumers purchase these goods with attention and awareness. Therefore, the risk of confusion with regard to the marks at issue was rather low because of the

912. Registration Nos. 96/17679 and 178147.
different nature of drugs and agricultural products. Accordingly, the court decided that the RODINO trademark could not be considered so similar to the RODI trademarks as to cause confusion.

The court further held that although RODI trademarks were well known in the sense of Article 7(i) of Decree-Law No. 556 and Article 6bis of the Paris Convention for the Protection of Industrial Property, the RODINO trademark would not take unfair advantage of the reputation of, or cause damage to, the distinctive character of the RODI trademarks.

The court further held that the RODI trademarks were not being used other than in connection with the goods in Class 25 and the services in Class 35: “Grouping of various goods by third parties for clients so that they can better see and buy them.”

Because of the above-mentioned grounds, the court:

1. Rejected the main court action instituted by Rodi.
2. Cancelled the trademark Registration No. 178147 for RODI for all goods and services other than “Grouping of various goods by third parties for clients so that they can better see and buy them.”
3. Cancelled the trademark Registration No. 96/017679 RODI for all goods other than those in Class 25.

Eti Gida Sanayi ve Tic. A.S. (Eti Gida) brought an action against the TPI, seeking the withdrawal of its final decision accepting the defendants’ trademark application for SAKA FIT in Class 32 on the grounds of bad faith of the applicant and confusing similarity to the plaintiff’s trademark FIT in Classes 29, 30, and 32. In addition, Eti Gida brought an action against Gidasa Sabanci Gida San. ve Tic. A.S. (Gidasa Sabanci) seeking the cancellation of both the TPI’s decision and the defendants’ registration for the trademark SAKA FIT.

The TPI asserted that its decision was consistent with the provisions of Decree-Law No. 556 and that the trademarks FIT and SAKA FIT were not confusingly similar.

The defendant Gidasa Sabanci asserted that when the trademark SAKA FIT, which consisted of two word elements, was evaluated in its entirety, the word FIT was used as an additional word element and was not similar to the plaintiff’s trademark FIT,

913. Article 7(i) of Decree-Law No. 556 provides: “The following signs shall not be registered as trademarks . . . (i) trademarks that have not been authorized by their owners and well-known marks within the meaning of Article 6bis of the Paris Convention[.]”


916. Registration No. 2000/04524.
which consisted of only one word element. Gidasa Sabanci stated that the assertion of the plaintiff with regard to the bad faith of the defendant was not based on any legal ground and that Eti Gida was attempting to monopolize a descriptive sign that had no distinctive character. Further, Gidasa Sabanci’s position was that the purpose of using the word FIT was to give the message to consumers that the food product sold under that trademark was healthy and kept people fit. Therefore, because the applied-for trademark referred to the purpose of using of the product, the use of the word FIT should be available to everyone in the sector. In support of this, Gidasa Sabanci provided evidence of similar registrations for food products that were filed in the name of different companies.

On analyzing the expert report and the evidence submitted, the court held that:

- The defendant’s trademark consisted of the words SAKA FIT and covered all the goods in Class 32, whereas the plaintiff’s trademark registration consisted of the word FIT and covered the goods in Class 32 (which were identical to the goods covered the applied-for mark) as well as the goods related to the food sector in Classes 29 and 30. Therefore, the goods covered in the specifications of the plaintiff’s and defendant’s trademarks were identical or related.

- While the meaning of the word FIT could not be considered directly descriptive, it was obvious that it indirectly explained that the food and beverage products were healthy and kept users in good condition. The first word of the defendant’s application SAKA was the leading or serial trademark already registered in the name of the defendant company. Gidasa Sabanci’s SAKA trademark was used for almost all products of the company. Therefore, these leading/umbrella trademarks were less distinctive in respect of the products and in respect of the impression of consumers. To accept the contrary would be to allow the holders of umbrella trademarks to use all of the trademarks registered in the name of other companies with their umbrella trademarks, a proposition that could not be legally accepted.

- When the defendant’s trademark was evaluated in its entirety, the word FIT was found to be the single essential part of the plaintiff’s trademark. Therefore, the essential part of the parties’ trademarks was the word FIT, and they were confusingly similar to each other phonetically, visually, and semantically.

- In case the words FIT and SAKA FIT were used for identical goods simultaneously, the wrong impression
would be created in consumers’ minds that a relationship existed between the owners of these trademarks. This would be especially true because the goods in Class 32 that were covered by both trademarks would be purchased by consumers during daily shopping with minimum time devoted to making the selection. In addition, they would be marketed through identical markets and even on identical shelves; and goods such as mineral waters, fruit aromatic carbonated and non-carbonated drinks, soda waters, cola, etc. would be mostly purchased for children. Accordingly, the Court held that there was a high likelihood of confusion between the trademarks and that the additional word SAKA in defendant’s mark was insufficient to prevent the risk of confusion.

In light of the above-mentioned, the court:

1. Accepted the plaintiff’s request to cancel the Higher Council’s Decision No. 2006/M-4400, dated December 19, 2006, with regard to the trademark at issue registered in the name of the defendant.

2. Invalidated and cancelled the defendant’s trademark SAKA FIT from the registry.917

Sany Group Co. Ltd. brought an action918 against the TPI and Daimler Chrysler AG for the withdrawal of the TPI’s decision to sustain the opposition brought by Daimler Chrysler against the plaintiff’s trademark application for its three-point star device (Sany & Device),919 based on Daimler Chrysler’s senior trademark registrations for its three-point star device (Daimler & Device”).920

Sany Group had long been active in the field of producing, importing, and trading high-tech machinery and construction equipment. The TPI granted Daimler Chrysler’s opposition and refused registration of Sany Group’s international trademark application for Sany & Device. Sany Group claimed that the trademarks in question were not confusingly similar and that no risk of confusion existed; it thus requested cancellation of the TPI’s decision.

In its petition, the TPI stated that the plaintiff’s trademark was confusingly similar to the defendant’s trademarks, the


920. Registration Nos. 101798, 2004/05891, and 126507.
differences between the parties’ trademarks were not distinctive enough to avoid the risk of confusion, and the TPI’s decision was in line with procedure and law. The TPI requested that the action be dismissed.

The defendant argued in its petition that the plaintiff’s applied-for trademark was similar to its three-pointed star trademarks used with its well-known MERCEDES trademark and that its Daimler & Device trademarks were well-known trademarks. Daimler Chrysler also requested dismissal of the action.

The court explained that the questions at issue were whether the plaintiff’s applied-for trademark was identical or similar to the defendant’s star-shaped trademarks, whether the defendant’s trademarks were well known, and whether the plaintiff was taking unfair advantage of the well-known character of the defendant’s trademarks.

Regarding the similarity of the parties’ trademarks, both parties’ trademarks were composed of device components that were not identical. In such cases, the court examines whether the trademarks are similar or whether a risk of confusion exists among the public.

In evaluating the similarity of the involved trademarks, the court must consider the following: whether the average consumer would be able to distinguish the plaintiff’s applied-for trademark from the senior user’s well-known trademark; the extent to which the trademarks share visual, phonetic, and semantic similarities; and whether the average consumer would confuse the trademarks or mistakenly believe the sources of the trademarks to be connected with one another.

In the present matter, the parties’ device trademarks were not original shapes or designs. Nevertheless, the plaintiff’s applied-for trademark was similar to the defendant’s registered trademarks and could be perceived as part of the defendant’s series of star-shaped trademarks. Furthermore, the target consumers might believe that there was a connection between the companies. Although the defendant’s three-point star trademarks were not inherently distinctive, they had been used in connection with the defendant company’s well-known MERCEDES trademarks and products, and consumers would identify the three-point star trademarks with such goods.

Because the parties offered identical and similar goods under their respective trademarks, the court found there was a risk of confusion between the plaintiff’s applied-for trademark and the defendant’s trademarks under Article 8(b) of the Decree-Law No. 556. Furthermore, the court held the following: that defendant company’s three-point star trademark was well known under Articles 8/4 and 7/1-I of the Decree-Law No. 556; that registration
of the applied-for trademark might take unfair advantage of the reputation of the defendant’s well-known trademarks, which might harm the distinctive character of the defendant company’s trademarks; and that it was not possible to be unaware of defendant’s trademarks, which had been registered and used for many years.

In view of the above, and adopting the experts’ report, the court ruled that registration of the plaintiff’s trademark application was barred under Articles 8/1 and 8/4 of Decree-Law No. 556 in light of the defendant’s senior registrations. The court held that the TPI’s decision refusing registration was proper and rejected the plaintiff’s request for cancellation of the TPI’s decision.

**I.E. Bad Faith**

AMG Compagnie (SA) commenced an action against Şendoğan Osmanoğlu for the cancellation of the trademark RG 512 & Device,921 covering goods and services in Classes 24, 25, and 35, based on its trademark RG 512 & Device922 on grounds of unfair competition.

The plaintiff, AMG, claimed that, while its trademark was not registered or being used in Turkey, its trademark was registered in France, its home country, and in other countries through WIPO and was a well-known trademark. Considering that the defendant was involved in the same sector, the high level of originality of the trademark RG 512, and the well-known character of this trademark, it was not possible that the defendant was unaware of the plaintiff and its trademark and, accordingly, the defendant had registered the trademark RG 512 & Device in bad faith.

The court accepted the action on the ground of bad faith.923 However, on appeal by the defendant, the Supreme Court reversed the decision. The Supreme Court based its decision on a determination that Article 42 of Decree-Law No. 556 does not provide a means for invalidating a trademark through a court action because “bad faith” has not been determined to be a valid

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921. Registration No. 2001/21313.
reason for the cancellation of a trademark through a court action.924

After reevaluating the case, the court decided to uphold the initial decision.925 The defendant appealed the decision again. This time, the case was evaluated by the General Council of the Supreme Court, which was composed of the judges from all Chambers.

The General Council approved the initial court decision based on the following analysis.926 The Council held that although there was no specific reference to bad faith in Article 42, it was unanimously being accepted in doctrine that bad faith was, on its own, a reason for invalidity. The Council found that this reasoning was accepted in Spanish, German, and English trademark law as well. Further, the registration of a trademark in bad faith has been accepted as a reason for invalidity and absolute ground for cancellation in Article 3(2) of the European Union Trademark Directive (Avrupa Birliği Marka Yönergesi) No. 89/104 and Article 51/1-b of the Community Trademark Rules (Topluluk Marka Tüzügü) No. 40/94, which constitute the source of Decree-Law No. 556.

In its deliberations the General Council considered the following:

1. Article 42(a) provides: “The cancellation action regarding well-known trademarks shall be instituted within five (5) years as from the date of registration. If there is bad faith, no time limit shall apply.”

2. Article 35 provides: “Notices of opposition to the registration of a trademark on the grounds that it may not be registered under the provisions of Articles 7 and 8, and notices of opposition on the ground that there exists bad faith in the application shall be submitted within three months of the publication of the application.”

3. These provisions are, in fact, reflected in Article 2 of the Turkish Civil Code, which provides that “laws shall not protect the bad faith.”

Based on the above, the court decision for cancelling the defendant’s trademark was approved by applying Article 2 of the Turkish Civil Code.

DICKEY-john Corporation brought an action against Kemal Kantar Ölçü Kontrol Sistemleri İthalat Pazarlama ve Ticaret

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924. Decision No. 2666-10117 (Supreme Court, 11th Chamber, July 3, 2007).
Limited Şirketi, ABP Ölçü Kontrol Sistemleri İthalat Pazarlama Turizm ve Ticaret Limited Şirketi, and Kemal Kantar for:

1. A determination that the DICKEY-john & Device trademark belongs to plaintiff DICKEY-john Corporation;
2. A determination that the DICKEY-john & Device trademark was registered by the defendant in bad faith and infringed the trademark, copyright, and trade name rights of the plaintiff;
3. Assignment of the defendant’s DICKEY-john & Device to the plaintiff (or, in the alternative, cancellation of the registration); and
4. Publication of the decision within one of the three most widely circulated newspapers in Turkey.

The plaintiff filed an application for an International Registration for DICKEY–john through the World Intellectual Property Organization and sought to extend its application to Turkey. The plaintiff’s application was rejected by the TPI based on the senior DICKEY-john & Device trademark registered by the defendant. The plaintiff claimed that it was the actual owner of the DICKEY-john & Device trademark, trade name, and copyright in the logo appearing in the trademark. Furthermore, the plaintiff stated that the defendant had been its distributor in Turkey for many years. On this basis, the plaintiff requested the above relief.

The defendants countered that as the plaintiff’s supplier, they introduced and sold goods in connection with the DICKEY-john & Device trademark in Turkey for many years. Furthermore, the defendants claimed that they applied to register the DICKEY-john & Device trademark in Turkey only after the plaintiff ignored the defendants’ warnings about third parties offering counterfeit products and failed to take any action against them. Accordingly, the defendants contended that they applied to register the trademark to protect against such third-party uses, and therefore the plaintiff’s claims of bad faith were groundless.

In light of the declarations and evidence submitted by the parties, the court found the following: the plaintiff had been using the trademark DICKEY-john & Device in connection with electronic products for farming and that these products had been sold around the world by 300 distributors; the plaintiff had sold these products in Turkey long before the defendants registered the DICKEY-john & Device trademark; and as a result of the plaintiff’s long-standing and extensive use, together with the quality of the plaintiff’s products, the DICKEY-JOHN & Device trademark had become distinctive. Thus, the plaintiff was
qualified to enjoy the rights provided under Articles 8/3 and 8/4 of Decree-Law No. 556. The court further held that that the logo element of the plaintiff’s trademark, together with the original color and graphical elements (as shown below), was subject to copyright protection as an art product under the Berne Agreement, 5846 No. FSEK and (Turkish Law on Intellectual and Artistic Works) Decree-Law No. 556, Article 8/5.

Furthermore, the court found that the plaintiff had served as the distributor of its own products in Turkey since 1988—over 20 years. The defendants failed to submit evidence sufficient to establish a proper reason for their registration of the DICKEY-JOHN & Device trademark.

Consequently, the court accepted the action and decided that the DICKEY-john & Device trademark belonged to the plaintiff, the defendant registered the DICKEY-john & Device trademark in bad faith, and the defendant’s trademark registration infringed the trademark, copyright, and trade name.

929. Article 8/3, paragraph 3, subparagraphs (a) and (b) of Decree-Law No. 556 provide:

Upon opposition by the proprietor of a non-registered trademark or of another sign used in the course of trade, the trademark applied for shall not be registered provided that; a) the rights to the sign were acquired prior to the date of filing of the application for registration of the trademark, or prior to the date of priority claimed for the application for registration, b) the sign confers on its proprietor the right to prohibit the use of a subsequent trademark.

930. Article 8/4, paragraph 4 of Decree-Law No. 556 provides:

A trademark applied for which is identical or similar to a registered trademark or to a trademark application with a prior date of filing may be used for different goods and services. However, where in the case of a registered trademark or of a trademark application with a prior date of filing, the trademark has a reputation and where the use without due cause of trademark applied for would take unfair advantage of, or be detrimental to, the distinctive character or repute of the registered trademark or of the trademark application with a prior date of filing, upon opposition by the proprietor of the prior trademark registration or application, the trademark applied for shall be refused even if it is to be used in respect of differing goods and services.

931. Article 8/5, paragraph 5, of Decree-Law No. 556 provides: “Upon opposition by the holder of the relevant right, the trademark applied for shall not be registered if it contains the personal name, photograph, copyright, or any industrial property rights of third parties.”

rights of the plaintiff. Accordingly, the court ordered the assignment of the DICKEY-john & Device trademark to the plaintiff and the publication of the decision in one of the three most widely circulated newspapers in Turkey.

I.F. Famous and Well-Known Marks

Astrazeneca AB brought an action\textsuperscript{933} to cancel the trademark registration for ZENECA\textsuperscript{934} owned by Ibrahim Yasar, an individual, based on its ASTRAZENECA trademark.\textsuperscript{935}

The plaintiff claimed that because ZENECA constituted an essential component of its ASTRAZENECA trademark and trade name, the defendant's trademark was confusingly similar to its trademark. The plaintiff also claimed that the defendant's trademark would take unfair advantage of Astrazeneca's reputation or bring harm to the distinctive character of its well-known ASTRAZENECA trademark.

The court accepted the case and ordered the cancellation of the trademark ZENECA on the grounds below.

The court considered the plaintiff's trademark ASTRAZENECA and the trademark ZENECA in their entireties with respect to their visual and phonetic similarities. It found that they were almost identical. Both trademarks contained the word ZENECA. Any phonetic and visual differences were not sufficient enough to avoid the risk of confusion between the trademarks. In fact, these differences served to increase the risk that consumers would perceive the applied-for trademark as being a part of the plaintiff's series of trademarks. Considering that both parties' trademarks were phonetically similar, the risk existed that consumers might confuse them. Furthermore, a high risk existed that consumers might associate the applied-for trademark with the plaintiff's trademark, or believe that an administrative or economic relation existed between the sources of the trademarks. Furthermore, the defendant's use of the trademark ZENECA would take unfair advantage of the reputation of the plaintiff's well-known ASTRAZENECA trademark.

According to Articles 7(i) and 8 (1)/4 of Decree-Law No. 556 and Article 6bis of the Paris Convention, the court determined that the plaintiff's ASTRAZENECA trademark was well-known and there was risk of confusion between the trademarks. Accordingly, the court ordered the cancellation of the defendant's ZENECA registration from the trademark register.

\textsuperscript{933} Astrazeneca AB v. Ibrahim Yasar, Case No. 2008/57, Decision No. 2008/88 (Beyoglu Court of Intellectual and Industrial Property Rights, Dec. 4, 2008).

\textsuperscript{934} Registration No. 2006/35818.

\textsuperscript{935} Registration Nos. 99/008690, 2003/07791, 2005/34725.
An action\textsuperscript{936} was instituted by Toyota Jidosha Kabushiki Kaisha to invalidate Hayat Kimya Sanayii A.Ş.’s Turkish trademark registration for LEXUS (below, illustration at left).\textsuperscript{937} Toyota also sought to preliminarily enjoin the defendant from assigning the trademark to third parties. The plaintiff sought relief under Paris Convention Articles 6\textsuperscript{bis}, 7/1(b), 7/1(i), 8(b), and 8/IV. It argued that the defendant’s trademark was registered in bad faith and that the defendant was taking unfair advantage of and was harming the distinctive character of the plaintiff’s trademark LEXUS & Device (below, illustration at right).\textsuperscript{938}

![Defendant’s Mark](image1)

![Plaintiff’s Mark](image2)

The court referred the case to a committee of experts to evaluate the notoriety of the LEXUS trademark. The experts found in favor of the defendant. The court noted that the criteria for determining whether a mark was well known should be based on the evidence and declarations submitted and should be determined on a case-by-case basis. The evidence plaintiff offered included the following: records confirming the registration of the plaintiff’s trademark in Turkey and Japan (the country of origin); media expenditures; lists of dealers; promotional and advertising materials; product catalogues; Internet printouts showing clothing, shoes, bags, pens, writing sets, key rings and watches bearing the LEXUS trademark; brochures of LEXUS luxury cars; sales figures; a financial report from 2002; documents evidencing the number of sales of LEXUS luxury cars from 1989 to 2006 in the United States, Japan, Europe, and other countries; records for advertising expenditures from 1994 to 2006 in the United States and from 2005 to 2006 in Europe, Japan, and other countries; sample advertisements and publications; customer satisfaction surveys; information regarding tournaments, concerts, and activities sponsored by the plaintiff; a list of patent offices in various countries confirming the fame of the LEXUS trademark; and copies of decisions of the TPI confirming the fame of the trademark LEXUS. The court held that the plaintiff’s evidence established that the LEXUS trademark was entitled to the benefits and protections of well-known marks under the Paris Convention.

\textsuperscript{936} Toyota Jidosha Kabushiki Kaisha (Toyota Motor Corporation) v. Hayat Kimya Sanayii A.Ş., Case No. 2007-14, Decision No. 2009-23 (Beyoğlu Court of Intellectual and Industrial Rights, Apr. 30, 2009).

\textsuperscript{937} Registration No. 2002/31430.

\textsuperscript{938} Registration No. 114.602.
Accordingly, the court held that the plaintiff could institute a court action for invalidation at any time.

The court disagreed with the report of the committee of experts, which concluded that the plaintiff’s trademark was well-known but did not find any likelihood of confusion among the consumers. The court recognized the fame of the LEXUS trademark, and held that the report was flawed because it ignored the many years of substantial effort and investment by the trademark owner. The court noted that it was common for owners of well-known trademarks to license their marks to third parties for goods and services in various classes. Accordingly, the court held that the registration of the LEXUS trademark for “cosmetic products and odourizers” caused confusion, because other well-known car manufacturers used their trademarks in connection with “perfumery and other cosmetic products.” The court therefore held that the defendant’s use of LEXUS harmed plaintiff’s rights in its trademark, because the plaintiff used its mark in connection with cosmetic, perfumery, soap, deodorants, car air fresheners, writing and education instruments, as well as other products covered by the defendant’s trademark. The court found that such uses would create the incorrect impression that the defendant’s products were offered, manufactured, authorized, or licensed by the plaintiff, or that some administrative or economic relationship existed between the parties. In light of this, any products of inferior quality would cause consumers to have a negative impression of the goods and services associated with plaintiff’s trademark.

The court further explained that likelihood of confusion was actionable even if only a portion of consumers were at risk of being confused, rather than all consumers. Thus, the fact that the parties’ trademarks were registered in different classes had no relevance to the evaluation of likelihood of confusion.

To establish a likelihood of confusion, it is not necessary to show that all consumers will be confused. Rather, the risk need exist that only a portion of consumers will be confused. Furthermore, it is not necessary to establish bad faith intent or fault on the part of the defendant. Based on the fact that the defendant’s trademark was identical to the plaintiff’s trademark, the court found that a likelihood of confusion existed and ordered the invalidation of the defendant’s trademark on those grounds.

The court also held that the plaintiff’s LEXUS trademark was protected as a well-known mark under the Paris Convention. Therefore, the registration of an identical trademark in a different class by a third party without the plaintiff’s permission was prohibited. Thus, based on the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) Article 16/2, WIPO’s recommendations regarding well-known trademarks, case
law, the Paris Convention, and Supreme Court precedent, the court found the characteristics of the market important in evaluating the fame of a trademark. The plaintiff's LEXUS trademark therefore was deemed well known throughout the world as well as in the respective sector, with respective consumers, based on the evidence submitted establishing that substantial numbers of products were sold in various countries under the LEXUS trademark.

Even the defendant's registrations for the LEXUS trademark in International Classes 3, 5, and 16 confirmed its intention to take unfair advantage of the plaintiff's trademark. The court recognized that LEXUS was a fanciful word coined by the plaintiff and had no dictionary definition. The court found that this indication is also known by consumers of goods in those International Classes, in their respective sectors, and that the plaintiff has protected its trademark in Turkey. Therefore, the court ordered the invalidation the defendant's trademark under Article 7(i) of Decree-Law No. 556.

With respect to the claims of the defendant's bad faith, the court held that bad faith could constitute the basis for a cancellation action in accordance with the general principles of law, although no reference is made in Article 42 of Decree-Law No. 556 to Article 35, which implies that bad faith is an absolute and relative ground for refusal. Bad faith is established by a defendant's already having knowledge of a trademark or being able to learn about its existence prior to registration, neither of which needs to be confirmed.

The court did not believe that the defendant independently created the LEXUS trademark, particularly because LEXUS is a fanciful word coined by the plaintiff. The defendant also failed to introduce any evidence to prove that it had coined LEXUS independently or that the trademark had any specific meaning.

The court held that according to Article 2 of Civil Code and Article 35 of Decree-Law No. 556, the defendant's trademark registration should be cancelled, taking into account the notoriety of the plaintiff's LEXUS trademark and the registration of the trademark with the TPI in 1989. In contrast, the defendant's trademark was registered on December 11, 2002, and had no meaning in Turkish or any other language. Also, the defendant must have had knowledge of the plaintiff's LEXUS trademark when it filed its trademark application.

Last, the court found that the defendant registered the LEXUS trademark for goods in Classes 3, 5, and 16 in bad faith; that it intended to take unfair advantage of a well-known trademark, and that not cancelling the defendant's trademark would harm the distinctive character of the plaintiff's trademark. Thus, on grounds of likelihood of confusion, and based on Article
7(b) and 8(b) of Decree-Law No. 556, Article 6bis of Paris Convention, Articles 7/1(i), 8/IV, 9(c) and Article 42 of Decree-Law No. 556, the court accepted the case and ordered the invalidation of defendant's LEXUS Trademark Reg. No. 2002/31430 in Classes 3, 5, and 16, and the removal of the defendant's mark from the trademark register.

II.C.1.k. Nontraditional Marks

The TPI accepted the trademark application filed for the abstract single lilac color in the name of KRAFT FOODS SCHWEIZ HOLDING AG (Kraft). The trademark application was extended to Turkey by an International Registration filed through the Madrid Protocol. The TPI accepted arguments filed on behalf Kraft that the lilac color was well known through extensive use both in Turkey and worldwide and that the lilac color enjoyed significant consumer awareness in Turkey.

As no opposition was filed during the opposition period, the application for the lilac color matured into registration without any issue.

III.A. Infringement and Other Forms of Unfair Competition

Nestle Waters instituted an action against Buron Tum Gida Mamulleri Sanayi ve Ticaret Ltd.Şı and Grup Soda ve Mesrubat Pazarlama Sanayi ve Ticaret A.Ş. (Grup Soda) on grounds of determination and prohibition of infringement and unfair competition of registered trademarks PERRIER & Device and PERRIER & Device (see illustrations below).

Nestle Waters claimed that it was known worldwide for its mineral waters, carbonated drinks, and soda water products, having held two trademark registrations before the TPI since 1988

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939. Decision No. B.14.1.TPE.0.05.00-2005/47462 (Higher Council of Examination/Evaluation, Turkish Patent Institute, Mar. 17, 2008).

940. PERRIER BOTTLE & Device, Registration No. 105587.

941. PERRIER BOTTLE & Device, Registration No. 105621.
and having been in possession of an International Registration before the World Intellectual Property Organization. Further, having had its products on the market in Turkey for more than 17 years, the plaintiff claimed that the trademark PERRIER and the bottle shape trademark were well known, that the bottle design had been protected in Turkey since 1988, and that the bottle design had acquired distinctiveness. Nestle Waters claimed that the defendants were operating in the same sector as the plaintiff, were marketing mineral waters and carbonated drinks with the trademark SIRMA in bottles with the same shape and appearance as those of the shape trademark owned by Nestle Waters, and were using Nestle Waters’ bottle shape and dimensions (including the slightly convex and bulged body part of the bottle, the bottle color, the phrases and labels located on the bottle, and the layout of these labels on the bottle). Given the foregoing, Nestle Waters claimed that consumer confusion was inevitable and that the actions of the defendants constituted trademark infringement and unfair competition. Nestle Waters requested relief in the form of an order directing the prevention, rectification, and termination of the existing infringement and the unfair competition committed by the defendants. Additionally, Nestle Waters requested the confiscation, seizure, disposal, and removal from all media of the infringing products’ bottles and packages, promotional tools, and advertisements and brochures; Nestle Waters also requested the publication of the abstract of judgment in Hurriyet and Sabah newspapers, with expenses to be covered by the defendants.

The defendant stated that Buran Tum Gida Sirketi was a manufacturer of mineral waters and carbonated drinks, that the other defendant was the seller of these products, and that the defendants applied for a design registration, which had not yet been concluded. The defendants stated that the bottle design was innovative and distinctive, that the respective designs were different from each other in many respects, that the curved segments of the bottle were at different locations and of different shapes. The defendants also stated that the green color of the bottle was the preference of many other companies in the sector of mineral water and that the green color should not be solely left to the monopoly of the plaintiff in this sector; that the volume of the bottle was the result of necessities; and that mineral water bottling was impossible with a rectangular or similar bottle design. The defendants denied claims of trademark infringement and unfair competition, stating that the registration of the commodity or the package could not confer on the trademark owner an exclusive right pertaining to the commodity (if the trademark were

942. IR No. 458798.
943. BOTTLE design Registration No. 2003/02262.
registered along with its package) and demanding that a judgment of dismissal be given.

The expert report submitted by the defendants reflected the opinion that:

the prominent element of the plaintiff's trademark is the phrase 'Perrier,' that this phrase is not included in the products of the defendant in any way . . . , that even though the trademark of the plaintiff must be addressed as a whole, each of the elements constituting it may not individually fall under the scope of protection, that even though it is possible to register the product package as a trademark, if it is deemed necessary for product use, the appearance and package of the product shall not confer protection on its owner by reason of its functionality, that the product package (the bottle) which is one of the elements of the plaintiff's trademark is not of a distinctive character on its own or without the Perrier phrase, that numerous companies involved in the market in the sector of mineral water present their products in similar bottles, that . . . the bulged and slightly convex shape of the middle segment of the . . . [Nestle Waters bottle design] . . . does not constitute a significant . . . [design element], that the bottle and its dimensions are functionally utilized in the relevant segment of the market and that there is no room for confusion.” The expert report submitted by Nestle Waters reflected the opinion that “the Perrier trademark . . . is well-known around the world, that . . . [the] product is being sold at all major hotels and famous restaurants . . . [and] is offered on mineral water shelves at numerous hypermarkets, that the shape, color and overlying package composition of the bottle . . . as a whole, that the essential criterion employed by unfair competition law is the general impression retained in the perceptions of the eyes, the ears or the mind as a whole, that the plaintiff's bottle constitutes an identity in respect of shape and general appearance, that no other similar bottle is being used by anyone [in the Turkish market] except for the defendant . . . , and that the important issue . . . is whether the shape of the bottles and the elements on the bottles are . . . [so] similar . . . as to lead to the creation of confusion or a risk of confusion. . . . The expert determined that the visual
composition of the bottle as a whole constitutes the [plaintiff’s] trademark [and] ... that the defendant’s bottle ... contains all elements of this identity. ... Accordingly, the bottle shape ... [used by the] defendant can lead to confusion in the eye of a consumer ... that it is of a characteristic that may lead to the purchase of the defendant’s product on the assumption that it is, in fact, the plaintiff’s product, [and] that ... this was the reason why the design registration application filed by Buron A.Ş., one of the defendants, had been refused by the Turkish Patent Institute Commission for Review and Reevaluation. [Accordingly, the experts determined] ... that the bottle shape used by the defendants in the case in dispute constitutes trademark infringement and thus unfair competition.

Further, in addressing the issue implied by Article 5(2) of Decree-Law No. 556, the report stated that if the product bore a distinctive characteristic, then the trademark protection would obviously be provided. In the present case, the slightly bulged and convex characteristic of the middle segment of the plaintiff’s product package bore a distinctive feature in terms of the package of this commodity. Other than the plaintiff, no company involved in the manufacturing and sale of mineral water and carbonated drinks in the market used bottles with this appearance except for the defendants. Therefore, the plaintiff was covered by the scope of protection as a result of the provision of distinctiveness by the slightly convex and bulged characteristic of the bottle used within both Trademark Nos. 105587 and 105621 and that there was no basis for the enforcement of Article 5(2) of Decree-Law No. 556.

The court decided that the Nestle Waters bottle design was distinctive. Further, when the photograph of the plaintiff’s product and the photograph of the defendants’ product and the two trademark registrations of the defendants were compared, the court held that nearly all visual and distinctive elements of the plaintiff’s trademark were used for the defendants’ product, including the shape of the bottles, the clips or the slightly oblate circular base bearing the words “Perrier” and “Sirma,” respectively, at the middle top of the bottle and the ribbon-shaped figures extending from each side of these bases toward the back and the dark-green base bearing the word “Perrier” and the label resembling a wrist watch placed at the bottom of the bottle. The court found that the action of the defendants also constituted unfair competition pursuant to the Articles 56 and 57/5 of the Code of Commerce. The court demanded that the infringing products in question be confiscated and destroyed; it held that the notification of the judgment was also appropriate because the plaintiff had an interest in having other companies and consumers within the
sector know that the action of the defendants had constituted trademark infringement and unfair competition.\textsuperscript{944}

As a result, the court ruled that:

1. The case was accepted; the plaintiff prevailed in its infringement and unfair competition actions; advertising and promotional materials and brochures pertaining to the defendants’ product were to be confiscated, collected, and disposed of; and the advertisements of these products were to be removed from the websites of the defendants;

2. Once the decision was finalized, the abstract of judgment was to be published in Hürriyet and Sabah newspapers once, in an area of an eighth of a newspaper page, with the expenses covered by the defendants.

Sigara Sanayi İşletmeleri ve Ticaret A.Ş. (İşletmeleri) instituted an action against European Tobacco Sigara ve Tütüncülik Sanayi ve Ticaret A.Ş. (European) on the grounds of trademark infringement with respect to the registered trademark 2001 & Device,\textsuperscript{945} before the İstanbul 4th Court of Intellectual and Industrial Property Rights.

İşletmeleri claimed that it had been producing “cigarette” goods in Class 34 under the worldwide notorious trademarks MALTEPE, SAMSUN, TEKEL 2000, and TEKEL 2001 and that the trademark at issue, TEKEL 2001 (below illustration, at left), had been registered in Turkey in 1995. Based on this, the plaintiff claimed that the use of the defendant’s EUROPEAN 2005 trademark (below illustration, at right), would cause consumer “confusion” and “likelihood of association” with the plaintiff’s TEKEL 2001 trademark.

European stated that it had a registration application for the EUROPEAN 2005\textsuperscript{946} trademark before the TPI and that because the TEKEL 2001 and EUROPEAN 2005 trademarks did not bear any similarity to each other when taking into account that the TEKEL and EUROPEAN indications as well as the 2001 and 2005 dates were totally different, there was no confusion or unfair competition between these trademarks.


\textsuperscript{945} Registration No. 165257.

\textsuperscript{946} Application No. 2005/17696.
Through submitted evidence, it became known that the EUROPEAN 2005 trademark application filed in the name of the defendant was rejected before the TPI Higher Board of Examination.

The court held that, although the defendant used the word EUROPEAN instead of the word TEKEL and the “2005” date instead of “2001” date, when both trademarks were examined through their general overall images reflected as a whole, there would be an obvious confusion between the signs. In addition, through comparative examination of the products’ respective packaging, the court observed that the ellipse sign and the color design, which were used on defendant’s cigarette packaging, were the same as the ellipse sign and color design used in the plaintiff’s cigarette packaging. Furthermore, the court stated that “2005” date used in the defendant’s trademark had been formed in a similar way to the form of the date “2001,” which was a very distinctive sign for cigarette goods in the plaintiff’s trademark.

Having examined the product packing and composition of the elements used on packing, the court held\(^\text{947}\) that the EUROPEAN 2005 trademark infringed the plaintiff’s registered 2001 & Device trademark.

The defendant applied to the Supreme Court for reexamination, and therefore the cassation, of this initial decision of the 4th İstanbul Court of Intellectual and Industrial Property Rights. The case is still pending before the Turkish Supreme Court.

### III.A.3.a. Civil Actions

On the seizure of counterfeit VICEROY and HOLLYWOOD cigarettes by the Mersin Customs Office, British American Tobacco (Brands) Inc. and Souza Cruz S.A. instituted an action against Merve Ceylan for (1) the cessation of the trademark infringement and the prevention of similar acts, (2) a determination that the goods held by Customs were counterfeit, and (3) the destruction of the goods held by Customs.

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The plaintiffs cited that they were famous worldwide for producing and selling cigarette and tobacco-based products. British American Tobacco (Brands) Inc. is the owner of the trademark VICEROY\textsuperscript{948} and Souza Cruz S.A. is the owner of the trademark HOLLYWOOD,\textsuperscript{949} both registered before the TPI.

The plaintiffs claimed that Mersin Customs Office seized 954 boxes of counterfeit VICEROY and 141 big boxes of counterfeit HOLLYWOOD cigarettes, and experts affirmed that the cigarettes were counterfeit products. Accordingly, the plaintiffs claimed infringement of their trademark rights as well as unfair competition.

The TPI submitted registration documents of the plaintiffs’ trademarks attesting that both trademarks were still valid.

Mersin Customs Office submitted documents confirming that the 954 boxes of VICEROY and 141 boxes of HOLLYWOOD cigarettes were seized. An expert’s report stated that the boxes of confiscated cigarettes had a slight difference in color, weight, and size when compared with the original products; however, the report stated, the similarity of the counterfeit products was enough to confuse the average consumer.

The court appointed an additional expert in order to determine the seized products’ lack of authenticity. The expert report asserted that the design of the packaging was similar but not identical and that the filter length and quality of the tobaccos were different; furthermore, the expert stated that genuine packages had barcodes, which the confiscated product packages did not. Accordingly, the court held that the seized cigarettes were counterfeit products.

The court determined that the defendant brought the cigarettes into the country in order to put them on the market. Accordingly, this action constituted unfair competition and infringed the trademark rights of the plaintiffs.

The court further ordered the destruction of counterfeit cigarettes and publication of the decision in one widely circulated national newspaper.\textsuperscript{950}

\textbf{III.A.3.b. Criminal Actions}

In an action\textsuperscript{951} against a shopkeeper/retailer selling counterfeit goods carrying the trademark HERMES, upon complaint filed by

\textsuperscript{948} Registration No. 96227.
\textsuperscript{949} Registration No. 139296, granted Aug. 28, 1992.
\textsuperscript{950} British American Tobacco (Brands) Inc. & Souza Cruz S.A. v. Merve Ceylan, Case No. 2006/63, Decision No. 2008/89 (3d İstanbul Court of Intellectual and Industrial Property Rights, Nov. 4, 2008).
\textsuperscript{951} Hermes International v. Emre Ayaz, Case No. 200/229, Decision No. 2008/558 (2d İstanbul Criminal Court of Intellectual and Industrial Property Rights, June 20, 2008).
the plaintiffs to the Public Prosecutor, police raids resulted in the seizure of 106 infringing goods on the shopkeeper’s premises. Based on this seizure, the Public Prosecutor instituted a criminal action against the shopkeeper.

On the basis of an expert’s opinion, the evidence gathered, the defendant’s confession of guilt, the absence of invoices for the goods, and the notoriety of the trademark HERMES, the Criminal Court determined that all elements of the alleged crime had been committed.

The court convicted the defendant and ordered the following:

1. Imprisonment for one year and eight months.
2. Closure of his business premises for a period of ten months.
3. Ban of his trading activity for a period of ten months.
4. Suspension from exercising his rights until after the imprisonment was fully executed/served in accordance with Article 53/1(a), (b), (d), and (e) of the Turkish Criminal Code.952
5. Confiscation of the counterfeit goods seized at his premises.
6. Payment of all the expenses of the litigation.

The court further decided to suspend the defendant’s imprisonment in view of the fact that the defendant had not committed similar offenses in the past with the proviso that he would not commit any similar offenses in the future. The court subjected the defendant to a probation period for two years without imposing any further obligation/constraint and without appointing him a tutor in accordance with Article 51 of the Turkish Criminal Code.

Gianni Versace S.p.A. brought an action953 against a shopkeeper/retailer selling counterfeit goods carrying the

952. Article 53(1) provides, in pertinent part:

As a legal consequence of a sentence to imprisonment due to a felonious intent, a person may be disqualified from the following:

a) Undertaking of a permanent or temporary public service; within this scope, such person is suspended from membership in the Turkish Grand National Assembly or office in any department of the State, province, or municipality or employment in an institution or corporation controlled by these administrations;

b) Use of right of voting or right to be elected;

d) Employment as a manager or auditor in a foundation, association, union, company, or cooperative, or a political party in the status of legal entity; [or]

e) Performing a profession or art as a freelancer or tradesman subject to the consent of a professional organization in the status of public institution or public corporation.

trademark VERSACE. Police raided the shopkeeper’s premises and seized the infringing goods. On the basis of this seizure, the Public Prosecutor instituted a criminal action against the shopkeeper.

Based on an expert’s opinion and on the evidence gathered, and taking into account the defendant’s confession of guilt, the absence of invoices for the goods, and the notoriety of the VERSACE trademark, the court determined that all elements of the alleged crime had been committed.

The court convicted the defendant and ordered the following:

1. Imprisonment for one year and eight months.
2. Closure of his business premises for a period of ten months.
3. Ban of his trading activity for a period of ten months.
4. Suspension from exercising his rights until after the imprisonment charge is fully executed/served as in accordance with Article 53/1(a), (b), (d), and (e) of the Criminal Code.
5. Confiscation of the counterfeit goods seized at his premises.
6. Payment by the defendant of all the expenses of the litigation costs.

The court further decided to suspend the defendant’s imprisonment in view of the fact the defendant had not committed similar offenses in the past with the proviso that he would not commit any similar offenses in the future. The court subjected the defendant to a probation period of two years without imposing any further obligation/constraint and without appointing the defendant a tutor in accordance with Article 51 of the Turkish Criminal Code.

III.F.1. Non-Use

General Motors Corporation instituted an action to cancel the trademarks HUMMER, HUMMER, HUMMER & Device, and HUMMER & Device owned by Rute Ithalat ve Ihracat Anonim Sirketi, on grounds of non-use within the statutory period. The plaintiff further sought an interlocutory injunction preventing the assignment of these trademarks to a third party.

The defendant sought pendency and argued that the plaintiff had already claimed invalidity of the trademarks in a previous action and had failed to institute the current action within the

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954. Registration No. 200.022.
955. Registration No. 201392.
956. Registration No. 181840.
957. Registration No. 199307.
958. Case No. 2005/399 (1st İstanbul Court of Intellectual and Industrial Property Rights).
five-year period. The defendant also argued that good cause did not exist for the requested interlocutory injunctions, stating that he had used the marks for a period of more than five years without interruption. The defendant submitted documentary evidence to support such use by himself and his licensees.

The court refused the defendant’s pendency claim based on the argument that plaintiff had already sought to cancel the same trademarks in a previous action. The earlier action, the court held, was based on claims of bad faith and confusion, whereas the present action sought cancellation based on claims of non-use.

The court appointed a panel of experts who compiled a report on the defendant’s use of the HUMMER trademark. The experts found that the defendant had used the trademark without interruption for more than five years.

The court held that providing licenses to third parties constitutes use of the trademark.

Accordingly, the court denied the plaintiff’s request to cancel the defendant’s trademark registrations.

III.H.6.a. Jurisdiction and Authority

Toyota Jidosha Kabushiki Kaisha brought an action against Hayat Kimya to cancel its trademark LEXUS (below, illustration at left) on grounds of the well-known character of the plaintiff’s trademark LEXUS & Device (below, illustration at right).

The defendant objected to the competence of the court and argued that the court action should have been instituted at the defendant’s address. The defendant requested that the court refuse the action and argued that Article 63/III of Decree-Law No. 556 provides that such an action should be instituted at the address of the defendant.

959. Id.
962. Registration No. 2002/31430.
963. Registration No. 114602.
From the documents submitted to the TPI, the court determined that the plaintiff resided in a foreign country and was represented by a trademark attorney registered before the TPI.

According to the Supreme Court, under Article 9/1 of HUMK (Turkish Code of Civil Procedure), the court action should be principally instituted at the address of the defendant. If the plaintiff did not reside in Turkey, however, the competent court should be accepted as the one at the address of the trademark representative recorded with the TPI. If the representative is deleted from the registry of representatives, the court action should be instituted at the address of the TPI.

The court held that it was competent under Article 63/II of Decree-Law No. 556 and Supreme Court precedent. In a cancellation action, as the plaintiff’s trademark owner sought to protect its trademark rights from the defendant’s unfair actions, the plaintiff had a right to bring the action at the address of its representative recorded with the TPI.

Accordingly, the court rejected the defendant’s claim that the court lacked competence and retained the case.

UNITED KINGDOM

I.C. Distinctiveness

In In re Hull Daily Mail Publications Ltd’s Trade Mark Application, the question arose whether it was possible to avoid the practical effect of Bovemij Verzekeringen, where the European Court of Justice (ECJ) concluded that a mark could not be registered on the basis of acquired distinctiveness if it had acquired distinctive character only throughout the territory in question.

In the present case, the applicant had sought to register the mark THE JOURNAL in Class 16 in respect of printed periodicals, publications, newspapers, and magazines. It claimed acquired distinctiveness for this mark in the East Yorkshire area, where it distributed a publication with that name. The application was rejected on the basis that regardless of the degree of distinctiveness acquired by the mark in East Yorkshire, THE JOURNAL was not distinctive elsewhere in the United Kingdom.

On appeal to the Appointed Person, the applicant sought to amend its specification so as to limit it to “[l]ifestyle magazines containing

964. Case No. 98/5753, Decision No. 98/7769 (Supreme Court, Law Department, Nov. 13, 1998).


information about and relevant to East Yorkshire.” The applicant contended that this limitation dealt with the *Bovemij Verzekeringen* objection, arguing that the relevant class of persons to whom goods under the mark were now directed and in respect of which distinctiveness was to be judged would consist of persons resident in, or at least predominantly resident in, East Yorkshire.

The Appointed Person was of the view that the law was not entirely clear on this issue, and he would have referred the issue to the ECJ had the applicant not opposed such a reference. Given that opposition, the Appointed Person had to give his own answer to this question. In his view the application should still be refused. In *Bovemij Verzekeringen*, the ECJ had unequivocally stated that distinctive character had to be shown throughout the part of the territory of the Member State where grounds existed for refusal. There was also a public interest, as far as descriptive terms were concerned, that this requirement should not be so easily trumped by a limitation of the sort contained in the applicant’s proposed amendment. Registration of a mark with acquired distinctiveness would lead to difficulties when goods were circulating outside the locality where the term had become distinctive. Moreover, it would raise problematic honest concurrent user issues. The Appointed Person gave the example of someone seeking to register the same mark for magazines that contained information about Cornwall. Arguably, there would be a likelihood of confusion because a consumer moving from East Yorkshire to Cornwall would be likely to think that the magazines were published by the same or economically linked undertakings. Thus, the first registrant would effectively have acquired an unjustified national monopoly on the strength of purely local distinctiveness.

Accordingly, the applicant’s appeal was dismissed.

**I.E. Bad Faith**

In *Hotel Cipriani*, the claimants commenced trade mark infringement and passing-off proceedings in respect of a restaurant operated by the defendants since 2004 under the name “Cipriani (London).”

Two aspects of the decision of Mr. Justice Arnold in this case are of particular interest: his rulings on the operation of the “own name” defence in European trade mark law and on the meaning and scope of the “bad faith” objection to trade mark registration.

Both sets of parties in this case used the Cipriani name in connection with businesses that could trace their origin to Giuseppe Cipriani. Giuseppe Cipriani had opened Harry’s Bar in Venice in 1931 and thereafter had opened various hotels that used

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the Cipriani name, including the famous Hotel Cipriani in Venice. The claimant group now operated the Hotel Cipriani. The defendants were one of Mr. Cipriani’s descendants and two corporate entities that were controlled by the Cipriani family.

The claimants and the defendants had each used the Cipriani name in relation to various restaurants around the world. In 1996, Hotel Cipriani S.R.L. applied for and subsequently obtained a Community trade mark (CTM) registration for CIPRIANI in respect of various goods and services, including “hotels, hotel reservation, restaurants, cafeterias, public eating places, bars, catering; delivery of drinks and beverages for immediate consumption.” The claimants contended that the defendants were infringing that mark and were also engaged in acts of passing off.

The defendants sought to rely on the “own name” defence to trade mark infringement provided by Article 12(a) of the Community Trade Mark Regulation (CTMR). The English courts in Asprey and Premier Luggage had interpreted that provision restrictively so that it did not apply to the use of trade names or the use of abbreviations or adaptations of a name. However, the defendants contended that these decisions had now been impliedly overruled by the ECJ in Céline.

The judge disagreed. Although Céline had made it clear that the defence was available to companies, the provision should be interpreted restrictively. It did not apply to trade names, or, where companies were concerned, to anything other than the use of the full name of the relevant entity (although the formal elements of the name, such as Ltd, plc, or S.A., could be omitted).

Further, to successfully employ an own name defence, a defendant had to show that the use made of the name was “in accordance with honest practices.” This involved an objective assessment of whether, given all the facts, the defendant was unfairly competing with the trade mark proprietor. The state and extent of the defendant’s knowledge of the claimant’s trade mark rights were not “crucial” to that assessment but could form part of the relevant circumstances against which that assessment was to be made.

The judge was prepared to accept that in this case the defendants subjectively believed that they were entitled to use the

968. CTM No. 115824, registered July 9, 1998.
972. Céline SARL v. Céline S.A., Case C-17/06, [2007] ECR I-7041 (ECJ, Sept. 11, 2007) (reported at 98 TMR 469 (2008)).
name Cipriani (London) in connection with that restaurant. However, this was not sufficient given the judge’s findings of fact that although the defendants were aware of the claimant’s mark, they had failed to take proper advice, had failed properly to address their minds to the damage that the use of this name would cause the claimant, and had failed to react to evidence of confusion when it emerged.

The defendants also sought to challenge the validity of the trade mark on the basis that it had been obtained in bad faith, contrary to Article 51(1)(b) of the CTMR. The judge noted that this provision had not been considered in Europe either by the ECJ or by the Court of First Instance. The parties agreed that the present English position on the meaning of this provision had been set out in *BRUTT Trade Marks*, a previous decision of the judge’s when he was sitting as Appointed Person. In short, this involved applying the test of whether the applicant’s actions, given the applicant’s knowledge of the facts at that time, had fallen short of the objective standard of acceptable commercial behaviour observed by reasonable and experienced businessmen.

The defendants contended that recent case law of the Office for Harmonisation in the Internal Market (OHIM) had significantly developed and broadened the bad faith test. The judge disagreed. In essence, the defendants’ case depended upon the stark proposition that “any party who seeks to take exclusively for himself a trade name which he knows he shares with others is acting in bad faith.” According to the judge, that was not the law. To make out a claim that an application had been made in bad faith as far as another person was concerned, generally it was necessary to show breach of a legal or moral obligation to that person. Article 51(1)(b) did not apply to situations involving a bona fide conflict between trade mark rights or to perceived rights of different traders.

Further, the judge was unconvinced that the decision in *Sir Robert McAlpine v. Alfred McAlpine plc* assisted the defendants. In the *McAlpine* case, both parties had shared goodwill in the word element “McAlpine,” which each had used as part of a larger name. One party had then succeeded in passing off proceedings against the

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other when the latter party had decided to rebrand itself so as to use the McAlpine name alone. The judge accepted that where two parties shared goodwill, any ability by one party to bring a passing-off claim against the other might provide a prior right that could be used to oppose a trade mark application on relative grounds, but it did not necessarily follow that an application made with knowledge of the existence of that prior right had been made in bad faith. It was, for example, possible that the prior right holder might consent to that application and/or that the applicant intended only to exercise any granted trade mark rights against third parties.

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

In *Whirlpool Corp. et al. v. Kenwood Ltd*, the Court of Appeal recently considered the scope of protection provided to trade marks that embody the shape of the relevant products. The case is significant in that it shows reluctance on the part of the English courts to provide a broad effect to the unfair competition provisions of European trade mark law as far as these types of trade marks are concerned.

Whirlpool was the owner of a CTM registration for KITCHENAID, which graphically represented the shape of its KitchenAid Artisan mixer but which incorporated in somewhat illegible text the name “KitchenAid.” Kenwood sold the kMix mixer. Kenwood had Whirlpool’s product in mind and intended to compete with that product when designing its own mixer, but there was no evidence that suggested that the shape of the Kenwood product was chosen as a result of any anticipated propensity to mislead.

![Whirlpool’s CTM](image-url)

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Whirlpool commenced trade mark infringement and passing-off proceedings against Kenwood, the aim of which was to compel Kenwood to further distinguish the shape and appearance of its mixers from that of Whirlpool. The claims were under Articles 9(1)(b) and 9(1)(c) of the CTMR.978

At first instance, the court concluded that there was a degree of specific individuality in the finished appearance of the KitchenAid Artisan mixer that was sufficient to render it distinguishable from mixers of a different trade origin in the minds of design-conscious consumers. It was legitimate to look at distinctiveness from this perspective, as the two products in question were premium-priced products targeted at design-conscious consumers.

Whirlpool’s claim under Article 9(1)(b) relied on the proposition that there would be a likelihood of confusion unless and until the branding of the kMix as a Kenwood product impinged upon the consciousness of interested consumers. In other words, Whirlpool contended that the shape and appearance of the kMix would initially tell them it was a KitchenAid product and the KENWOOD branding would not tell them otherwise until after they had gone down the road of selection with a view to purchase. The judge accepted that an infringement claim could succeed on this basis, but he concluded that the evidence did not support this and showed “nothing more than an awareness that the product they are looking at is not the one it reminds them of.”

978. That is, similar mark, identical goods and services, and likelihood of confusion (Article 9(1)(b)) and similar mark, identical goods and services, and use that without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the mark (Article 9(1)(c)).
With respect to a claim under Article 9(1)(c), the judge accepted that there was sufficient establishment of a link to the mark, but that it was not one that was liable to take unfair advantage of or was detrimental to the distinctive character of the mark. He concluded that it would leave the distinctive character and repute of the trade mark represented by the bodywork of the Artisan mixer completely untouched and that it would be “excessive, in the realm of product shapes, to apply the concepts of ‘free riding’, ‘blurring’, ‘tarnishment’ or ‘dilution’ more generally so as to hold that the bodywork of the [Kenwood product]” was too similar to Whirlpool’s trade mark.

The Court of Appeal upheld the first instance decision. So far as the Article 9(1)(c) claim was concerned, it had the benefit of further development of ECJ case law, including the decision in L’Oréal v. Bellure. 979 In that case, there had been an intention to take advantage of the reputation of another’s mark, and it was this intention that made the advantage unfair. The adoption by Kenwood of a basic C shape for a design mixer, which reminded customers of the Whirlpool design, did not supply the relevant intention. Things other than such intent might make an advantage unfair, but no such additional factor had been identified in this case. In any event, the Court of Appeal was unconvinced that Kenwood had gained any commercial advantage by reason of the similarity in design.

Another interesting aspect of this case is the criticism of OHIM registration practice that is to be found in the first instance decision.

The registration of a three-dimensional shape is liable to be refused under Article 7(l)(b) of the CTMR if it is “devoid of any distinctive character,” with the word “devoid” being taken to refer to the absence of innate distinctiveness in the shape in question. As the ECJ noted in Storck I, 980 only a three-dimensional mark that departs significantly from the norm or customs of the sector and thereby fulfills its essential function of indicating origin will not be devoid of any distinctive character for the purposes of this article. There are also difficulties associated with persuading OHIM that a three-dimensional mark could have acquired distinctiveness through use, as the sales of products embodying the shape represented in the mark did not necessarily involve use of the mark for the purpose of identifying the origin of the relevant products.


980. August Storck KG v. OHIM (Storck I), Case C-24/05 P, [2006] ECR I-5677 para. 29 (ECJ, June 22, 2006).
However, OHIM does allow unregistrable shapes to be registered if a word or device that would be independently registrable for goods of that shape is visibly applied to the embodiment of the unregistrable shape graphically represented in the application for registration. OHIM likens this to the practice of accepting “word marks and figurative marks consisting of several elements, some or all of which by themselves would not be registrable.”981 Whirlpool had succeeded in registering its mark on this basis, the name KitchenAid being included in the graphical representation of the mark albeit in such small lettering that it was virtually unintelligible.

The judge expressed doubts that the analogy with marks with several elements was apt, as it carried with it an assumption that distinctively marked shapes could be considered a single composite mark rather than a graphic representation of goods bearing the distinctive marking; without such distinctive marking nothing would be capable of distinguishing goods of that or any similar shape from those of another commercial origin. He therefore suggested that OHIM practice was incompatible with the “stringent and full” examination required by the relevant legislation and that the position might be improved if OHIM required an applicant to disclaim the unregistrable shape elements of its mark as a condition of registration.982

**II.C.1.i. Service Marks**

Although it became possible under the Trade Marks Act 1984 to register a trade mark for services, it was not possible to register a trade mark for retail services, that is, for a shop. With the Trade Marks Act 1994, and in particular following the decision of the ECJ in *Praktiker Bau- und Heimwerkmärkte AG*,983 this became possible. In *Land Securities Plc et al. v. Registrar of Trade Marks*,984 the High Court, for the first time, had to consider whether it was possible for the operator of a shopping centre to register a trade mark for the services it provided.

The case involved the hearing of appeals in three cases against rulings of the Registrar of Trade Marks.985 In each case the

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981. OHIM Communication No. 2/98, Apr. 8, 1998 (examination of three-dimensional marks).
982. In accordance with Article 38(2) of the CTMR.
Registrar had ruled that an application for registration of a trade mark in Class 35 in respect of such services was not possible. An example of one of the marks applied for is set out below. The opening words of the associated specification were: “The bringing together for the benefit of others, of a variety of retail outlets, entertainment, restaurant and other services, enabling customers to conveniently view and purchase goods and services and make use of such facilities in a shopping centre or mall. . . .”

The bases for that refusal had been that the services claimed were not services within the meaning of the EC Trade Marks Directive and that the specifications in respect of these applications did not comply with Rule 8(2)(b) of the Trade Marks Rules 2000 because they lacked the requisite degree of clarity.

The EC Trade Marks Directive does not provide a definition of “services,” but in Praktiker Bau- und Heimwerkermarkte AG the ECJ had cited Article 50 of the EC Treaty, which refers to services being “normally provided for remuneration.” The judge concluded that the term “services” should be given the same meaning in the Directive as in the Treaty, given that the Treaty conferred the power under which the Directive was made.

Nevertheless, the judge concluded that the services in this case were normally provided for remuneration. He accepted that a shopping centre operator’s bringing together a variety of retail outlets was not an activity that would be separately itemised on an invoice, but he did not consider that to be necessary. Relying on remarks of the Opinion of the Advocate General in Praktiker Bau- und Heimwerkermarkte AG, the judge found it sufficient that the shopping centre operator provided a mix of retail outlets and other facilities, such as restaurants, bars, cafes, and cinemas, in an appropriate ambience. In addition, it did not matter that the payment was made by a party that was not receiving the benefit of the services. The reference to “remuneration” in Praktiker Bau-
und Heimwerkermärkte AG identified the type of services eligible for protection, but that remuneration did not need to take a prescribed form.

Further, the judge accepted that there was a persuasive, if not exact, analogy between the provision of services by a department store and the provision of services by a shopping centre. Consumers have a choice as to which shopping centre they will patronise, and they will distinguish between them by use of the shopping centre’s brand. The “transaction” that the shopping centre is encouraging by use of its mark is not so much the conclusion of any individual transaction with one retailer in its stores versus another as the conclusion of transactions within its shopping centre versus those at rival shopping centres. This was consistent with the essential functions of a trade mark—distinguishing the services of one undertaking from those of another and guaranteeing the origin of services in connection with which the mark is used.

With respect to the objections regarding lack of clarity, the judge accepted that they had merit insofar as the relevant specifications referred to unspecified “other services” and “facilities.” Nevertheless, these objections went not to the core but to the peripheral elements of the specification. The applicants should therefore be allowed to amend their applications to deal with these objections.

### III.A.3.b. Criminal Actions

In *R v. Rukhsana Kousar*, the Court of Appeal (Criminal Division) considered the meaning of the phrase “possession, custody or control” in the criminal provisions of the Trade Marks Act 1994.

The appellant, Rukhsana Kousar, had been convicted with her husband and co-defendant, Mohammed Sajid, of the criminal offence of unauthorised use of a trade mark contrary to Section 21(1)(c) of the Act. Mr. Sajid had been a trader in counterfeit goods, and one of the places where these goods had been stored was the loft in the family home. The Court of Appeal accepted that the appellant knew that the goods were in the house, that they were not there for any domestic purpose, that her husband was trading as a market trader, and that the goods were kept for the purpose of that trade. It further accepted that she acquiesced in

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989. Section 21(1)(c) provides, in pertinent part: “A person commits an offence who with a view to gain for himself or another, or with intent to cause loss to another, and without the consent of the proprietor . . . has in his possession, custody or control in the course of a business any such goods with a view to the doing of anything, by himself or another, which would be an offence under paragraph (b).”
the presence of the goods in the house and had the right to demand that they should be removed.

Nevertheless, the court held that this was insufficient for the purpose of the offence. Having reviewed the relevant case law dealing with the limit of secondary liability in offences of possession,\textsuperscript{990} it accepted that the test was whether the evidence was sufficient to satisfy a jury either that each party was in possession with intent to supply or that someone (in the present case, possibly a third party) was in possession with intent to supply and the defendant not only knew that he was but also assisted or encouraged him in the enterprise. This was not satisfied in this case.

It was suggested by the prosecution that Ms. Kousar had “permitted” the property to be in the house. The Court of Appeal accepted that “permission” might be something more than acquiescence, but even this was not sufficient to render the permitter in possession of goods.

Accordingly, the appeal against conviction was allowed.

\section*{III.A.3.c. Customs Actions}

In \textit{Nokia Corp. v. Her Majesty’s Commissioners of Revenue & Customs},\textsuperscript{991} the English courts considered the controversial question of whether European customs authorities are entitled to seize counterfeit goods under the EC Counterfeit Goods Regulation\textsuperscript{992} when those goods are in transit through the Community and there is no evidence that they will be released onto the market in the European Union (EU).

In July 2008, Her Majesty’s Revenue & Customs (HMRC) had stopped and inspected at Heathrow Airport a consignment of goods being shipped from Hong Kong to Colombia. It comprised approximately 400 mobile telephone handsets, batteries, manuals, boxes, and hands-free kits, each of which bore NOKIA trade marks. All the goods were fake.

Nevertheless, HMRC contended that it was not empowered to seize the goods in the consignment. The reason for this was that Article 1 of the Regulation relates to “goods . . . suspected of infringing an intellectual property right.” The relevant subset of this class of goods, in this case, was “counterfeit goods” (not being gray market goods) that infringe a trade mark holder’s rights under Community law. According to HMRC, for the goods to

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infringe those rights, they first had to be put on the market in the Community; this had not happened, and there was no evidence that it would happen.

Nokia contended that this was an unduly restrictive reading of the relevant legislation and brought proceedings in the courts for judicial review of HMRC’s decision.

Mr. Justice Kitchen, after reviewing the relevant case law, derived the following principles. First, infringement of a registered trade mark requires goods to be placed on the market, and goods in transit and subject to suspensive customs procedures do not, without more, satisfy this requirement. Second, the position is different if the goods in the transit procedure are subject to the act of a third party, which necessarily entails their being put on the market. But the burden of establishing this act rests on the trade mark proprietor. Third, a mere risk that the goods may be diverted is not sufficient to justify a conclusion that they have been or will be put on the market. Fourth, the Counterfeit Goods Regulation did not introduce a new criterion for the purposes of ascertaining the existence of an infringement of a registered trade mark or determining whether there is a use of the mark that is liable to be prohibited.

Nokia disputed this. It contended that the Regulation did provide a power of seizure in the present circumstances and that the decisions of the ECJ in Polo/Lauren and Rolex supported that proposition. The judge disagreed. He concluded that all that was decided in these cases was that the Regulation applied to goods in transit from one non-Member State to another non-Member State. They did not deal with the important question in this case: whether the goods in question were counterfeit goods within the meaning of the Regulation.

Justice Kitchen also rejected Nokia’s contention that when considering whether goods in transit infringed it was appropriate to adopt what was known as the “manufacturing fiction,” which had been adopted by the Dutch court in Sisvel v. Sosecal. In his view, this approach would amount to a substantial extension of the rights conferred upon the proprietor of a registered trade mark under European law, which was unjustified either by the wording of the Regulation or by ECJ case law. It would also mean that goods lawfully made in one territory and intended for lawful use in another but transhipped through a Member State in which that mark was registered in the name of a third party would be subject


994. Id.

995. Case No. 311378 (District Court of The Hague, July 18, 2008).
to seizure. He considered it unlikely that the Regulation was intended to produce such a result.

Therefore, in the absence of any specific evidence that the goods would find their way into the Community, they could not be seized, and Nokia’s application for judicial review had to fail.

The outcome of this case will be disappointing to trade mark owners. The judge recognised that the result was “not satisfactory,” and he expressed the hope that his decision would provoke a review of the adequacy of the measures available to combat the international trade in fake goods by preventing their transhipment through Member States.

The matter was subsequently appealed by Nokia to the Court of Appeal, which has sought further guidance on interpretation of the Regulation from the ECJ. It remains to be seen whether the Court of Justice will find a way to interpret the relevant legislation in a less restrictive fashion or whether this is an issue that requires legislative intervention.

III.A.6. Other Internet Issues

In L’Oréal S.A. et al. v. eBay International AG et al., Mr. Justice Arnold in a lengthy and detailed judgment considered a large number of issues, including the interaction and scope of the various “conditions” laid down for trade mark infringement under Article 5(1)(a) of the EC Trade Marks Directive and the extent to which trade mark owners can rely on their trade mark rights to control subsequent dealings in products released with the consent of the trade mark owner in the European Economic Area (EEA). He also considered numerous other issues of importance to trade mark owners. These included the scope and nature of accessory liability of Internet intermediaries in respect of infringing uses of their services, and the extent to which an injunction was available to a trade mark owner where the intermediary was not liable with respect to that infringing use. The judge proceeded to seek further guidance from the ECJ in relation to many of these issues.

L’Oréal alleged trade mark infringement against various eBay companies and various individuals that had sold and offered for sale products under L’Oréal-owned trade marks on eBay. The products in question were a mixture of counterfeits, non-EEA goods, tester and dramming products, and unboxed products.

996. The relevant order being made Nov. 9, 2009. The Court of Appeal also permitted INTA to be joined as a party so that it could directly participate in the proceedings before the ECJ.


998. Covering the use of an identical mark in relation to identical goods and services.

999. Dramming bottles are large containers from which small 5-ml aliquots can be taken for supply to consumers as free samples.
These English proceedings were one of a number of test cases that had been brought by L’Oréal across Europe.\textsuperscript{1000}

L’Oréal claimed that eBay was jointly liable for the infringements allegedly committed by the individual defendants and was primarily liable in respect of the use of its marks on the eBay website and in sponsored links on third-party search engines. L’Oréal also claimed that even if eBay was not liable for trade mark infringement, L’Oréal was entitled to an injunction under Article 11 of the EU Enforcement Directive.\textsuperscript{1001}

eBay’s users were and are subject to terms and conditions and usage policies that prohibit the infringement of third-party trade marks. It uses filtering software to search listings for possible breaches of its policies. It also operates a Verified Rights Owner or “VeRO” programme that allows rights owners to report infringements of their rights.

Prior to the dates of the alleged trade mark infringements, the individual defendants had been to differing degrees subject to various sanctions by eBay for a number of different policy breaches. These included intellectual property rights infringements alleged by other cosmetic products brand owners through the VeRO programme.

L’Oréal had declined to participate in that programme, which, it claimed, suffered from a number of defects. It objected to the fact that the burden was placed on rights holders to search for infringements and claimed that the sanctions imposed by eBay on infringers were ineffective.

On the question of infringement, eBay claimed that Article 5(1) of the EC Trade Marks Directive was limited to uses of a trade mark in relation to goods other than those of the trade mark proprietor. It relied in this respect on the decisions of the ECJ in \textit{Adam Opel}\textsuperscript{1002} and \textit{O2 Holdings}\textsuperscript{1003}. The judge concluded that these cases were not good authority for this proposition, referring to the ECJ’s more recent decision in \textit{Copad},\textsuperscript{1004} which had stated the law in terms that necessarily meant that use in relation to a trade mark proprietor’s goods fell within the scope of Article 5(1).

However, there were three other important questions on which the judge believed the ECJ case law to be unclear. These related to what he characterised as the fifth and sixth conditions for Article

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\textsuperscript{1000} Including L’Oréal SA v. eBay France SA, Case No. RG 07/11365 (Court of First Instance of Paris, May 13, 2009).
\textsuperscript{1002} Adam Opel v. Autec AG, Case C-48/05, [2007] ECR I-1017 (ECJ, Jan. 25, 2007) (reported at 98 TMR 476 (2008)).
\textsuperscript{1003} O2 Holdings Ltd & O2 (UK) Ltd v. Hutchinson 3G UK Ltd, Case C-533/06, [2008] ECR I-4231 (ECJ, June 12, 2008).
\end{flushleft}
5(1)(a) trade mark infringement laid down in previous ECJ case law:1005 namely, that there must be use in relation to goods or services that are identical to those for which the trade mark is registered (the fifth condition) and that it must be use that affects or is liable to affect the functions of the trade mark, in particular its essential function of guaranteeing to customers the origin of the goods or services (the sixth condition).

The first question was what the sixth condition added to the fifth condition if (as the judge had already held) there was no requirement that the goods or services should not be the goods or services of the trade mark proprietor.

The second question was whether damages to functions other than the origin function could be relied upon to support a claim under Article 5(1)(a), and if so, under what circumstances. The case law1006 suggested that damage to the reputation of the trade mark would suffice. But this led to the third question: If damage to reputation is sufficient, does the trade mark proprietor need to establish the additional requirements of Article 5(2),1007 and if so, why are these requirements not mentioned in Article 5(1)(a)?

The judge suggested that much of the confusion on these issues would be dispelled by recognising that the sixth condition added nothing to the fifth. Consequential concerns about interpreting Article 5(1)(a) in too wide a manner could be addressed by an appropriate interpretation and application of Article 6 (which provides for limitations as to the effects of a trade mark) and Article 7 (which deals with exhaustion of rights).

The judge next turned to the question of whether the goods sold and offered for sale by the individual defendants were infringing goods. The position concerning counterfeit goods and non-EEA goods was relatively clear-cut. That still left the question of the status of unboxed products, testers, and drammers.

With respect to testers and drammers, the judge made reference to Peak Holding,1008 in which the ECJ discussed the circumstances under which a proprietor had realised the economic

1005. Including the Adam Opel decision (see supra note 38) and Céline SARL v. Céline SA, Case C-17/06, [2007] ECR I-7041 (ECJ, Sept. 11, 2007) (reported at 98 TMR 469-71 (2008)).

1006. In particular, the ECJ case law in relation to goods put on the market outside the EEA by or with consent of the proprietor and the ECJ case law in relation to goods put on the market inside the EEA by or with consent of the proprietor but with respect to which there were legitimate reasons for opposing further commercialisation.

1007. That is, that the mark has a reputation and use of that mark without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the mark.

1008. Peak Holding AB v. Axolin-Elinor AB, Case C-16/03, [2004] ECR I-11313 (ECJ, Nov. 30, 2004) (reported at 95 TMR 386-87 (2005)).
value of his trade mark, and the Perfume Tester Bottles case,\footnote{Case No. I ZR 63/04, [2009] ETMR 9 (German Federal Supreme Court, Feb. 15, 2007) (in English).} in which the German Federal Supreme Court had held that the distribution of tester products to distributors to promote the sale of the relevant goods had so exhausted the economic value of the relevant marks. Although the decision of the German court was entitled to the greatest respect, the judge did not believe the answer to the question was \textit{acte clair} and therefore concluded that further guidance from the ECJ was required.

There were two issues regarding unboxed products. First, the Cosmetics Products Directive\footnote{Council Directive 76/768/EEC, July 27, 1976, implemented into UK law at the relevant times by the Cosmetic Products (Safety) Regulations 2004, S.I. 2004/2152.} requires certain product information to be placed legibly on cosmetic packaging, containers, or labels. L'Oréal argued that the sale of unboxed products failed to satisfy this requirement and that this fact provided it with a legitimate reason to oppose further commercialisation. Second, L'Oréal argued that the sale of unboxed items damaged the image of its products and also provided a valid reason to object.

eBay contended that noncompliance with the Cosmetics Products Directive did not \textit{ipso facto} provide a legitimate reason for objection. Relying on the ECJ decision in \textit{Boehringer II}\footnote{Boehringer Ingelheim KG et al. v. Swingward Ltd et al., Case C-348/04, [2007] ECR I-3391 (ECJ, Apr. 26, 2007) (reported at 98 TMR 474-76 (2008)).} and the subsequent Court of Appeal decision in the same case,\footnote{Boehringer Ingelheim KG et al. v. Swingward Ltd et al., [2008] EWCA Civ 83 (Feb. 21, 2008). \textit{See infra} text at notes 1028-1057.} eBay argued that it was a question of fact whether particular packaging was liable to damage a trade mark's reputation. It also relied on the Opinion of the Advocate General in \textit{Zino Davidoff},\footnote{Joined Cases C-414/99, C-415/99, and C-416/99, [2001] ECR I-8691 (ECJ, Apr. 5, 2001).} in which it was suggested that damage to the reputation of a trade mark would be treated as providing a legitimate reason to object “only if it is serious” and that the removal of batch codes that had occurred in that case would be of relevance “only if it would have a disproportionately adverse effect on the specific subject matter of the trade mark right.”

The ECJ had not ruled on those issues because it had been able to dispose of the \textit{Zino Davidoff} case on different grounds. However, in the view of the judge, the guidance of the ECJ on these issues was still required.

The judge then went on to consider the issue of eBay's alleged accessory liability. Having reviewed the leading case law in this area,\footnote{Amstrad Consumer Electronics plc v. British Phonographic Industry Ltd, [1986] FSR 159 (Oct. 29, 1985); CBS Songs Ltd v. Amstrad Consumer Electronics plc, [1988]} the judge found this a difficult issue to decide. He had
considerable sympathy with L’Oréal’s position. eBay and its competitors had created a new form of trade that carried with it a higher risk of infringement than more traditional methods of trade. In his opinion there was much to be said for the view that as eBay had created that increased risk and profited from it, the consequences of that increased risk should fall upon eBay rather than upon the owners of the intellectual property rights that were infringed.

Nevertheless, he ultimately held that there was no accessory liability. First, eBay was under no legal duty or obligation in domestic law to prevent infringement of third parties’ registered trade marks. Second, there was no inbuilt bias or tendency in favour of infringing activities in eBay’s systems and policies. Third, although eBay facilitated infringements and knew such infringements had occurred and were likely to continue to occur, these facts were not sufficient under domestic law to make eBay liable as a joint tortfeasor. Even in the case of the sale of non-EEA goods, where eBay actively encouraged the listing and sale of goods to buyers in the United Kingdom and provided specific facilities to assist such sales, these facilities did not inherently lead to infringement. They were capable of being used in a non-infringing manner. Therefore, there was no joint tortfeasorship.

The judge then turned to the allegations of primary liability concerning use of the marks in sponsored links and on eBay’s own site. The facts were distinguishable from those in Wilson v. Yahoo! Ltd et al. in that in the present case the marks in question were visible in the relevant links and it was the “advertiser” and not the operator of the search engine that was being sued. In the judge’s opinion, there had been trade mark use, but, for the reasons discussed in Interflora, this was not acte clair.

Clicking on these links displayed listings of both infringing and non-infringing goods. L’Oréal claimed this link use was an infringement in relation to infringing goods and that eBay was in no better a position than a retailer that placed an advertisement in a newspaper saying “Lancôme perfumes for sale at low prices in our shop now” at a time when the goods for sale in the shop included both infringing and non-infringing goods.

The judge found the newspaper analogy unconvincing because whether an advertisement infringed depended upon whether it

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1015. [2008] EWHC 361 (Ch., Feb. 20, 2008) (reported at 99 TMR 727-28 (2009)).

related to identifiable goods that could be shown to infringe. Here there was use in relation to a general class of goods some, but not all, of which turned out to be infringing upon further investigation. Nevertheless, the judge accepted that in the present state of ECJ jurisprudence it was at least arguable that there was sufficient nexus between the use of the mark and infringing goods for that use to be “in relation to” infringing goods.

However, there still remained the question whether that use was in the course of trade in the United Kingdom. This would be so only if the website advertisements were aimed or targeted at consumers in the United Kingdom.\footnote{Euromarket Designs Inc. v. Peters, [2000] EWHC Ch 179 (July 25, 2000) (reported at 92 TMR 551 (2002)); 800-FLOWERS Trade Mark Application, [2000] FSR 697 (E.W.H.C., Dec. 20, 1999) (reported at 91 TMR 537 (2001)), aff’d sub nom. 1-800-Flowers Inc. v. Phoenenames Ltd, [2001] EWCA Civ 721 (May 17, 2001).} The judge was satisfied that this was the case even when listings were provided in response to EU or worldwide searches by a site user. Although such listings were aimed at the whole of Europe or the world, to be included in a search result the seller would have had to indicate to eBay that he or she was prepared to deliver to the United Kingdom. This was sufficient.

eBay also argued that there could not be infringement in respect of any offering for sale or sale that “does not necessarily entail putting the specific goods at issue on the market within the territorial limits of the protection conferred by the relevant registration.”\footnote{Relying on the decisions of the ECJ in Class International BV v. Unilever NV, Case C-405/03, [2005] ECR I-8735 (ECJ, Oct. 18, 2005) (reported at 96 TMR 391 (2006)), and Montex Holdings Ltd v. Diesel SpA, Case C-281/05, [2006] ECR I-10881 (ECJ, Nov. 9, 2006) (reported at 98 TMR 472 (2008)), and the judgment of the Court of Appeal in Eli Lilly & Co v. 8PM Chemist Ltd, [2008] EWCA Civ 24 (Feb. 5, 2008) (reported at 99 TMR 727-28 (2009)), in relation to goods in transit through the EU under customs procedures.} According to this argument, only if the advertisement necessarily entailed putting the goods on the market in the United Kingdom could there be infringement. If the advertisement could equally lead to a sale in a different market, that was not sufficient.

The judge believed eBay’s argument to be misconceived in that it confused the use complained of (i.e., the advertisement) with the status of the goods advertised. Nevertheless, the issue was not acte clair, and further guidance from the ECJ was required.

Similarly, the judge was unconvinced by eBay’s arguments that it had a “mere hosting” defence under Article 14 of the E-Commerce Directive.\footnote{European Parliament and Council Directive 2000/31/EC, June 8, 2000, implemented in the United Kingdom by The Electronic Commerce (EC Directive) Regulations 2002.} Article 14(2) provides that the defence is not available where the recipient of the service is acting under the control of the provider, and L’Oréal argued that eBay controlled
whether and in what circumstances the relevant listings were displayed. It further claimed that eBay could not take advantage of the defence because its knowledge of what was taking place on its site amounted to an awareness of “facts or circumstances from which the illegal activity or information is apparent” within the scope of the article. Further, L’Oréal claimed that even if Article 14 provided a defence to its claim for financial remedies, under Article 14(3) it was still entitled to an injunction.

The judge noted that there already were references before the ECJ on the scope of Article 14,1020 and although he preferred L’Oréal’s arguments on these issues, again he was of the view that further ECJ guidance was necessary.

Last, L’Oréal argued that even if there was no infringement by eBay it was entitled to an injunction under Article 11 of the EU Enforcement Directive. This provides that “Member States shall also ensure that rightholders are in a position to apply for an injunction against intermediaries whose services are used by a third party to infringe an intellectual property right, without prejudice to Article 8(3) of Directive 2001/29/EC.”1021

The United Kingdom had not taken any steps to implement Article 11 on the assumption that national law was already compliant, although the judge was of the view that this was not entirely clear. However, he accepted that if Article 11 requires the grant of an injunction against an intermediary who is not an infringer, that provides a sufficient reason for a court to exercise its power to grant an injunction to protect an intellectual property right that has been infringed. This did not involve treating Article 11 as having direct effect. Rather, it provided a principled basis for exercising an existing domestic jurisdiction in a new way.

eBay contended that Article 11 merely required that an injunction be available against an intermediary whose services had been used to commit that infringement, so as to prevent the continuation of that specific infringement. Granting a broader injunction was tantamount to imposing a general obligation to monitor that was prohibited by law.1022

Once again, the judge was of the view that the European law was unclear and that the guidance of the ECJ was required.

The High Court was not a court of last resort, and therefore the judge was not obliged to refer these various questions to the

1020. See the three Google references from the Cour de Cassation, cited infra note 1025.

1021. European Parliament and Council Directive 2001/29/EC, May 22, 2001, on the harmonisation of certain aspects of copyright and related rights in the information society. Article 8(3) of the Directive provides: “Member States shall ensure that rightholders are in a position to apply for an injunction against intermediaries whose services are used by a third party to infringe a copyright or related right.”

1022. See, in particular, Article 15 of the E-Commerce Directive, which was unaffected by Article 11 of the Enforcement Directive as a consequence of Article 2(3) of the Enforcement Directive.
ECJ. However, he considered it likely that if he did not refer them now, the Court of Appeal would do so on any appeal. Further, the importance of these issues was such that the sooner the ECJ ruled on these issues the better. He therefore proceeded to make a reference.

On the same day he handed down a decision in *L’Oréal*, Mr. Justice Arnold also handed down judgment in *Interflora*. This case addressed the fraught issue of the legitimacy of “adwords” and “keywords” that incorporate the trade marks of others.

Marks and Spencer Plc (M & S) operated a flower delivery service via its website and was not a member of the Interflora network. M & S had purchased various Google keywords that incorporated the term “Interflora.” Interflora owned UK and Community trade mark registrations for that term.

Google’s policy in the United Kingdom was not to block the purchase of third-party trade marks, although it did enable trade mark owners to block the use of those trade marks in the text of the hyperlinks or text displayed in the sponsored links that appeared as a result of any keyword purchases.

In the present case, the text displayed in the sponsored links triggered by the keywords purchased by M & S did not include the INTERFLORA mark. However, the term “Interflora” was displayed in connection with the search result listings that triggered those sponsored search results (e.g., “results 1-10 of about 1,170,000 for interflora (0.21 seconds)”).

In broad terms, Interflora contended that M & S’s dealings with the keywords incorporating its trade marks were infringements of its trade mark rights. It also contended that the way in which the keywords were then used by Google to display sponsored search results (including the display of “Interflora” on the search results page) were either acts of infringement that either M & S had procured or acts committed by Google pursuant to a common design with M & S in respect of which Google and M & S were liable as joint tortfeasors.

The claims were brought under Articles 5(1)(a) and 5(2) of the Trade Marks Directive, and the equivalent provisions of the Community Trade Mark Regulation.

M & S contended that as far as the acts of Google were concerned, it could not be liable unless Google was also liable.

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1024. Although this is not expressly stated in the decision, it is reasonably clear that this claim arises out of a contention that Google was entitled to take advantage of the defences offered by the E-Commerce Directive. See in this respect the comments of the judge at paragraph 105 of the judgment and the terms of the last of the questions put to the ECJ.
Further, the case raised the questions whether the acts complained of amounted to (i) “use” (ii) “of a sign” (iii) “in the course of trade” (iv) “in relation to” M & S’s goods or services (v) so as to fall within Article 5(1)(a) or (2) of the Trade Marks Directive (i.e., whether the sixth condition discussed in the L’Oréal decision was satisfied).

A number of national courts around Europe had already requested preliminary rulings from the ECJ on a number of issues arising out of the use of and dealings in Google AdWords. In the circumstances, the defendants had applied for a stay of these proceedings pending the outcome of these references. Instead, Justice Arnold, who heard that application, decided that he would also refer further questions to the ECJ on these issues. Guidance from the ECJ was required, and the judge could not be confident that all the necessary guidance would be forthcoming in response to the existing references.

The present case had not proceeded to trial, and therefore, according to the judge, the choice came down to making a reference now or leaving it to the trial judge to make a reference. The advantages of making a reference now were that it would reduce the delay in resolving the dispute and might obviate the need for trial altogether or at least reduce the scope of the trial. The main disadvantage of making a reference now was that the facts had not been fully determined, but the judge was satisfied that the factual situation was sufficiently clearly defined to enable questions of law to be posed and answered.

The judge also rejected Interflora’s contention that if there were to be a reference, M & S should be required to cease bidding on the Interflora marks as keywords in pending answers to the relevant questions, which effectively amounted to an application for an interim injunction. The circumstances of the case, including a nearly seven-month delay on the part of Interflora in commencing proceedings, did not justify this.

As a consequence of the L’Oréal and Interflora cases, the English courts have now placed a large number of questions before the ECJ, many of which address the legality of the use of others’ trade marks on the Internet. The judge stated in Interflora that

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1025. Express reference was made in this respect to (a) Google France v. Louis Vuitton Malletier, Google France v. Viaticum, Luteciel, and Google France v. CNRRH, Joined Cases C-236/08, C-237/08, and C-238/08, all of which were references from the Cour de Cassation in France lodged on June 3, 2008; (b) Die BergSpechte Outdoor Reisen und Alpinschule Edi Koblmüller GmbH v. Gunter Güni & trekking.at Reisen GmbH, Case C-278/08, a reference from the Oberster Gerichtshof in Austria lodged on June 26, 2008; (c) Portakabin Ltd & Portakabin BV v. Primakabin BV, Case C-558/08, a reference from the Hoge Raad der Nederlanden lodged on Dec. 17, 2008; and (d) Eis.de GmbH v. BBY Vertreibsgesellschaft mbH, Case C-91/09, a reference by the Bundesgerichtshof in Germany made by order dated Jan. 22, 2009, and lodged on Mar. 6, 2009.

1026. The cases have been designated the case numbers C-323/09 and C-324/09, and the full questions put to the court can be found at OJ C 267, Nov. 7, 2009, at 40, and OJ C 282,
he was inclined to refer a comprehensive set of questions in order to avoid the problem in *Boehringer II*,\(^\text{1027}\) when the Court of Appeal felt compelled to make a second reference to the ECJ because it turned out that the ECJ’s answers to the questions initially referred by the High Court left certain issues unresolved.

It is to be hoped that either as a result of these or one of the other references currently before the ECJ from the courts of other member states, there will finally be some clarity in relation to these issues.

**III.A.8. Parallel Imports/Gray Marketing**

In *Boehringer Ingelheim KG et al. v. Swingward Ltd et al.*,\(^\text{1028}\) the Court of Appeal gave its final judgment in a series of cases involving the repackaging of pharmaceuticals that could be traced back to 2000 and had involved two references to the ECJ.\(^\text{1029}\) When the matter came back before the Court of Appeal, both sides claimed to have won as a result of the ECJ rulings. This was a situation that Lord Justice Jacob (giving a judgment with which the other two members of the Court of Appeal agreed) described as a “sorry state of affairs.” He also added the withering comment that “European trade mark law seems to have arrived at such a state of uncertainty that no one really knows what the rules are, outside the obviously core case of straightforward infringement.”

No dispute existed as to the facts in this case, which had been recited in detail at the first hearing before the Court of Appeal in 2004. In summary, the defendants were engaged in the parallel importation of pharmaceuticals from other EU Member States but had repackaged them for the UK market, which involved reboxing some of the products or placing stickers over the original boxes as well as adding English-language information leaflets. In some cases, the original trade mark was placed on the new boxes and information leaflets. In other cases, the original trade marks were replaced to a greater or lesser degree with the generic names for the products.

\(^{1027}\) Boehringer Ingelheim KG et al. v. Swingward Ltd et al., Case C-348/04, [2007] ECR I-3391 (ECJ, Apr. 26, 2007) (reported at 98 TMR 474-76 (2008)). See also supra note 1011.

\(^{1028}\) [2008] EWCA Civ 83 (Feb. 21, 2008), available at www.bailii.org/ew/cases/EWCA/Civ/2008/83.html. See also supra note 1012.

The claimants contended that, notwithstanding the exhaustion provision in European trade mark law, the repackaging and rebranding of the relevant pharmaceuticals by the defendants constituted “legitimate reasons” within the scope of Article 7(2) of the EC Trade Marks Directive to oppose their further commercialisation.

In *Bristol-Myers Squibb v. Paranova*, the ECJ had laid down the five conditions for repackaging to be legal: (1) it was necessary to repackage to market the product; (2) the repackaging had no effect on original condition and proper instructions; (3) the importer clearly identified the manufacturer and importer; (4) the repackaging involved non-damaging presentation; and (5) prior notice had been given to the trade mark owner. The Court of Appeal also noted that in *Parfums Christian Dior v. Evora* the ECJ had held that trade mark owners could not rely on Article 7(2) to prevent further commercialisation of their goods unless “the use of the trade mark for this purpose seriously damages the reputation of the trade mark.”

The second reference to the ECJ had, *inter alia*, established that the requirement of necessity set down in *Bristol-Myers Squibb* was limited to the need to rebox and relabel and not to the precise form of reboxing or relabelling. The question now was whether the defendant’s activity was in this case nevertheless damaging and failed to satisfy the fourth “BMS condition.”

Both the High Court and the Court of Appeal had held that the defendants’ activities did not cause any damage to the reputation of the claimants’ marks. However, the claimants contended that this finding had been on a legally flawed basis. In particular, they referred to the statement by the ECJ in response to the second reference that co-branding and de-branding were “in principle” liable to damage a trade mark’s reputation, and that this extended to more than merely doing this untidily or the like.

Lord Justice Jacob rejected this argument. It would mean that there would be an irrefutable presumption of damage where there had been co-branding or de-branding, and yet the ECJ had also said that whether or not these activities actually caused damage was a question of fact to be determined by the national courts.

Further, in Lord Justice Jacob’s view, mere co-branding so as to identify an importer without disparaging the manufacturer or suggesting a nonexistent commercial association would not cause harm or damage. He also rejected the suggestion that in the case of de-branding the fact that the trade mark owner’s products may come to be known by their generic meaning or that the marks

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would have less exposure than the trade mark owner might wish constituted “damage” for these purposes.

The Court of Appeal also noted that there had been recent cases in Denmark and Germany in which the courts had allowed co-branding and repackaging. 1032 There was some dispute between the parties as to what these courts had held, but the Court of Appeal accepted that the cases did provide some support for the defendants’ position.

Notwithstanding these findings against the claimants, Lord Justice Jacob agreed to the claimants’ request that the court defer its final ruling in this case until such time as the ECJ had ruled in response to the reference of the Austrian court in Wellcome v. Paranova. 1033 The Austrian court had asked for clarification of whether the legitimacy of new packaging was to be measured against the “principle of minimum intervention” or damage to the reputation of the trade mark. Lord Justice Jacob considered that the question had already been answered, so that there was no principle of “minimum intervention.” Further, he considered that it would impose a sixth “BMS condition” that was unworkable in practice. However, as the ECJ had agreed to take the case, he could not rule out the possibility that the Court of Justice would hold otherwise. 1034

**URUGUAY**

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

Administradora de Marcas RD, S. de R.L. de C.V. (Administradora) applied to register the word mark TELCEL MÓVILES, to cover all goods and services in Classes 9, 16, 25, 35, 38, 41, and 42. While the application was accepted in Classes 16, 25, 41, and 42, the Uruguayan Patent and Trademark Office (PTO) refused to grant registration in Classes 9, 35, and 38, holding that the applied-for mark was graphically and phonetically similar to the trademark TELECEL, previously registered in said classes by a Uruguayan individual. 1035 Although the owner of the TELCEL trademark did not file a third-party opposition against the

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1032. Sanofi-Aventis v. Kohlpharma, Case No. I ZR 173/04 (German Federal Supreme Court, June 14, 2007); AstraZeneca v. Paranova Denmark (Danish Supreme Court, Dec. 3, 2007).

1033. Case C-276/05 (ECJ, Dec. 22, 2008). The reference was made on May 24, 2005, and, given the overlap between the questions asked by the Austrian and the English courts, the Austrian reference has been stayed.

1034. However, the Court of Appeal subsequently proceeded to make an interim costs order in favour of the defendants amounting in total to over £460,000. For further details in this respect, see [2008] EWCA Civ 881 (Feb. 21, 2008), available at www.bailii.org/ew/cases/EWCA/Civ/2008/881.html.

application, it was objected to *ex officio* by the PTO with respect to Classes 9, 35, and 38.

In response, Administradora filed an administrative appeal before the Board of Appeals in Trademark Matters. That body confirmed the PTO’s resolution based on the same grounds. Administradora brought a final claim before the High Administrative Court, the highest body in Uruguay, with jurisdiction over administrative decisions issued by governmental bodies.

By unanimous decision of all its members, the High Administrative Court supported Administradora’s claim and ruled in favor of annulling the contested resolution. In their ruling, the judges mainly stressed that the prefixes TEL- and TELE- are weak terms in Classes 9, 35, and 38. The Court underscored that these terms were clearly evocative and very close to the necessary words used to identify the products and services protected in said classes (“telephone, telephony, telecommunications, cellular”). Consequently, the owners of trademarks that are composed of weak terms run the risk of having to tolerate the existence of other trademarks similar to their own.

This decision is important because it establishes that the owners of such trademarks should be ready to tolerate their coexistence in the Registry with other marks containing the same or similar words, even though those marks may be considered graphically and/or phonetically similar.

**VIETNAM**

*I.D.1. Similarity of Marks*

On May 27, 2004, the French company Sanofi Aventis filed a request for the partial cancellation of the trademark DEACRESIOD, registered for pharmaceutical products in International Class 5 by a local firm, Khanh Hoa Joint Stock Company. The request was based on the similarity between Khanh Hoa’s trademark DEACRESIOD and the trademark DIREXIODE, previously registered by Sanofi Aventis for pharmaceuticals in the same class.

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The National Office of Intellectual Property of Vietnam (NOIP) found that the plaintiff’s mark had been widely used for many years before the defendant’s mark was registered. It further noted that the marks were similar in pronunciation and were used for the same products, and consequently there was a likelihood of confusion among consumers as to the source of the goods. Therefore, the NOIP held that the request for partial cancellation was reasonable, and accordingly it limited the list of the products covered by the trademark DEACRESIOD.\(^{1040}\)

In January 2008, Truong Hai Automobile Joint Stock Company (Truong Hai), a Vietnamese company, applied to register the trademark T THACO TRUONG HAI GROUP & Device, to cover goods and services in Classes 12, 36, 37, 39, and 42 (see below, illustration at top).\(^{1041}\)

A year after Truong Hai filed its application, the German company Daimler AG, the maker of Mercedes-Benz automobiles and the owner of the well-known “three-pointed star in the circle” international trademarks (see below, illustrations at bottom),\(^{1042}\) filed an opposition with the NOIP against the grant of the registration certificate for the stylized letter “T” in a circle in Truong Hai’s trademark.

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\(^{1042}\) IR No. 447759 (Classes 35, 36, 37, 39, 41, and 42), registered Sept. 29, 1979; IR No. 447762 (Classes 35, 36, 37, 39, 41, and 42), registered Sept. 29, 1979; IR No. 288311 (Classes 1–9, 11–14, 16–28), registered Sept. 7, 1964.
Daimler argued that the applied-for mark did not meet the protection criteria stipulated in Articles 74.2(e) and 74.2(i) of the Vietnam Intellectual Property Law\(^{1043}\) and its registration would be likely to cause confusion with Daimler’s registered trademarks. The opposition was based on the following grounds:

1. Daimler’s trademarks were well known and had been widely registered and used throughout the world.
2. The stylized letter “T” in the applicant’s mark was confusingly similar to the three-pointed star in Daimler’s trademarks in structure and appearance, as well as with respect to the goods and services covered by those trademarks.
3. There was a high likelihood that the use of Truong Hai’s mark would cause confusion with the Daimler trademarks; therefore, such use would affect Daimler’s reputation and prestige.

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\(^{1043}\) Law on Intellectual Property (Law No. 50/2005/QH11), Nov. 29, 2005. Article 74.2 of the Law ("Distinctiveness of marks") provides, in pertinent part:

A mark shall be considered as indistinctive if it is a sign or signs falling into one of the following cases:

\[\ldots\]

\(\ldots\)

\(e)\) Signs indicating the geographical origin of goods or services, except where such signs have been widely used and recognized as a mark or registered as collective marks or certification marks as provided for in this Law;

\(\ldots\)

\(i)\) Signs identical with or confusingly similar to another person’s mark recognized as a well-known mark which has been registered for goods or services which are identical with or similar to those bearing such well-known mark; or for dissimilar goods or services if the use of such mark may affect the distinctiveness of the well-known mark or the mark registration is aimed at taking advantage of the reputation of the well-known mark.\ldots
After examining the opposition, the NOIP issued a notification requesting the applicant to file a counter-response. Truong Hai’s counter-response contained the following arguments:

1. Truong Hai agreed that Daimler’s trademarks were registered throughout the world, as well as in Vietnam, in the following two forms: (1) IR No. 288311; and (2) IR No. 447762 and associated IR No. 447759. However, having performed an Internet search on the GOOGLE search engine using the key words “logo Mercedes,” Truong Hai found that Daimler virtually never used one of the trademarks (IR No. 288311), and, in practice, used only one of the other two (IR No. 447762).

2. Truong Hai argued that the design in Daimler’s trademark IR No. 447762 was a three-pointed star with three equal angles \( 120^\circ + 120^\circ + 120^\circ = 360^\circ \), so that the circle was divided into three equal portions. Therefore, it was completely different from the design in Truong Hai’s mark, because the angles circumscribed by the stylized letter “T” divided the circle into different-sized portions \( 90^\circ + 90^\circ + 180^\circ = 360^\circ \).

3. The stylized letter “T” in the circle was a symbol of Truong Hai, derived from the first letter of the word Truong, a part of the trade name of Truong Hai. In addition, the stylized letter “T” in the circle was combined with the trade name THACO TRUONG HAI GROUP to create an original mark that was distinctive when compared with Daimler’s trademarks. In fact, Truong Hai stated, many automobile manufacturers, such as Honda, Acura, Lexus, Hyundai, and Tata, used the first letter of the company name as their symbol or trademark.

4. Truong Hai stressed that customers will carefully learn about manufacturers and distributors before buying a high-tech and expensive product such as an automobile. In addition, Truong Hai had had many advertising campaigns for its goods and services using the stylized letter “T” in the circle in public media, such as television, newspapers, and Internet newspapers, and at automobile exhibitions. These activities had made consumers aware of the stylized letter “T” in the circle. Therefore, it would be unlikely for them to be confused about the origin of the product.

5. An investigation into the likelihood that consumers (including individuals, companies, etc.) would recognize the two trademarks in the large cities, such as Hanoi, Ho Chi Minh City, and the neighboring cities and provinces of Hanoi, showed that 100 percent of the consumers could discriminate between the stylized letter “T” in the circle of
Troung Hai and the “three-pointed star in the circle” of Daimler.

After carefully considering the arguments of the parties, the NOIP held that the applied-for mark was not confusingly similar to Daimler’s trademark IR No. 447762. Accordingly, it rejected the opposition.1044

Calvin Klein Trademark Trust, a U.S. corporation, filed an opposition1045 against the grant of protection for the trademark C&K UNDERWEAR filed by Loi Xuyen Private Enterprise, a local company, for goods in Class 25.1046

Carefully considering the opponent’s arguments, the NOIP agreed with Calvin Klein that the applied-for mark C&K UNDERWEAR of Loi Xuyen was confusingly similar to Calvin Klein’s well-known trademark CK in respect of both the mark and the covered goods. Therefore, the NOIP sustained the opposition and refused registration for the mark C&K UNDERWEAR.1047

On April 24, 2007, the Swiss company Syngenta Participations AG filed a request for cancellation of the trademark XOPHICANNONG, registered in the name of An Nong Co., Ltd for plant protection products in Class 5.1048 The NOIP recognized the similarity between XOPHICANNONG and the trademark SOFIT, previously registered by Syngenta Participations AG for plant protection products in same class,1049 as the prefix XOPHIC- of the trademark XOPHICANNONG was similar to the trademark SOFIT in construction and pronunciation. In addition, An Nong’s trademark XOPHICANNONG as actually used was not exactly as registered. Specifically, An Nong had tried to split XOPHICANNONG into two parts, XOPHIC and ANNONG, in which the part ANNONG was presented in a colorless font in comparison with XOPHIC. Furthermore, the products covered by both marks contained the same active ingredients.

Therefore, the NOIP concluded that in registration and actual use An Nong’s mark was confusingly similar to Syngenta’s mark.

Accordingly, it cancelled the trademark certificate for XOPHICANNONG.1050

YEMEN

I.D.1. Similarity of Marks

The Court of Appeal sustained the decision of the Court of First Instance in Sana’a in favor of Beecham Group Plc, owner of the trademark AUGMENTIN1051 in Class 5, which had brought an action against a local pharmaceutical company for applying to register the mark AUGMEN in the same class.

The Court found that the overall presentations of sound and appearance of the marks would undeniably lead the purchasing public to believe that the products they covered emanated from the same source. Consequently, the AUGMEN application created a risk of confusion with a prior mark and violated the provisions of Articles 89 and 90 of the Yemeni Industrial Property Law.1052

Therefore, the Yemeni Trademark Office was required to declare the nullity of the trademark application for AUGMEN.1053

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A mark should be substantially distinguished from other marks. Accordingly, the following shall not be accepted for registration:

1. A mark similar to a mark that is filed or registered for the benefit of a third party, or is subsequently filed by a third party, that has special priority for similar products or services.

2. A mark similar to an unregistered mark previously used by others in Yemen for similar products or services, if the use of the mark required to be registered results in confusion of the public.

3. A mark that is fully or partially identical to a famous mark or a well-known commercial name or that is an imitation or a translation of such mark or name, so that the use of the mark required to be registered will result in confusion of the public.

Article 90 provides:

The following shall not be fit to be a mark:

1. Public logos, symbols, flags, medals and seals, and the like pertaining to Yemen or to one of the countries, governments, or international organizations, symbols of the red crescent, red cross, and geographical names, if their use causes confusion with respect to the source of the products, and photos of others unless their use is approved.

2. Any mark that may mislead the public as to the source or quality of the products or services.

1053. Case No. 9 (Yemeni Court of Appeal, Mar. 17, 2009).
I.E. Bad Faith

The Court of First Instance in Sana’a ruled in favor of the Turkish company Anadolu Efes Biracilik ve Malt Sanayi Anonim Sirketi in its suit against the Ministry of Industry and Trade. The Ministry had rejected the company’s application to register the mark EFES in Class 32 based on the mark’s perceived resemblance to the earlier word mark EFES, registered in the same class in the name of the local company Hantal Brothers. The Court’s decision was based on the following relative grounds:

1. Hantal Brothers had been soliciting and procuring business from customers on behalf of Anadolu Efes Biracilik ve Malt Sanayi Anonim Sirketi for years. Therefore, Hantal Brothers acted with deceitful intention in that it knew or ought to have known, at the date of its trademark application, that the mark EFES did not belong to it. Accordingly, the contested registration constituted a violation of prior-existing trademark rights pursuant to Articles 89, 90, 101, and 102 of the Yemeni Industrial Property Law.1055

2. The registration of the trademark EFES by Hantal Brothers presented an imitation of a famous mark that enjoyed a worldwide reputation, and therefore violated the provisions of Article 6bis of the Paris Convention.1056

1054. Registration No. 27962, granted Aug. 9, 2005.
1055. Article 101 of the Law provides:
A mark may be canceled at the request of the holder of the registration certificate.
The court shall decide canceling a mark at the request of any interested party, or if its use ceases for five consecutive years without an acceptable excuse.

Article 102 provides:
1. The court shall decide that a registration is null at the request of any interested party, or if substantive conditions are not satisfied for a registering a mark.
2. The decision that a registration is null shall result in canceling the registration certificate retroactively. When the decision becomes unobjectionable, the competent party shall cancel the registration, and this shall be announced in the methods decided in the regulations.

1056. Article 6bis of the Paris Convention provides:
(1) The countries of the Union undertake, ex officio if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use, of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered by the competent authority of the country of registration or use to be well known in that country as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known mark or an imitation liable to create confusion therewith.
In light of these findings, the Court ordered the Ministry of Industry and Trade to record the cancellation of the trademark EFES in the records of the Registry. In addition, it ordered Hantal Brothers to bear all court expenses.1057

(2) A period of at least five years from the date of registration shall be allowed for requesting the cancellation of such a mark. The countries of the Union may provide for a period within which the prohibition of use must be requested.

(3) No time limit shall be fixed for requesting the cancellation or the prohibition of the use of marks registered or used in bad faith.

1057. Case No. 195 (Yemeni Court of First Instance, Sana’a, Jan. 1, 2009).
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